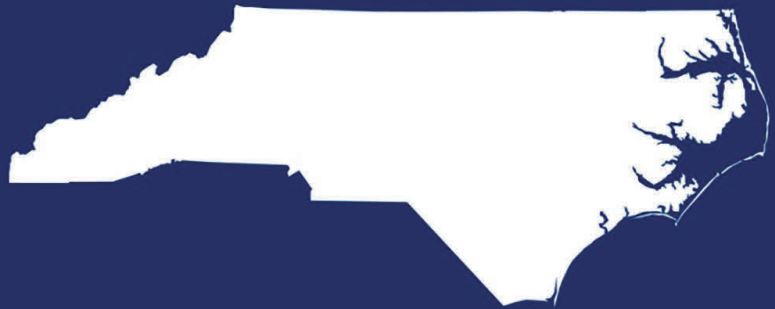


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OFFICE OF GOVERNOR

JOSH STEIN

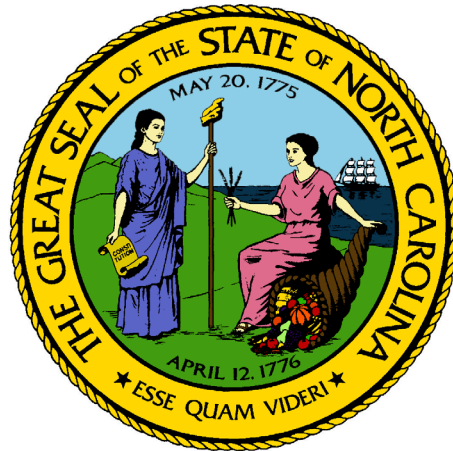
NORTH CAROLINA STRONG



**GOVERNOR STEIN'S RECOMMENDED BUDGET
2025-2027**

WWW.OSBM.NC.GOV/GOVBUDGET

Governor Josh Stein's Recommended Budget 2025-27



Office of State Budget and Management

Office of the Governor
Raleigh, North Carolina

Kristin Walker, State Budget Director
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osbm.nc.gov

March 2025



Questions about Governor Stein's Recommended Budget or requests for further information may be directed to the Office of State Budget and Management, 20320 Mail Service Center, Raleigh, NC 27699-0320, or telephone (984) 236-0600. The document may also be downloaded from the Office of State Budget and Management's website at osbm.nc.gov.

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**STATE OF NORTH CAROLINA
OFFICE OF THE GOVERNOR**

**JOSH STEIN
GOVERNOR**

March 19, 2025

The North Carolina Senate
The Honorable Phil Berger, President Pro Tempore
The Honorable Sydney Batch, Minority Leader

The North Carolina House of Representatives
The Honorable Destin Hall, Speaker
The Honorable Robert Reives, Minority Leader

Dear Mr. President, Mr. Speaker, Leaders, Members of the North Carolina General Assembly and fellow North Carolinians,

I am pleased to present a budget plan for 2025-27 to serve all North Carolinians.

North Carolina has a strong economy, and every corner of our state is filled with success stories and new business investments. It is part of what has spurred more than 140,000 people to relocate to North Carolina each year since 2020. North Carolina is strong, and we must do everything in our power to ensure that we continue to invest in our state so we stay strong and so future generations will continue to reap the benefits of our work.

To continue a trajectory of growth, the state must step up to invest in quality public education and robust opportunities for career and technical training. We must pay our teachers a competitive salary, make sure our schools are safe, and promote our students' health and well being so they are ready to learn. My budget also emphasizes programs to promote our workforce, including apprenticeships, to ensure that our people are ready to take on the high-demand, high-paying jobs of tomorrow. No state will outwork North Carolina when it comes to workforce development.

While North Carolina's economy is thriving and our population is growing, the path to prosperity is not as broad as it ought to be. Rising costs and uneven opportunities have made it hard for working families to meet basic needs. That is why my plan provides targeted tax relief to help working families. We need to commit to helping families afford housing and access child care, so parents can work as their children learn and are cared for in a safe environment.

My budget also invests in public safety. To keep families safe, we must do more to address the critical shortage of law enforcement officers. My budget provides resources to combat the scourge of fentanyl, breathe new life into cold cases, and promotes public safety by expanding the use of body cameras. Our law enforcement officers put their lives on the line to keep North Carolina families safe; we must do our part to support them for this work.

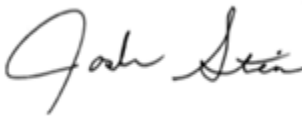
Keeping people healthy and protecting access to affordable, quality health care is another top priority. My budget sustains and expands the nationally-recognized Healthy Opportunities program, which helps people make choices that improve their health and decrease health care costs. It also promotes rural health care by helping to increase access to primary and obstetrician/gynecologist care and investing in rural health clinics. In addition, I am continuing my commitment to supporting people struggling with the disease of substance use disorder by investing in treatment and recovery services. As our state grows, we must continue to ensure that people in every corner of our state benefit from North Carolina's economic success – and that includes making sure our people are safe and healthy.

Our state has a proud history of fiscal responsibility and prudent resource stewardship. We must create a balanced budget. Our revenues are adequate in the first year of the biennium, but by the time of the next year, we will face fiscal challenges. Therefore, I freeze our corporate and personal income taxes at their current rates. It will take a collaborative effort for us to continue to deliver a sound and balanced budget that serves North Carolinians, providing opportunity and attracting people and businesses to our great state. I am ready to do my part and have invested in the IMPACT Center at the Office of State Budget and Management to make sure we are eliminating waste and improving efficiency.

We also cannot and will not forget about the needs facing our fellow North Carolinians in eastern and western North Carolina. In addition to my Helene Immediate Needs budget request presented in February, I will be submitting additional recommendations for long-term recovery in a separate request later this spring. Our state will do everything we can to support these hurricane-ravaged regions that need our support.

Thank you for your partnership to make our state a land of opportunity enjoyed by all North Carolinians.

Sincerely,

A handwritten signature in dark ink, appearing to read "Josh Stein". The signature is fluid and cursive, with the first name "Josh" and last name "Stein" clearly distinguishable.

Josh Stein
Governor

Executive Summary

Governor Stein's budget will improve families' lives, affirm the state's commitment to public education, and put the state on a more secure financial footing while energizing economic opportunity for all North Carolinians.

Improving Public Education

Raises the starting salary for teachers in North Carolina to the highest among states in the Southeast and provides a 10.6% average raise to existing teachers over the biennium. Restores master's degree salary supplements. Existing principals would see a 6% increase over the biennium. Devotes \$30 million a year to help offset the money teachers spend each year on supplies with a \$300 tax-deductible stipend.

Provides free breakfast to all public-school students.

Recommends a \$4 billion bond to address the more than \$13 billion in school construction and repair needs so that kids can learn in clean, safe, modern facilities.

Recognizes the value of digital skills and online learning in the modern world by providing over \$100 million annually for student devices and digital materials. Bolsters school connectivity and cybersecurity with \$9 million in each year of the biennium.

Expands the commitment to literacy with \$41 million in the first year of the biennium and \$17 million in the second. Provides \$6 million each year for high-dosage tutoring. Removes the cap for exceptional children so all students with disabilities can receive needed services.

Supports student mental and physical health by providing funding for 330 additional school health personnel, including school counselors, nurses, social workers, and psychologists.

Makes achieving teaching credentials more accessible to professionals already working with our students with a TA-to-Teacher Tuition Reimbursement program. Provides more than \$16 million in the first year of the biennium and \$26 million in the second for Advanced Teaching Roles supporting novice teachers with coaching from highly skilled educators.

Putting Money in Working Families' Pockets

Provides more than \$530 million per year in tax reductions for working families. This includes a refundable Working Families Tax Credit, a refundable Child & Dependent Care Tax Credit, and converting the child deduction to a refundable Child Tax Credit.

Empowers working parents to access the child care they need to be able to work by providing close to \$88 million in recurring funds for subsidized care, increasing child care provider reimbursement rates, including in rural and low-wealth communities, and making care more affordable.

Expands early childhood education by investing \$26.8 million in the first year and \$53.5 million in the second year for NC Pre-K. An additional \$10 million each year will provide summer programs for rising kindergarteners to help them get ready for elementary school.

Reestablishes a sales tax holiday for back-to-school shopping and holds local governments harmless for related local sales tax revenue loss.

Tackles our state's housing shortage by providing \$15 million each year for the Workforce Loan Program to construct or repair affordable housing. The Housing Finance Agency will use another \$35 million each year to leverage private sector and federal funds to create more housing for low-income families, veterans, seniors, and people with disabilities.

Enhances financial stability for households after a job loss by bringing unemployment insurance benefits more in-line with national averages while ensuring the trust fund is fiscally sound. Increases the maximum weekly benefit to \$470 and adjusts it annually for inflation. On average, laid-off workers currently receive only one-third of their prior wages, threatening individual financial security as well as community financial stability in areas with mass layoffs. Extends the maximum period of eligibility and ties the duration of benefits to the unemployment rate.

Maintaining the State's Fiscal Soundness

Maintains the current individual income and corporate income tax rates to secure state revenues from sinking below the amount needed to maintain services as the state confronts persistent inflation, federal funding cuts, and the needs of our growing population.

Eliminates tax triggers so that potential future rate reductions can be made in a thoughtful, deliberate, real-time manner rather than on an artificial schedule set out of context with current realities.

Funds the Medicaid rebase and enrollment growth at schools and increases for the State Health Plan. Reserves \$500 million to the State Emergency Response and Disaster Relief Fund.

Provides the State Budget Director access to the Federal Match Reserve to cover legal obligations related to employee salaries and contractual expenses resulting from any discontinued or delayed federal funding commitments. This precaution is necessary to plan for federal funding uncertainties.

Building a Strong Workforce

Provides free community college for students attaining non-credit credentials for sought-after skills.

Provides \$40.3 million each year to Propel NC. This effort enhances workforce development programs at North Carolina's Community Colleges for in-demand, high-wage workforce sectors, aligning the programs to business needs and bringing valuable career development opportunities to rural communities.

Commits \$12.1 million in the first year of the biennium and \$8.1 million in the second year to dramatically expand avenues to career-boosting credentials and skill-building. Through apprenticeships, fellowships, and work-based learning grants, North Carolinians will acquire skills to pursue high-demand, well-paying jobs, and businesses will develop the workforce talent they need to flourish.

Addresses the workforce shortage for skilled workers who support people with disabilities, with \$5 million in scholarships, apprenticeships, and training for direct-support professionals and another \$5.7 million to leverage federal funding to stabilize the vocational rehabilitation workforce. An additional \$1 million each year will go to expanding nursing training. Independent Colleges and Universities will receive \$10 million to educate more health care professionals.

Assists justice-involved North Carolinians in pursuing more productive lives with \$5.6 million each year for degree programs and community-based reentry assistance.

Keeping North Carolinians Safe

Commits to school safety by funding 330 new School Resource Officers in elementary and middle schools and providing additional training for SROs. Devotes \$10 million to school safety grants to strengthen school security plus additional funds for the State Bureau of Investigation's behavioral threat assessment unit.

Addresses the long-standing shortage of employees in law enforcement, providing more than \$30 million each year of the biennium for raises for correctional officers and law enforcement officers on state pay plans. Creates a bonus program to attract law enforcement professionals from other states and those newly trained and hired.

Invests more than \$10 million each year to battle opioid use in correctional facilities while providing additional funding for drug agents, financial investigators, and fentanyl control prosecutors to help combat drug-fueled crime in our communities.

Takes on violence and behavioral health crises in rural counties with \$8.7 million each year to fund co-response teams for uniquely challenging situations that can easily escalate.

Creates new positions at the State Bureau of Investigation devoted to solving sexual assault cold cases.

Provides needed equipment for law enforcement, including a new \$20 million recurring appropriation for the Voice Interoperability Plan for Emergency Responders (VIPER) system used by first responders across the state, and provides for body cameras for all field-based state agency law enforcement officers.

Dedicates \$2.3 million each year to reducing gun violence through the NC Secure All Firearms Effectively (NC SAFE) campaign.

Increasing Access to Health Care

Sustains the Healthy Opportunities initiative in existing regions and expands the program to more counties in western North Carolina with a recurring investment of nearly \$100 million by the second year of the biennium. Healthy Opportunities increases access to healthy food, safe housing, and transportation, improving health outcomes and decreasing health care costs.

Invests close to \$20 million recurring, split \$12.8 million federal funding and \$7 million state funding, to increase access to primary and obstetrician/gynecologist (OB/GYN) care by increasing provider rates. Evidence shows primary care improves health care outcomes and decreases emergency department visits, while OB/GYN care is critical for preventative health, pre-, and post-partum care.

Promotes the fiscal viability of about 90 Rural Health Clinics and Centers and more than 39 Federally Qualified Health Clinics that provide primary and dental care to underserved North Carolinians and ensures these entities receive full reimbursement for visits soon after a claim is initiated.

Provides home- and community-based services for people with intellectual or developmental disabilities and enables people with traumatic brain injuries (TBI) to live as independently as possible. Decreases the Innovations Waiver waitlist and creates up to 200 Innovation Waiver slots and TBI Waiver slots, enabling the Division of Health Benefits to make TBI slots available statewide

Implements a new program to ensure adults and youth re-entering into the community can access health care services 90 days prior to release.

Maintaining Fiscal Soundness and Promoting Operational Excellence

Establishes the IMPACT Center (Innovation and Modernization for Performance, Accountability, and Cost-Effective Transformation), with a one-time, \$20 million investment to advance projects that leverage advanced data analytics, artificial intelligence, and best practices to drive efficiency improvements in government operations. These projects will eliminate waste, fraud, and abuse while maintaining or improving service quality.

Creates financial stability for transportation projects and provides needed resources to the Division of Motor Vehicles, with funding for new positions and new or expanded DMV offices, which, together with investments in technology, will improve customer service and reduce wait times.

Makes significant investments to improve ferry services and reliability. Modernizing the Manns Harbor Shipyard will drive improved productivity. These investments will allow the Ferry Division to increase service reliability and quality, bringing significant benefits both to regular service users and visitors.

Recommends additional financial managers, data analysts, and grants managers at several state agencies to improve oversight and stewardship of public resources.

Modernizes state IT systems, including the state budget system, online environmental permitting, state banking system upgrades, statewide HR systems, and software security upgrades and enhancements for elections.

Improving Public Education

Recommendation

Invest significantly in education by adding more than \$876 million in FY 2025-26 and \$1.2 billion in FY 2026-27. This budget raises starting teacher salaries to the highest in the Southeast, increases average teacher pay by 10.6%, reinstates master's pay, and provides a stipend to teachers for school supplies. This budget ensures each public school student has a device for studying, supports all students with disabilities, and scales evidence-based literacy instruction into the middle grades. This budget also provides universal school breakfast at no cost to students, adds school health personnel and school resource officers, and implements a pilot program to reduce academic distractions caused by cell phone use. Finally, this budget provides for a \$4 billion school construction bond to support the renovation, repair, and construction of public school facilities across the state.

Table 1: Allocation of Funds to Dept. of Public Instruction to Improve Public Education

	FY 2025-26		FY 2026-27	
<i>Support, Recruit, and Retain</i>				
Teacher and Instructional Support Salaries	\$366,600,000	R	\$683,500,000	R
Master's Pay	\$10,000,000		\$10,000,000	R
School-Based Administrator Salaries	\$18,100,000	R	\$42,600,000	R
Teacher Supply Stipend	\$30,000,000	NR	\$30,000,000	NR
Support for Low-Performing Districts	\$4,500,000	R	\$4,500,000	R
TAs to Teachers Tuition Reimbursement Program	\$4,000,000	R	\$4,000,000	R
NC Center for the Advancement of Teaching	\$922,000	R	\$2,058,000	R
Sub Total	\$434,122,000		\$776,658,000	
<i>Student Safety and Well-Being</i>				
Universal School Breakfast at No Cost to Students	\$85,300,000	R	\$85,300,000	R
School Health Personnel	\$32,745,000	R	\$32,745,000	R
School Safety	\$63,000,000	R	\$93,000,000	R
	\$10,000,000	NR		
Pilot Program to Limit Cell Phone Use in Schools	\$5,100,000	NR		
School Bus Routing System Contract	\$116,300	R	\$140,500	R
Sub Total	\$196,261,300		\$211,185,500	
<i>Advance Educational Excellence & Innovation</i>				
Devices for Students & Classroom Materials	\$103,700,000	R	\$103,700,000	R
	\$20,300,000	NR	\$11,300,000	NR
Exceptional Children Funding	\$27,000,000	R	\$27,000,000	R
Middle Grades Literacy & Diagnostic Assessments	\$15,390,800	R	\$16,886,000	R
	\$25,969,000	NR		
Advanced Teaching Roles	\$16,100,000	R	\$26,100,000	R
High-Dosage Tutoring	\$6,000,000	R	\$6,000,000	R
Cooperative Innovative High Schools	\$635,000	R	\$635,000	R
Residential Schools for the Deaf and Blind	\$1,560,000	R	\$1,560,000	R
Cybersecurity, Broadband, Student Information Systems, and other Operational Support	\$27,991,960	R	\$27,993,360	R
	\$1,100,000	NR		
Sub Total	\$245,746,760		\$211,174,360	
Totals for Recurring and Nonrecurring	\$783,661,060	R	\$1,167,717,860	R
	\$92,469,000	NR	\$41,300,000	NR
Grand Total	\$876,130,060		\$1,209,017,860	

Recommendation Detail

Support, Recruit, and Retain

Teachers outweigh all other classroom factors in determining how well students perform. For North Carolina to attract and retain excellent teachers, the state must pay them more. Almost 9 of every 10 school-aged children in North Carolina attend public school, yet the state ranks 48th in K-12 funding, spending \$4,900 less per student than the national average.¹ Teacher attrition recently increased to 11.5% per year.² The state ranks 40th nationally in beginning teacher pay, and 10th out of the 12 Southeastern states, with North Carolina teachers earning over 25% less than similar college graduates who chose different careers.³

Governor Stein's Recommended Budget updates the teacher salary schedule to make starting teacher pay the highest in the Southeast and to increase average pay by 10.6% by the second year of the biennium. This budget restores master's degree salary supplements for educators who have or obtain a master's degree in the subject they teach. School health personnel and assistant principals receive raises based on the teacher salary schedule, and existing principals will receive a 6% increase over the biennium. This budget also increases teachers' take-home pay by providing every teacher and instructional support personnel with a \$300 tax-deductible stipend to purchase school supplies. The stipend will ensure teachers no longer have to use their own money for pencils and paper.

Pay is only one obstacle to recruiting and retaining a high-quality teacher workforce. This budget also supports teachers' professional development by expanding methods, content, mental health, and STEM offerings at the NC Center for the Advancement of Teaching. Additional professional learning, coaching, systems design, and capacity building support for low-performing and high poverty schools and districts will further improve student learning and staff retention.

By investing in teacher pipelines, including the Teacher Assistants to Teachers Tuition Reimbursement Program, this budget harnesses the capacity and potential of those already serving our students to take on a larger role educating the next generation of learners.

Student Safety and Well-Being

Improving student safety and well-being in public schools is essential to creating a positive and supportive learning environment. About 11% of North Carolina's population – or 1.2 million people – are experiencing food insecurity. About 394,000 of those individuals are children, which means about one in six children in North Carolina do not have enough food to eat. Research shows that breakfast improves student health, learning, and behavior, and this budget ensures that every public school student has access to a no-cost breakfast.

About half of youth with mental health disorders do not receive necessary care, and more than half of North Carolina's counties have no child or adolescent psychiatrists. This budget sustains the mental health gains made since the pandemic by increasing investments in school nurses, counselors, social workers, and psychologists. These professionals play a key role in supporting students' well-being, with evidence showing that they reduce absences and misbehavior and increase four-year college enrollment.

¹ [Education Law Center](#). "Making the Grade 2024". Ranked list includes all 50 states and Washington, DC.

² [NC DPI](#). 2022-23 State of the Teaching Profession in North Carolina

³ [Education Policy Institute](#). "Teacher Pay Rises in 2023 – but Not Enough to Shrink Pay Gap with Other College Graduates"

As schools across the country grapple with how to manage students' cell phone use during instructional time, North Carolina will lead in developing solutions. This budget funds a grant program to help districts implement strategies to limit cell phone use and an evaluation study to see which strategies work best. By establishing clear boundaries around technology, schools can create a more focused learning environment to promote better academic outcomes.

All parents want their kids to be safe at school. This budget includes funds for safety equipment that schools need to secure their campuses. It also funds school resource officers for elementary and middle schools and requires them to be trained on the social and cognitive development of school-aged children, behavioral health, and trauma-informed practices in schools. This budget improves school resource officers' ability to both protect and support North Carolina students.

Advance Educational Excellence and Innovation

Advancing educational excellence requires equipping teachers and classrooms with the resources necessary to meet student needs. Digital learning is now crucial to providing equitable access to learning, research, and educational tools, and all local education agencies (LEAs) in North Carolina have 1-1 device-to-student ratios. However, many schools bought these laptops with one-time Covid-relief funds, and over 70% of LEAs do not have the funds to refresh devices when they need replacement.⁴ This budget not only ensures that every student has access to a device, but it also provides high speed internet and appropriate cybersecurity protections.

All students have a right to educational services that meet their needs, and for some students those services include individualized support, therapies, and tailored educational resources. This budget delivers on the state's commitment to its exceptional children by eliminating the cap on funding for children with disabilities that currently limits funding in 86 of the state's 115 school districts. By dedicating more state funds to exceptional children, schools can provide the necessary accommodations and support services that empower these students to succeed alongside their peers.

The most recent National Assessment of Educational Progress (NAEP) shows that 70% of fourth graders and 73% of eighth graders in North Carolina are below proficient in reading. Literacy is the foundation of all learning, and early intervention is crucial. This budget expands North Carolina's early grades literacy initiative with a significant investment in diagnostic tools for fourth and fifth grade students, literacy intervention plans for middle school students, and training for all middle school core teachers. Middle schools will be able to identify students who are falling behind and offer additional support to improve reading and comprehension skills necessary for academic achievement across all subjects.

Schools across the country face critical teacher shortages, and North Carolina continues to support innovative programs that maximize the impact of its strongest educators. The Advanced Teaching Roles Program creates classroom leadership roles, so that excellent teachers can earn higher pay while remaining in the classroom, coaching novice teachers and reaching more students with high-quality instruction. Research shows that the program improves student scores (particularly in math), and this budget adds even more districts to the program in FY 2026-27.

⁴ [DPI Report to the NC General Assembly](#): Statewide Trends in Student Digital Learning Access

School Construction Bond

The Department of Public Instruction's most recent Facility Needs Survey identified \$13 billion in needs over a five-year period, a 62% increase over the previous survey.⁵ LEAs reported \$5.2 billion in need for new schools, \$1.7 billion for building additions, and \$5.5 billion to renovate existing facilities.

North Carolina has achieved the highest possible rating from independent credit ratings agencies, and the state's Debt Affordability Study finds that the General Fund has a debt capacity of approximately \$9.96 billion in FY 2025-26. This budget proposes a \$4 billion general obligation bond for school construction, which North Carolina voters would need to approve through a majority vote. About \$1.15 billion of the bond would be evenly distributed among the state's school districts, with the remaining \$2.85 billion allocated based on school district size. This formula would ensure that every school district in the state would receive a base amount of school construction funding while providing additional funds for districts with more students.

Expected Impact

- Raises starting teacher salaries to the highest in the Southeast by the second year of the biennium, at least \$53,000 including state and local supplements.
- Provides a 10.6% average raise for existing teachers over the biennium. The recommended FY 2026-27 teacher salary schedule is provided in Table 2 at the end of this summary.
- Restores 10% master's pay supplements for over 1,000 teachers whose advanced degrees are in the subjects they teach.
- Provides school breakfast at no cost to every public school student in the state.
- Supports student mental and physical health by providing funding for 330 additional school health personnel, including school counselors, nurses, social workers, and psychologists.
- Protects students and school staff by funding 330 new elementary and middle school resource officer positions each year in elementary and middle schools.
- Protects schools by providing grants for safety equipment including security cameras, exterior locks and fences, and metal detectors.
- Enables public schools to continue providing every public K-12 student in the state with a laptop on a 4-year refresh cycle.
- Funds all eligible Children with Disabilities. This includes those students with identified needs that were previously unfunded in the 86 school districts that exceed the current cap, set at 13% of students.
- Extends the state's early grade literacy initiative through grade eight, providing professional development on evidence-based reading instruction to more than 23,000 middle school core teachers and aligning district-wide intervention for struggling readers.
- Promotes school cybersecurity by funding endpoint protection licenses for 250,000 K-12 business servers and staff computers and provides funds to help public schools scan for and identify cybersecurity risks on 1.5 million devices on internal networks.
- Improves the learning environment for North Carolina's public school students by financing projects to build, renovate, modernize, and make facilities safer. The average amount of funding among the 115 LEAs under this proposal would be almost \$35 million, with even the smallest LEAs in the state receiving almost \$11 million in crucial funding to address their critical school infrastructure needs (see Table 3 for details).

⁵ [DPI Five-Year K-12 Facility Needs Report](#): 2020-21 Facility Needs Survey

Table 2: Annual Statewide Teacher Salary Schedule Comparison

Years of Exp.	Current FY 2024-25	Recommended FY 2025-26	Recommended FY 2026-27
0	41,000	44,500	51,200
1	41,750	45,300	51,600
2	42,500	46,100	52,000
3	43,250	46,900	52,400
4	44,000	47,700	52,800
5	44,750	48,500	53,200
6	45,720	49,300	53,600
7	46,630	50,100	54,000
8	47,530	50,900	54,400
9	48,440	51,700	54,800
10	49,350	52,500	55,200
11	50,250	53,300	55,600
12	51,160	54,100	56,000
13	52,060	54,900	56,400
14	52,970	55,700	56,800
15-24	53,880	55,880	57,200
25+	55,950	57,950	59,200

Table 3: Public School Capital Allocation for \$4 Billion Bond

Allocation Methodology			
\$4,000,000,000			
Base Amount	\$1,150,000,000	(\$10,000,000 per LEA)	
ADM	\$2,850,000,000		
LEA	Allocation Total	LEA	Allocation Total
1 Alamance-Burlington Schools	\$ 56,478,876	Mooresville Graded School District	\$ 22,039,459
2 Alexander County Schools	\$ 18,729,335	Jackson County Schools	\$ 16,948,559
3 Alleghany County Schools	\$ 12,657,657	Johnston County Schools	\$ 87,009,730
4 Anson County Schools	\$ 16,011,418	Jones County Schools	\$ 11,998,957
5 Ashe County Schools	\$ 15,346,484	Lee County Schools	\$ 29,035,809
6 Avery County Schools	\$ 13,519,994	Lenoir County Public Schools	\$ 26,905,943
7 Beaufort County Schools	\$ 21,355,823	Lincoln County Schools	\$ 33,810,866
8 Bertie County Schools	\$ 13,347,526	Macon County Schools	\$ 19,138,685
9 Bladen County Schools	\$ 17,860,765	Madison County Schools	\$ 14,303,369
10 Brunswick County Schools	\$ 38,068,520	Martin County Schools	\$ 15,309,081
11 Buncombe County Schools	\$ 55,822,254	McDowell County Schools	\$ 21,135,564
12 Asheville City Schools	\$ 17,945,960	Charlotte-Mecklenburg Schools	\$ 304,844,138
13 Burke County Schools	\$ 33,285,152	Mitchell County Schools	\$ 13,565,708
14 Cabarrus County Schools	\$ 83,078,308	Montgomery County Schools	\$ 17,154,273
15 Kannapolis City Schools	\$ 21,141,798	Moore County Schools	\$ 36,904,886
16 Caldwell County Schools	\$ 31,466,974	Nash-Rocky Mount Schools	\$ 36,996,314
17 Camden County Schools	\$ 13,977,136	New Hanover County Schools	\$ 61,114,712
18 Carteret County Public Schools	\$ 26,103,867	Northampton County Schools	\$ 12,449,866
19 Caswell County Schools	\$ 14,224,408	Onslow County Schools	\$ 66,396,780
20 Catawba County Schools	\$ 42,752,148	Orange County Schools	\$ 24,368,805
21 Hickory City Schools	\$ 17,551,155	Chapel Hill-Carrboro City Schools	\$ 33,093,984
22 Newton Conover City Schools	\$ 15,373,497	Pamlico County Schools	\$ 12,275,321
23 Chatham County Schools	\$ 28,310,616	Elizabeth City-Pasquotank Public Schools	\$ 19,616,606
24 Cherokee County Schools	\$ 16,098,690	Pender County Schools	\$ 32,310,609
25 Edenton-Chowan Schools	\$ 13,476,357	Perquimans County Schools	\$ 13,628,045
26 Clay County Schools	\$ 12,614,021	Person County Schools	\$ 18,999,464
27 Cleveland County Schools	\$ 39,140,726	Pitt County Schools	\$ 59,699,650
28 Columbus County Schools	\$ 20,846,733	Polk County Schools	\$ 14,135,057
29 Whiteville City Schools	\$ 14,132,979	Randolph County Schools	\$ 40,815,528
30 Craven County Schools	\$ 34,598,397	Asheboro City Schools	\$ 19,186,477
31 Cumberland County Schools	\$ 110,610,726	Richmond County Schools	\$ 23,171,924
32 Currituck County Schools	\$ 19,417,126	Public Schools of Robeson County	\$ 52,366,676
33 Dare County Schools	\$ 19,953,229	Rockingham County Schools	\$ 32,618,141
34 Davidson County Schools	\$ 46,845,647	Rowan-Salisbury Schools	\$ 46,552,661
35 Lexington City Schools	\$ 15,890,898	Rutherford County Schools	\$ 24,931,921
36 Thomasville City Schools	\$ 14,336,615	Sampson County Schools	\$ 26,261,789
37 Davie County Schools	\$ 22,492,445	Clinton City Schools	\$ 15,998,950
38 Duplin County Schools	\$ 29,902,301	Scotland County Schools	\$ 20,848,811
39 Durham Public Schools	\$ 74,579,623	Stanly County Schools	\$ 28,117,370
40 Edgecombe County Public Schools	\$ 22,858,158	Stokes County Schools	\$ 21,339,200
41 Winston Salem/Forsyth County Schools	\$ 115,138,510	Surry County Schools	\$ 24,803,090
42 Franklin County Schools	\$ 26,373,996	Elkin City Schools	\$ 12,574,541
43 Gaston County Schools	\$ 73,617,546	Mount Airy City Schools	\$ 13,584,409
44 Gates County Schools	\$ 12,852,982	Swain County Schools	\$ 13,748,565
45 Graham County Schools	\$ 12,217,139	Transylvania County Schools	\$ 16,568,300
46 Granville County Schools	\$ 23,063,872	Tyrrell County Schools	\$ 10,905,972
47 Greene County Schools	\$ 15,624,925	Union County Public Schools	\$ 95,047,118
48 Guilford County Schools	\$ 147,437,672	Vance County Schools	\$ 20,300,241
49 Halifax County Schools	\$ 14,230,642	Wake County Schools	\$ 345,211,857
50 Roanoke Rapids City Schools	\$ 15,404,665	Warren County Schools	\$ 13,123,111
51 Weldon City Schools	\$ 11,317,400	Washington County Schools	\$ 12,025,970
52 Harnett County Schools	\$ 51,257,068	Watauga County Schools	\$ 19,485,697
53 Haywood County Schools	\$ 23,236,340	Wayne County Public Schools	\$ 45,584,351
54 Henderson County Schools	\$ 36,142,290	Wilkes County Schools	\$ 27,117,891
55 Hertford County Schools	\$ 14,623,368	Wilson County Schools	\$ 31,311,130
56 Hoke County Schools	\$ 27,668,539	Yadkin County Schools	\$ 20,339,721
57 Hyde County Schools	\$ 10,922,596	Yancey County Schools	\$ 14,288,823
58 Iredell-Statesville Schools	\$ 53,245,635	Total	\$ 4,000,000,000

Putting More Money in Working Families' Pockets

Recommendation

Maintains current income tax rates while providing over \$500 million annually in targeted tax cuts to working families. Governor Stein's Recommended Budget keeps the individual income tax rate at 4.25%, one of the lowest in the nation, and the corporate income tax rate at 2.25%, the lowest among states that levy this tax. Maintaining income tax rates provides more than \$2.4 billion in revenue over the biennium to invest in public schools, make child care more affordable, build our workforce, keep North Carolinians safe, increase access to health care, and help western North Carolina recover from Hurricane Helene. These recommendations combine fiscal sustainability with critical support for working families struggling to keep ahead of rising costs.

Table 1. Revenue Changes for Putting More Money in Working Families' Pockets

<i>Ensuring Adequate State Revenues</i>	FY 2025-26	FY 2026-27
Maintain Individual Income Tax Rate at 4.25%	\$386,300,000	\$1,801,800,000
Maintain Corporate Income Tax Rate at 2.25%	\$68,400,000	\$166,200,000
<i>Additional Revenues to Support State Investments</i>	<i>\$454,700,000</i>	<i>\$1,968,000,000</i>
<i>Tax Cuts for Working Families</i>		
Refundable Child and Dependent Care Tax Credit	\$59,000,000	\$60,300,000
Replace Child Deduction with a Refundable Child Tax Credit	\$23,000,000	\$23,000,000
Refundable Working Families Tax Credit	\$426,800,000	\$425,800,000
Back-to-School Sales Tax Holiday	\$29,000,000	\$30,000,000
Total Tax Cuts for Working Families	\$537,800,000	\$539,100,000

Recommendation Detail

Sustaining Sufficient Funding for Critical State Investments

To invest in the high-quality public services that make our state successful, like first-rate education, safe communities, the ability to start or grow a business, and quality health care, the state must have sufficient revenue. Under current law and consensus revenue forecasts, the state's individual income tax rate will fall from 4.25% in 2025 to 3.49% in 2027, and corporations will pay no state income tax after 2029. This budget maintains the current individual income tax rate and keeps the corporate income tax rate at 2.25% to ensure that North Carolina can continue to invest in its people and its future.

North Carolina's corporate income tax rate is the lowest among the 44 states with a corporate income tax. The state's individual income tax rate is also among the lowest in the country and the region. Cutting income tax rates further will significantly reduce revenues and deliver disproportionate benefits to the state's wealthiest residents and out-of-state corporate shareholders. The result is that state revenues will fall short of what's necessary for state investments in education, health, and public safety to keep up with inflation and a growing population.

Supporting Working Families

Many working families across North Carolina are struggling to make ends meet due to the high cost of child care, housing, transportation, and groceries. In 2022, median child care costs for one infant in North Carolina ranged from \$5,692 in the least expensive counties to over \$14,000 in the most expensive counties, representing 9% to 18% of median family income. According to the NC Housing Coalition, more than one in four North Carolina households pay more than 30% of their income in rent or mortgage payments.¹ Families living below 200% of the federal poverty line spend nearly 75% of their income on necessities,² leaving little room in their budgets for their children's clothing, school supplies, and other investments necessary for school success.

This budget provides tax credits and a back-to-school sales tax holiday to target working families facing the most significant affordability challenges by:

- **Establishing a refundable Working Families Tax Credit (WFTC) equal to 20% of the federal Earned Income Tax Credit.** This credit supports low-to-moderate income workers (those earning up to \$68,700) and their families with a credit worth up to \$1,600. The WFTC's refundable structure ensures that even families with minimal state income tax liability can receive the full benefit, providing critical cost relief and helping to ensure that take-home pay exceeds the cost of maintaining employment.
- **Providing a refundable child and dependent care credit (CDCTC) equal to 50% of the federal credit.** This credit helps families afford high-quality child care by reimbursing a portion of eligible child and dependent care expenses. Working families with two or more children and \$6,000 or more in child care expenses would receive a credit worth at least \$600.
- **Converting the existing child tax deduction to a refundable Child Tax Credit (CTC) worth up to \$150 per child.** The change provides greater benefits to families with children and extends assistance to lower-income families. The CTC increases the existing tax benefit for nearly 700,000 families with children and extends child tax benefits to nearly 200,000 more families.
- **Reestablishing a back-to-school sales tax holiday for three days in August,** with state and local sales tax exemptions for clothing and school supplies up to \$100 per item, computers up to \$750 per item, and computer supplies up to \$250 per item. The state will hold local governments harmless for the loss of local sales tax revenues.

Expected Impact

Fiscal Impact

- Generates additional net revenue of \$1.4 billion in FY 2026-27, \$3.0 billion in FY 2027-28, and \$3.9 billion in FY 2028-29. The additional revenue will eliminate the multi-billion-dollar shortfalls projected under the current tax policy. Revenue projections under the proposed changes show revenue increasing from \$34.7 billion in FY 2025-26 to \$38.4 billion in FY 2028-29. This ensures that the state can maintain essential services while investing in policies to support working families and promote economic growth.

¹ National Database of Childcare Prices 2019-2022, Women's Bureau. U.S. Department of Labor. [Link](#)

² Lisa A. Gennetian, Jordan Conwell, and Becca Daniels. "How Do Low-Income Families Spend Their Money?" Econofact. November 15, 2021. [Link](#)

- Provides more than \$500 million per year in tax reductions for working families while ensuring sustainable growth in General Fund revenues.

Economic Growth and Workforce Participation

- Boosts workforce participation due to lower child care costs. A recent NC Department of Commerce and NC Child study found that helping young parents reenter the workforce has the potential to add up to \$7.5 billion to North Carolina's GDP and create up to 68,000 new jobs statewide.³
- Raises employment among working parents, especially working mothers. Research shows a 10% increase in child care subsidies, like the Child and Dependent Care Tax Credit, correlates with a 0.68% rise in employment among low-income mothers with young children.⁴ Other research has demonstrated that rising child care costs push mothers out of the workforce, with mothers' employment rates falling by a percentage point for every 10% increase in child care costs.⁵
- Raises incomes of North Carolina families, especially families with children:
 - The Working Families Tax Credit will raise the after-tax income of an estimated 686,000 families by an average of \$419.
 - The Child and Dependent Care Tax Credit will raise the after-tax income of an estimated 214,000 families by an average of \$303.
 - The Child Tax Credit will benefit 884,000 families with children, including an estimated 193,000 families who do not benefit from the current child deduction.
 - Families with school-age children spent an average of \$875 on back-to-school supplies and clothing, according to the National Retail Foundation.⁶ The 7% savings from a back-to-school sales tax holiday would enable these families to save up to \$60 per year.

Health and Education

- Improve child and maternal health. One study found that state Earned Income Tax Credits exceeding 10% of federal levels reduced low birth weight by 2-3% and preterm births by 1.5%, with larger effects for refundable credits.⁷
- Keep more children with their parents and out of foster care. A study published in Child Maltreatment found that refundable state EITCs are linked to an 11% reduction in children entering foster care due to fewer cases of abuse and neglect.⁸
- Improve high-school and college completion. Harvard economist David Deming found that a \$1,000 increase in EITC during adolescence increased high school completion by 1.3% and college completion by 4.2%.⁹

³ North Carolina Department of Commerce and NC Child. *Empowering Work: How Increasing Employment Among Parents of Young Children*. October 2024. [Link](#)

⁴ U.S. Department of Health and Human Services, *The Effects of Child Care Subsidies on Maternal Labor Force Participation in the United States*, 2023. [Link](#)

⁵ First Five Years Fund. "BLS Report Finds Price of Child Care 'Untenable for All Families.'" January 2023. [Link](#)

⁶ National Retail Federation. "Holiday and Seasonal Trends: Back-to-School" [Link](#)

⁷ Markowitz S, Komro KA, Livingston MD, Lenhart O, Wagenaar AC. Effects of state-level Earned Income Tax Credit laws in the U.S. on maternal health behaviors and infant health outcomes, 2017.

⁸ Rostad WL, Ports KA, Tang S, Kleven J. Reducing the Number of Children Entering Foster Care: Effects of State Earned Income Tax Credits. *Child Maltreat*. 2020 Nov;25(4):393-397. [Link](#)

⁹ Deming, David J. *The Growing Importance of Social Skills in the Labor Market*, Harvard University, 2017. [Link](#)

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Building A Strong Workforce

Recommendation

Provides \$138.2 million in FY 2025-26 and \$117.7 million in FY 2026-27 to build a talented workforce and create pathways leading to high-demand, high-wage jobs. Funds will support access to industry-valued workforce credentials for North Carolinians, including apprenticeships, work-based learning programs, training for health care professionals, and assistance for people returning from incarceration.

The recommendation also addresses the need for more robust unemployment benefits by increasing both the maximum weekly benefit and extending the time laid-off workers have to find new employment before exhausting their benefits. A one-time tax credit for employer contributions will support businesses facing recent increases in costs and those recovering from Hurricane Helene.

Table 1: Allocation of Funds to Build a Strong Workforce

<i>Credentials</i>	<i>Agency</i>	<i>FY 2025-26</i>		<i>FY 2026-27</i>	
Propel NC	NCCCS	\$40,291,805	R	\$40,291,805	R
Free Community College for High Demand Skills Training	NCCCS	\$34,491,330	R	\$34,491,330	R
Workforce Monitoring and Evaluation Capacity	DOC	\$300,000	R	\$300,000	R
NCcareers.org Information System	DOC	\$1,500,000	NR		
Growing the Health Care Workforce	NCICU	\$10,000,000	NR		
Subtotal		\$86,583,135		\$75,083,135	
<i>Apprenticeships</i>					
Whole System Apprenticeships Model	DPI, NCCCS, DOC	\$400,000	R	\$400,000	R
Work-Based Learning Grants for Small Businesses and Farmers	DOC	\$2,500,000	NR	\$2,500,000	NR
NC Career Launch	DOC	\$4,000,000	NR		
Aviation Fellows Program	DOT	\$200,000	R	\$200,000	R
Apprenticeship Reserve	OSBM	\$5,000,000	R	\$5,000,000	R
Subtotal		\$12,100,000		\$8,100,000	
<i>Workforce Development</i>					
Basic Law Enforcement Training (BLET)	DPS	\$294,526	R	\$294,526	R
Criminal Justice Coordinator I	DPS	\$105,161	R	\$105,161	R
BLET Program Coordinator	DPS	\$105,161	R	\$105,161	R
Criminal Justice/Sheriffs' Training Standards Positions	DOJ	\$561,409	R	\$561,409	R
Direct Support Professional Development	DHHS-CMS	\$5,000,000	NR		
Vocational Rehabilitation Workforce	DHHS-DEIPD, DSB	\$26,996,396	R	\$26,996,396	R
NC Area Health Education Center Nursing Workforce Expansion	UNC	\$1,000,000	R	\$1,000,000	R
Subtotal		\$33,957,492		\$28,957,492	
<i>Reentry</i>					
Post-Secondary College Funding	DAC	\$2,500,000	R	\$2,500,000	R
Local Reentry Council Statewide Expansion	DAC	\$3,100,000	R	\$3,100,000	R
Subtotal		\$5,600,000		\$5,600,000	
Totals for Recurring and Nonrecurring		\$115,240,627	R	\$115,240,627	R
		\$23,000,000	NR	2,500,000	NR
Grand Total		\$138,240,627		\$117,740,627	

<i>Unemployment Insurance Enhancements</i>	FY 2025-26		FY 2026-27	
Unemployment Insurance Benefit Changes	\$82,000,000	R	\$88,000,000	R
Credit for Unemployment Insurance Taxes	\$110,000,000	NR		
Unemployment Total	\$192,000,000		\$88,000,000	

Recommendation Detail

Credentials

In 2019, North Carolina set a goal for a total of 2 million North Carolinians to have an industry-valued credential or postsecondary degree by 2030. The state has made strong progress toward this goal; 1.66 million North Carolinians currently have a degree or credential. However, North Carolina is still projected to fall short of the goal by 55,000 people.¹

Governor Stein’s Recommended Budget expands access to workforce training and resources that will lead to a degree or credential aligned with the state’s high-demand sectors. The North Carolina Community College System (NCCCS) will begin implementing a new labor-market driven funding model to better prepare and connect students with high-demand, high-wage jobs. Additionally, the Governor recommends making community college tuition free for students pursuing non-credit, short-term workforce credentials in high-demand fields. Funding for the North Carolina Independent Colleges and Universities (NCICU) will help educate more health care professionals to address critical health care workforce shortages across the state. The budget will also modernize North Carolina’s career information system at the Department of Commerce (DOC) to help users explore occupations, receive help with resumes, and attain the necessary credentials to pursue their career aspirations.

Apprenticeships

Apprenticeship programs are critical to develop a skilled workforce for high-demand industries across North Carolina, such as construction, health care, and manufacturing. As of January 2025, North Carolina’s state apprenticeship agency, ApprenticeshipNC, had more than 9,600 active registered apprenticeships and over 900 registered pre-apprenticeships. More than 3,500 employers and 15,000 apprentices have benefited from on-the-job training, pre-apprenticeships, or apprenticeships.²

The Governor’s Recommended Budget includes further investments in apprenticeships and on-the-job training opportunities to connect North Carolinians to high-demand jobs. The budget narrows the skills gaps in the state’s most critical workforce sectors by expanding apprenticeship programs and fellowships at NCCCS, Department of Public Instruction (DPI), DOC, and Department of Transportation (DOT), while also helping small businesses, including our state’s farmers, recruit and retain talent. The budget also funds at least 50 new apprenticeships across state government by investing \$5 million, recurring, into an apprenticeship reserve at the Office of State Budget and Management (OSBM). OSBM will work collaboratively with the Office of State Human Resources (OSHR) and state agencies on establishing apprenticeships throughout state government.

NC Career Launch (NCCL) will establish a rural youth apprenticeship program across five regions based on the successful Surry-Yadkin Works model developed by Surry and Yadkin Counties. The Department of Commerce will administer the \$4 million investment in this program in conjunction with the NC Business Committee for Education (NCBCE) and local stakeholders to develop and scale high-quality

¹ myFutureNC, [North Carolina’s 2025 State of Educational Attainment Report](#).

² ApprenticeshipNC, [2023-2024 ApprenticeshipNC Annual Report](#).

registered pre-apprenticeships for high school students. This innovative system will create career pathways in high-demand industries, while providing support systems and information for employers, school districts, and students. After two years, local communities will be expected to take responsibility for the continued funding of these programs for school districts. With this funding NCCL will increase registered pre-apprenticeship enrollment and pre-apprenticeship completions serving 1,000 participants and provide student support services, including a \$500 success stipend upon completion of the program. NCCL will also expand employer support, technical assistance, and professional development to provide comprehensive training for career counselors, CTE instructors, and administrators.

Workforce Development

North Carolina faces significant labor market needs in high-demand sectors, especially health care. From nurses to direct care professionals, there are growing health care workforce opportunities across the state. There will be an estimated shortage of 12,500 registered nurses and 5,000 licensed practical nurses in North Carolina by 2033.³ The direct care workforce also faces a shortage. According to a 2022 projection by PHI, an organization focused on building a strong direct care workforce, North Carolina is estimated to have 207,100 direct care job openings by 2032.⁴

To address these crucial workforce shortages, this budget creates retention programs for Direct Support Professionals (DSP) at the Department of Health and Human Services (DHHS). The funds will allow the department to offer scholarships, paid apprenticeships, and related training programs to strengthen the DSP workforce. This budget also funds the expansion of the nursing workforce by creating new training sites at the North Carolina Area Health Education Centers (AHEC), recruiting more nursing instructors, and developing educational pathways for nurses to increase their skills. Furthermore, funding for the Department of Public Safety (DPS) and Department of Justice (DOJ) will meet the state's growing public safety needs by adding more instructors to train and certify law enforcement officers.

The state must also stabilize its vocational rehabilitation workforce. This will help ensure individuals with intellectual and developmental disabilities (I/DD), especially those who participate in the Transitions to Community Living, Inclusion Works, and Individual Placement and Support initiatives, receive critical services to meet their employment and independent-living goals. The average vacancy rate for the vocational rehabilitation workforce across the state is approximately 22%, while the vacancy rate in some rural counties is nearly 40%. To address this vacancy rate for vocational rehabilitation counselors and other direct-service professionals and to sustain community provider rates, the Division of Employment and Independence for People with Disabilities (DEIPD) and the Division of Services for the Blind (DSB) will utilize approximately \$5.7 million to leverage an additional \$21 million in federal grant funds. The divisions will use these funds to increase salaries by approximately 18% and stabilize community provider rates.

Reentry

The U.S. Department of Justice has reported that people who participate in education programs while incarcerated are 43% less likely to return to prison.⁵ The Department of Adult Correction (DAC) will receive funds to increase the number of incarcerated people who complete higher educational degree programs. This budget supports services at DAC for justice-involved people as they return to their communities, and it provides funds to DHHS to ensure justice-involved people can receive health care

³ [Investing in North Carolina's Caregiving Workforce.](#)

⁴ Direct Care Workforce State Index: North Carolina. [Link](#)

⁵ U.S. Department of Justice. "Prison Reform: Reducing Recidivism by Strengthening the Federal Bureau of Prisons." [Link](#)

prior to their release. Together, these efforts will reduce recidivism by assisting with housing, health care, and other basic needs while supporting employment, which will set the person leaving incarceration and their community up for success.

Unemployment Insurance

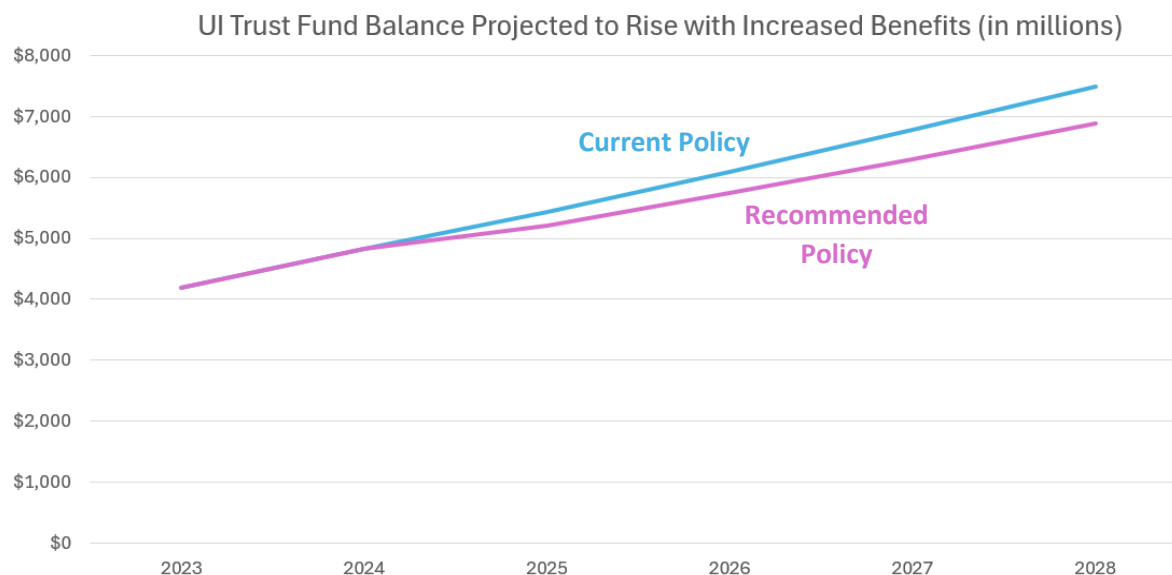
North Carolina's strong recovery from the COVID-19 recession enabled the state's Unemployment Insurance (UI) Trust Fund to reach a record high balance of more than \$4.8 billion in December 2024. Despite this financial strength, North Carolina's UI system lags most states in supporting laid-off workers. The state's average weekly benefit of \$302 ranks 42nd nationally, and the maximum weekly benefit of \$350 has remained unchanged since 2013. As a result, UI benefits now replace only one-third of wages for the average laid-off worker, down from approximately half in 2013. Most other states' UI benefits replace 45-55% of pre-layoff wages. Additionally, North Carolina provides the shortest benefit duration in the nation at just 12 weeks. Thirty-eight states provide at least 26 weeks of benefits.⁶ North Carolina's short benefit duration results in 56% of laid-off North Carolina workers exhausting their benefits before finding new employment, compared to only 38% nationally.⁷

The Governor's recommended changes would adapt unemployment insurance benefits to better support laid-off workers and maintain consumer spending in areas hit by widespread layoffs. The maximum weekly benefit would increase from \$350 to \$470 for new claims filed on or after July 1, 2025, with annual inflation adjustments thereafter. The recommendation extends the maximum benefit duration from 12 weeks to 16 weeks when unemployment is low and from 20 weeks to 26 weeks during times of high unemployment.

The recommendation also provides businesses with a one-time credit equal to their employer UI contributions due January 31, 2025, providing support to businesses managing recent and anticipated increases in production costs and those in western North Carolina recovering from Hurricane Helene. Even with enhanced benefits and a tax credit for businesses, the UI Trust Fund would continue to rise (see chart below).

⁶ Center on Budget and Policy Priorities, "How Many Weeks of Unemployment Compensation Are Available?", updated February 2025. [Link](#)

⁷ U.S. Department of Labor. "Unemployment Insurance Data Dashboard." 2025. [Link](#)



Expected Impact

This proposal will narrow the state’s skills gaps, address critical workforce shortages, and build a talented workforce to support North Carolina’s growing economy. Expected impacts include:

- Increasing apprenticeship programs across the state to meet high-demand workforce needs.
- Supporting small businesses and farmers with grants to recruit talent and provide on-the-job training.
- Expanding the nursing and direct care professional workforce to meet critical shortages.
- Expanding the vocational rehabilitation workforce and improving employment outcomes for people with disabilities by enabling them to obtain the employment and independent services they need.
- Strengthening the state’s public safety workforce through enhanced training and certifications.
- Equipping North Carolinians with postsecondary degrees and credentials for high-demand, high-wage jobs.
- Offering free community college tuition to North Carolinians pursuing non-credit, short-term workforce credentials.
- Reducing recidivism for previously incarcerated people by increasing educational opportunities.
- Providing job seekers with more financial security and allowing them time to find positions that better match their skills and offer higher wages.⁸
- Helping local and regional economies stay afloat in times of widespread layoffs, keeping many families out of poverty and supporting local businesses by sustaining consumer spending.⁹
- Continuing to grow the UI Trust Fund in a growing economy while ensuring a sufficient financial cushion to sustain benefit payments without depleting the trust fund even if the state were to face a recession as severe as the Great Recession.

⁸ Jason Faberman and Ali Haider Ismail. “How Do Unemployment Benefits Relate to Job Search Behavior?” Chicago Fed. June 2020. [Link](#)

⁹ William J. Congdon and Wayne Vroman. “Extending Unemployment Insurance Benefits in Recessions: Lessons from the Great Recession.” Urban Institute. February 2021. [Link](#)

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Increasing Access to Child Care and Early Education

Recommendation

Invests over \$630 million and \$660 million in child care and early education in each year of the next biennium, respectively, to support families and strengthen North Carolina’s economy. Governor Stein’s Recommended Budget provides more than half a billion in tax credits in each year of the biennium, primarily targeting low- and middle-income working families with children. The budget increases subsidized child care rates to narrow the gap between families’ ability to pay tuition and the true cost to provide high-quality child care and early education. This budget curbs the closure of NC Pre-K centers that prepare 4-year-olds for lifelong learning by increasing reimbursement rates, adding new seats, and providing much-needed funding for those tasked with administering safe and high-quality programs. Funds also support the transition from Pre-K to kindergarten for over 3,500 children.

Table 1: Allocation of Funds to Increase Access to Child Care and Early Education

	Agency	FY2025-26	FY2026-27
<i>Raise Provider Wages and Increase Program Quality</i>			
Subsidized Child Care for Low-Income Families	DHHS-DCDEE	\$87,900,000 R	\$87,900,000 R
NC Pre-K Expansion	DHHS-DCDEE	\$26,750,000 R	\$53,500,000 R
Wrap-Around Summer Care and Learning	DHHS-DCDEE	\$10,000,000 R	\$10,000,000 R
Increase Child Care Options for State Employees	DOA	\$1,000,000 NR	-
<i>Totals for Recurring and Nonrecurring</i>		\$124,650,000 R	\$151,400,000 R
		\$1,000,000 NR	\$0 NR
Subtotal		\$125,650,000	\$151,400,000
<i>Tax Credits</i>			
Child and Dependent Care Tax Credit		\$59,000,000 R	\$60,300,000 R
Child Tax Credit		\$23,000,000 R	\$23,000,000 R
Working Families Tax Credit		\$426,800,000 R	\$425,800,000 R
Subtotal		\$508,800,000	\$509,100,000
Grant Total		\$634,450,000	\$660,500,000

Recommendation Detail

One key contributor to child care scarcity in North Carolina is our child care workforce. We do not have enough spots for families who need them in part because child care teachers earn too little for the positions to be attractive to workers. The child care subsidy waitlist grew by over 270% in the last year, from 3,425 children in January 2024 to 12,755 in January 2025.¹ At the same time, 7.9% of North Carolina’s child care programs have closed since February 2020, including 81 net closures in 2024 alone.² Meanwhile, early childhood educators earn an average of just \$29,100/year (\$13.99/hour), less than the 2025 federal poverty level for a family of four.³

¹ [N4DHHS](#): February 2024 and March 2025 Expenditure Reports

² [EducationNC](#): Child care closures accelerated before state funding reached providers”

³ [First Five Years Fund](#): “2024 State Fact Sheet: Child Care & Early Learning in North Carolina”

This budget makes child care more affordable for families and starts to shore up the state's supply by increasing child care subsidy rates based on the 2024 Market Rate Survey. It also creates supply and supports state employee recruitment and retention by renovating underutilized state facilities. When renovations are complete, these buildings will house licensed child care centers that will provide affordable care for the children of state employees.

The funding the state currently provides for NC Pre-K's almost 30,000 slots supports only about half the cost for providers to operate. Providers cite this underfunding as one reason for either not opening new slots or leaving the program altogether.⁴ Since March 2020, NC Pre-K experienced a 4% net loss of sites, with 48 in total.⁵

NC Pre-K participants experience increased literacy, math, and socio-emotional skills at kindergarten entry, and they sustain these gains throughout elementary school. This budget invests in young children by raising NC Pre-K slot reimbursement rates in all settings, raising administration rates, and adding new seats. It further supports these students and their families by providing NC Pre-K Summer Learning Programs after children complete NC Pre-K but before they begin kindergarten.

Child care barriers contribute to 34% of mothers and 20% of fathers leaving the workforce,⁶ costing the North Carolina economy \$3.5 billion each year.⁷ Care is too expensive for families, with center-based infant care in North Carolina costing on average \$12,251 per year, or 11% of the state median income for a married couple.⁸

This budget decreases families' tax burden and increases tax credits to help families stay in the workforce and afford child care and other basic needs. A new refundable Child and Dependent Care Tax Credit, worth up to \$600 for the average family of four, helps North Carolina parents with child care costs. A new refundable Working Families Tax Credit (WFTC), equal to 20% of the federal Earned Income Tax Credit, supports households earning up to \$68,700 who are disproportionately affected by child care costs. And the existing child tax deduction is converted to a refundable Child Tax Credit (CTC) to expand assistance to lower-income families. Since all three credits are refundable, they ensure that even families with minimal state tax liability can receive the full benefits.

Expected Impact

Investments in these priorities are expected to have the following impacts:

- Increases subsidy rates for 3-, 4-, and 5-star providers in 95 of 100 North Carolina counties. Higher rates will help more families afford care and keep providers open.
- Increases NC Pre-K reimbursement rates by 20% in all settings, raises administration rates from 4% to 8% to help program operators maintain quality and safety, and adds 1,000 new seats by the end of the biennium.
- Helps 3,500 families access Summer Learning Programs after their children graduate from NC Pre-K, ensuring parents do not miss work because of child care needs, while providing children with enriching learning opportunities during the summer before kindergarten.

⁴ [NIEER](#): Barriers to Expansion of NC Pre-K: Problems and Potential Solutions

⁵ [NC Health News](#): "Is NC Pre-K dying? Providers say low funding makes it hard to keep up."

⁶ [McKinsey & Company](#). "The childcare conundrum: How can companies ease working parents' return to the office?"

⁷ [Ready Nation](#). "\$122 Billion: The Growing, Annual Cost of the Infant-Toddler Child Care Crisis"

⁸ [Child Care Aware](#): "Child Care Affordability in North Carolina"

- Provides an average \$303 per year Child and Dependent Care Tax Credit to approximately 214,000 households – nearly one in five families with children.
- Provides \$419 Working Families Tax Credit, on average, to approximately 686,000 households. About 16% of North Carolina households will benefit from this credit that can support essential needs like child care, housing, food, transportation, and education.
- Extends CTC benefits to nearly 200,000 new families and increases the existing benefit for nearly 700,000 families already receiving the credit. A total of almost 21% of North Carolina households will benefit from this credit.

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Keeping North Carolinians Safe

Recommendation

Provides \$194.1 million in FY 2025-26 and \$209.6 million in FY 2026-27 to defend North Carolina communities against school- and community-based violence and combat the fentanyl and opioid crisis. Funds support school safety measures, salary increases, bonuses, and communications for public safety personnel, resources to reduce overdoses and stop the spread of fentanyl, violence prevention initiatives, body cameras for state law enforcement officers (LEOs), and capacity to deliver justice for crime victims.

Table 1: Allocation of Funds for Protecting North Carolinians

<i>Protecting Students and Teachers in Schools</i>	Agency	FY 2025-26		FY 2026-27	
School Resource Officers	DPI	\$63,000,000	R	\$93,000,000	R
School Safety Grants	SBI	\$10,000,000	NR		
Behavioral Threat Assessment Unit Social Workers	SBI	\$232,316	R	\$232,316	R
		\$26,968	NR		
Subtotal		\$73,259,284		\$93,232,316	
<i>Supporting Our Public Personnel</i>					
Correctional Officer Salary Investment	DAC	\$33,545,000	R	\$33,545,000	R
VIPER Network Sustainment and Radios	DPS, SBI	\$20,000,000	R	\$20,000,000	R
Funds for Staff on Pay Plans	Various	\$16,835,000	R	\$16,835,000	R
Bonuses for New and Relocating Officers	DOJ	\$15,500,000	R	\$15,500,000	R
NC National Guard Referral, Extension Bonuses	DPS	\$1,500,000	R	\$1,500,000	R
Subtotal		\$87,380,000		\$87,380,000	
<i>Preventing and Combating Fentanyl, Other Drugs, and Crime</i>					
Medication for Opioid Use Disorder	DAC	\$10,100,000	R	\$10,100,000	R
Co-Responder Team Rural Expansion	DHHS	\$8,700,000	R	\$8,700,000	R
NC Secure All Firearms Effectively Campaign	DPS	\$2,261,442	R	\$2,261,442	R
Fentanyl Control Unit	SBI	\$972,481	R	\$972,481	R
		\$362,843	NR		
Fentanyl Control Prosecutors	DOJ	\$505,753	R	\$505,753	R
Governor's Crime Commission Violence Prevention Grants	DPS	\$250,000	R	\$250,000	R
Sexual Assault Cold Case Unit	SBI	\$240,634	R	\$240,634	R
		\$26,968	NR		
Subtotal		\$23,420,121		\$23,030,310	
<i>Distributing Body Cameras</i>					
State Highway Patrol Troopers	DPS	\$766,650	R	\$766,650	R
		\$3,900,000	NR		
Probation and Parole Officers	DAC	\$3,272,785	R	\$3,272,785	R
DNCR LEOs	DNCR	\$1,050,499	R	\$1,050,499	R
All Other Field-Based LEOs	Various	\$849,708	R	\$849,708	R
		\$242,304	NR		
Subtotal		\$10,081,946		\$5,939,642	
Totals for Recurring and Nonrecurring		\$179,582,268	R	\$209,582,268	R
		\$14,559,083	NR		
Grand Total		\$194,141,351		\$209,582,268	

Recommendation Detail

Protecting Students and Teachers in Schools

Schools should be safe environments that enable children to learn and grow. However, acts of crime and violence in schools are up 9.3% from the 2021-22 school year to 2023-24, including an 80.8% increase in bomb threats and hoaxes.¹ The Governor's Recommended Budget supports funding at the Department of Public Instruction (DPI) for school resource officers (SROs) at elementary and middle schools and for their initial and continuing training. The State Bureau of Investigation (SBI) will receive funding for school safety grants to strengthen security with equipment including cameras, exterior locks and fences, and metal detectors. The Center for Safer Schools at SBI will administer these grants to local districts. SBI will also add two social workers to its Behavioral Threat Assessment Unit to develop individualized management and mitigation plans for cases, which reduce the risk of violence. Since 54% of the unit's cases involve juveniles, this work will also improve school safety.

Supporting Our Public Personnel

State and local public safety agencies face challenges recruiting and retaining officers, including both sworn LEOs and certified public safety officers, to keep people safe. Correctional officers (COs) have a vacancy rate of almost 38%, with some facilities experiencing vacancy rates over 60%. From 2014 to 2024, the State Highway Patrol (SHP) saw Trooper applications decline 75%. Under Governor Stein's plan, COs and youth counselors will receive a 6.5% salary increase to make their compensation more competitive, increasing starting pay to over \$40,000. Other public safety personnel on legislative pay plans, including SHP Troopers, probation and parole officers, and juvenile court counselors, will receive a 3% salary increase. The Governor's Recommended Budget also establishes bonuses for NC National Guard referrals or extensions and for newly hired Basic Law Enforcement Training (BLET) graduates and out-of-state BLET-certified transfers who dedicate themselves to protecting their fellow North Carolinians.

First responders must be able to communicate with other state and local agencies during disasters. This proposal also provides stable funding for the Voice Interoperability Plan for Emergency Responders (VIPER), which will enable over 200,000 first responders across the state to communicate on a secure radio network, even if phone signals fail as they did immediately after Hurricane Helene.

Preventing and Combating Fentanyl, Other Drugs, and Crime

On average, six North Carolinians died every day from fentanyl overdose between October 2023 to September 2024.² In addition, 20-30% of people in state prisons suffer from opioid use disorder. A new Fentanyl Control Unit of prosecutors in the Department of Justice and drug agents and financial investigators in SBI will provide more resources and help local law enforcement to stop the flow of narcotics, investigate these cases, and enhance community safety. The Department of Adult Correction (DAC) will receive funds to expand the use of medication to treat opioid use disorder to all correctional institutions following the success of regional pilot programs.

In 2023, there were also 2,800 reported sexual assault cases in North Carolina.³ SBI currently has no staff dedicated to unresolved sexual assault cases. The Governor's Recommended Budget provides SBI

¹ NC Department of Public Instruction, [2023-2024 Consolidated Data Report](#).

² NC Department of Health and Human Services, [Fentanyl-Positive Deaths, North Carolina Office of the Chief Medical Examiner \(OCME\) Toxicology Data: Sep 2024](#).

³ NC State Bureau of Investigation, [2023-Annual-Summary.aspx](#).

funding for sexual assault cold case positions to assist and train local law enforcement to pursue these investigations and bring criminals to justice.

Firearm fatalities was the leading cause of death for children and teens in North Carolina in 2022, and the overall rate of firearm fatalities throughout the state increased 39% from 2013 to 2022.⁴ Funding provided to the Division of Juvenile Justice and Delinquency Prevention within DPS will continue the critical statewide Secure all Firearms Effectively (NC SAFE) campaign. NC SAFE distributes gun locks and safes and provides violence prevention education and programming statewide. Additionally, a competitive grant program through the Governor's Crime Commission and an expansion of state funded co-response teams in 50 rural counties will supply violence prevention and behavioral health crisis response services to local communities.

Distributing Body Cameras

Body cameras have many benefits. They provide crucial evidence in investigations by more accurately documenting interactions and improve preparedness by using situation-based training modeled after officers' previous encounters. A Police Executive Research Forum survey in 2013 found that 94% of responding law enforcement agencies nationwide incorporate body camera footage in their training and administrative reviews.⁵ Upfront purchasing costs and recurring storage costs have prevented all agencies from getting them for their officers. Governor Stein's Recommended Budget includes investments in the following agencies and divisions to ensure all field-based state agency LEOs have body cameras:

- Administrative Office of the Courts;
- Department of Adult Correction;
- Department of Agriculture and Consumer Services;
- Department of Environmental Quality;
- Department of Insurance and the NC Insurance Commission;
- Department of Natural and Cultural Resources;
- Department of Revenue;
- Department of the Secretary of State;
- Department of Transportation;
- NC General Assembly; and
- Alcohol Law Enforcement, State Capitol Police, and State Highway Patrol.

Expected Impact

This proposal will increase public safety in North Carolina, reducing crimes and the resulting harm by:

- Decreasing officer vacancy rates and therefore reducing costs, like CO overtime pay.
- Placing 330 new SROs in elementary and middle schools and providing SRO training on the social and cognitive development of elementary and middle school children, behavioral health, and trauma-informed practices in schools.
- Reducing fentanyl use and overdoses throughout the state.
- Increasing closed sexual assault cold cases and trauma-informed justice for victims.
- Providing more than 3,300 officers with body cameras, enhancing accountability, transparency, and public trust.
- Decreasing firearm violence in communities.

⁴ Johns Hopkins University, [State Data: North Carolina | Center for Gun Violence Solutions](#)

⁵ Police Executive Research Forum, [Implementing a Body-Worn Camera Program: Recommendations and Lessons Learned](#).

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Maintaining Fiscal Soundness and Promoting Operational Excellence

The Governor's Recommended Budget takes an intentional and forward-looking approach to ensure essential government services are funded while also recognizing that improvements can be made, inefficiencies cut out, and savings realized. Targeted investments of \$91 million will expand the state's capacity to evaluate whether programs and policies achieve intended outcomes; to efficiently manage state resources and identify waste, fraud, and abuse; and to use data and technology to further streamline government operations, enhance transparency, and deliver services that are more accessible, responsive, and cost-effective—achieving greater value for every taxpayer dollar spent.

Ensuring Funds to Maintain Essential Programs and Prepare for Future Challenges

Provides a balanced budget and ensures revenues are adequate to meet the needs of a growing state, while also setting aside \$500 million in reserves. This budget maintains the current personal and corporate income tax rates and provides targeted tax cuts for working families. The budget further ensures the state continues to operate essential programs by adequately funding the Medicaid rebase and K-12 and higher education enrollment to accommodate the demands of a growing population. The State Health Plan, which is facing a deficit, receives an additional \$150 million in FY 2025-26 and over \$300 million in FY 2026-27 to promote fiscal solvency and balance state funding with employee contributions to cover the budget gap.

There is a high level of uncertainty around the federal government and potential funding freezes, cuts, and shutdowns. Federal funds account for over 43% of the state's total budget, and many state workers who provide essential services are fully or partly funded by federal funds. This budget provides the Office of State Budget and Management access to the Federal Funds Reserve. Quick access to these funds will be necessary to ensure that legally required commitments can be met if federal funds are reduced or eliminated.

Effectively Utilizing and Managing State Resources

Expanding evaluation and evidence-based policy across state government

Establishes the IMPACT Center (Innovation & Modernization for Performance, Accountability, & Cost-Effective Transformation) to advance projects that substantially improve government operations and cut inefficiencies in state programs and policies. These projects will aim to streamline processes and reduce waste, fraud, and abuse while maintaining or improving service quality and outcomes. The Center will be administered by the Office of State Budget & Management (OSBM), with funds allocated to empower agencies to identify and implement required efficiency transformations, which may include training staff, procuring modern technologies or improving technology adoption, and building capabilities in areas such as agile project management, user-centered (UX) design, data analytics, artificial intelligence, A/B testing, and performance management.

Ensuring accountable and responsible management of state funds

Invests \$5.5 million for additional staff for agency operations, including **internal auditors, budget and finance staff, grants managers, data analysts, and human resource positions** across 11 state agencies to ensure compliance with state and federal regulations, accurate and timely financial management, and the ability to respond to HR needs. Agencies include the Departments of Agriculture and Consumer Services, Insurance, Military and Veterans Affairs, Natural and Cultural Resources, and Public Safety; the

Offices of Administrative Hearings, State Auditor, State Budget and Management, State Controller, and State Human Resources; and the State Bureau of Investigation.

Improving and Securing Access to Government Services

Constituents' expectations about government have changed considerably over the last five years. Around 60% of people strongly prefer to interact with government services online. To serve people in the ways that are easiest for them, the Governor's Recommended Budget invests in a Constituent Portal and Identity Verification to empower North Carolinians with real-time, secure access to information and self-service options on a centralized platform. Expected outcomes from a constituent portal include increased constituent engagement, efficiencies in service delivery, cost savings, and decreased call volumes – while increasing access to information, reducing fraud, and improving user satisfaction.

With the rise in identify theft and fraud, the state must ensure technology solutions accurately identify and authenticate users and all transactions and related data are secure. Therefore, the budget also invests in robust identity verification solutions for DIT's constituent portal and the Department of Transportation's Division of Motor Vehicles self-service portal.

Modernizing State IT Systems to Improve Agency Operations and Customer Service

Improving efficiency for all state agencies

Upgrades and replaces outdated statewide legacy IT systems. The state operates several legacy IT systems that touch all aspects of state government but no longer meet needs. The Governor's Recommended Budget provides new and continued funding to replace or upgrade three of these systems, including:

- The state's budget system: The **Integrated Budget Information System (IBIS)** is over a decade old and is operating beyond its original specifications. It interfaces with the state's accounting system that now requires data validations 50-fold what IBIS was designed to sustain. IBIS currently suffers processing delays and occasionally shuts down entirely. With over 600 users across all state agencies, replacing IBIS will improve capacity to oversee budgets quickly and accurately and ensure the accountability of state spending.
- The state's legacy HR applications: The **Human Capital Management (HCM) System** project is replacing fragmented, outdated, legacy HR applications with a single unified system. The current phase of the project includes recruitment, applicant tracking, on- and off-boarding, business analytics, organizational charting, and I-9/e-verification. Once complete, the HCM will deliver automated workflows, enhance user interfaces, and provide better data analytics, all of which will improve and streamline the hiring process.
- The state's **Banking System**: The banking system houses all deposit and dispersing accounts for the state and calculates interest for budget codes and the Short-Term Investment Fund (STIF). Through this system, the state processes approximately \$1 billion in deposits per day. The system will lose vendor support without performing a needed upgrade. Lack of support could result in interruptions to payments and deposits, negatively impacting citizens, agencies, and universities.

Providing critical IT solutions to allow employees to do their jobs more effectively and efficiently Modernizes data systems across ten state agencies to help staff do their jobs more effectively and efficiently. From rounds tracking software for the Department of Adult Corrections, to tax fraud

analytics within the Department of Revenue, to software to improve case management, the Governor's Recommended Budget makes investments in software and system supports to improve employee productivity and, thereby, government services. These investments span the Departments of Adult Corrections, Justice, Revenue, State Treasurer, and Transportation, as well as Indigent Defense Services, the Offices of the State Auditor, the State Board of Elections, and the State Bureau of Investigation.

Enhancing Customer Interactions with the State

Enables better customer service through technology and service support for the Departments of Environmental Quality, Revenue, and State Treasurer. These technological enhancements will:

- Help over 6,000 DEQ permit applicants apply for, track, and pay for permits, licenses, and certificates online through the Permit Transformation Program.
- Update the Modernized Electronic Filing (MeF) System, which enables taxpayers to submit tax returns electronically and the state to communicate tax filings with the IRS. In FY 2023-24, the MeF system processed over 5.4 million tax returns.
- Improve customer service and secure access to retirement information through enhancements to the Retirement System's help desk and the ORBIT portal, which is the customer service gateway for the over 780,000 Teacher and State Employee Retirement System members and beneficiaries, as well as all other retirement system members.

Table 1 summarizes the Governor's recommended investments to promote fiscal soundness and operational excellence.

Table 1: Allocation of Funds to Promote Fiscal Soundness and Operational Excellence

	Agency	FY 2025-26		FY 2026-27	
Expanding Evaluation and Evidence-Based Policy (IMPACT Center)	OSBM	\$20,000,000	NR		
Ensuring Accountable and Responsible Management of State Funds	11 agencies	\$5,450,944	R	\$5,450,944	R
		\$94,388	NR		
Improving and Securing Access to Government Services	DIT, DOT	\$4,430,463	R	\$5,880,463	R
		\$3,000,000	NR		
Improving Efficiency of Statewide Systems	OSBM, OSHR, DST	\$3,360,937	R	\$5,466,405	R
		\$25,748,000	NR		
Providing critical IT solutions to allow employees to do their jobs more effectively and efficiently	10 agencies	\$3,827,745	R	\$4,198,745	R
		\$17,065,810	NR		
Enhancing Customer Interactions with the State	DEQ, DST, DOR	\$3,300,000	R	\$3,455,000	R
		\$5,000,000	NR		
Totals for Recurring and Nonrecurring		\$20,370,089	R	\$24,451,557	R
		\$70,908,198	NR		
Grand Total		\$91,278,287		\$24,451,557	

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Governor Stein's Recommended Budget FY 2025-27

	FY 2025-26	FY 2026-27
Composition of Budget Availability		
Unappropriated Balance from Prior Fiscal Year	48,073,341	364,074,833
Overcollections FY 2024-25	543,900,000	-
Estimated Reversions FY 2024-25	300,000,000	-
Subtotal Estimated Current Beginning Unreserved Balance	891,973,341	364,074,833
Statutorily Required Reservations of Revenue		
State Capital and Infrastructure Fund	(1,120,000,000)	(1,159,200,000)
Unfunded Liability Solvency Reserve	(38,514,750)	(117,406,800)
Subtotal	(1,158,514,750)	(1,276,606,800)
Additional Investments to Reserves		
State Emergency Response and Disaster Relief Fund	(500,000,000)	-
Consensus Revenue Forecast		
Tax Revenue	33,388,800,000	32,657,100,000
Non-Tax Revenue	1,500,900,000	1,410,000,000
Subtotal	34,889,700,000	34,067,100,000
Adjustments to Revenue		
Maintain Personal Income Tax Rate at 4.25%	386,300,000	1,801,800,000
Maintain Lowest Corporate Tax Rate at 2.25%	68,400,000	166,200,000
Working Families Tax Credit - 20% of Federal Earned Income Tax Credit	(426,800,000)	(425,800,000)
Refundable Child and Dependent Care Tax Credit	(59,000,000)	(60,300,000)
Refundable Child Tax Credit	(23,000,000)	(23,000,000)
Sales Tax Back-to-School Holiday	(29,000,000)	(30,000,000)
PHP Gross Tax Revenue Offset (technical adjustment)	(78,035,000)	(75,623,000)
Subtotal	(161,135,000)	1,353,277,000
Adjustments to Availability		
Insurance Non-Tax Transfer	51,158,263	25,646,165
Revised General Fund Availability	34,013,181,854	34,533,491,198
Base Budget	31,327,542,055	31,380,112,835
Adjustments to Maintain Current Service Levels		
State Health Plan - 5% Growth	153,465,000	314,604,000
Medicaid Rebase	700,320,698	700,320,698
K-12 Enrollment	100,500,000	95,500,000
Community College Enrollment	75,798,320	75,798,320
UNC System Enrollment	46,400,000	46,400,000
Subtotal	1,076,484,018	1,232,623,018
Health and Human Services Investments		
Child Care & Pre-K Investments (+ add'l \$36.75M in FY 2025-26, +\$43.15M in FY 2026-27 from Lottery)	88,900,000	87,900,000
Medicaid - Healthy Opportunities, OB/GYN and Primary Care Rates, Oversight	213,414,549	247,994,338
All Other HHS Investments	60,793,118	96,136,027
Medicaid Expansion Bonus (ARPA Temporary Savings) FY 2024-25 and 2025-26	(167,553,417)	-
Subtotal	195,554,250	432,030,365
Education Investments		
Opp. Scholarships Moratorium - no awards for those over \$115k; no new vouchers	(783,820,000)	(495,620,000)
Teacher Pay - 1st in Southeast for starting pay; average 10.7% raise; Master's Pay	394,624,000	736,141,000
K-12 School Nutrition - Provide Free Breakfast; \$85.3M from lottery receipts	-	-
School Supplies Stipend for Teachers	30,000,000	30,000,000
K-12 Investments	264,014,060	274,501,860
Community Colleges - Propel NC	41,342,304	41,342,304
Free Community College for Workforce Credentialing Students	33,616,565	33,616,565
UNC Investments	69,274,129	61,701,335
Subtotal	49,051,058	681,683,064
State Workforce Investments		
All State Employees 2% COLA	226,528,000	226,528,000
Labor Market Adjustment Reserve for Targeted Employee Salary Increases	160,633,000	160,633,000
Corrections Officers, Law Enforcement Officers, and Nurses - additional 4.5%, 1%, and 1% respectively	50,614,000	50,614,000
Basic Law Enforcement Training Completion and Out of State Recruitment Bonuses	15,500,000	15,500,000
Retirees 2% Nonrecurring Adjustment	77,209,000	-
State Employee Bonus - \$1K to all General Fund employees	169,823,000	-
Subtotal	700,307,000	453,275,000
All Other Investments	300,168,640	170,033,732
Total Recommended Adjustments	2,321,564,966	2,969,645,179
Total Recommended Appropriations	33,649,107,021	34,349,758,014
Balance	364,074,833	183,733,184

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Table 2
Recommended General Fund Budget by Function
FY 2025-26

	FY 2025-26 Recommendation	% of General Fund Budget
Education	\$ 19,017,160,661	56.5%
General Government	\$ 819,263,172	2.4%
Health and Human Services	\$ 8,827,142,908	26.2%
Justice and Public Safety	\$ 4,059,912,935	12.1%
Natural and Economic Resources	\$ 925,627,345	2.8%
Reserves and Other Adjustments	\$ -	0.0%
Total General Fund Budget	\$ 33,649,107,021	100%

Figure 1
General Fund Recommended Budget by Function
FY 2025-26

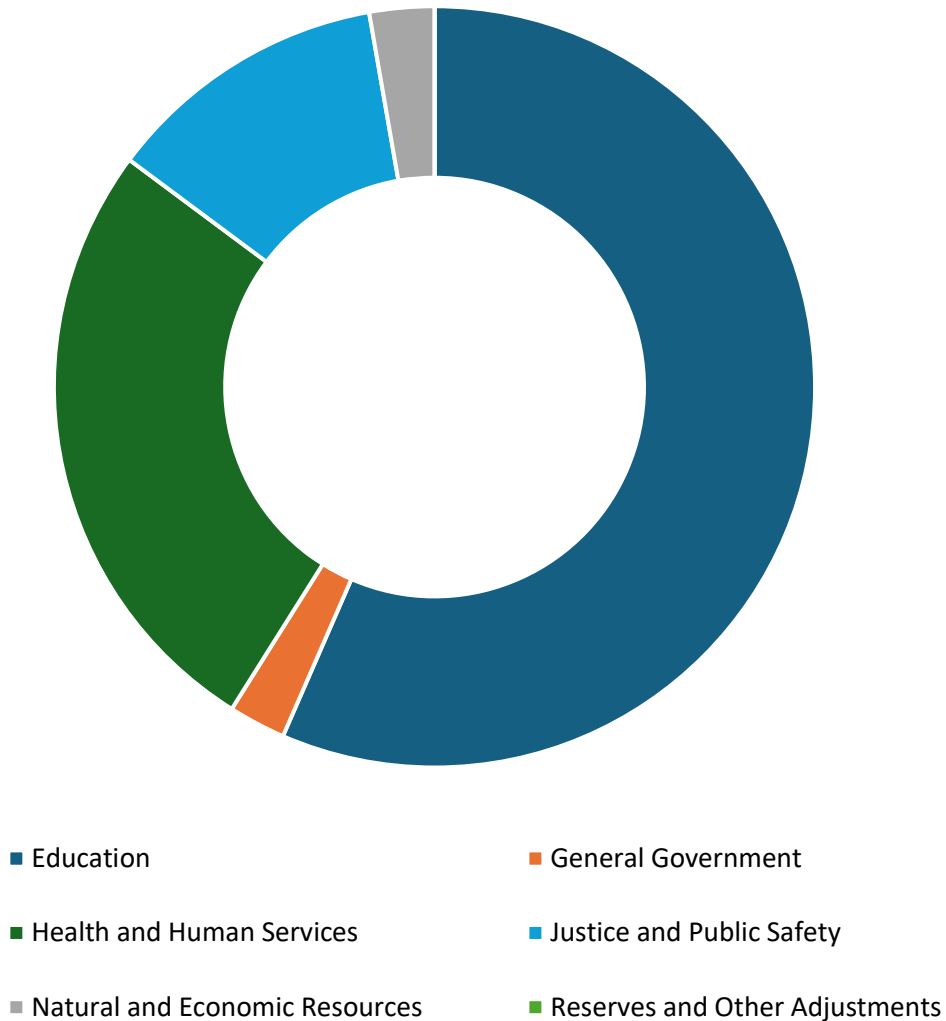


Table 3: Governor's Recommended General Fund Budget 2025-26 Adjustments

Table S. Governor's Recommended General Fund Budget 2023-26 Adjustments											
Budget Code	Function	2025-26 Base Budget	Decrease			Increase			Recommended Net		Net Position Change
			Recurring	Nonrecurring	Positions	Recurring	Nonrecurring	Positions	Net Change	Appropriation	
Education											
13510	Public Instruction - General Fund	11,931,293,399	-	-	-	876,844,076	132,424,470	26.00	1,009,268,546	12,940,561,945	26.00
16800	NC Community College System - General Fund	1,581,960,277	-	-	-	223,677,326	30,135,635	1.00	253,812,961	1,835,773,238	1.00
160XX	University System	4,670,764,159	(427,390,000)	(351,430,000)	-	281,326,296	67,555,023	-	(429,938,681)	4,240,825,478	-
Total Education		18,184,017,835	(427,390,000)	(351,430,000)	-	1,381,847,698	230,115,128	27.00	833,142,826	19,017,160,661	27.00
General Government											
11000	General Assembly - General Fund	99,628,540	-	-	-	3,712,014	2,861,775	-	6,573,789	106,202,329	-
13000	Governor's Office - General Fund	11,780,255	-	-	-	246,746	96,400	-	343,146	12,123,401	-
13005	State Budget and Management - General Fund	11,609,418	-	-	-	893,962	1,001,858	3.00	1,895,820	13,505,238	3.00
13010	NC Housing Finance Agency - Home Match	10,660,000	-	-	-	-	60,000,000	-	60,000,000	70,660,000	-
13050	Military and Veterans Affairs	8,847,078	-	-	-	1,535,125	140,568	9.00	1,675,693	10,522,771	9.00
13085	OSBM-Special Projects	10,300,000	-	-	-	5,000,000	20,000,000	-	25,000,000	35,300,000	-
13100	Lieutenant Governor - General Fund	1,343,596	-	-	-	54,637	19,408	-	74,045	1,417,641	-
13200	Secretary of State - General Fund	19,193,602	-	-	-	1,571,331	298,191	6.00	1,869,522	21,063,124	6.00
13300	State Auditor - General Fund	19,230,380	-	-	-	1,108,443	292,721	4.00	1,401,164	20,631,544	4.00
13410	State Treasurer - General Fund	209,074	-	-	-	-	413,000	6.00	413,000	622,074	6.00
13412	State Treasurer - Transfer Retirement System	24,044,657	-	-	-	-	-	-	-	24,044,657	-
13900	Insurance - General Fund	59,262,359	-	-	-	22,430,924	27,313,470	19.00	49,744,394	109,006,753	19.00
13902	Industrial Commission	14,114,279	-	-	-	557,141	1,427,728	-	1,984,869	16,099,148	-
14100	Administration - General Fund	67,411,405	-	-	-	6,630,606	636,927	3.00	7,267,533	74,678,938	3.00
14111	Office of State Human Resources - General Fund	11,921,921	-	-	-	1,196,183	129,056	7.00	1,325,239	13,247,160	7.00
14160	State Controller - General Fund	35,979,329	-	-	-	1,365,875	390,434	2.00	1,756,309	37,735,638	2.00
14660	Information Technology	76,330,631	-	-	-	19,256,946	320,790	1.00	19,577,736	95,908,367	1.00
14700	Revenue - General	120,812,655	-	-	-	12,901,823	2,120,968	-	15,022,791	135,835,446	-
18025	State Board of Elections - General	9,747,327	-	-	-	1,891,617	121,051	4.00	2,012,668	11,759,995	4.00
18210	Office of Administrative Hearings	8,248,663	-	-	-	537,234	113,051	1.00	650,285	8,898,948	1.00
19420	State Treasurer - General Debt Service	-	-	-	-	-	-	-	-	-	-
Total General Government		620,675,169	-	-	-	80,890,607	117,697,396	65.00	198,588,003	819,263,172	65.00
Health and Human Services											
14410	DHHS - Central Management and Support	215,758,189	-	-	-	40,107,110	8,803,159	1.00	48,910,269	264,668,458	1.00
14411	DHHS - Aging and Adult Services	52,726,198	-	-	-	86,835	108,169	-	195,004	52,921,202	-
14420	DHHS - Child Development and Early Education	294,012,930	-	-	-	87,958,571	400,807	-	88,359,378	382,372,308	-
14430	DHHS - Public Health	139,162,818	-	-	-	1,699,500	4,340,144	-	6,039,644	145,202,462	-
14435	Division of Child and Family Well Being	58,473,187	-	-	-	8,194,558	1,062,724	26.50	9,257,282	67,730,469	26.50
14440	DHHS - Social Services - General	236,897,262	-	-	-	385,153	494,330	-	879,483	237,776,745	-
14445	DHHS - Medical Assistance - General Fund	5,966,140,721	-	(126,833,478)	-	874,442,397	-	-	747,608,919	6,713,749,640	-
14450	DHHS - Services for the Blind/Deaf/Hard of	9,424,856	-	-	-	1,116,210	373,679	-	1,489,889	10,914,745	-
14460	DHHS - Mental Health/Developmental	842,080,385	-	-	-	17,312,194	13,517,636	-	30,829,830	872,910,215	-
14470	DHHS - Health Services Regulation	25,847,895	-	-	-	1,667,903	1,394,846	9.00	3,062,749	28,910,644	9.00
14480	DHHS - Vocational Rehabilitation Services	43,577,745	-	-	-	5,250,962	1,157,313	-	6,408,275	49,986,020	-
Total Health and Human Services		7,884,102,186	-	(126,833,478)	-	1,038,221,393	31,652,807	36.50	943,040,722	8,827,142,908	36.50
Justice and Public Safety											
12000	Judicial - AOC - General Fund	792,492,352	-	-	-	23,218,344	12,062,380	1.00	35,280,724	827,773,076	1.00
12001	Judicial - AOC - Indigent Defense Services	160,958,062	-	-	-	13,510,461	11,493,946	-	25,004,407	185,962,469	-
13600	Justice - General Fund	67,154,703	-	-	-	22,325,652	1,324,051	9.00	23,649,703	90,804,406	9.00
14550	Public Safety - General Fund	645,092,483	-	-	-	37,872,277	19,811,982	25.00	57,684,259	702,776,742	25.00
15010	Adult Correction - General Fund	2,039,540,286	-	-	-	106,315,731	31,271,570	-	137,587,301	2,177,127,587	-
15020	State Bureau of Investigation General Fund	90,402,565	(26,783,180)	-	-	-	11,849,270	23.00	(14,933,910)	75,468,655	23.00
Total Justice and Public Safety		3,795,640,451	(26,783,180)	-	-	203,242,465	87,813,199	58.00	264,272,484	4,059,912,935	58.00

Budget Code	Function	2025-26 Base Budget	Decrease			Increase			Net Change	Recommended Net Appropriation	Net
			Recurring	Nonrecurring	Positions	Recurring	Nonrecurring	Positions			Position Change
Natural and Economic Resources											
13700	Agriculture and Consumer Services - General	172,409,974	-	-	-	14,404,467	25,848,927	8.00	40,253,394	212,663,368	8.00
13800	Labor - General Fund	25,642,417	-	-	-	1,848,116	631,324	4.00	2,479,440	28,121,857	4.00
14300	Environmental Quality - General Fund	109,375,994	-	-	-	6,760,505	24,544,392	5.00	31,304,897	140,680,891	5.00
14350	Wildlife Resources Commission - General Fund	16,859,961	-	-	-	672,122	819,378	-	1,491,500	18,351,461	-
14600	Commerce - General	20,264,453	-	-	-	3,573,972	8,770,724	9.00	12,344,696	32,609,149	9.00
14601	Commerce - General State Aid	19,655,810	-	-	-	-	-	-	-	19,655,810	-
14602	Commerce Economic Development	158,348,245	-	-	-	2,900,000	5,000,000	-	7,900,000	166,248,245	-
14800	Natural and Cultural Resources - General Fund	278,342,651	-	-	-	18,771,213	10,182,700	104.00	28,953,913	307,296,564	104.00
Total Natural and Economic Resources		800,899,505	-	-	-	48,930,395	75,797,445	130.00	124,727,840	925,627,345	130.00
Reserves and Other Adjustments											
19XXX	Reserves and Other Adjustments	42,206,909	(42,206,909)	-	-	-	-	-	(42,206,909)	-	-
Total Reserves and Other Adjustments		(42,206,909)	(42,206,909)	-	-	-	-	-	(42,206,909)	-	-
Total		31,327,542,055	(496,380,089)	(478,263,478)	-	2,753,132,558	543,075,975	316.50	2,321,564,966	33,649,107,021	316.50

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Table 4
Recommended General Fund Budget by Function
FY 2026-27

	FY 2026-27 Recommendation	% of General Fund Budget
Education	\$ 19,672,403,187	57.3%
General Government	\$ 761,733,323	2.2%
Health and Human Services	\$ 9,045,952,351	26.3%
Justice and Public Safety	\$ 3,994,363,559	11.6%
Natural and Economic Resources	\$ 875,305,594	2.5%
Reserves and Other Adjustments	\$ -	0.0%
Total General Fund Budget	\$ 34,349,758,014	100%

Figure 2
General Fund Recommended Budget by Function
FY 2026-27

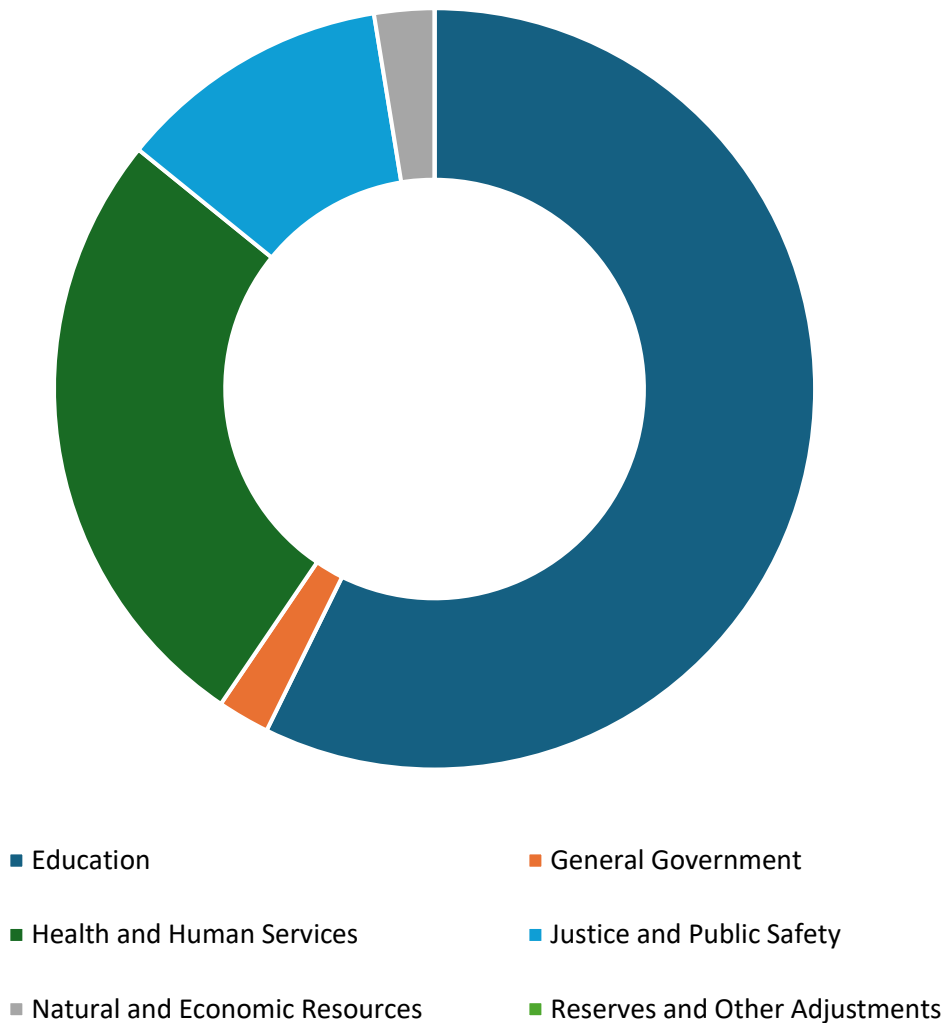


Table 5: Governor's Recommended General Fund Budget 2026-27 Adjustments

Table 5. Governor's Recommended General Fund Budget 2026-27 Adjustments											
Budget Code	Function	2026-27 Base Budget	Decrease			Increase			Recommended Net		Net Position Change
			Recurring	Nonrecurring	Positions	Recurring	Nonrecurring	Positions	Net Change	Appropriation	
Education											
13510	Public Instruction - General Fund	11,931,333,789	-	-	-	1,350,797,890	30,000,000	40.00	1,380,797,890	13,312,131,679	40.00
16800	NC Community College System - General Fund	1,581,960,277	-	-	-	235,273,722	-	1.00	235,273,722	1,817,233,999	1.00
160XX	University System	4,722,168,340	(490,620,000)	-	-	310,949,169	540,000	-	(179,130,831)	4,543,037,509	-
Total Education		18,235,462,406	(490,620,000)	-	-	1,897,020,781	30,540,000	41.00	1,436,940,781	19,672,403,187	41.00
General Government											
11000	General Assembly - General Fund	99,628,540	-	-	-	4,201,515	-	-	4,201,515	103,830,055	-
13000	Governor's Office - General Fund	11,780,255	-	-	-	279,028	-	-	279,028	12,059,283	-
13005	State Budget and Management - General Fund	11,609,418	-	-	-	945,317	850,000	3.00	1,795,317	13,404,735	3.00
13010	NC Housing Finance Agency - Home Match	10,660,000	-	-	-	-	50,000,000	-	50,000,000	60,660,000	-
13050	Military and Veterans Affairs	8,848,500	-	-	-	1,587,905	-	9.00	1,587,905	10,436,405	9.00
13085	OSBM-Special Projects	10,300,000	-	-	-	5,000,000	-	-	5,000,000	15,300,000	-
13100	Lieutenant Governor - General Fund	1,343,596	-	-	-	61,607	-	-	61,607	1,405,203	-
13200	Secretary of State - General Fund	19,193,602	-	-	-	1,681,687	-	6.00	1,681,687	20,875,289	6.00
13300	State Auditor - General Fund	19,230,380	-	-	-	1,197,287	-	4.00	1,197,287	20,427,667	4.00
13410	State Treasurer - General Fund	209,074	-	-	-	-	-	6.00	-	209,074	6.00
13412	State Treasurer - Transfer Retirement System	24,044,657	-	-	-	-	-	-	-	24,044,657	-
13900	Insurance - General Fund	59,262,359	-	-	-	25,020,503	-	19.00	25,020,503	84,282,862	19.00
13902	Industrial Commission	14,114,279	-	-	-	625,662	-	-	625,662	14,739,941	-
14100	Administration - General Fund	67,411,405	-	-	-	6,849,492	-	3.00	6,849,492	74,260,897	3.00
14111	Office of State Human Resources - General Fund	11,944,447	-	-	-	3,413,930	-	7.00	3,413,930	15,358,377	7.00
14160	State Controller - General Fund	35,979,329	-	-	-	1,505,667	-	2.00	1,505,667	37,484,996	2.00
14660	Information Technology	76,330,631	-	-	-	20,819,736	-	1.00	20,819,736	97,150,367	1.00
14700	Revenue - General	120,834,465	-	-	-	14,294,841	151,876	-	14,446,717	135,281,182	-
18025	State Board of Elections - General	9,747,327	-	-	-	1,935,495	-	4.00	1,935,495	11,682,822	4.00
18210	Office of Administrative Hearings	8,262,730	-	-	-	576,781	-	1.00	576,781	8,839,511	1.00
19420	State Treasurer - General Debt Service	-	-	-	-	-	-	-	-	-	-
Total General Government		620,734,994	-	-	-	89,996,453	51,001,876	65.00	140,998,329	761,733,323	65.00
Health and Human Services											
14410	DHHS - Central Management and Support	215,775,326	-	-	-	65,071,413	-	1.00	65,071,413	280,846,739	1.00
14411	DHHS - Aging and Adult Services	52,726,198	-	-	-	109,762	-	-	109,762	52,835,960	-
14420	DHHS - Child Development and Early Education	294,012,930	-	-	-	108,324,920	-	-	108,324,920	402,337,850	-
14430	DHHS - Public Health	139,164,825	-	-	-	1,950,976	-	-	1,950,976	141,115,801	-
14435	Division of Child and Family Well Being	58,538,178	-	-	-	8,360,899	-	26.50	8,360,899	66,899,077	26.50
14440	DHHS - Social Services - General	236,898,718	-	-	-	490,313	-	-	490,313	237,389,031	-
14445	DHHS - Medical Assistance - General Fund	5,966,144,622	-	-	-	890,027,732	59,200,000	-	949,227,732	6,915,372,354	-
14450	DHHS - Services for the Blind/Deaf/Hard of	9,425,346	-	-	-	1,156,810	-	-	1,156,810	10,582,156	-
14460	DHHS - Mental Health/Developmental	842,080,385	-	-	-	19,820,709	-	-	19,820,709	861,901,094	-
14470	DHHS - Health Services Regulation	25,847,895	-	-	-	1,836,160	-	9.00	1,836,160	27,684,055	9.00
14480	DHHS - Vocational Rehabilitation Services	43,589,336	-	-	-	5,398,898	-	-	5,398,898	48,988,234	-
Total Health and Human Services		7,884,203,759	-	-	-	1,102,548,592	59,200,000	36.50	1,161,748,592	9,045,952,351	36.50
Justice and Public Safety											
12000	Judicial - AOC - General Fund	792,492,352	-	-	-	27,673,008	-	1.00	27,673,008	820,165,360	1.00
12001	Judicial - AOC - Indigent Defense Services	160,976,436	-	-	-	14,050,306	-	-	14,050,306	175,026,742	-
13600	Justice - General Fund	67,161,681	-	-	-	22,702,232	-	9.00	22,702,232	89,863,913	9.00
14550	Public Safety - General Fund	645,321,704	-	-	-	41,234,349	-	25.00	41,234,349	686,556,053	25.00
15010	Adult Correction - General Fund	2,040,196,499	-	-	-	117,740,690	-	-	117,740,690	2,157,937,189	-
15020	State Bureau of Investigation General Fund	90,402,565	(26,015,231)	-	-	-	426,968	25.00	(25,588,263)	64,814,302	25.00
Total Justice and Public Safety		3,796,551,237	(26,015,231)	-	-	223,400,585	426,968	60.00	197,812,322	3,994,363,559	60.00

Budget Code	Function	2026-27 Base Budget	Decrease			Increase			Recommended Net Change	Appropriation	Net Position Change
			Recurring	Nonrecurring	Positions	Recurring	Nonrecurring	Positions			
Natural and Economic Resources											
13700	Agriculture and Consumer Services - General	172,409,974	-	-	-	15,235,991	-	8.00	15,235,991	187,645,965	8.00
13800	Labor - General Fund	25,649,758	-	-	-	1,997,317	-	4.00	1,997,317	27,647,075	4.00
14300	Environmental Quality - General Fund	109,357,259	-	-	-	7,125,555	12,000,000	5.00	19,125,555	128,482,814	5.00
14350	Wildlife Resources Commission - General Fund	16,859,961	-	-	-	773,050	-	-	773,050	17,633,011	-
14600	Commerce - General	20,264,453	-	-	-	3,651,552	8,500,000	9.00	12,151,552	32,416,005	9.00
14601	Commerce - General State Aid	19,655,810	-	-	-	-	-	-	-	19,655,810	-
14602	Commerce Economic Development	158,348,245	-	-	-	2,900,000	-	-	2,900,000	161,248,245	-
14800	Natural and Cultural Resources - General Fund	278,408,070	-	-	-	19,918,599	2,250,000	104.00	22,168,599	300,576,669	104.00
Total Natural and Economic Resources		800,953,530	-	-	-	51,602,064	22,750,000	130.00	74,352,064	875,305,594	130.00
Reserves and Other Adjustments											
19XXX	Reserves and Other Adjustments	42,206,909	(42,206,909)	-	-	-	-	-	(42,206,909)	-	-
Total Reserves and Other Adjustments		42,206,909	(42,206,909)	-	-	-	-	-	(42,206,909)	-	-
Total		31,380,112,835	(558,842,140)	-	-	3,364,568,475	163,918,844	332.50	2,969,645,179	34,349,758,014	332.50

**Table 6: Highway Fund and Highway Trust Fund Budget
2025-26 Adjustments**

Function	2025-26	Decreases			Increases			Net Change	2025-26	Net
	Base	Net Recurring	Net Nonrecurring	Positions	Net Recurring	Net Nonrecurring	Positions		Recommended	Position
	Appropriation								Net Appropriation	Change
Highway Fund										
DOT Administration	141,558,209	-	-	-	1,750,000			1,750,000	143,308,209	-
Division of Highways										
Administration	38,287,904	-	-	-	200,000	-		200,000	38,487,904	-
Construction	77,543,078	-	-	-	-	-	-	-	77,543,078	-
Maintenance	\$2,189,464,355	-	-	-	41,733,977	-	-	41,733,977	2,231,198,332	-
Planning and Research		-	-	-	-	-	-	-	-	-
OSHA Program	358,030	-	-	-	-	-	-	-	358,030	-
Total Division of Highways	2,305,653,367	-	-	-	41,933,977	-	-	41,933,977	2,347,587,344	-
State Aid to Municipalities	185,875,000	-	-	-	-		-	-	185,875,000	-
Multi-Modal										
Airports	158,000,809	-	-	-	176,173	200,000	-	376,173	158,376,982	-
Bicycle	-	-	-	-	-	-	-	-	-	-
Ferry	61,897,728	-	-	-	11,000,000	19,653,445	-	30,653,445	92,551,173	-
Public Transportation	69,570,554	-	-	-	1,000,000	-	-	1,000,000	70,570,554	-
Railroads	45,367,607	-	-	-	4,000,000	-	-	4,000,000	49,367,607	-
Total Multi-Modal	334,836,698	-	-	-	16,176,173	19,853,445	-	36,029,618	370,866,316	-
Governor's Highway Safety Program	351,695	-	-		250,000	-	4.00	250,000	601,695	4.00
Division of Motor Vehicles	159,828,513	-	-	-	5,356,087	8,603,975	56.00	13,960,062	173,788,575	56.00
Other State Agencies	18,281,615	-	-	-	-	-	-	-	18,281,615	-
Transfer to General Fund	-	-	-	-	-	-	-	-	-	-
Other Reserves	2,799,508	-	-	-	42,580,000	12,999,000	-	55,579,000	58,378,508	-
Capital Improvements	-	-	-	-	-	6,712,738	-	6,712,738	6,712,738	-
Total Highway Fund	3,149,184,605	-	-	-	108,046,237	48,169,158	60.00	156,215,395	3,305,400,000	60.00
Highway Trust Fund										
Administration	44,621,733	-	-	-	-	-	-	-	44,621,733	-
Construction										
Strategic Prioritization Program	\$2,184,548,414	-	-	-	43,754,000	-	-	43,754,000	2,228,302,414	-
Intrastate System	-	-	-	-	-	-	-	-	-	-
Urban Loop System	-	-	-	-	-	-	-	-	-	-
Secondary Roads	-	-	-	-	-	-	-	-	-	-
Total Construction	2,184,548,414	-	-	-	43,754,000	-	-	43,754,000	2,228,302,414	-
State Aid to Municipalities	-	-	-	-	-	-	-	-	-	-
Bonds										
Bond Redemption	76,580,000	-	-	-	-	-	-	-	76,580,000	-
Bond Interest	44,860,275	-	-	-	-	-	-	-	44,860,275	-
Total Bonds	121,440,275	-	-	-	-	-	-	-	121,440,275	-
NC Turnpike Authority	49,000,000	-	-	-	-	-	-	-	49,000,000	-
Transfer to Ports	45,000,000	-	-	-	-	-	-	-	45,000,000	-
Other State Agencies	-	-	-	-	-	-	-	-	-	-
Transfer to Visitor's Centers	640,000	-	-	-	-	-	-	-	640,000	-
Uncommitted Trust Fund Admin	495,578	-	-	-	-	-	-	-	495,578	-
Total Highway Trust Fund	2,445,746,000	-	-	-	43,754,000	-	-	43,754,000	2,489,500,000	-

**Table 7: Highway Fund and Highway Trust Fund Budget
2026-27 Adjustments**

Function	2026-27 Base	Decreases			Increases			Net Change	2026-27 Recommended	Net
	Appropriation	Net Recurring	Nonrecurring	Positions	Net Recurring	Nonrecurring	Positions		Net Appropriation	Position Change
Highway Fund										
DOT Administration	141,558,209	-	-	-	1,750,000	-	-	1,750,000	143,308,209	-
Division of Highways										
Administration	38,287,904	-	-	-	125,000	-	1.00	125,000	38,412,904	-
Construction	77,543,078	-	-	-	-	-	-	-	77,543,078	-
Maintenance	\$2,189,364,355	-	-	-	59,358,938	-	-	59,358,938	2,248,723,293	-
Planning and Research		-	-	-	-	-	-	-	-	-
OSHA Program	358,030	-	-	-	-	-	-	-	358,030	-
Total Division of Highways	2,305,553,367	-	-	-	59,483,938	-	1.00	59,483,938	2,365,037,305	-
State Aid to Municipalities	185,875,000	-	-	-	-	-	-	-	185,875,000	-
Multi-Modal										
Airports	159,500,809	-	-	-	188,429	200,000	-	388,429	159,889,238	-
Bicycle	-	-	-	-	-	-	-	-	-	-
Ferry	61,897,728	-	-	-	11,000,000	11,250,000	-	22,250,000	84,147,728	-
Public Transportation	69,570,554	-	-	-	1,000,000	-	-	1,000,000	70,570,554	-
Railroads	45,367,607	-	-	-	5,000,000	-	-	5,000,000	50,367,607	-
Total Multi-Modal	336,336,698	-	-	-	17,188,429	11,450,000	-	28,638,429	364,975,127	-
Governor's Highway Safety Program	351,695	-	-	-	250,000	-	4.00	250,000	601,695	4.00
Division of Motor Vehicles	159,866,693	-	-	-	6,986,576	-	85.00	6,986,576	166,853,269	85.00
Other State Agencies	18,281,615	-	-	-	-	-	-	-	18,281,615	-
Transfer to General Fund	-	-	-	-	-	-	-	-	-	-
Other Reserves	2,799,508	-	-	-	48,675,000	-	-	48,675,000	51,474,508	-
Capital Improvements	-	-	-	-	-	47,793,272	-	47,793,272	47,793,272	-
Total Highway Fund	3,150,622,785	-	-	-	134,333,943	59,243,272	90.00	193,577,215	3,344,200,000	89.00
Highway Trust Fund										
Administration	44,621,733	-	-	-	-	-	-	-	44,621,733	-
Construction										
Strategic Prioritization Program	\$2,184,552,414	-	-	-	101,883,000	-	-	101,883,000	2,286,435,414	-
Intrastate System	-	-	-	-	-	-	-	-	-	-
Urban Loop System	-	-	-	-	-	-	-	-	-	-
Secondary Roads	-	-	-	-	-	-	-	-	-	-
Total Construction	2,184,552,414	-	-	-	101,883,000	-	-	101,883,000	2,286,435,414	-
State Aid to Municipalities	-	-	-	-	-	-	-	-	-	-
Bonds										
Bond Redemption	80,405,000	-	-	-	-	-	-	-	80,405,000	-
Bond Interest	41,031,275	-	-	-	-	-	-	-	41,031,275	-
Total Bonds	121,436,275	-	-	-	-	-	-	-	121,436,275	-
NC Turnpike Authority	49,000,000	-	-	-	-	-	-	-	49,000,000	-
Transfer to Ports	45,000,000	-	-	-	-	-	-	-	45,000,000	-
Other State Agencies	-	-	-	-	371,000	-	-	371,000	371,000	-
Transfer to Visitor's Centers	640,000	-	-	-	-	-	-	-	640,000	-
Uncommitted Trust Fund Admin	495,578	-	-	-	-	-	-	-	495,578	-
Total Highway Trust Fund	2,445,746,000	-	-	-	102,254,000	-	-	102,254,000	2,548,000,000	-

Table 8: Summary of General Fund Base Budget Adjustments, 2025-26

Budget Code	Function	2023-24 Actual	2024-25 Authorized	Base Budget Requirements	Base Budget Receipts	Base Budget	\$ Change from 2024-25 Auth	% Change from 2024-25 Auth	Base Budget Positions
Education									
13510	Public Instruction - General Fund	\$ 11,370,297,434	\$ 11,952,263,781	\$ 14,371,756,376	\$ 2,440,462,977	\$ 11,931,293,399	\$ (20,970,382)	(0.18) %	1,112,752
16800	NC Community College System - General Fund	\$ 1,424,165,806	\$ 1,582,147,873	\$ 1,961,916,208	\$ 379,955,931	\$ 1,581,960,277	\$ (187,596)	(0.01) %	239,000
160XX	University System	\$ 4,225,795,124	\$ 4,646,591,271	\$ 6,916,601,080	\$ 2,245,836,921	\$ 4,670,764,159	\$ 24,172,888	0.52 %	37,433,147
Total Education		\$ 17,020,258,364	\$ 18,181,002,925	\$ 23,250,273,664	\$ 5,066,255,829	\$ 18,184,017,835	\$ 3,014,910	0.02 %	38,784,899
General Government									
11000	General Assembly - General Fund	\$ 99,688,570	\$ 99,628,540	\$ 100,189,540	\$ 561,000	\$ 99,628,540	\$ -	0.00 %	604,060
13000	Governor's Office - General Fund	\$ 6,366,146	\$ 11,780,255	\$ 12,920,549	\$ 1,140,294	\$ 11,780,255	\$ -	0.00 %	50,000
13005	State Budget and Management - General Fund	\$ 11,304,611	\$ 11,609,418	\$ 12,715,820	\$ 1,106,402	\$ 11,609,418	\$ -	0.00 %	75,000
13010	NC Housing Finance Agency - Home Match	\$ 10,660,000	\$ 10,660,000	\$ 10,660,000	\$ -	\$ 10,660,000	\$ -	0.00 %	0,000
13050	Military and Veterans Affairs	\$ 13,299,721	\$ 11,595,697	\$ 8,847,078	\$ -	\$ 8,847,078	\$ (2,748,619)	(23.70) %	85,900
13085	OSBM-Special Projects	\$ 40,100,000	\$ 10,550,000	\$ 10,300,000	\$ -	\$ 10,300,000	\$ (250,000)	(2.37) %	0,000
13100	Lieutenant Governor - General Fund	\$ 1,274,468	\$ 1,343,596	\$ 1,343,596	\$ -	\$ 1,343,596	\$ -	0.00 %	9,000
13200	Secretary of State - General Fund	\$ 18,362,507	\$ 19,218,602	\$ 19,556,352	\$ 362,750	\$ 19,193,602	\$ (25,000)	(0.13) %	182,750
13300	State Auditor - General Fund	\$ 15,130,948	\$ 19,230,380	\$ 26,596,249	\$ 7,365,869	\$ 19,230,380	\$ -	0.00 %	159,000
13410	State Treasurer - General Fund	\$ 116,631	\$ 209,074	\$ 79,195,112	\$ 78,986,038	\$ 209,074	\$ -	0.00 %	413,400
13412	State Treasurer - Transfer Retirement System	\$ 22,652,208	\$ 24,044,657	\$ 24,044,657	\$ -	\$ 24,044,657	\$ -	0.00 %	0,000
13900	Insurance - General Fund	\$ 47,079,796	\$ 55,428,175	\$ 71,233,505	\$ 11,971,146	\$ 59,262,359	\$ 3,834,184	6.92 %	445,458
13902	Industrial Commission	\$ 3,777,738	\$ 18,471,704	\$ 18,471,704	\$ 4,357,425	\$ 14,114,279	\$ 10,336,766	273.64 %	141,700
14100	Administration - General Fund	\$ 65,218,938	\$ 67,411,405	\$ 78,827,446	\$ 11,416,041	\$ 67,411,405	\$ -	0.00 %	374,983
14111	Office of State Human Resources - General Fund	\$ 10,878,807	\$ 11,169,533	\$ 12,022,809	\$ 100,888	\$ 11,921,921	\$ 752,388	6.74 %	59,800
14160	State Controller - General Fund	\$ 35,071,072	\$ 35,979,329	\$ 37,109,798	\$ 1,130,469	\$ 35,979,329	\$ -	0.00 %	196,000
14660	Information Technology	\$ 81,238,768	\$ 79,330,631	\$ 76,806,553	\$ 475,922	\$ 76,330,631	\$ (3,000,000)	(3.78) %	135,750
14700	Revenue - General	\$ 117,198,821	\$ 120,796,379	\$ 193,746,894	\$ 72,934,239	\$ 120,812,655	\$ 16,276	0.01 %	1,452,386
18025	State Board of Elections - General	\$ 11,752,859	\$ 9,747,327	\$ 9,849,327	\$ 102,000	\$ 9,747,327	\$ -	0.00 %	65,000
18210	Office of Administrative Hearings	\$ 6,916,010	\$ 8,454,164	\$ 9,770,183	\$ 1,521,520	\$ 8,248,663	\$ (205,501)	(2.43) %	58,790
Total General Government		\$ 618,088,619	\$ 611,964,675	\$ 814,207,172	\$ 193,532,003	\$ 620,675,169	\$ 8,710,494	1.42 %	4,508,977
Health and Human Services									
14410	DHHS - Central Management and Support	\$ 213,527,313	\$ 224,086,403	\$ 386,789,352	\$ 171,031,163	\$ 215,758,189	\$ (8,328,214)	(3.72) %	1,025,500
14411	DHHS - Aging and Adult Services	\$ 53,413,466	\$ 53,613,965	\$ 163,808,680	\$ 111,082,482	\$ 52,726,198	\$ (887,767)	(1.66) %	80,000
14420	DHHS - Child Development and Early Education	\$ 235,792,916	\$ 340,335,666	\$ 932,502,679	\$ 638,489,749	\$ 294,012,930	\$ (46,322,736)	(13.61) %	349,000
14430	DHHS - Public Health	\$ 123,668,978	\$ 138,079,616	\$ 505,158,669	\$ 365,995,851	\$ 139,162,818	\$ 1,083,202	0.78 %	1,237,535
14435	Division of Child and Family Well Being	\$ 57,157,165	\$ 60,435,435	\$ 588,249,295	\$ 529,776,108	\$ 58,473,187	\$ (1,962,248)	(3.25) %	871,725
14440	DHHS - Social Services - General	\$ 251,275,662	\$ 238,890,127	\$ 2,233,805,158	\$ 1,996,907,896	\$ 236,897,262	\$ (1,992,865)	(0.83) %	372,000
14445	DHHS - Medical Assistance - General Fund	\$ 5,468,403,219	\$ 6,164,964,536	\$ 30,796,933,536	\$ 24,830,792,815	\$ 5,966,140,721	\$ (198,823,815)	(3.23) %	446,000
14450	DHHS - Services for the Blind/Deaf/Hard of Hearing	\$ 7,334,947	\$ 9,424,374	\$ 47,418,257	\$ 37,993,401	\$ 9,424,856	\$ 482	0.01 %	339,500
14460	DHHS - Mental Health/Developmental	\$ 808,217,493	\$ 847,899,836	\$ 1,836,974,082	\$ 994,893,697	\$ 842,080,385	\$ (5,819,451)	(0.69) %	10,685,644
14470	DHHS - Health Services Regulation	\$ 20,979,251	\$ 25,847,895	\$ 83,682,067	\$ 57,834,172	\$ 25,847,895	\$ -	0.00 %	585,500
14480	DHHS - Vocational Rehabilitation Services	\$ 42,410,434	\$ 43,965,741	\$ 190,289,974	\$ 146,712,229	\$ 43,577,745	\$ (387,996)	(0.88) %	978,000
Total Health and Human Services		\$ 7,282,180,845	\$ 8,147,543,594	\$ 37,765,611,749	\$ 29,881,509,563	\$ 7,884,102,186	\$ (263,441,408)	(3.23) %	16,970,404
Justice and Public Safety									
12000	Judicial - AOC - General Fund	\$ 752,642,693	\$ 790,733,404	\$ 793,702,159	\$ 1,209,807	\$ 792,492,352	\$ 1,758,948	0.22 %	6,600,450
12001	Judicial - AOC - Indigent Defense Services	\$ 150,609,380	\$ 167,698,712	\$ 174,952,913	\$ 13,994,851	\$ 160,958,062	\$ (6,740,650)	(4.02) %	733,000
13600	Justice - General Fund	\$ 65,551,905	\$ 66,782,597	\$ 117,269,701	\$ 50,114,998	\$ 67,154,703	\$ 372,106	0.56 %	857,500
14550	Public Safety - General Fund	\$ 671,874,973	\$ 637,765,987	\$ 839,711,970	\$ 194,619,487	\$ 645,092,483	\$ 7,326,496	1.15 %	5,208,424
15010	Adult Correction - General Fund	\$ 1,973,919,369	\$ 2,034,385,141	\$ 2,060,995,456	\$ 21,455,170	\$ 2,039,540,286	\$ 5,155,145	0.25 %	18,571,225
15020	State Bureau of Investigation General Fund	\$ 11,583,319	\$ 119,908,610	\$ 111,570,533	\$ 21,167,968	\$ 90,402,565	\$ (29,506,045)	(24.61) %	489,000
Total Justice and Public Safety		\$ 3,626,181,641	\$ 3,817,274,451	\$ 4,098,202,732	\$ 302,562,281	\$ 3,795,640,451	\$ (21,634,000)	(0.57) %	32,459,599

Budget Code	Function	2023-24 Actual	2024-25 Authorized	Base Budget Requirements	Base Budget Receipts	Base Budget	\$ Change from 2024-25 Auth	% Change from 2024-25 Auth	Base Budget Positions
Natural and Economic Resources									
13700	Agriculture and Consumer Services - General Fund	\$ 170,220,837	\$ 181,712,657	\$ 265,579,628	\$ 93,169,654	\$ 172,409,974	\$ (9,302,683)	(5.12) %	1,816,021
13800	Labor - General Fund	\$ 25,031,006	\$ 26,385,251	\$ 44,749,287	\$ 19,106,870	\$ 25,642,417	\$ (742,834)	(2.82) %	370,670
14300	Environmental Quality - General Fund	\$ 105,375,985	\$ 909,646,512	\$ 317,953,982	\$ 208,577,988	\$ 109,375,994	\$ (800,270,518)	(87.98) %	1,164,522
14350	Wildlife Resources Commission - General Fund	\$ 18,209,216	\$ 16,738,524	\$ 102,060,301	\$ 85,200,340	\$ 16,859,961	\$ 121,437	0.73 %	699,000
14600	Commerce - General	\$ 14,446,910	\$ 20,264,453	\$ 83,537,340	\$ 63,272,887	\$ 20,264,453	\$ -	0.00 %	180,234
14601	Commerce - General State Aid	\$ 29,380,810	\$ 85,105,810	\$ 19,655,810	\$ -	\$ 19,655,810	\$ (65,450,000)	(76.90) %	0.000
14602	Commerce Economic Development	\$ 130,213,054	\$ 158,348,245	\$ 158,468,245	\$ 120,000	\$ 158,348,245	\$ -	0.00 %	0.000
14800	Natural and Cultural Resources - General Fund	\$ 286,979,649	\$ 281,382,958	\$ 334,739,213	\$ 56,396,562	\$ 278,342,651	\$ (3,040,307)	(1.08) %	2,112,949
	Total Natural and Economic Resources	\$ 779,857,467	\$ 1,679,584,410	\$ 1,326,743,806	\$ 525,844,301	\$ 800,899,505	\$ (878,684,905)	(52.32) %	6,343,396
Reserves									
19XXX	Statewide Reserves	\$ -	\$ 42,206,909	\$ 691,472,711	\$ 649,265,711	\$ 42,206,909	\$ -	0.00 %	0.000
	Total Reserves	\$ -	\$ 42,206,909	\$ 691,472,711	\$ 649,265,711	\$ 42,206,909	\$ -	0.00 %	0.000
	Total General Fund Operating Budget	\$ 29,326,566,936	\$ 32,479,576,964	\$ 67,904,304,834	\$ 36,618,969,688	\$ 31,327,542,055	\$ (1,152,034,909)	(3.55) %	99,067,275

Table 9: Summary of General Fund Base Budget Adjustments, 2026-27

Budget Code	Function	2023-24 Actual	2024-25 Authorized	Base Budget Requirements	Base Budget Receipts	Base Budget	\$ Change from 2024-25 Auth	% Change from 2024-25 Auth	Base Budget Positions
Education									
13510	Public Instruction - General Fund	\$ 11,370,297,434	\$ 11,952,263,781	\$ 14,371,796,766	\$ 2,440,462,977	\$ 11,931,333,789	\$ (20,929,992)	(0.18) %	1,112,752
16800	NC Community College System - General Fund	\$ 1,424,165,806	\$ 1,582,147,873	\$ 1,961,916,208	\$ 379,955,931	\$ 1,581,960,277	\$ (187,596)	(0.01) %	239,000
160XX	University System	\$ 4,225,795,124	\$ 4,646,591,271	\$ 6,968,005,261	\$ 2,245,836,921	\$ 4,722,168,340	\$ 75,577,069	1.63 %	37,433,147
Total Education		\$ 17,020,258,364	\$ 18,181,002,925	\$ 23,301,718,235	\$ 5,066,255,829	\$ 18,235,462,406	\$ 54,459,481	0.30 %	38,784,899
General Government									
11000	General Assembly - General Fund	\$ 99,688,570	\$ 99,628,540	\$ 100,189,540	\$ 561,000	\$ 99,628,540	\$ -	0.00 %	604,060
13000	Governor's Office - General Fund	\$ 6,366,146	\$ 11,780,255	\$ 12,920,549	\$ 1,140,294	\$ 11,780,255	\$ -	0.00 %	50,000
13005	State Budget and Management - General Fund	\$ 11,304,611	\$ 11,609,418	\$ 12,715,820	\$ 1,106,402	\$ 11,609,418	\$ -	0.00 %	75,000
13010	NC Housing Finance Agency - Home Match	\$ 10,660,000	\$ 10,660,000	\$ 10,660,000	\$ -	\$ 10,660,000	\$ -	0.00 %	0,000
13050	Military and Veterans Affairs	\$ 13,299,721	\$ 11,595,697	\$ 8,848,500	\$ -	\$ 8,848,500	\$ (2,747,197)	(23.69) %	85,900
13085	OSBM-Special Projects	\$ 40,100,000	\$ 10,550,000	\$ 10,300,000	\$ -	\$ 10,300,000	\$ (250,000)	(2.37) %	0,000
13100	Lieutenant Governor - General Fund	\$ 1,274,468	\$ 1,343,596	\$ 1,343,596	\$ -	\$ 1,343,596	\$ -	0.00 %	9,000
13200	Secretary of State - General Fund	\$ 18,362,507	\$ 19,218,602	\$ 19,556,352	\$ 362,750	\$ 19,193,602	\$ (25,000)	(0.13) %	182,750
13300	State Auditor - General Fund	\$ 15,130,948	\$ 19,230,380	\$ 26,596,249	\$ 7,365,869	\$ 19,230,380	\$ -	0.00 %	159,000
13410	State Treasurer - General Fund	\$ 116,631	\$ 209,074	\$ 79,240,553	\$ 79,031,479	\$ 209,074	\$ -	0.00 %	413,400
13412	State Treasurer - Transfer Retirement System	\$ 22,652,208	\$ 24,044,657	\$ 24,044,657	\$ -	\$ 24,044,657	\$ -	0.00 %	0,000
13900	Insurance - General Fund	\$ 47,079,796	\$ 55,428,175	\$ 71,339,489	\$ 12,077,130	\$ 59,262,359	\$ 3,834,184	6.92 %	445,458
13902	Industrial Commission	\$ 3,777,738	\$ 18,471,704	\$ 18,471,704	\$ 4,357,425	\$ 14,114,279	\$ 10,336,766	273.64 %	141,700
14100	Administration - General Fund	\$ 65,218,938	\$ 67,411,405	\$ 78,827,446	\$ 11,416,041	\$ 67,411,405	\$ -	0.00 %	374,983
14111	Office of State Human Resources - General Fund	\$ 10,878,807	\$ 11,169,533	\$ 12,045,335	\$ 100,888	\$ 11,944,447	\$ 774,914	6.94 %	59,800
14160	State Controller - General Fund	\$ 35,071,072	\$ 35,979,329	\$ 37,109,798	\$ 1,130,469	\$ 35,979,329	\$ -	0.00 %	196,000
14660	Information Technology	\$ 81,238,768	\$ 79,330,631	\$ 76,806,553	\$ 475,922	\$ 76,330,631	\$ (3,000,000)	(3.78) %	135,750
14700	Revenue - General	\$ 117,198,821	\$ 120,796,379	\$ 193,798,002	\$ 72,963,537	\$ 120,834,465	\$ 38,086	0.03 %	1,452,386
18025	State Board of Elections - General	\$ 11,752,859	\$ 9,747,327	\$ 9,849,327	\$ 102,000	\$ 9,747,327	\$ -	0.00 %	65,000
18210	Office of Administrative Hearings	\$ 6,916,010	\$ 8,454,164	\$ 9,784,250	\$ 1,521,520	\$ 8,262,730	\$ (191,434)	(2.26) %	58,790
Total General Government		\$ 618,088,619	\$ 611,964,675	\$ 814,447,720	\$ 193,712,726	\$ 620,734,994	\$ 8,770,319	1.43 %	4,508,977
Health and Human Services									
14410	DHHS - Central Management and Support	\$ 213,527,313	\$ 224,086,403	\$ 386,842,525	\$ 171,067,199	\$ 215,775,326	\$ (8,311,077)	(3.71) %	1,025,500
14411	DHHS - Aging and Adult Services	\$ 53,413,466	\$ 53,613,965	\$ 163,808,680	\$ 111,082,482	\$ 52,726,198	\$ (887,767)	(1.66) %	80,000
14420	DHHS - Child Development and Early Education	\$ 235,792,916	\$ 340,335,666	\$ 932,502,679	\$ 638,489,749	\$ 294,012,930	\$ (46,322,736)	(13.61) %	349,000
14430	DHHS - Public Health	\$ 123,668,978	\$ 138,079,616	\$ 505,161,041	\$ 365,996,216	\$ 139,164,825	\$ 1,085,209	0.79 %	1,237,535
14435	Division of Child and Family Well Being	\$ 57,157,165	\$ 60,435,435	\$ 588,314,286	\$ 529,776,108	\$ 58,538,178	\$ (1,897,257)	(3.14) %	871,725
14440	DHHS - Social Services - General	\$ 251,275,662	\$ 238,890,127	\$ 2,233,808,071	\$ 1,996,909,353	\$ 236,898,718	\$ (1,991,409)	(0.83) %	372,000
14445	DHHS - Medical Assistance - General Fund	\$ 5,468,403,219	\$ 6,164,964,536	\$ 30,796,937,437	\$ 24,830,792,815	\$ 5,966,144,622	\$ (198,819,914)	(3.22) %	446,000
14450	DHHS - Services for the Blind/Deaf/Hard of Hearing	\$ 7,334,947	\$ 9,424,374	\$ 47,427,172	\$ 38,001,826	\$ 9,425,346	\$ 972	0.01 %	339,500
14460	DHHS - Mental Health/Developmental	\$ 808,217,493	\$ 847,899,836	\$ 1,836,974,082	\$ 994,893,697	\$ 842,080,385	\$ (5,819,451)	(0.69) %	10,685,644
14470	DHHS - Health Services Regulation	\$ 20,979,251	\$ 25,847,895	\$ 83,689,613	\$ 57,841,718	\$ 25,847,895	\$ -	0.00 %	585,500
14480	DHHS - Vocational Rehabilitation Services	\$ 42,410,434	\$ 43,965,741	\$ 190,326,361	\$ 146,737,025	\$ 43,589,336	\$ (376,405)	(0.86) %	978,000
Total Health and Human Services		\$ 7,282,180,845	\$ 8,147,543,594	\$ 37,765,791,947	\$ 29,881,588,188	\$ 7,884,203,759	\$ (263,339,835)	(3.23) %	16,970,404
Justice and Public Safety									
12000	Judicial - AOC - General Fund	\$ 752,642,693	\$ 790,733,404	\$ 793,702,159	\$ 1,209,807	\$ 792,492,352	\$ 1,758,948	0.22 %	6,600,450
12001	Judicial - AOC - Indigent Defense Services	\$ 150,609,380	\$ 167,698,712	\$ 174,971,287	\$ 13,994,851	\$ 160,976,436	\$ (6,722,276)	(4.01) %	733,000
13600	Justice - General Fund	\$ 65,551,905	\$ 66,782,597	\$ 117,276,679	\$ 50,114,998	\$ 67,161,681	\$ 379,084	0.57 %	857,500
14550	Public Safety - General Fund	\$ 671,874,973	\$ 637,765,987	\$ 839,941,191	\$ 194,619,487	\$ 645,321,704	\$ 7,555,717	1.18 %	5,208,424
15010	Adult Correction - General Fund	\$ 1,973,919,369	\$ 2,034,385,141	\$ 2,061,651,669	\$ 21,455,170	\$ 2,040,196,499	\$ 5,811,358	0.29 %	18,571,225
15020	State Bureau of Investigation General Fund	\$ 11,583,319	\$ 119,908,610	\$ 111,570,533	\$ 21,167,968	\$ 90,402,565	\$ (29,506,045)	(24.61) %	489,000
Total Justice and Public Safety		\$ 3,626,181,641	\$ 3,817,274,451	\$ 4,099,113,518	\$ 302,562,281	\$ 3,796,551,237	\$ (20,723,214)	(0.54) %	32,459,599

Budget Code	Function	2023-24 Actual	2024-25 Authorized	Base Budget Requirements	Base Budget Receipts	Base Budget	\$ Change from 2024-25 Auth	% Change from 2024-25 Auth	Base Budget Positions
Natural and Economic Resources									
13700	Agriculture and Consumer Services - General Fund	\$ 170,220,837	\$ 181,712,657	\$ 265,579,628	\$ 93,169,654	\$ 172,409,974	\$ (9,302,683)	(5.12) %	1,816,021
13800	Labor - General Fund	\$ 25,031,006	\$ 26,385,251	\$ 44,756,628	\$ 19,106,870	\$ 25,649,758	\$ (735,493)	(2.79) %	370,670
14300	Environmental Quality - General Fund	\$ 105,375,985	\$ 909,646,512	\$ 317,938,352	\$ 208,581,093	\$ 109,357,259	\$ (800,289,253)	(87.98) %	1,164,522
14350	Wildlife Resources Commission - General Fund	\$ 18,209,216	\$ 16,738,524	\$ 102,060,301	\$ 85,200,340	\$ 16,859,961	\$ 121,437	0.73 %	699,000
14600	Commerce - General	\$ 14,446,910	\$ 20,264,453	\$ 83,537,340	\$ 63,272,887	\$ 20,264,453	\$ -	0.00 %	180,234
14601	Commerce - General State Aid	\$ 29,380,810	\$ 85,105,810	\$ 19,655,810	\$ -	\$ 19,655,810	\$ (65,450,000)	(76.90) %	0.000
14602	Commerce Economic Development	\$ 130,213,054	\$ 158,348,245	\$ 158,468,245	\$ 120,000	\$ 158,348,245	\$ -	0.00 %	0.000
14800	Natural and Cultural Resources - General Fund	\$ 286,979,649	\$ 281,382,958	\$ 334,804,632	\$ 56,396,562	\$ 278,408,070	\$ (2,974,888)	(1.06) %	2,112,949
	Total Natural and Economic Resources	\$ 779,857,467	\$ 1,679,584,410	\$ 1,326,800,936	\$ 525,847,406	\$ 800,953,530	\$ (878,630,880)	(52.31) %	6,343,396
Reserves									
19XXX	Statewide Reserves	\$ -	\$ 42,206,909	\$ 691,472,620	\$ 649,265,711	\$ 42,206,909	\$ -	0.00 %	0.000
	Total Reserves	\$ -	\$ 42,206,909	\$ 691,420,620	\$ 649,265,711	\$ 42,206,909	\$ -	0.00 %	0.000
	Total General Fund Operating Budget	\$ 29,326,566,936	\$ 32,479,576,964	\$ 67,999,344,976	\$ 36,619,232,141	\$ 31,380,112,835	\$ (1,099,464,129)	(3.39) %	99,067,275

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Five-Year Budget Outlook Based on Governor Stein's Recommendations

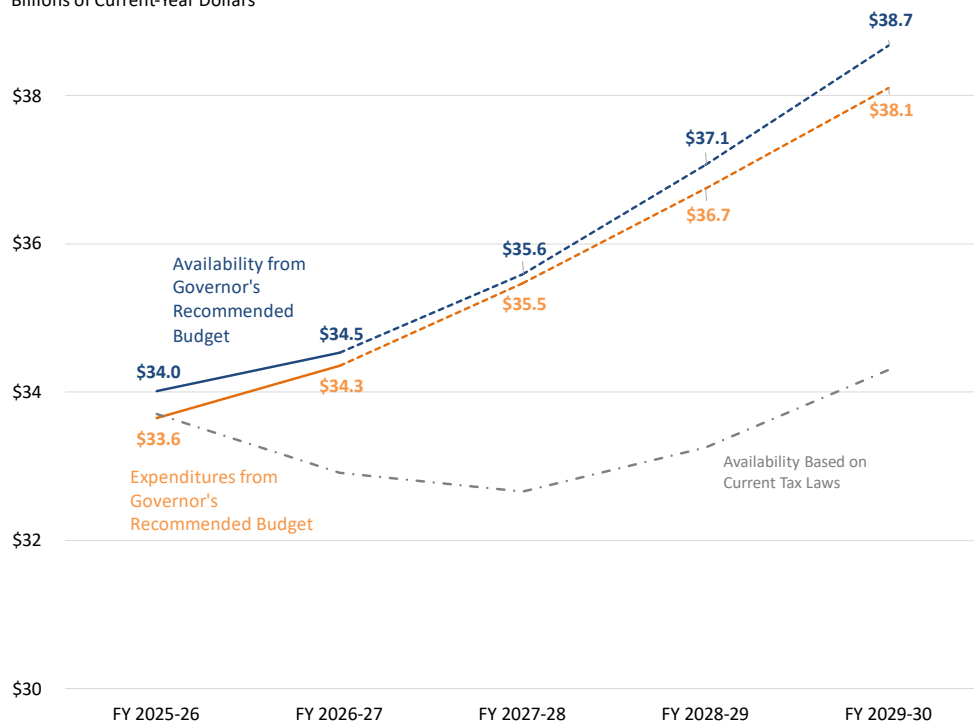
The following fiscal analysis presents a five-year forecast of revenues and expenditures for General Fund net appropriations pursuant to G.S. 143C-3-5(f)-6. The analysis includes Governor Stein's budget proposal and revenue recommendations, including maintaining the individual income tax rate at 4.25% and the corporate income tax rate at 2.25%.

Under current law and the consensus revenue forecast, the individual income tax rate will drop to 3.49% by 2027 and the corporate income tax rate will fall to 1% in 2028, reducing revenues by more than \$3.5 billion per year by FY 2027-28. Under the current tax law, including the income tax reductions that occur if revenues hit specific triggers,¹ revenues will be insufficient to sustain current services in the second half of this decade, assuming service costs rise with anticipated growth in population and inflation. Absent policies to increase state revenues, state policymakers may have few options other than making several billion dollars in reductions in expenditures to ensure a balanced budget.

Under Governor Stein's recommendation, as shown by the table and graph below, these projections show that availability will remain above expenditures throughout the five-year period.

General Fund Five -Year Revenue and Expenditure Forecast Based on Governor Stein's Recommended Budget

Billions of Current-Year Dollars



* Includes transfers to State Capital and Infrastructure Fund and Savings Reserve/Unfunded Liability Solvency Reserve per G.S. 143@-2.
Source: Governor's Recommended Budget; OSBM data and projections

¹ [Trigger statute](#)

Five-Year General Fund Forecast Based on Governor Stein's Budget Recommendations

(in millions)

	FY 2025-26 Proposed	FY 2026-27 Proposed	FY 2027-28 Estimate	FY 2028-29 Estimate	FY 2029-30 Estimate
Current Services Summary					
Revenue/Availability (Recommended)	34,013.2	34,533.5	35,583.9	37,066.0	38,672.3
Expenditures Base	31,327.5	31,380.1	34,218.2	35,465.8	36,750.2
Recommended New Expenditures	2,321.6	2,969.6	1,244.2	1,276.8	1,352.2
Expenditures Total	33,649.1	34,349.8	35,462.4	36,742.6	38,102.4
State Budget Surplus (+)/Shortfall (-)	364.1	183.7	121.5	323.3	569.9

The five-year forecast includes the following assumptions:²

- The first two years (FY 2025-26 and FY 2026-27) reflect the Governor's Recommended Budget as presented in this document.
- For the subsequent three fiscal years, OSBM used the following assumptions and growth factors using the Governor's FY 2026-27 Recommended Budget as the base:
 - Revenue is based on OSBM forecasts for tax and nontax revenue, which incorporate historical trends, economic forecasts, and revenue-law adjustments;
 - Availability also includes the effect of the statutory transfers to the State Capital and Infrastructure Fund (SCIF) per G.S. 143C-4-3-1 and the Savings Reserve and/or Unfunded Liability Solvency Reserve per G.S. 143C-4-2.
 - Enrollment in K-12 education is based on the State Demographer's projections for growth in the population age 5-18;
 - Community college and university enrollment growth uses 5-year historical average;
 - Medicaid enrollment growth employs a 5-year historical average growth in Consumer Price Index for Medical Care (CPI-Medical Care) to account for the fact that most medical services are now delivered in a managed-care setting; and
 - Agency budgets are adjusted for inflation and population growth based on a forecast of the Bureau of Economic Analysis's State and Local Government Consumption Chained Price Index combined with the State Demographer's 2024 vintage projections of NC population.
- For the "Availability Based on Current Tax Laws" line in the chart above, OSBM used the February 2025 Consensus revenue forecast through the end of the 2025-27 biennium and OSBM's February 2025 forecast for current-law revenues through FY 2029-30. The projections include the effect of the statutory transfers to the State Capital and Infrastructure Fund (SCIF) and the Savings Reserve and/or Unfunded Liability Solvency Reserve per G.S. 143C-4-2.

² Additional details and methodology are available from the Office of State Budget and Management.

Economic Outlook

Moderate Growth Expected Amid Policy Uncertainty

After surprisingly strong economic growth in 2024, the U.S. economy shows signs of moderation, with year-over-year real GDP growth at 2.5% in Q4 2024, down from 3.2% in Q4 2023.¹ This gradual cooling trend is expected to continue into 2025, with growth ultimately stabilizing near its long-run trend.

North Carolina's economy has mirrored these national patterns but with slightly faster growth in wages and consumer spending through 2024. NC wage growth is expected to cool in 2025 and 2026 and align more closely with national wage growth. Consumer spending is also expected to slow down in 2025 as households adjust expenditures in response to persistent price pressures.

Evidence suggests that recent and planned tariff increases could elevate short-term inflation while weakening economic growth in the medium-to-long term.² The post-pandemic economic recovery benefited from increased immigration, which expanded the labor force and contributed to economic growth.³ Anticipated changes to immigration policy could decrease net immigration by up to half.⁴ This reduction, combined with an aging population and increasing retirement rates, will lead to a significant deceleration in the growth of the state's labor force.

The Trump administration has pursued significant reductions in the federal workforce, contracts, and grants thus far. The House and Senate have also enacted budget resolutions calling for federal spending reductions of as much as \$2 trillion in the House resolution. Based on modeling of the 2013 federal spending reductions through sequestration, significant spending reductions could have a direct negative impact on short- and long-run economic growth.⁵ These federal cuts will affect the North Carolina economy to the extent they impact the federal workforce located in the state and funding for grants and contracts in North Carolina.

The House budget resolution also allows for an increase in federal budget deficits of up to \$2.8 trillion⁶ over the next ten years (\$3.4-\$4 trillion including interest costs) to extend expiring federal tax cuts and potentially adopt new tax cuts. While tax cuts would have a positive impact on businesses and consumer spending, increases in the federal deficit could put upward pressure on federal long-term borrowing costs, increasing interest rates for businesses and consumers and constraining economic activity and investment.

Helene Impacts

Hurricane Helene struck western North Carolina on September 27, 2024, causing an estimated \$59.6 billion in total damage and needs (\$44.4B direct, \$15.2B indirect and mitigation). Recovery costs include \$15.4 billion needed for housing repairs, temporary housing, and replacing personal property, with an estimated 74,000 homes damaged, and \$17.3 billion to repair transportation and utilities infrastructure. Major impacts also include \$15.9 billion in lost business revenue and structural damage to businesses

¹ U.S. Bureau of Economic Analysis, Real Gross Domestic Product, retrieved from FRED, Jan 30, 2025. [Release](#)

² Barbiero, Omar, and Hillary Stein. "The Impact of Tariffs on Inflation." Current Policy Perspectives, Federal Reserve Bank of Boston, 2025. [Link](#)

³ Federal Reserve Bank of Dallas, "Unprecedented U.S. Immigration Surge Boosts Job Growth, Output", [July, 2024](#)

⁴ Brookings Institution, "Immigration and the Macroeconomy in the Second Trump Administration", [December 2024](#)

⁵ Bipartisan Policy Center. "What is the Impact of the Defense Sequester on the Economy." [December 2013](#).

and nonprofits, with tourism seeing a sharp short-term decline, and \$4.9 billion impact to agriculture. Additionally, unemployment in December 2024 rose to as high as 7.3% in Helene-affected counties.⁶ Explore Asheville estimates local businesses in Asheville and Buncombe County lost \$585 million in visitor spending during the fourth quarter of 2024.⁷

In addition to substantial financial needs that remain unmet, the recovery will be prolonged due to unique challenges associated with the area's mountainous terrain and communities remaining isolated due to destroyed transportation infrastructure.

Hurricane Helene will continue to impact North Carolina's economy over the biennium and beyond. While lost tourism and business closures are likely to weigh heavily on economic recovery, rebuilding efforts will support economic activity and bolster business revenue and employment in western North Carolina.

Inflation, Tariffs, and Interest Rates

Inflation has decelerated significantly from its post-pandemic peak, with the Consumer Price Index (CPI) falling from just over 9% year-over-year in June 2022 to 3.0% year-over-year in January 2025. However, inflation progress towards the Federal Reserve's 2% target has stalled after falling steadily from mid-2022 through September 2024. Instead, price growth has accelerated modestly in recent months, with a 0.6 percentage point increase in the Consumer Price Index from September 2024 to January 2025. This indicates a possible reversal in the trend or at least a longer timeline than expected to reach the 2% target.⁸

Federal tariff policy is likely to continue to evolve through the biennium and will significantly affect the path of inflation. As of the first week of March, tariffs in effect and imminent include a total 20% tariff on imports from China, tariffs up to 25% on most imports from Canada and Mexico, with temporary exemptions for goods that satisfy USMCA requirements, and 25% tariffs on steel and aluminum scheduled to start on March 12.⁹ Although tariffs will likely increase through the biennium, the policy details and magnitude of the economic impact are unknown and depend on future policy decisions around tariff rates, affected products and countries, and how consumers, businesses, and other countries respond. Economists expect that higher effective tariff rates are likely to exert upward pressure on prices and decrease economic growth as price increases suppress or delay consumer spending and business investment. North Carolina imports constitute a larger share of state GDP than in many other states, meaning higher tariff rates are likely to disproportionately impact the state, along with other states in the Midwest and South.¹⁰

The federal funds rate, the interest rate controlled by the Federal Reserve's Federal Open Market Committee (FOMC), has also declined from its post-pandemic peak as part of the FOMC's response to high inflation and unsustainably low unemployment. Since September 2024, the FOMC has lowered the

⁶ NC Commerce, "Why a Regional Recovery Is So Critical to Local Recovery Efforts: How Commuting Shapes the Labor Market in Western NC", [February 2025](#)

⁷ Explore Asheville. "Buncombe County and WNC's Recovery and Revival Take Center Stage at Explore Asheville's Year Ahead Event." February 18, 2025. [Link](#)

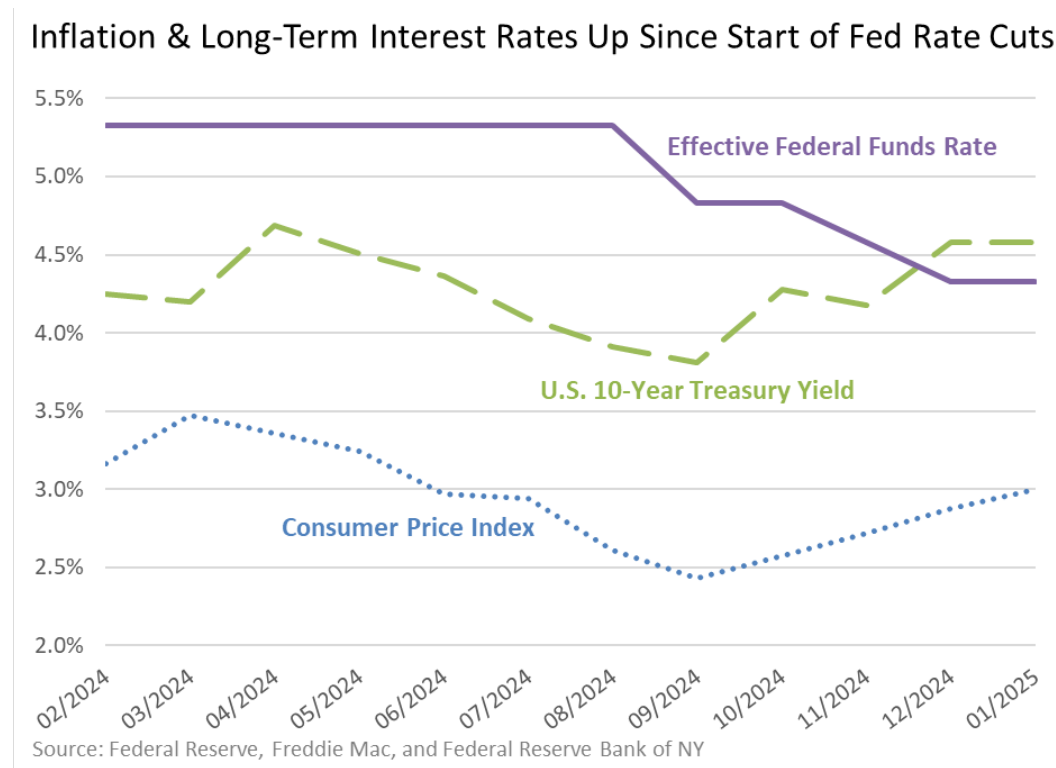
⁸ U.S. Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers. Feb 12, 2025 [Release](#)

⁹ Max Zahn. "A timeline of Trump's tariffs on Canada, Mexico and China." ABC News. March 6, 2025. [Link](#)

¹⁰ [Tariffs, Trade, China, and the States \(Tax Policy Center\)](#)

federal funds rate by a full percentage point, from a target range of 5.25%-5.50% to 4.25%-4.50% in January 2025.

Reducing the federal funds rate generally leads to falling short- and long-term interest rates and loosening financial conditions. However, as shown in the chart below, longer-term interest rates (US 10-year Treasury yield) have risen since September 2024 despite cuts to the federal funds rate, reflecting an elevated risk of accelerating inflation, higher-than-expected GDP growth, and broader economic and policy uncertainty.



Economic Diversification: From Textiles to Clean Technology

Over the past 75 years, North Carolina's economic story is one of significant transformation and resilience. For much of the 20th century, the state's key industries included tobacco farming, textile mills, and furniture production, with much of this activity clustered in and around the boomtown cities of Greensboro, High Point, Winston-Salem, and Hickory. However, technological advancements in production and competition from overseas markets to produce textiles and furniture caused dramatic declines in demand for many traditional North Carolina-produced products. Furthermore, changes in consumer habits and government regulation for tobacco further strained tobacco farms and producers throughout the state. Despite these challenges, this economic base laid the foundation for the state to transition toward a more diverse, technology-driven economy.

Although North Carolina ranks 13th among all states in manufacturing's share of the state, most North Carolina workers work in service industries economy. The state's Department of Commerce projects that the state's long-term shift toward employment in services is likely to continue into the next decade.

Nevertheless, North Carolina’s economic leadership in areas such as clean energy, advanced textiles, heavy-duty vehicles, and biotechnology will play an important role in driving future economic growth.

Despite uncertainties regarding federal incentives for business and infrastructure investment, most manufacturers with projects in the state tied to those incentives have indicated that they intend to continue moving forward with billions in new investments in aerospace, battery manufacturing, information technology, pharmaceuticals, and other advanced manufacturing industries.¹¹ These planned investments suggest these industries will contribute to the state’s economic growth throughout the next biennium and well into the future.

Most New Jobs Through 2032 in Services Industries

Projected NC Employment Growth, 2022-2032



Source: NC Department of Commerce, Labor and Economic Analysis Division

Uncertainty and Risks to the Economic Forecast

Several factors contribute to a high degree of uncertainty around the economic forecast for the U.S. and North Carolina. Federal policy decisions discussed earlier in this outlook, including changes to trade and immigration policy, have the potential to significantly impact inflation, financial conditions, the labor market, and economic growth. Reductions in the flow of federal funding tied to business investments that are important to North Carolina’s economy may also affect state economic growth and labor and indirectly affect state tax revenue. Additionally, higher-than-expected economic growth increasingly depends on the top 10% of earners, fueled by rising stock market valuations and home values. These consumers currently account for nearly half of all spending nationwide, which is the highest share since 1989.¹² Because this spending is not broad-based, declines in equity prices, home values, or sentiment among top earners could significantly weaken consumer spending and economic growth.

Other risks to the economic outlook include the potential for:

- Geopolitical conflict, including the possibility of a trade war with major trading partners, which may affect supply-chain stability and create upward pressure on prices,
- Heightened risk of and vulnerability to extreme weather events, and
- Rising long-term interest rates related to increasing government borrowing and heightened concern around the growth in federal deficits, which have consistently increased since 2001.

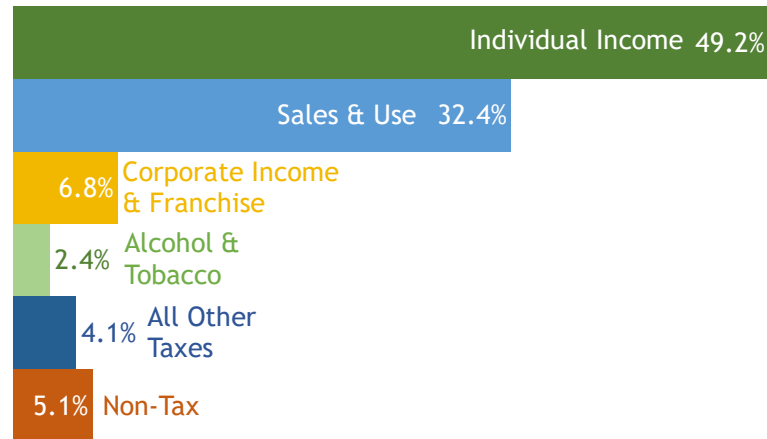
¹¹ North Carolina Department of Commerce, 2024. *North Carolina’s Progress on Clean Energy: Governor Cooper Celebrates Over 20,000 New Clean Energy Jobs and More than \$24 Billion in Industry Investments*. December 13, 2024; North Carolina Department of Commerce, 2024. *A Stronger Economy for North Carolina: Governor Cooper Celebrates North Carolina’s Strong Workforce and 640,000 New Jobs During His Administration*. December 12, 2024; Axios, 2025. *Apple’s \$500B U.S. expansion plans include North Carolina*. February 24, 2025.

¹² [U.S. Economy Being Powered by the Richest 10% of Americans - WSJ](#)

General Fund Revenue Forecast

More than 80% of General Fund revenues are derived from the individual income tax and the sales and use tax. Other important sources of revenue include corporate income and franchise taxes, taxes on insurance premiums, excise taxes on alcohol and tobacco products, and revenue from nontax sources, such as judicial fees and earnings from investing state funds.

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



Actual FY 2023-24 General Fund Revenues

Consensus Revenue

OSBM and the General Assembly's Fiscal Research Division issued a revised consensus revenue forecast for FY 2024-25 and an initial consensus forecast for the 2025-2027 biennium on February 14, 2025.

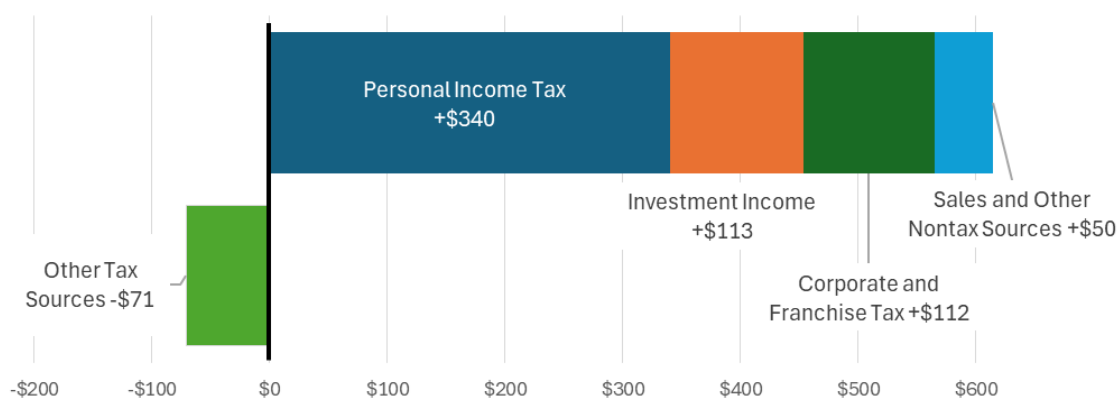
Current Year Revenue (FY 2024-25)

Total revised forecast projects net General Fund revenue of \$34.71 billion in FY 2024-25, an upward revision of \$544 million (1.6%) from certified revenues and a 3.0% increase over FY 2023-24 revenues.

As shown in the chart below, higher-than-expected revenue from personal income tax, corporate income and franchise taxes, and investment income account for most of FY 2024-25 overcollections, supported by strong wage and profit growth, high asset values, and persistently elevated interest rates. Smaller adjustments to sales and other tax and nontax sources, based on actual collections through the first half of the fiscal year and anticipated trends, comprise the remainder of the revision.

Individual Income Tax Accounts for Most of FY 2024-25 Overcollections

FY 2024-25 Revised Consensus Forecast Compared to Budgeted Revenues (Millions)



Outlook for the Next Biennium (2025-27)

For the 2025-27 biennium, the consensus forecast anticipates net General Fund revenue of \$34.89 billion in FY 2025-26 and \$34.07 billion in FY 2026-27, showing minimal growth of 0.5% and a decrease of 2.4%, respectively. Adjusted for the Governor's recommended revenue changes and technical adjustments,¹ anticipated revenue is \$34.78 billion in the first year of the biennium (a negligible year-over-year increase of \$72 million, only 0.2%), followed by \$35.45 billion in the second year (a \$666 million, or 1.9%, increase). The growth in the first year of the biennium is due to higher sales tax (+\$502 million) and insurance premium tax collections (+\$89 million) that are mostly offset by a decline in individual income tax collections (-\$262 million) and investment income (-\$168 million). In the second year of the biennium, growth in individual income (+\$549 million) and sales tax collections (+\$312 million) account for virtually all of the year-over-year growth in total revenue collections.

The economic forecast underlying the revenue forecast assumes that the strong economic growth in 2024 will persist through much of 2025, with gradual slowing toward the U.S. economy's long-term trend growth of roughly 2% through the end of the biennium. See the Economic Outlook section for additional details regarding the economic forecast and associated risks and uncertainty.

Recommended Revenue Changes

Maintain Individual Income Tax Rate at 4.25%

The Governor recommends maintaining the income tax rate at 4.25% and repealing the rate-reduction triggers. This change would raise General Fund revenues by \$386 million in FY 2025-26 and \$1.8 billion in FY 2026-27 compared to current law. Current law includes a reduction to 3.99% in 2026 and a further reduction to 3.49% in 2027 due to FY 2025-26 revenue collections exceeding the level necessary to trigger a 0.5% income tax rate reduction in 2027. At 4.25%, North Carolina's individual income tax rate would remain the lowest among all states in the South Atlantic region with an income tax. Freezing the tax rate as-is would allow North Carolina to remain competitive among our neighbors while also investing in what makes our state an appealing place to live.

Maintain Corporate Income Tax Rate at 2.25%

The Governor also recommends keeping the corporate tax rate at 2.25%. This would raise revenues, compared to current law, by \$68 million in FY 2025-26 and \$166 million in FY 2026-27. North Carolina already has the lowest corporate income tax rate in the country among the 44 states with a corporate income tax. Decreasing the rate further would mostly reduce the tax liability of large, multinational corporations and benefit out-of-state shareholders. Making these tax changes would allow the state to continue to invest in education, health care, public safety, and other needed programs in line with our population growth.

Working Families Tax Credit

The Governor recommends adopting a Working Families Tax Credit that is equal to 20% of the federal Earned Income Tax Credit (EITC). The tax credit is refundable and varies by earned income, number of children, and marital status. An estimated 686,000 working individuals and families (roughly one in six households) would benefit from this policy, with an average benefit of approximately \$419. The

¹ Technical adjustments include an adjustment to the treatment of the gross premiums tax offset for Medicaid expansion financing and an adjustment to the Department of Insurance transfer for nontax revenues (+\$51.1 million in FY 2025-26 and +\$25.6 million in FY 2026-27).

Working Families Tax Credit would reduce revenues by \$427 million in FY 2025-26 and \$426 million in FY 2026-27.

Child and Dependent Care Tax Credit

The Governor also recommends adopting a state child and dependent care credit (CDCTC) equal to 50% of the federal credit. The CDCTC is refundable and partially reimburses eligible child and dependent care expenses. The CDCTC would benefit approximately 214,000 families—nearly one in five families with children under 18—with an average of \$303 per family. The CDCTC would reduce revenues by \$59 million in FY 2025-26 and \$60 million in FY 2026-27.

Convert Child Deduction to Child Tax Credit

The Governor recommends converting the state child tax deduction to a refundable child tax credit (CTC), allowing more low-income families to benefit from the policy. The recommended CTC is equal to 5% of the current deduction and starts at \$150 per child for low-income families and phases down to \$25 per child for upper-middle-income families. Converting the child deduction to a refundable credit would extend benefits to an additional 193,000 lower-income families that do not benefit from the current child deduction. In total, approximately 884,000 families would receive this credit. The refundable CTC would reduce revenues by \$23 million in both FY 2025-26 and FY 2026-27.

Back-to-School Sales Tax Holiday

The Governor recommends re-establishing a “back-to-school” sales tax holiday. The policy provides a sales tax exemption on school supplies, clothing, computers, and computer supplies below per-item limits over three days during the first weekend in August. The sales tax holiday recommendation holds local governments harmless for lost revenue and would cost \$29 million in FY 2025-26 and \$30 million in FY 2026-27.

Technical Adjustment to Insurance Premiums Tax Offset for Medicaid Expansion

Under current law (SL 2023-7), 60% of insurance premiums tax attributable to prepaid health plans (PHPs) for Medicaid expansion enrollees is included in General Fund revenues and appropriated to the Division of Health Benefits (DHB). The Governor recommends a technical adjustment to transfer this revenue directly to a special fund for DHB rather than relying on an annual appropriation. This change appears as a \$78 million reduction in General Fund revenue in FY 2025-26 and a \$76 million reduction in FY 2026-27, but this change does not alter the Medicaid expansion financing arrangement specified in SL 2023-7.

Recommended Revenue Changes	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Maintain Individual Income Tax Rate at 4.25%	\$386.3	\$1,801.8	\$3,275.4	\$3,442.1	\$3,586.6
Maintain Corporate Income Tax Rate at 2.25%	\$68.4	\$166.2	\$268.4	\$998.3	\$1,145.4
Child and Dependent Care Tax Credit	-\$59.0	-\$60.3	-\$61.9	-\$63.1	-\$64.4
Convert Child Deduction to Refundable Tax Credit	-\$23.0	-\$23.0	-\$22.9	-\$23.1	-\$23.2
Working Families Tax Credit	-\$426.8	-\$425.8	-\$434.3	-\$444.6	-\$457.4
Back-to-School Sales Tax Holiday	-\$29.0	-\$30.0	-\$31.0	-\$32.1	-\$33.4
Technical Adjustment: PHP Gross Tax Revenue Offset	-\$78.0	-\$75.6	-\$62.2	-\$84.7	-\$87.9
Total	-\$161.1	\$1,353.3	\$2,931.5	\$3,792.8	\$4,065.8
<i>Individual Income Tax</i>	<i>-\$122.5</i>	<i>\$1,292.7</i>	<i>\$2,756.4</i>	<i>\$2,911.3</i>	<i>\$3,041.6</i>
<i>Corporate Income Tax</i>	<i>\$68.4</i>	<i>\$166.2</i>	<i>\$268.4</i>	<i>\$998.3</i>	<i>\$1,145.4</i>
<i>Other Tax</i>	<i>-\$107.0</i>	<i>-\$105.6</i>	<i>-\$93.2</i>	<i>-\$116.8</i>	<i>-\$121.3</i>

General Fund Revenue by Fiscal Year: Recent History and Forecast With Governor's Recommended Changes
(In Millions)

	2021-22	2022-23	2023-24	2024-25		2025-26	%	2026-27	%
	Actual	Actual	Actual	Budget	Revised	Budget	Change	Budget	Change
Tax Revenue									
Individual Income	17,567.6	16,762.5	16,562.9	16,779.1	17,119.0	16,857.5	-1.5%	17,406.7	3.3%
Sales and Use	10,200.7	10,801.2	10,905.8	11,036.4	11,052.0	11,553.5	4.5%	11,865.2	2.7%
Corporate Income	1,625.8	1,635.0	1,552.2	1,578.1	1,641.2	1,552.0	-5.4%	1,506.3	-2.9%
Franchise	888.3	848.0	741.4	744.3	793.4	785.8	-1.0%	809.7	3.0%
Insurance Premium	972.3	1,148.1	1,200.2	1,366.9	1,336.0	1,425.3	6.7%	1,340.0	-6.0%
Alcoholic Beverage	521.2	544.7	547.9	590.6	550.3	560.0	1.8%	572.7	2.3%
Sports Wagering	0.0	0.0	16.9	58.2	57.7	68.1	18.0%	78.3	15.0%
Privilege License	38.4	39.1	48.8	35.6	43.5	44.8	3.0%	47.0	4.9%
Tobacco Products	251.6	268.9	261.6	258.0	249.4	245.4	-1.6%	240.9	-1.8%
Real Estate Conveyance	152.8	119.2	104.5	109.2	111.4	117.7	5.7%	125.4	6.5%
White Goods Disposal	3.9	4.0	4.5	4.5	4.2	4.6	9.5%	4.8	4.3%
Scrap Tire Disposal	7.5	8.5	8.8	9.4	9.2	9.5	3.3%	9.8	3.2%
Mill Machinery	1.3	0.0	0.0	0.0	0.0	0.0	n.a.	0.0	n.a.
Solid Waste Disposal	3.0	3.2	3.1	3.4	3.3	3.2	-3.0%	3.3	3.1%
Other Tax	0.6	0.6	0.3	0.3	0.3	0.3	0.0%	0.3	0.0%
Total Tax Revenue	32,235.0	32,182.9	31,959.0	32,574.0	32,970.9	33,227.7	0.8%	34,010.4	2.4%
Nontax Revenue									
Investment Income	59.9	480.2	858.2	736.3	849.4	681.9	-19.7%	594.1	-12.9%
Judicial Fees	207.6	214.5	213.2	198.2	210.3	207.4	-1.4%	204.6	-1.4%
Insurance	110.8	86.7	114.6	116.7	119.7	124.0	3.6%	126.9	2.3%
Disproportionate Share	167.4	161.5	164.5	159.5	169.8	107.7	-36.6%	109.0	1.2%
Master Settlement Agreement	176.9	139.1	114.7	112.0	112.0	105.1	-6.2%	102.0	-2.9%
Other Nontax	251.1	270.4	269.5	267.6	276.1	326.0	18.1%	299.0	-8.3%
Total Nontax Revenue	973.7	1,352.5	1,734.8	1,590.3	1,737.3	1,552.1	-10.7%	1,435.6	-7.5%
Total General Fund Revenue	33,208.7	33,535.4	33,693.8	34,164.3	34,708.2	34,779.7	0.2%	35,446.0	1.9%

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

Highway Fund and Highway Trust Fund Revenue Forecast

The largest revenue sources for the Highway Fund and Highway Trust Fund, which make up almost two-thirds of total transportation revenues, are the state motor fuels excise tax (43%) and the highway use tax (21%). The highway use tax functions like sales tax on new and used vehicles sold in or transferred to the state. Both funds also receive revenues from Division of Motor Vehicle (DMV) licenses and fees, interest earned on investments of the funds' cash balances, and a transfer of a portion of the state's sales and use tax collections. In July 2025, the state will also begin levying an additional excise tax on on-demand ride-hailing services; the tax rates are 1% for shared ride services and 1.5% for exclusive ride services.

Current Year Revenue

The revised consensus forecast for FY 2024-25 anticipates total Highway Fund and Highway Trust Fund revenue at \$5.71 billion (9.2% above FY 2023-24). The consensus has Highway Fund revenues finishing this fiscal year at \$3.28 billion, 8.0% above FY 2023-24 revenues and \$5 million (+0.2%) above budget. Highway Trust Fund revenues are expected to total \$2.43 billion, 10.8% above FY 2023-24. This is \$38 million (-1.5%) below budget primarily due to lower-than-expected highway use tax collections from vehicle sales.

Total Highway Fund revenue has grown considerably from FY 2023-24 to FY 2024-25 due primarily to higher DMV revenue from the quadrennial inflation adjustment for DMV fees required by SL 2015-241 and the increase in the transfer of sales tax collections from the General Fund from 4% in FY 2023-24 to 6% in the current fiscal year and future years. The Highway Trust Fund receives 75% of the total sales tax transfer, and the Highway Fund receives the remaining 25%. In FY 2024-25, the consensus forecasts a total of \$654 million in sales tax transfers, with an increase to \$686 million and \$708 million in the two subsequent fiscal years.

Revenue Outlook for 2025-27

The FY 2025-26 forecast projects small increases in motor fuel and highway short-term lease tax collections, an increase in the sales tax transfer, and a decline in investment income for the Highway Fund. The net result is an anticipated 0.8% increase in Highway Fund revenue. For FY 2026-27, further increases in motor fuel and short-term lease taxes, DMV fees, and the sales tax transfer result in an anticipated revenue increase of 1.2% over FY 2025-26.

Similar to the Highway Fund, total Highway Trust Fund revenue grew considerably in FY 2024-25 due primarily to higher DMV revenue from the quadrennial fee inflation adjustment and the increase in the sales tax transfer from 4% to 6%. The forecast projects a much more modest 2.5% growth for 2025-26, led by increases in expected collections from the highway use tax and the sales tax transfer. For FY 2026-27, a similar story emerges: increases in highway use, investment income, and General Fund transfers will lead to a projected 2.3% growth in collections over FY 2025-26.

Outlook and Risks for Vehicle Sales and Motor Fuel Consumption

In the near and medium term, the trajectory of new and used vehicle prices and sales volumes remains cautiously optimistic, and some leading industry groups are suggesting strong sales and prices cooling.¹ However, others highlight tariffs under consideration by the Trump administration, both direct and indirect (e.g., shifts in vehicle supply chains), could put upward pressure on new-vehicle prices. This, in

¹ Cox Automotive, 2025. *Cox Automotive's 2025 Outlook: Market Growth, Improving Affordability, and Higher Buyer Satisfaction Expected in Year Ahead*. January 6, 2025. [Link](#)

turn, could cause consumers to postpone new car purchases and push some new car buyers into the market for lower-cost used vehicles, raising prices for used vehicles.² According to S&P Global, if such a scenario of higher prices for both new and used vehicles were to occur, especially if combined with high borrowing costs, vehicle sales could fall significantly short of expectations.

In the long term, continued improvement in average fuel economy will weigh on revenue growth from motor fuel sales. The pace of that trend, however, remains uncertain. In 2024, the U.S. Environmental Protection Agency (EPA) announced new rules that limit the tailpipe greenhouse gas emissions across automakers' total vehicle fleets for all new vehicles sold starting in 2027.³ The Trump administration has signaled its intent to make those emissions standards and related U.S. Department of Transportation fuel efficiency standards less stringent,⁴ introducing uncertainty for automakers and potentially affecting the trajectory of average fuel economy and motor fuel consumption.

Despite federal policy changes, Cox Automotive, a prominent auto trade group, points to automakers moves reaffirming planned investments in more fuel-efficient and electric vehicles as a sign that average fuel economy will increase in the years ahead.⁵ Over the long term, fewer sales of fuel-inefficient gasoline and diesel vehicles, combined with growing adoption of hybrid and electric vehicles, will reduce revenue from motor fuel taxes. However, this shift will lead to increased revenue from annual fees on electric and plug-in hybrid vehicles.

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

Source	2023-24 Actual	2024-25 Budget**	2024-25 Revised	2025-26 Forecast	Year-over-year Change	2026-27 Forecast	Year-over-year Change
Highway Fund							
Motor Fuels Taxes	1,862.0	1,836.2	1,838.8	1,853.0	0.8%	1,878.1	1.4%
Highway Short Term Lease	57.0	118.8	109.7	113.1	3.1%	114.9	1.6%
Licenses, Fees, & Other Taxes	847.7	1,077.7	1,072.3	1,104.5	3.0%	1,123.3	1.7%
Investment Income	102.0	52.4	82.3	50.2	-39.0%	37.6	-25.1%
Aviation Fuel Tax	60.5	12.0	13.1	13.1	0.0%	13.4	2.3%
Transfers from General Fund	108.9	177.7	163.6	171.5	4.8%	176.9	3.1%
Total Highway Fund Availability	3,038.1	3,274.8	3,279.8	3,305.4	0.8%	3,344.2	1.2%
Highway Trust Fund							
Highway Use Tax	1,082.9	1,131.4	1,115.5	1,150.5	3.1%	1,179.8	2.5%
Motor Fuels Tax	615.7	613.9	614.7	619.5	0.8%	627.9	1.4%
Title Fees & Lien	146.7	169.0	173.1	172.1	-0.6%	172.5	0.2%
Transfers from General Fund	317.0	533.0	490.7	514.4	4.8%	530.6	3.1%
Investment Income	30.4	20.2	35.8	33.0	-7.8%	37.2	12.7%
Total Trust Fund Availability	2,192.7	2,467.5	2,429.8	2,489.5	2.5%	2,548.0	2.3%
Total HF & HTF Availability	5,230.8	5,742.3	5,709.6	5,794.9	1.5%	5,892.2	1.7%

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

**February 2025 consensus revenue forecast with sales tax transfer estimates included per S.L. 2024-15.

² S&P Global, 2025. *North American Automotive Industry Faces Unprecedented Challenges as Tariffs Loom*, according to S&P Global Mobility. February 14, 2025. [Link](#)

³ US Environmental Protection Agency. "Final Rule: Multi-Pollutant Emissions Standards for Model Years 2027 and Later Light-Duty and Medium-Duty Vehicles." December 4, 2024. [Link](#)

⁴ NPR. "Trump's pulling a U-turn on EVs, but not much has changed — yet." January 30, 2025. [Link](#)

⁵ Cox Automotive, 2025. *Cox Automotive Industry Insights and Forecast 2025*. December 17, 2024. [Link](#)

Population Dynamics

North Carolina reaches 11-million-person milestone

North Carolina's strong population growth continues, with the state adding an estimated 165,000 people between July 1, 2023, and July 1, 2024.¹ This growth pushed the state's population beyond 11 million people.

If trends continue, our state will likely surpass the populations of Ohio and Georgia to become the 7th largest state in the nation by the mid-2030s.² Since the 2020 Census, only Texas and Florida have exceeded North Carolina's population growth. The State Demographer's latest projections predict our state will add an estimated 257,000 people over the biennium – equivalent to adding another Union County to the state.³

North Carolina is 3rd fastest growing state since 2020 Census

<i>State and Rank</i>	<i>Population added</i>
1. Texas	2.1 million
2. Florida	1.8 million
3. North Carolina	0.6 million

Recent population growth has come about almost exclusively through net migration. Our state has benefited from a strong and growing economy, natural beauty, and, historically, a relatively low cost of living. Existing migration streams into the state accelerated during and after the pandemic. Since 2020, domestic and international migration have added 573,000 people to the state's population. In FY 2023-24, there was a net gain of 82,000 people through state-to-state migration – a gain only Texas surpassed – and 70,00 people from net international migration.

North Carolina's aging population and declines in fertility have slowed natural increase (births minus deaths) so that, since the beginning of this decade, **natural increase contributed to only 5% of the state's total population growth.**⁴ North Carolina is expected to experience natural population decrease within the next 10 to 15 years. Thus, short of extraordinary increases in life expectancy and fertility in the coming decades, our **state's population will only grow through net migration.**⁵

¹ US Census Bureau, State Population Estimates, Vintage 2024. [Link](#)

² North Carolina Office of State Budget & Management, State Demographers Blog, "North Carolina Now Home to Over 11 Million People" [Link](#)

³ North Carolina Office of State Budget & Management, Population Projections, Vintage 2024.

⁴ North Carolina Office of State Budget & Management, State Demographers Blog, "North Carolina Now Home to Over 11 Million People" [Link](#)

⁵ North Carolina Office of State Budget & Management, State Demographers Blog, "North Carolina to Become 7th Most Population State in Early 2030s" [Link](#)

Growth continues in and around urban areas and retirement destinations

So far this decade, urban, suburban, and rural counties have shared in the state's population growth. This contrasts with the 2010s, when North Carolina's population growth was concentrated in our largest urban counties. Wake and Mecklenburg Counties accounted for almost half of the state's population growth and most counties experienced population loss.⁶ According to the State Demographer's latest population estimates, 74 of our 100 counties experienced some level of population growth between the 2020 Census and July 1, 2023, with growth in 21 counties exceeded 5%.⁷

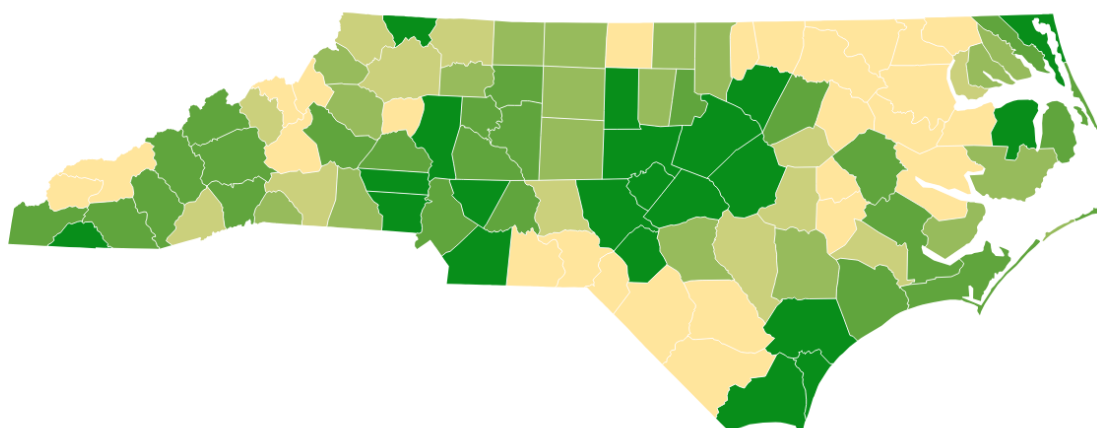
The state's fastest-growing populations are found in counties near our largest urban areas or in retirement destinations near mountains, lakes, and beaches. Counties that share both characteristics, likes Brunswick, Franklin, and Pender, are the fastest growing.

Population Percent Change, 2020 - 2023

Change from April 1, 2020 - July 1, 2023

Percent Change

< 0 0-1 1-3 3-5 ≥ 5



Source: NC OSBM, Population Estimates, Vintage 2023 • Created with Datawrapper

The latest population estimates do not reflect the impacts from Hurricane Helene. Many of the counties affected by the storm were experiencing little to no population growth prior to the storm. Others were growing more rapidly from retiree in-migration. There is not yet enough information to provide a full accounting of population change in the region. Should the recovery follow similar patterns of other disasters, most people who may have left the region will return within the next year.⁸ The most likely effect on population change in western North Carolina will be a slowing of population growth as a result of erstwhile migrants who forego, temporarily or indefinitely, a move to the region.

⁶ North Carolina Office of State Budget & Management, State Demographers Blog, "Most Counties Share in NC's Continued Growth." [Link](#)

⁷ North Carolina Office of State Budget and Management, Population Estimates, Vintage 2023.

⁸ North Carolina Office of State Budget & Management, State Demographers Blog, "Population Change in Western North Carolina Post Hurricane Helene," [Link](#)

Population growth seen in all age groups, though population shifting older

North Carolina continues to age. The state's median age increased by almost five years since 2000. Today, half of all North Carolinians are 40 years old or older. This increase has been aided by the aging of the baby-boom generation and declines in fertility.

Fertility rates have been declining over the last several years after last peaking in 2007.⁹ This, along with slower growth in the population aged 25 to 44, resulted in minimal growth in the childhood population.¹⁰ At the beginning of the biennium there will be an estimated 1,742,000 school-age children (aged 5 to 17) and 607,000 pre-school-age children (from birth through age 4). The school age population will remain virtually the same through the end of the decade – adding just 5,000 children from 2025-30. The pre-school-age population is projected to increase more rapidly than the school-age population, increasing by 3.8% and adding 23,000 children.

Unlike the school age population, the college-age population (ages 18 to 24), experienced steady growth over the course of the past ten or so years – primarily due to a relatively larger cohort of children born in the 1990s aging into these ages and young adults moving to the state to attend college, serve the military, or to access jobs. This population group is expected to continue to increase in size – adding an estimated 62,000 people (5.7%) between 2025 and 2030.

Population by Age in 2025 & Population Change, 2025-30

	2025	Numeric Change 2025-30	Percent Change 2025-30
85+	186,398	47,172	25.3
65+	2,038,854	289,789	14.2
45-64	2,756,244	62,713	2.3
25-44	2,873,507	193,296	6.7
18-24	1,089,826	62,335	5.7
5-17	1,742,254	5,226	0.3
< 5	606,561	23,236	3.8

Source: NC OSBM, Population Projections, Vintage 2024 • Created with Datawrapper

Among the prime working ages, the young working-age population (age 25 to 44) is projected to grow more rapidly than the total population, adding 193,000 people to this age group between 2025 and 2030 (a 6.7 percent increase compared to 5.7 percent for the total population). The older working age population is projected to increase by only 63,000 people between 2025 and 2030 (a 2.3 percent increase) as many baby boomers become retirement age.

Since the first wave of baby boomers turned 65 in 2011, over 120,000 North Carolinians have reached this age milestone every year. These trends will continue. North Carolina's long-standing popularity as a

⁹ With a brief drop at the beginning of the COVID-19 pandemic.

¹⁰ North Carolina Office of State Budget & Management, State Demographers Blog, "NC to Become 7th Most Populated State in Early 2030s," [Link](#)

destination for retirees,¹¹ with concomitant aging of the existing population, will result in continued rapid growth of the older-adult population (age 65+). Thus, the older population is expected to increase by 290,000 over the next five years, a 14.2 percent increase. By the end of this decade, 1 in 5 North Carolinians will be at least 65 years old, and by 2031 there will be more older adults than children.¹²

¹¹ North Carolina Office of State Budget & Management, State Demographers Blog, "Who Migrates to North Carolina?" [Link](#)

¹² North Carolina Office of State Budget & Management, State Demographers Blog, "North Carolina's Older Adult Population to Almost Double in the Next 20 Years," [Link](#)

Mission

To use the State Board of Education's constitutional authority to guard and maintain the right of a sound, basic education for every child in North Carolina Public Schools.

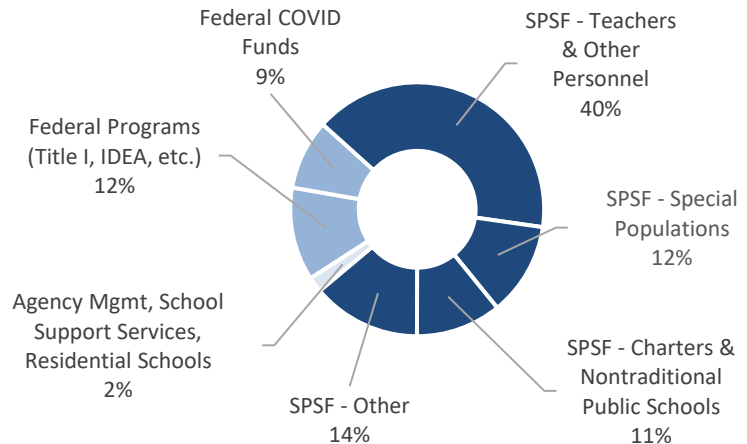
Vision

NC public schools will prepare all students to meet academic challenges, pursue opportunities after high school, and engage in our globally collaborative society as lifelong learners.

The State Board of Education and Superintendent of Public Instruction are developing a strategic plan

guided by the Board's vision and the six pillars of the Superintendent's Achieving Educational Excellence.

FY 2023-24 Actual Expenditures

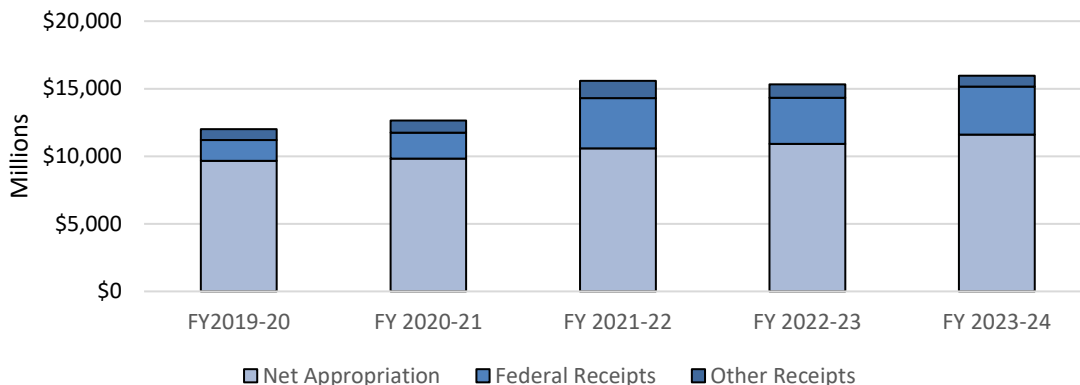


*DPI Distributes money from the State Public School Fund (SPSF) to public school units for specific purposes.

Agency Profile

- Implements laws, policies, and procedures governing public education for K through 12th grade at the direction of the SBE and Superintendent of Public Instruction.
- Provides leadership and service to 115 local public-school districts and 2,400+ traditional public schools, 200+ charter schools, lab and regional schools, the North Carolina Virtual Public School, the North Carolina Governor's School, and three residential schools for students with hearing and visual impairments, serving about 1.5 million K-12 students across the state.
- Administers state and federal funds totaling nearly \$16 billion, and licenses and supports the development of the 128,000 teachers and administrators that serve public schools.

5-Year Historical Expenditures



Charts include General Fund budget code only.

Public Instruction - General Fund (13510)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 14,371,756,376	\$ 1,041,894,076	\$ 152,724,470	\$ 1,194,618,546	\$ 15,566,374,922	8.3 %
Receipts	\$ 2,440,462,977	\$ 165,050,000	\$ 20,300,000	\$ 185,350,000	\$ 2,625,812,977	7.6 %
Net Appropriation	\$ 11,931,293,399	\$ 876,844,076	\$ 132,424,470	\$ 1,009,268,546	\$ 12,940,561,945	8.5 %
Positions (FTE)	1,112.752	26.000	-	26.000	1,138.752	2.3 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 14,371,796,766	\$ 1,520,847,890	\$ 41,300,000	\$ 1,562,147,890	\$ 15,933,944,656	10.9 %
Receipts	\$ 2,440,462,977	\$ 170,050,000	\$ 11,300,000	\$ 181,350,000	\$ 2,621,812,977	7.4 %
Net Appropriation	\$ 11,931,333,789	\$ 1,350,797,890	\$ 30,000,000	\$ 1,380,797,890	\$ 13,312,131,679	11.6 %
Positions (FTE)	1,112.752	40.000	-	40.000	1,152.752	3.6 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase – Teachers and Instructional Support Updates the teacher salary schedule to raise starting teacher salaries to the highest in the Southeast, and provides a 10.6% average raise for all existing teachers by FY 2026-27. North Carolina starting and average teacher salaries currently rank 40th and 41st in the nation, respectively. This schedule raises pay for experienced teachers, instructional support personnel, school psychologists, speech pathologists, and audiologists. State agency teacher salaries are increased in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.	Req \$	365,506,000	\$ -	\$ 681,776,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	365,506,000	\$ -	\$ 681,776,000	\$ -
	FTE	0.000	0.000	0.000	0.000
2 Compensation Increase – School-based Administrators Provides funds to improve recruitment and retention for school-based administrators through salary increases. Assistant principal salaries are tied to the teacher salary schedule. Funding supports a 6% total increase for existing principals over the biennium. Corresponding special provisions show additional details on these compensation increases.	Req \$	18,021,000	\$ -	\$ 42,595,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	18,021,000	\$ -	\$ 42,595,000	\$ -
	FTE	0.000	0.000	0.000	0.000
3 Compensation Increase - Non-Certified and Central Office Staff Increases salaries for Non-Certified and Central Office staff at Local Educational Agencies by 3%.	Req \$	56,955,000	\$ -	\$ 56,955,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	56,955,000	\$ -	\$ 56,955,000	\$ -
	FTE	0.000	0.000	0.000	0.000
4 Compensation Increase - DPI Increases all state-funded employee salaries by 2%.	Req \$	1,451,000	\$ -	\$ 1,451,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	1,451,000	\$ -	\$ 1,451,000	\$ -
	FTE	0.000	0.000	0.000	0.000
5 Compensation Increase - State Agency Teachers Funds a salary increase for state agency teachers in accordance with the statewide teacher salary schedules.	Req \$	564,000	\$ -	\$ 938,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	564,000	\$ -	\$ 938,000	\$ -
	FTE	0.000	0.000	0.000	0.000
6 State Employee Bonus - Principals, Non-Certified and Central Office Staff Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.	Req \$	-	\$ 52,308,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 52,308,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000

		R Changes		NR Changes		R Changes		NR Changes
Reserve for Salaries and Benefits								
7 State Employee Bonus - DPI								
Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.	Req \$	-	\$	1,086,000	\$	-	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	-	\$	1,086,000	\$	-	\$	-
	FTE	0.000		0.000		0.000		0.000
8 Master's Pay								
Attracts and retains teachers by restoring master's pay for over 1,000 teachers whose advanced degrees are in the subjects they teach. Research suggests that master's pay may help retain early- to mid-career teachers who have not yet reached their peak teacher productivity but are more likely than more experienced teachers to exit the profession.	Req \$	10,000,000	\$	-	\$	10,000,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	10,000,000	\$	-	\$	10,000,000	\$	-
	FTE	0.000		0.000		0.000		0.000
9 Labor Market Retention and Adjustment Reserve								
Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.	Req \$	1,451,000	\$	-	\$	1,451,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	1,451,000	\$	-	\$	1,451,000	\$	-
	FTE	0.000		0.000		0.000		0.000
10 Retirement and Retiree Health Contributions - Public School Personnel								
Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.	Req \$	26,009,074	\$	-	\$	53,318,833	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	26,009,074	\$	-	\$	53,318,833	\$	-
	FTE	0.000		0.000		0.000		0.000
11 Retirement and Retiree Health Contributions - DPI								
Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.	Req \$	183,211	\$	-	\$	375,583	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	183,211	\$	-	\$	375,583	\$	-
	FTE	0.000		0.000		0.000		0.000
12 Retiree Cost-of-Living Adjustment - Public School Personnel								
Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.	Req \$	-	\$	16,240,330	\$	-	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	-	\$	16,240,330	\$	-	\$	-
	FTE	0.000		0.000		0.000		0.000
13 Retiree Cost-of-Living Adjustment - DPI								
Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.	Req \$	-	\$	621,140	\$	-	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	-	\$	621,140	\$	-	\$	-
	FTE	0.000		0.000		0.000		0.000
14 State Health Plan - Public School Personnel								
Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.	Req \$	64,056,624	\$	-	\$	131,316,294	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	64,056,624	\$	-	\$	131,316,294	\$	-
	FTE	0.000		0.000		0.000		0.000
15 State Health Plan - DPI								
Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.	Req \$	302,107	\$	-	\$	619,320	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	302,107	\$	-	\$	619,320	\$	-
	FTE	0.000		0.000		0.000		0.000

		R Changes		NR Changes		R Changes		NR Changes
Technical Adjustments								
16 Enrollment Adjustment								
Adjusts funding for multiple public school allotments based on average daily membership (ADM) to reflect changes in student population. This item also adjusts for changes in budgeted average salaries and in public school allotments not based on ADM, such as transportation. This item is funded in part using Department of Revenue Sales and Use Tax receipts.	Req \$	104,300,000	\$	-	\$	104,300,000	\$	-
	Rec \$	7,800,000	\$	-	\$	12,800,000	\$	-
	App \$	96,500,000	\$	-	\$	91,500,000	\$	-
	FTE	0.000		0.000		0.000		0.000
17 Contingency Reserve								
Appropriates funds to the ADM Contingency Reserve to cover projected costs for the 2025-26 school year. These funds support public school ADM increases due to population growth, growing districts and charter schools, and new charter schools.	Req \$	4,000,000	\$	-	\$	4,000,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	4,000,000	\$	-	\$	4,000,000	\$	-
	FTE	0.000		0.000		0.000		0.000
Student Safety and Well-Being								
18 Universal School Breakfast at No Cost to Students								
Provides funding for public schools to offer breakfast at no cost to all students. Schools participating in the Community Eligibility Provision (CEP) already offer breakfast at no cost to all students. DPI will reimburse non-CEP schools for breakfasts served. This will enable school cafeterias to serve almost 195,000 free breakfasts each school day. Research shows that receiving free breakfast improves student health, learning, and behavior. This item is supported by Education Lottery Receipts.	Req \$	85,300,000	\$	-	\$	85,300,000	\$	-
	Rec \$	85,300,000	\$	-	\$	85,300,000	\$	-
	App \$	-	\$	-	\$	-	\$	-
	FTE	0.000		0.000		0.000		0.000
19 School Health Personnel								
Supports student mental and physical health by funding additional school counselors, nurses, social workers, and psychologists through the School Health Personnel allotment. Evidence shows that specialized support personnel increase achievement, reduce absences and misbehavior, and increase four-year college enrollment. This item will fund about 330 new positions.	Req \$	32,745,000	\$	-	\$	32,745,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	32,745,000	\$	-	\$	32,745,000	\$	-
	FTE	0.000		0.000		0.000		0.000
20 Pilot Program to Limit Student Cell Phone Use in Schools								
Creates a pilot grant program to help districts implement strategies that limit student cell phone use in schools. Strategies may include use of lockers or pouches to secure phones during instructional time. This item includes \$100,000 for an evaluation study.	Req \$	-	\$	5,100,000	\$	-	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	-	\$	5,100,000	\$	-	\$	-
	FTE	0.000		0.000		0.000		0.000
21 School Safety Allotment								
Funds 330 new school resource officer (SRO) positions in elementary and middle schools each year, continues to support existing SROs at 165 PSUs, and creates the School Safety allotment to more efficiently distribute funds to schools. A corresponding special provision directs the Center for Safer Schools and DPI to work with the NC Criminal Justice Education and Training Standards Commission to establish initial training and continuing education standards for SROs, including more pre-service, behavioral health, and trauma-informed training. A corresponding item in the State Bureau of Investigation section reduces funding to SRO grants to reflect the transfer of all elementary and middle school SRO funding to this allotment.	Req \$	63,000,000	\$	-	\$	93,000,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	63,000,000	\$	-	\$	93,000,000	\$	-
	FTE	0.000		0.000		0.000		0.000
22 School Bus Routing System Contract								
Provides additional funding to maintain the Transportation Information Management System (TIMS) that coordinates efficient school bus routing. DPI contracts with NC State University and UNC Chapel Hill to conduct the analysis that supports the equitable distribution of state transportation funding to public school units. Appropriations for this purpose have not increased in line with contract costs.	Req \$	116,300	\$	-	\$	140,500	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	116,300	\$	-	\$	140,500	\$	-
	FTE	0.000		0.000		0.000		0.000

		R Changes		NR Changes		R Changes		NR Changes
Support, Recruit, and Retain								
23 Teacher Supply Stipend								
Provides a \$300 tax-deductible stipend to every public school teacher to purchase teaching supplies and classroom materials. Almost 95% of teachers spend their own money for needed supplies, which further reduces teacher compensation.	Req \$	-	\$	30,000,000	\$	-	\$	30,000,000
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	-	\$	30,000,000	\$	-	\$	30,000,000
	FTE	0.000		0.000		0.000		0.000
24 Support for Low-Performing Districts								
Provides funds for DPI's district and regional support model, which provides targeted and comprehensive assistance to low-performing schools and districts through professional learning, coaching, systems design, and capacity building. Preliminary analysis of this model shows positive effects on school performance grades and student test scores.	Req \$	4,500,000	\$	-	\$	4,500,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	4,500,000	\$	-	\$	4,500,000	\$	-
	FTE	16.000		0.000		16.000		0.000
25 NC Center for the Advancement of Teaching								
Provides funds for the NC Center for the Advancement of Teaching (NCCAT) to expand professional development programming for teachers in all regions and districts of the state. Expanded operations at NCCAT's Cullowhee campus will support an additional 14,000 teachers a year and impact at least 350,000 public school students annually across North Carolina. These funds support operations and positions, including new faculty, as well as administrative, program support, and operations positions.	Req \$	922,000	\$	-	\$	2,058,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	922,000	\$	-	\$	2,058,000	\$	-
	FTE	6.000		0.000		20.000		0.000
26 Teacher Assistants to Teachers Tuition Reimbursement Program								
Fully funds the Teacher Assistants to Teachers program ("TAs to Teachers"), which reimburses public school teacher assistants who are taking educator preparation courses. The program offers up to \$4,600 per year for up to four years for tuition and fees. Due to funding constraints, the program was only able to offer partial funding for 198 out of 547 reimbursement requests in FY 2024-25. Teacher assistants in low-wealth counties accounted for more than half of the unfilled requests.	Req \$	4,000,000	\$	-	\$	4,000,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	4,000,000	\$	-	\$	4,000,000	\$	-
	FTE	0.000		0.000		0.000		0.000
Advance Educational Excellence and Innovation								
27 Devices for Students								
Enables public schools to continue providing every student with a laptop, a policy adopted during the pandemic and previously supported with federal COVID relief funds. Digital and online learning is now an essential part of the school day, and this initiative will ensure students stay connected. This investment supports a four-year refresh cycle with a 2/3 state contribution and 1/3 local contribution. This item is funded in part using recurring receipts from the Education Lottery and is supplemented in this biennium using nonrecurring receipts from the Civil Penalty and Forfeiture Fund.	Req \$	100,000,000	\$	11,300,000	\$	100,000,000	\$	11,300,000
	Rec \$	68,250,000	\$	11,300,000	\$	68,250,000	\$	11,300,000
	App \$	31,750,000	\$	-	\$	31,750,000	\$	-
	FTE	0.000		0.000		0.000		0.000
28 Exceptional Children Funding								
Eliminates the funding cap for the Children with Disabilities allotment that is currently set at 13% of ADM. Children with disabilities will account for more than 13% of ADM in 86 out of 115 school districts in FY 2025-26, and this change ensures that all districts will receive state funding for all students with special learning needs.	Req \$	27,000,000	\$	-	\$	27,000,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	27,000,000	\$	-	\$	27,000,000	\$	-
	FTE	0.000		0.000		0.000		0.000
29 Advanced Teaching Roles – Salary Supplements for Leadership Roles								
Expands funding for teacher salary supplements as part of the Advanced Teaching Roles (ATR) program. ATR creates classroom leadership roles, so that excellent teachers can earn higher pay while remaining in the classroom. ATR provides salary supplements for excellent teachers to coach novice teachers and reach more students to improve school-wide quality. Research shows that ATR improves student scores, particularly in math.	Req \$	14,100,000	\$	-	\$	20,100,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	14,100,000	\$	-	\$	20,100,000	\$	-
	FTE	0.000		0.000		0.000		0.000

		R Changes		NR Changes		R Changes		NR Changes
Advance Educational Excellence and Innovation								
30 Advanced Teaching Roles – District Design and Implementation Grants								
Provides supplemental funding for the Advanced Teaching Roles program established in G.S. 115C-311. These funds will allow DPI to fully fund design and implementation costs for the six districts in the FY 2025-26 grant cohort and to expand the FY 2026-27 grant cohort.	Req \$	2,000,000	\$	-	\$	6,000,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	2,000,000	\$	-	\$	6,000,000	\$	-
	FTE	0.000		0.000		0.000		0.000
31 Diagnostic Reading Assessments for Grades 4 and 5								
Extends state diagnostic reading assessments and literacy intervention plans to 4th and 5th graders. This funding will help to identify where student performance lags and help educators tailor lessons and professional development accordingly. Schools currently use these assessments for K-3 classrooms and this investment is a key step in expanding literacy work to the middle grades.	Req \$	1,390,800	\$	967,000	\$	1,506,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	1,390,800	\$	967,000	\$	1,506,000	\$	-
	FTE	0.000		0.000		0.000		0.000
32 Middle Grades Literacy Initiative								
Expands the early grades literacy initiative to address an urgent need in middle grades. North Carolina's K-3 students continue to outperform the national average on reading assessments, but as supports are removed, summative reading proficiency begins to decline. Recurring funds provide professional development to all grade 6-8 core content teachers, develop district resources aligned to literacy intervention plans, and provide a tiered structure of state and regional support. Nonrecurring funds include professional development and bonuses for teachers who complete the training outside of their regular workday.	Req \$	14,000,000	\$	25,002,000	\$	15,380,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	14,000,000	\$	25,002,000	\$	15,380,000	\$	-
	FTE	0.000		0.000		0.000		0.000
33 High-Dosage Tutoring								
Provides funds to support high-dosage tutoring in low-performing districts. The most recent National Assessment of Educational Progress (NAEP) showed that 70% of NC fourth graders were below proficient in reading and 59% were below proficient in math. Districts may operate their own programs or contract with a third party to deliver in-person tutoring three times per week to students who are below grade level in reading or math. This item includes \$100,000 for an evaluation study.	Req \$	6,000,000	\$	-	\$	6,000,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	6,000,000	\$	-	\$	6,000,000	\$	-
	FTE	0.000		0.000		0.000		0.000
34 Cooperative Innovative High Schools								
Funds new Cooperative Innovative High Schools (CIHS) in Martin, Moore, and Mecklenburg counties that have been conditionally approved by the State Board of Education (SBE). CIHS support students whose parents did not complete a high school degree, who are at risk of dropping out, or who would benefit from accelerated academic instruction. Research shows that schooling that combines high school and college experiences has positive impacts on associate's degree completion, as well as bachelor's degree completion for low-income students and first-generation college-goers.	Req \$	635,000	\$	-	\$	635,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	635,000	\$	-	\$	635,000	\$	-
	FTE	0.000		0.000		0.000		0.000
35 Governor Morehead School for the Blind								
Provides funds to support the Governor Morehead School (GMS) transition to functioning as an independent agency, as required by S.L. 2023-10. Additional positions, reclassification of current positions to higher levels, legal contracting fee support, and operational funds will ensure compliance with state agency requirements, including maintaining basic operations and enforcing segregation of duties among HR personnel and between finance and procurement. The GMS provides an essential service to children with visual impairments who require specialized instruction and services to receive their education. The school may establish up to four FTE with these funds.	Req \$	560,000	\$	-	\$	560,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	560,000	\$	-	\$	560,000	\$	-
	FTE	0.000		0.000		0.000		0.000

		R Changes		NR Changes		R Changes		NR Changes
Advance Educational Excellence and Innovation								
36 Eastern NC School for the Deaf								
Provides funds to support the Eastern NC School for the Deaf (ENCSD) transition to functioning as an independent agency, as required by S.L. 2023-10. Additional positions, reclassification of current positions to higher levels, legal contracting fee support, and operational funds will ensure compliance with state agency requirements, including maintaining basic operations and enforcing segregation of duties among HR personnel and between finance and procurement. The ENCSD provides an essential service to children with hearing loss who require specialized instruction and services to receive their education. The school may establish up to four FTE with these funds.	Req \$	560,000	\$	-	\$	560,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	560,000	\$	-	\$	560,000	\$	-
	FTE	0.000		0.000		0.000		0.000
37 NC School for the Deaf								
Provides funds to support the NC School for the Deaf (NCSd) transition to functioning as an independent agency, as required by S.L. 2023-10. Additional positions, reclassification of current positions to higher levels, and operational funds will ensure compliance with state agency requirements, including maintaining basic operations and enforcing segregation of duties among HR personnel and between finance and procurement. The NCSd received legal contracting fee support in S.L. 2024-57. The NCSd provides an essential service to children with hearing loss who require specialized instruction and services to receive their education. The school may establish up to four FTE with these funds.	Req \$	440,000	\$	-	\$	440,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	440,000	\$	-	\$	440,000	\$	-
	FTE	0.000		0.000		0.000		0.000
38 Uniform Education Reporting System Contract Cost Escalation								
Increases funding for the student information system (SIS) and single sign-on (SSO) services to cover significant increases in subscription costs and ensure business continuity. The SIS stores over 1.5 million district and charter school records statewide, and it forms the backbone of all school operations by calculating grades, creating transcripts, providing medical alerts, and communicating with parents. SSO supports over 40 applications and manages over 2 million active accounts with over 1 million daily authentications.	Req \$	16,400,000	\$	1,100,000	\$	16,400,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	16,400,000	\$	1,100,000	\$	16,400,000	\$	-
	FTE	0.000		0.000		0.000		0.000
39 Department of Information Technology Billing Structural Shortfall								
Adjusts funding to close an existing structural budget shortfall for services and subscriptions that the Department of Information Technology provides to DPI. DPI's budget for this purpose has not kept pace with increasing service requirements.	Req \$	1,140,000	\$	-	\$	1,140,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	1,140,000	\$	-	\$	1,140,000	\$	-
	FTE	0.000		0.000		0.000		0.000
40 Technology Infrastructure for Business Continuity								
Ensures business continuity by funding subscription cost increases for Google Enterprise Workspace, implementation of Microsoft Teams (MS Teams) for agency phones, and Microsoft 365 (M365) backup that were previously supported by federal COVID relief funds. Providing Google Workspace licenses for 1,500 DPI employees promotes seamless communication and sharing between public schools and DPI. MS Teams and M365 investments streamline DPI systems while securing and backing up critical data.	Req \$	720,000	\$	-	\$	720,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	720,000	\$	-	\$	720,000	\$	-
	FTE	0.000		0.000		0.000		0.000
41 Broadband Access and Classroom Connectivity								
Ensures that all of the more than 2,500 public schools across the state maintain access to reliable high-speed internet access by providing state matching funds for public schools to maximize federal E-Rate funding. This match would unlock up to \$7.5 million in federal E-Rate funds in each year of the biennium.	Req \$	2,500,000	\$	-	\$	2,500,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	2,500,000	\$	-	\$	2,500,000	\$	-
	FTE	0.000		0.000		0.000		0.000

		R Changes	NR Changes	R Changes	NR Changes
Advance Educational Excellence and Innovation					
42 Classroom Materials					
Provides funds to help schools access high-quality instructional materials and supplies through the Classroom Materials allotment. Schools often rely on parents, teachers, and community drives for needed supplies, which disadvantages low-wealth school districts. Schools may use these funds to purchase or refresh devices such as laptops. This item is supported by receipts from the Indian Gaming Education Fund.	Req \$	3,700,000	\$ 9,000,000	\$ 3,700,000	\$ -
	Rec \$	3,700,000	\$ 9,000,000	\$ 3,700,000	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
43 Cybersecurity Enhancements for Public Schools					
Enhances cybersecurity at public schools across the state and protects the privacy of education-related data through proactive risk management and compliance measures. Funds support endpoint security and threat detection for about 300,000 licensed users and a Cybersecurity Regional Support Consultant.	Req \$	6,910,000	\$ -	\$ 6,910,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	6,910,000	\$ -	\$ 6,910,000	\$ -
	FTE	1.000	0.000	1.000	0.000
44 School Business Systems Modernization for Public Schools					
Supports 92 public school units migrating to cloud-based Enterprise Resource Planning systems, which integrate finance and HR platforms. Vendors will stop supporting many of the existing systems and sunset others altogether in the next 1-3 years. This item is funded through the IT Reserve, and funds for this project will be allocated to the department over the life of the project.	Req \$	-	\$ -	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
45 Administrative and Legal Support					
Supports key functions of the SBE and the Charter School Review Board (CSRB) by funding positions and operating expenses. Funds for a Professional Misconduct Investigator and a Rulemaking Coordinator will enable the SBE to fulfill its statutory mandate to ensure the quality and reputability of public school teachers and to adopt administrative rules in accordance with the Administrative Procedure Act. Funds for operating, legal, and travel expenses will assist the CSRB in serving the growing number of charter schools in the state.	Req \$	321,960	\$ -	\$ 323,360	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	321,960	\$ -	\$ 323,360	\$ -
	FTE	2.000	0.000	2.000	0.000
46 Whole System Apprenticeships Model					
Invests in the development of a 'whole system' model of apprenticeships from high school through higher education, leveraging funds provided by the Workforce Innovation and Opportunity Act, as well as from other sources. This investment will strengthen the state's talent pipeline by funding one position at ApprenticeshipNC to work with the Department of Public Instruction to better prepare and connect North Carolinians to high-demand workforce opportunities.	Req \$	134,000	\$ -	\$ 134,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	134,000	\$ -	\$ 134,000	\$ -
	FTE	1.000	0.000	1.000	0.000
Total Change to Requirements	\$	1,041,894,076	\$ 152,724,470	\$ 1,520,847,890	\$ 41,300,000
Total Change to Receipts	\$	165,050,000	\$ 20,300,000	\$ 170,050,000	\$ 11,300,000
Total Change to Net Appropriations	\$	876,844,076	\$ 132,424,470	\$ 1,350,797,890	\$ 30,000,000
Total Change to Full-Time Equivalent (FTE)		26.000	0.000	40.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		1,009,268,546	\$	1,380,797,890
Total Change to Full-Time Equivalent (FTE)			26.000		40.000

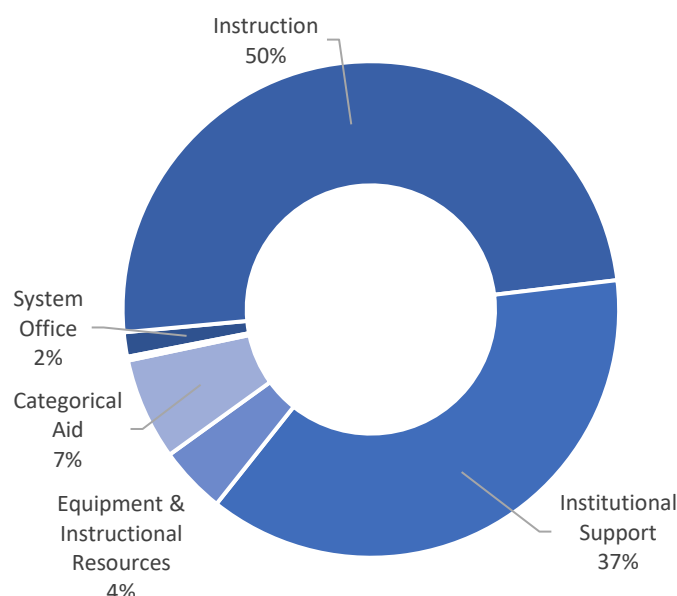
Mission

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

Goals

1. Recruit and retain top talent to enable the North Carolina Community College System (NCCCS) to educate and prepare the state's workforce.
2. Increase access and enrollment at North Carolina community colleges to meet the state's educational attainment goal and expand postsecondary opportunities.
3. Provide resources inside and outside the classroom for all students to successfully enroll, persist, and complete a career program of study.
4. Provide education, training, and credentials to develop the most competitive workforce in the nation.
5. Increase state funding, streamline the allocation formula, and implement practices to improve system effectiveness.

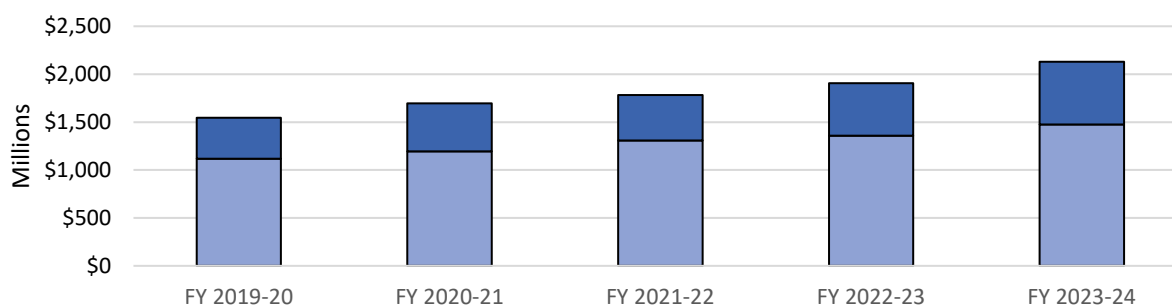
FY 2023-24 Actual Expenditures



Agency Profile

- In 2023-24, NCCCS served more than 615,000 students, enrolled in academic, workforce continuing education, and literacy courses, at 58 colleges across the state.
- In 2023-24, more than 63,000 certificates, diplomas, associate degrees, and other credentials were awarded.
- Supports economic development and job creation in every county in the state through the NCEdge Customized Training Program, Small Business Center Network, and ApprenticeshipNC.

5-Year Historical Expenditures



Charts include General Fund budget code only.

■ Net Appropriation ■ Receipts

NC Community College System - General Fund (16800)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 1,961,916,208	\$ 242,035,273	\$ 30,135,635	\$ 272,170,908	\$ 2,234,087,116	13.9 %
Receipts	\$ 379,955,931	\$ 18,357,947	\$ -	\$ 18,357,947	\$ 398,313,878	4.8 %
Net Appropriation	\$ 1,581,960,277	\$ 223,677,326	\$ 30,135,635	\$ 253,812,961	\$ 1,835,773,238	16.0 %
Positions (FTE)	239.000	1.000	-	1.000	240.000	0.4 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 1,961,916,208	\$ 253,631,669	\$ -	\$ 253,631,669	\$ 2,215,547,877	12.9 %
Receipts	\$ 379,955,931	\$ 18,357,947	\$ -	\$ 18,357,947	\$ 398,313,878	4.8 %
Net Appropriation	\$ 1,581,960,277	\$ 235,273,722	\$ -	\$ 235,273,722	\$ 1,817,233,999	14.9 %
Positions (FTE)	239.000	1.000	-	1.000	240.000	0.4 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve - System Office

Increases all state-funded employee salaries by 2%.

Req \$	478,000	\$ -	\$ 478,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	478,000	\$ -	\$ 478,000	\$ -
FTE	0.000	0.000	0.000	0.000

2 Compensation Increase Reserve - Community Colleges

Increases all state-funded employee salaries by 2%.

Req \$	30,460,000	\$ -	\$ 30,460,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	30,460,000	\$ -	\$ 30,460,000	\$ -
FTE	0.000	0.000	0.000	0.000

3 State Employees Bonus - System Office

Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ 239,000	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 239,000	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

4 Community College Staff Bonus

Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ 17,830,000	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 17,830,000	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

5 Labor Market Retention and Adjustment Reserve - System Office

Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.

Req \$	478,000	\$ -	\$ 478,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	478,000	\$ -	\$ 478,000	\$ -
FTE	0.000	0.000	0.000	0.000

6 Labor Market Retention and Adjustment Reserve - Community Colleges

Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.

Req \$	30,460,000	\$ -	\$ 30,460,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	30,460,000	\$ -	\$ 30,460,000	\$ -
FTE	0.000	0.000	0.000	0.000

		R Changes		NR Changes		R Changes		NR Changes
Reserve for Salaries and Benefits								
7 Retirement and Retiree Health Contributions - System Office								
Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.	Req \$	60,445	\$	-	\$	123,912	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	60,445	\$	-	\$	123,912	\$	-
	FTE	0.000		0.000		0.000		0.000
8 Retirement and Retiree Health Contributions - Community Colleges								
Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.	Req \$	3,845,036	\$	-	\$	7,882,353	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	3,845,036	\$	-	\$	7,882,353	\$	-
	FTE	0.000		0.000		0.000		0.000
9 Retiree Cost-of-Living Adjustment - System Office								
Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.	Req \$	-	\$	204,925	\$	-	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	-	\$	204,925	\$	-	\$	-
	FTE	0.000		0.000		0.000		0.000
10 Retiree Cost-of-Living Adjustment - Community Colleges								
Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.	Req \$	-	\$	11,861,710	\$	-	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	-	\$	11,861,710	\$	-	\$	-
	FTE	0.000		0.000		0.000		0.000
11 State Health Plan - System Office								
Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.	Req \$	71,353	\$	-	\$	146,274	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	71,353	\$	-	\$	146,274	\$	-
	FTE	0.000		0.000		0.000		0.000
12 State Health Plan - Community Colleges								
Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.	Req \$	7,067,303	\$	-	\$	14,487,994	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	7,067,303	\$	-	\$	14,487,994	\$	-
	FTE	0.000		0.000		0.000		0.000
Student Investment								
13 Enrollment Growth Adjustment								
Adjusts funds for FY 2025-26 based on the preliminary change in community college enrollment. Community college total enrollment increased by 6.8%, or 16,377 full-time equivalent students, from the budgeted amount in FY 2024-25. This adjustment includes estimated receipts from tuition and registration fees.	Req \$	94,156,267	\$	-	\$	94,156,267	\$	-
	Rec \$	18,357,947	\$	-	\$	18,357,947	\$	-
	App \$	75,798,320	\$	-	\$	75,798,320	\$	-
	FTE	0.000		0.000		0.000		0.000
14 Propel NC								
Provides funding to implement a new labor-market driven funding model, Propel NC. This investment will help community colleges shift curriculum and continuing education courses within the same workforce sectors to align with the State's high-demand, high-wage jobs. This new funding model will help streamline degree attainment and prepare a well-trained workforce to meet the demands of the state's growing economy.	Req \$	34,291,805	\$	-	\$	34,291,805	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	34,291,805	\$	-	\$	34,291,805	\$	-
	FTE	0.000		0.000		0.000		0.000
15 Enrollment Increase Reserve								
Invests recurring funds to establish an enrollment increase reserve. This reserve will provide funding for individual colleges experiencing an enrollment increase greater than budgeted enrollment levels. In FY 2024, 50 colleges experienced enrollment increases.	Req \$	6,000,000	\$	-	\$	6,000,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	6,000,000	\$	-	\$	6,000,000	\$	-
	FTE	0.000		0.000		0.000		0.000

		R Changes		NR Changes		R Changes		NR Changes
Student Investment								
16 Free Community College Tuition for High Demand Skills Training								
Covers the cost of attendance, including registration and local fees, for resident students enrolled in non-credit, short-term workforce training programs. These grants will fill a gap in the student funding landscape, expanding access to North Carolina's community colleges by providing up to \$750 per credential in financial assistance. This investment will narrow the state's in-demand workforce skills gaps by supporting students in attaining at least 45,000 industry-recognized credentials.	Req \$	34,491,330	\$	-	\$	34,491,330	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	34,491,330	\$	-	\$	34,491,330	\$	-
	FTE	0.000		0.000		0.000		0.000
17 Whole System Apprenticeships Model								
Invests in the development of a 'whole system' model of apprenticeships from high school through higher education, leveraging funds provided by the Workforce Innovation and Opportunity Act (WIOA), as well as from other sources. This investment will strengthen the state's talent pipeline by funding one position at ApprenticeshipNC to work with the Department of Commerce and the Department of Public Instruction to better prepare and connect North Carolinians to high-demand workforce opportunities.	Req \$	133,000	\$	-	\$	133,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	133,000	\$	-	\$	133,000	\$	-
	FTE	1.000		0.000		1.000		0.000
Department-wide								
18 Information Technology Rates								
Funds the expected increase in IT rate charges resulting from the FY 2025-26 approved increase in the Department of Information Technology's subscription and service delivery rates.	Req \$	42,734	\$	-	\$	42,734	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	42,734	\$	-	\$	42,734	\$	-
	FTE	0.000		0.000		0.000		0.000
Total Change to Requirements	\$	242,035,273	\$	30,135,635	\$	253,631,669	\$	-
Total Change to Receipts	\$	18,357,947	\$	-	\$	18,357,947	\$	-
Total Change to Net Appropriations	\$	223,677,326	\$	30,135,635	\$	235,273,722	\$	-
Total Change to Full-Time Equivalent (FTE)		1.000		0.000		1.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$			253,812,961	\$			235,273,722
Total Change to Full-Time Equivalent (FTE)				1.000				1.000

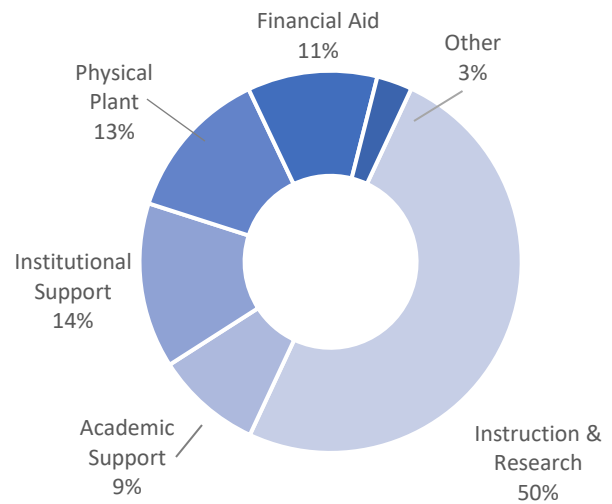
Mission

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

Goals

1. Increase access to higher education for underserved populations.
2. Increase undergraduate student success.
3. Make progress on equity gaps by race/ethnicity and income.
4. Increase graduate student success.
5. Improve student mental health.
6. Increase affordability.
7. Improve University productivity.
8. Increase the System's contribution to the state's critical workforces.
9. Increase research productivity.
10. Increase military partnerships.
11. Improve the employee experience.
12. Improve faculty and staff retention.

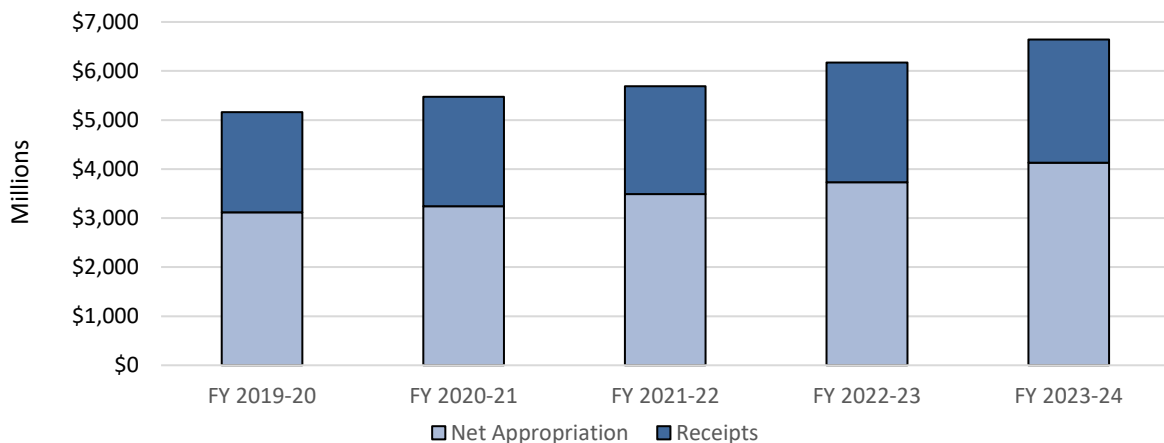
FY 2023-24 Actual Expenditures



Agency Profile

- Served 247,928 students enrolled in the 17 System institutions across the state in 2024.
- In 2023, brought in more than \$1.9 billion in grants for innovative research and scholarship across the UNC System.

5-Year Historical Expenditures



Charts include General Fund budget codes only.

UNC Board of Governors - Institutional Programs (16011)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 109,263,450	\$ 280,021,869	\$ 55,915,023	\$ 335,936,892	\$ 445,200,342	307.5 %
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0 %
Net Appropriation	\$ 109,263,450	\$ 280,021,869	\$ 55,915,023	\$ 335,936,892	\$ 445,200,342	307.5 %
Positions (FTE)	-	-	-	-	-	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 109,263,450	\$ 309,644,742	\$ -	\$ 309,644,742	\$ 418,908,192	283.4 %
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0 %
Net Appropriation	\$ 109,263,450	\$ 309,644,742	\$ -	\$ 309,644,742	\$ 418,908,192	283.4 %
Positions (FTE)	-	-	-	-	-	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve							
Increases all state-funded employee salaries by 2%.		Req \$	79,224,000	\$ -	\$ 79,224,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	79,224,000	\$ -	\$ 79,224,000	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
2 State Employee Bonus							
Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.		Req \$	-	\$ 38,107,000	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 38,107,000	\$ -	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
3 Labor Market Retention and Adjustment Reserve							
Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.		Req \$	79,224,000	\$ -	\$ 79,224,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	79,224,000	\$ -	\$ 79,224,000	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
4 Retirement and Retiree Health Contributions							
Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.		Req \$	10,000,443	\$ -	\$ 20,500,989	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	10,000,443	\$ -	\$ 20,500,989	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
5 Retiree Cost-of-Living Adjustment							
Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.		Req \$	-	\$ 17,291,359	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 17,291,359	\$ -	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
6 State Health Plan							
Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.		Req \$	14,360,388	\$ -	\$ 29,438,845	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	14,360,388	\$ -	\$ 29,438,845	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000

		R Changes		NR Changes		R Changes		NR Changes
Systemwide								
7 Enrollment Growth Adjustment								
Provides funds to the UNC Board of Governors to reflect the change in enrollment at the constituent institutions of the University of North Carolina. This funding reflects the 1.6% increase in total student credit hours across the UNC System in 2024.	Req \$	46,375,508	\$	-	\$	46,375,508	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	46,375,508	\$	-	\$	46,375,508	\$	-
	FTE	0.000		0.000		0.000		0.000
8 Performance Funding Pool								
Establishes a set amount of funding to be allocated annually by the UNC Board of Governors to UNC constituent institutions based on their progress on performance metrics. This initiative helps align funding with outcomes and incentivizes campuses to make progress on system-wide strategic goals, like increasing four-year graduation rates, increasing affordability, and reducing expense per degree, as well as on institution specific goals.	Req \$	30,000,000	\$	-	\$	30,000,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	30,000,000	\$	-	\$	30,000,000	\$	-
	FTE	0.000		0.000		0.000		0.000
9 UNC Building Reserves								
Provides maintenance and operational funding for new or expanded facilities opening in FY 2025-26, including facilities at North Carolina State University, North Carolina School of Science and Math, and University of North Carolina at Chapel Hill.	Req \$	3,187,530	\$	516,664	\$	3,731,400	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	3,187,530	\$	516,664	\$	3,731,400	\$	-
	FTE	0.000		0.000		0.000		0.000
Student Affordability and Success								
10 NC Promise Supplemental								
Provides funding to support enrollment through the NC Promise Tuition Program, which sets tuition at \$500 per semester for North Carolina residents and \$2,500 for non-residents at Elizabeth City State University, UNC-Pembroke, Winston-Salem State University, and Fayetteville State University. The increase is necessary for the total appropriation to keep pace with growth in student enrollment and ensure the program is fully funded at these four institutions.	Req \$	9,500,000	\$	-	\$	13,000,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	9,500,000	\$	-	\$	13,000,000	\$	-
	FTE	0.000		0.000		0.000		0.000
11 Cheatham-White Scholarship Program								
Expands funding for the merit-based Cheatham-White Scholarship program that awards full four-year funding to selected students, covering tuition, student fees, housing, meals, textbooks, supplies, summer enrichment, and networking opportunities. The funding would allow for an additional 200 scholarships to be awarded, as well as extend the program to Winston-Salem State University.	Req \$	3,150,000	\$	-	\$	3,150,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	3,150,000	\$	-	\$	3,150,000	\$	-
	FTE	0.000		0.000		0.000		0.000
12 Completion Assistance Program								
Invests funds to increase graduation rates at Elizabeth City State University, Fayetteville State University, North Carolina Central University, UNC-Pembroke, and Winston-Salem State University. This investment will provide aid to students who are on track to graduate but are in danger of dropping out due to financial shortfalls. Since 2017, more than 27,000 students with more than 60 credit hours dropped out of a UNC System institution. Of those students, 14,000 had more than 90 credit hours. Finances are often cited as the main reason for not reenrolling.	Req \$	5,000,000	\$	-	\$	5,000,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	5,000,000	\$	-	\$	5,000,000	\$	-
	FTE	0.000		0.000		0.000		0.000
Total Change to Requirements								
	\$	280,021,869	\$	55,915,023	\$	309,644,742	\$	-
Total Change to Receipts								
	\$	-	\$	-	\$	-	\$	-
Total Change to Net Appropriations								
	\$	280,021,869	\$	55,915,023	\$	309,644,742	\$	-
Total Change to Full-Time Equivalent (FTE)								
		0.000		0.000		0.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)								
	\$			335,936,892	\$			309,644,742
Total Change to Full-Time Equivalent (FTE)								
				0.000				0.000

UNC Board of Governors - Related Educational Programs (16012)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 1,068,914,078	\$ (427,390,000)	\$ (351,430,000)	\$ (778,820,000)	\$ 290,094,078	(72.9) %
Receipts	\$ 134,337,939	\$ -	\$ -	\$ -	\$ 134,337,939	0.0 %
Net Appropriation	\$ 934,576,139	\$ (427,390,000)	\$ (351,430,000)	\$ (778,820,000)	\$ 155,756,139	(83.3) %
Positions (FTE)	-	-	-	-	-	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 1,119,914,078	\$ (490,620,000)	\$ -	\$ (490,620,000)	\$ 629,294,078	(43.8) %
Receipts	\$ 134,337,939	\$ -	\$ -	\$ -	\$ 134,337,939	0.0 %
Net Appropriation	\$ 985,576,139	\$ (490,620,000)	\$ -	\$ (490,620,000)	\$ 494,956,139	(49.8) %
Positions (FTE)	-	-	-	-	-	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Related Programs

1 Opportunity Scholarships Moratorium

Reduces funding to reflect an Opportunity Scholarship Program moratorium that offers no new awards, adds program accountability, and gradually decreases future appropriations. Low-income families that received vouchers in the 2024-25 school year may renew their awards, but families making more than 200% of the income limit for reduced price lunch are no longer eligible. These public funds will instead fund public school students and teachers.

Req \$	(432,390,000)	\$ (351,430,000)	\$ (495,620,000)	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	(432,390,000)	\$ (351,430,000)	\$ (495,620,000)	\$ -
FTE	0.000	0.000	0.000	0.000

2 NC Needs Based Scholarship Increase for Private College Students

Increases scholarship funds for North Carolina residents attending North Carolina Independent Colleges and Universities (NCICU) member institutions. The North Carolina Need-Based Scholarship supports over half of the 27,000 undergraduates attending NCICU institutions, and this expansion would substantially increase the number of North Carolinians with post-secondary degrees and credentials.

Req \$	5,000,000	\$ -	\$ 5,000,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	5,000,000	\$ -	\$ 5,000,000	\$ -
FTE	0.000	0.000	0.000	0.000

Total Change to Requirements	\$ (427,390,000)	\$ (351,430,000)	\$ (490,620,000)	\$ -
Total Change to Receipts	\$ -	\$ -	\$ -	\$ -
Total Change to Net Appropriations	\$ (427,390,000)	\$ (351,430,000)	\$ (490,620,000)	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000

Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$ (778,820,000)	\$ (490,620,000)
Total Change to Full-Time Equivalent (FTE)	0.000	0.000

UNC General Administration - Aid to Private Institutions (16015)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 1,209,300	\$ -	\$ 10,000,000	\$ 10,000,000	\$ 11,209,300	826.9 %
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0 %
Net Appropriation	\$ 1,209,300	\$ -	\$ 10,000,000	\$ 10,000,000	\$ 11,209,300	826.9 %
Positions (FTE)	-	-	-	-	-	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 1,209,300	\$ -	\$ -	\$ -	\$ 1,209,300	0.0 %
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0 %
Net Appropriation	\$ 1,209,300	\$ -	\$ -	\$ -	\$ 1,209,300	0.0 %
Positions (FTE)	-	-	-	-	-	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

North Carolina Independent Colleges and Universities

1 Growing the Health Care Workforce					
Provides funds to NCICU to increase the number of high demand health care professionals, including physician assistants, nurses, and physical therapists, trained at private colleges and universities across the state. NCICU institutions currently award 90% of physician degrees and 60% of medical degrees awarded by North Carolina institutions.	Req \$	-	\$ 10,000,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 10,000,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000

Total Change to Requirements	\$ -	\$ 10,000,000	\$ -	\$ -
Total Change to Receipts	\$ -	\$ -	\$ -	\$ -
Total Change to Net Appropriations	\$ -	\$ 10,000,000	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000

Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$ 10,000,000	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000

University of North Carolina at Chapel Hill - Area Health Education (16022)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 56,855,450	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 57,855,450	1.8 %
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0 %
Net Appropriation	\$ 56,855,450	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 57,855,450	1.8 %
Positions (FTE)	55.760	-	-	-	55.760	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 56,855,450	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 57,855,450	1.8 %
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0 %
Net Appropriation	\$ 56,855,450	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 57,855,450	1.8 %
Positions (FTE)	55.760	-	-	-	55.760	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Workforce

1 NC Area Health Education Center Nursing Workforce Expansion

Provides \$1 million to the North Carolina Area Health Education Centers (AHEC) to expand the Clinical Instructor Partnership, Clinical Site Development, and the Educational Mobility programs. These programs expand the high-demand nursing workforce by creating new clinical training sites, increasing the nursing faculty workforce, providing continued professional development, and developing new pathways into nursing.

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

Total Change to Requirements	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -
Total Change to Receipts	\$ -	\$ -	\$ -	\$ -
Total Change to Net Appropriations	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000

Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$ 1,000,000	\$ 1,000,000
Total Change to Full-Time Equivalent (FTE)	0.000	0.000

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 58,876,330	\$ 43,026	- \$	43,026	\$ 58,919,356	0.1 %
Receipts	\$ 16,904,167	\$ -	- \$	-	\$ 16,904,167	0.0 %
Net Appropriation	\$ 41,972,163	\$ 43,026	- \$	43,026	\$ 42,015,189	0.1 %
Positions (FTE)	472.184	-	-	-	472.184	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 58,876,330	\$ 43,026	\$ -	\$ 43,026	\$ 58,919,356	0.1 %
Receipts	\$ 16,904,167	\$ -	\$ -	\$ -	\$ 16,904,167	0.0 %
Net Appropriation	\$ 41,972,163	\$ 43,026	\$ -	\$ 43,026	\$ 42,015,189	0.1 %
Positions (FTE)	472.184	-	-	-	472.184	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

1 UNCSA High School Funding Model Adjustment

Req \$	43,026	\$	-	\$	43,026	\$	-
Rec \$	-	\$	-	\$	-	\$	-
App \$	43,026	\$	-	\$	43,026	\$	-
FTE	0.000		0.000		0.000		0.000

Total Change to Requirements	\$ 43,026	\$ -	\$ 43,026	\$ -
Total Change to Receipts	\$ -	\$ -	\$ -	\$ -
Total Change to Net Appropriations	\$ 43,026	\$ -	\$ 43,026	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$ 43,026	\$ 43,026		
Total Change to Full-Time Equivalent (FTE)	0.000	0.000		

NC School of Science and Mathematics - General Fund (16094)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 49,107,483	\$ 261,401	\$ 1,640,000	\$ 1,901,401	\$ 51,008,884	3.9 %
Receipts	\$ 3,866,717	\$ -	\$ -	\$ -	\$ 3,866,717	0.0 %
Net Appropriation	\$ 45,240,766	\$ 261,401	\$ 1,640,000	\$ 1,901,401	\$ 47,142,167	4.2 %
Positions (FTE)	369.000	-	-	-	369.000	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 49,107,483	\$ 261,401	\$ 540,000	\$ 801,401	\$ 49,908,884	1.6 %
Receipts	\$ 3,866,717	\$ -	\$ -	\$ -	\$ 3,866,717	0.0 %
Net Appropriation	\$ 45,240,766	\$ 261,401	\$ 540,000	\$ 801,401	\$ 46,042,167	1.8 %
Positions (FTE)	369.000	-	-	-	369.000	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes
Campuswide				
1 NCSSM High School Funding Model Adjustment				
Provides a 2% increase to pay for inflationary increases in non-personnel operating costs at NCSSM. The two high school programs that are a part of the UNC System do not raise revenue through tuition, and this adjustment would ensure that the budgets associated with these schools are able to keep pace with inflation.	Req \$	261,401	\$ -	\$ 261,401
	Rec \$	-	\$ -	\$ -
	App \$	261,401	\$ -	\$ 261,401
	FTE	0.000	0.000	0.000
2 NCSSM Temporary Student Housing				
Provides funds to utilize temporary modular units for student housing while the dormitories on the North Carolina School of Science and Math (NCSSM) Durham campus undergo renovations.	Req \$	-	\$ 1,640,000	\$ -
	Rec \$	-	\$ -	\$ -
	App \$	-	\$ 1,640,000	\$ -
	FTE	0.000	0.000	0.000
Total Change to Requirements	\$ 261,401	\$ 1,640,000	\$ 261,401	\$ 540,000
Total Change to Receipts	\$ -	\$ -	\$ -	\$ -
Total Change to Net Appropriations	\$ 261,401	\$ 1,640,000	\$ 261,401	\$ 540,000
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$	1,901,401	\$	801,401
Total Change to Full-Time Equivalent (FTE)		0.000		0.000

Mission

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

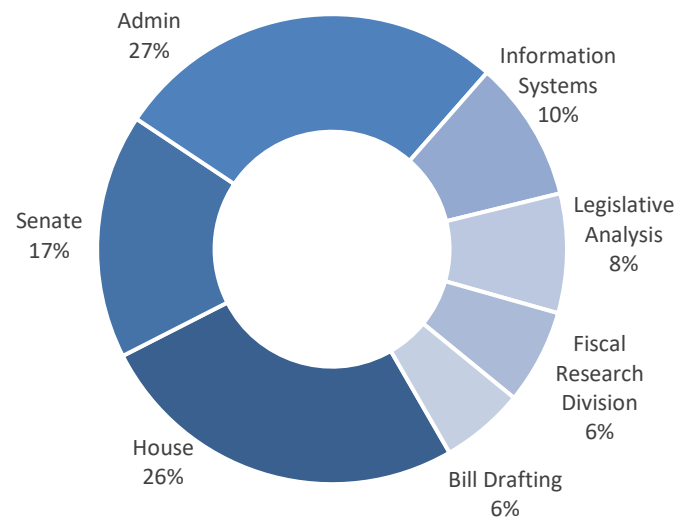
Goals

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

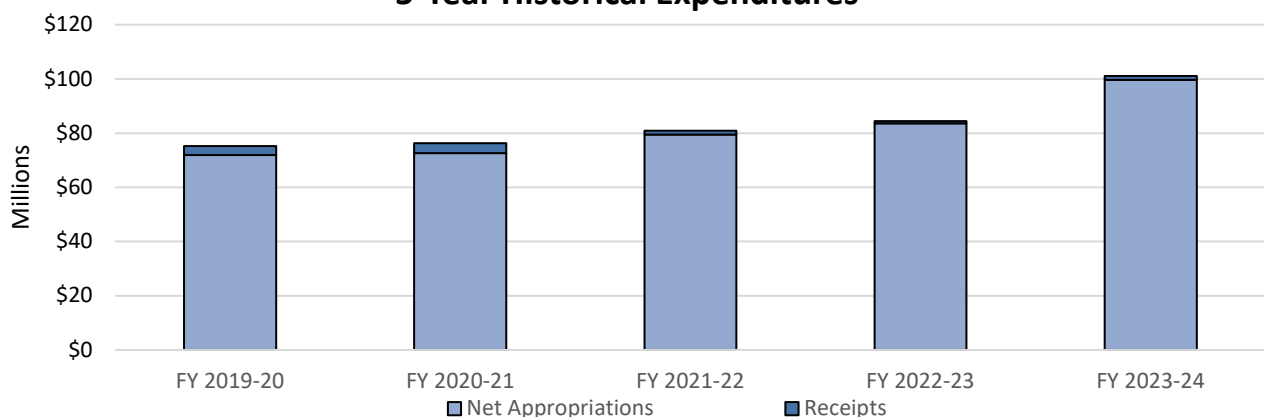
Agency Profile

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

FY 2023-24 Actual Expenditures



5-Year Historical Expenditures*



*Charts include General Fund budget code only.

General Assembly - General Fund (11000)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 100,189,540	\$ 3,712,014	\$ 2,861,775	\$ 6,573,789	\$ 106,763,329	6.6 %
Receipts	\$ 561,000	\$ -	\$ -	\$ -	\$ 561,000	0.0 %
Net Appropriation	\$ 99,628,540	\$ 3,712,014	\$ 2,861,775	\$ 6,573,789	\$ 106,202,329	6.6 %
Positions (FTE)	604.060	-	-	-	604.060	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 100,189,540	\$ 4,201,515	\$ -	\$ 4,201,515	\$ 104,391,055	4.2 %
Receipts	\$ 561,000	\$ -	\$ -	\$ -	\$ 561,000	0.0 %
Net Appropriation	\$ 99,628,540	\$ 4,201,515	\$ -	\$ 4,201,515	\$ 103,830,055	4.2 %
Positions (FTE)	604.060	-	-	-	604.060	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve							
Increases all state-funded employee salaries by 2%.		Req \$	1,357,000	\$ -	\$ 1,357,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	1,357,000	\$ -	\$ 1,357,000	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
2 State Employee Bonus							
Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.		Req \$	-	\$ 744,000	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 744,000	\$ -	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
3 Labor Market Retention and Adjustment Reserve							
Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.		Req \$	1,357,000	\$ -	\$ 1,357,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	1,357,000	\$ -	\$ 1,357,000	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
4 Retirement and Retiree Health Contributions							
Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.		Req \$	171,305	\$ -	\$ 351,175	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	171,305	\$ -	\$ 351,175	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
5 Retiree Cost-of-Living Adjustment							
Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.		Req \$	-	\$ 617,775	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 617,775	\$ -	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
6 State Health Plan							
Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.		Req \$	294,885	\$ -	\$ 604,516	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	294,885	\$ -	\$ 604,516	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000

		R Changes		NR Changes		R Changes		NR Changes	
Department-wide									
7 Technology Upgrades									
Provides funds for various technology updates including security systems, printing, software, communication technology, and upgrades to House and Senate chamber audiovisual technology. This investment will enhance the security and collaborative functionality of members and staff.	Req \$	500,000	\$	1,500,000	\$	500,000	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	500,000	\$	1,500,000	\$	500,000	\$	-	
	FTE	0.000		0.000		0.000		0.000	
8 Body Cameras									
Provides funding for body cameras for all agency law enforcement officers (LEOs). Body cameras create crucial evidence in investigations by more accurately documenting interactions. Footage will enable situation-based training based on officers’ previous encounters. Currently, 26 LEOs at the agency do not have body cameras. Use of body cameras enhances accountability, transparency, and public trust.	Req \$	31,824	\$	-	\$	31,824	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	31,824	\$	-	\$	31,824	\$	-	
	FTE	0.000		0.000		0.000		0.000	
Total Change to Requirements		\$	3,712,014	\$	2,861,775	\$	4,201,515	\$	-
Total Change to Receipts		\$	-	\$	-	\$	-	\$	-
Total Change to Net Appropriations		\$	3,712,014	\$	2,861,775	\$	4,201,515	\$	-
Total Change to Full-Time Equivalent (FTE)			0.000		0.000		0.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$			6,573,789	\$			4,201,515
Total Change to Full-Time Equivalent (FTE)					0.000				0.000

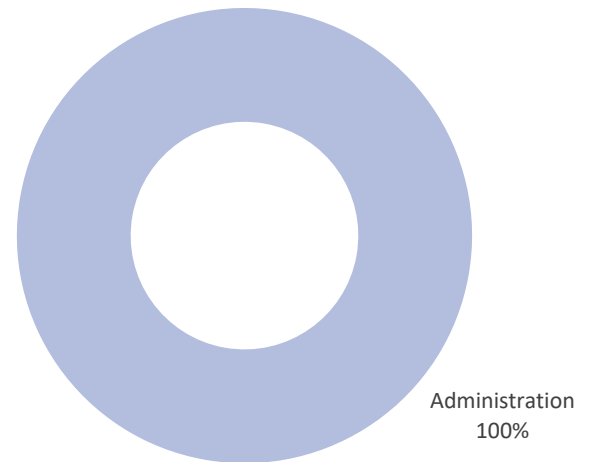
Mission

To build a safer, stronger North Carolina with meaningful opportunity for every North Carolinian to succeed.

Goals

1. Represent and advocate for the people of North Carolina.
2. Coordinate cabinet and other agencies to accomplish the governor's goals, including an economy that works for everyone, excellent public schools, strengthened healthcare and safer communities, improved services for the people of NC, and a robust recovery from Hurricane Helene.
3. Work collaboratively with local and federal partners for the benefit of North Carolina.
4. Provide strong economic development recruitment.
5. Appoint qualified individuals to Boards and Commissions that serve North Carolina.

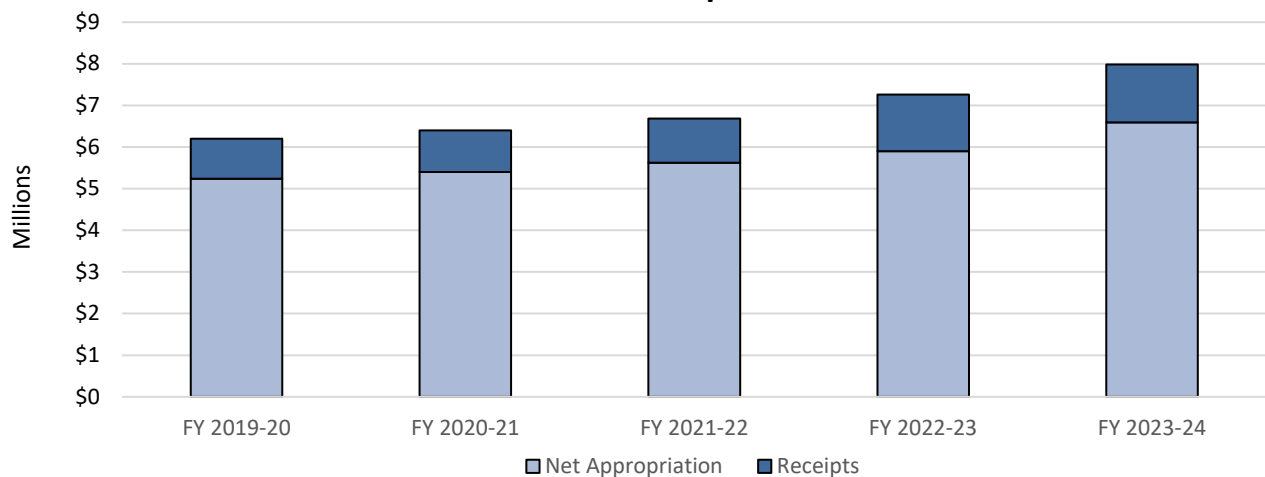
FY 2023-2024 Actual Expenditures



Agency Profile

- The Governor directs the executive branch of the government, heads the Council of State, appoints cabinet secretaries, and is the commander in chief of the military forces of the state.
- The Governor prepares and recommends to the General Assembly a comprehensive budget and administers the budget enacted by the General Assembly.

5-Year Historical Expenditures



Charts include General Fund budget codes only.

Governor's Office - General Fund (13000)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 12,920,549	\$ 246,746	\$ 96,400	\$ 343,146	\$ 13,263,695	2.7 %
Receipts	\$ 1,140,294	\$ -	\$ -	\$ -	\$ 1,140,294	0.0 %
Net Appropriation	\$ 11,780,255	\$ 246,746	\$ 96,400	\$ 343,146	\$ 12,123,401	2.9 %
Positions (FTE)	50.000	-	-	-	50.000	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 12,920,549	\$ 279,028	\$ -	\$ 279,028	\$ 13,199,577	2.2 %
Receipts	\$ 1,140,294	\$ -	\$ -	\$ -	\$ 1,140,294	0.0 %
Net Appropriation	\$ 11,780,255	\$ 279,028	\$ -	\$ 279,028	\$ 12,059,283	2.4 %
Positions (FTE)	50.000	-	-	-	50.000	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve							
Increases all state-funded employee salaries by 2%.		Req \$	108,000	\$ -	\$ 108,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	108,000	\$ -	\$ 108,000	\$ -	-
		FTE	0.000	0.000	0.000		0.000
2 State Employee Bonus							
Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.		Req \$	-	\$ 50,000	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 50,000	\$ -	\$ -	-
		FTE	0.000	0.000	0.000		0.000
3 Labor Market Retention and Adjustment Reserve							
Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.		Req \$	108,000	\$ -	\$ 108,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	108,000	\$ -	\$ 108,000	\$ -	-
		FTE	0.000	0.000	0.000		0.000
4 Retirement and Retiree Health Contributions							
Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.		Req \$	13,687	\$ -	\$ 28,057	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	13,687	\$ -	\$ 28,057	\$ -	-
		FTE	0.000	0.000	0.000		0.000
5 Retiree Cost-of-Living Adjustment							
Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.		Req \$	-	\$ 46,400	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 46,400	\$ -	\$ -	-
		FTE	0.000	0.000	0.000		0.000
6 State Health Plan							
Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.		Req \$	17,059	\$ -	\$ 34,971	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	17,059	\$ -	\$ 34,971	\$ -	-
		FTE	0.000	0.000	0.000		0.000

	R Changes		NR Changes		R Changes		NR Changes	
Total Change to Requirements	\$	246,746	\$	96,400	\$	279,028	\$	-
Total Change to Receipts	\$	-	\$	-	\$	-	\$	-
Total Change to Net Appropriations	\$	246,746	\$	96,400	\$	279,028	\$	-
Total Change to Full-Time Equivalent (FTE)		0.000		0.000		0.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$			343,146	\$			279,028
Total Change to Full-Time Equivalent (FTE)				0.000				0.000

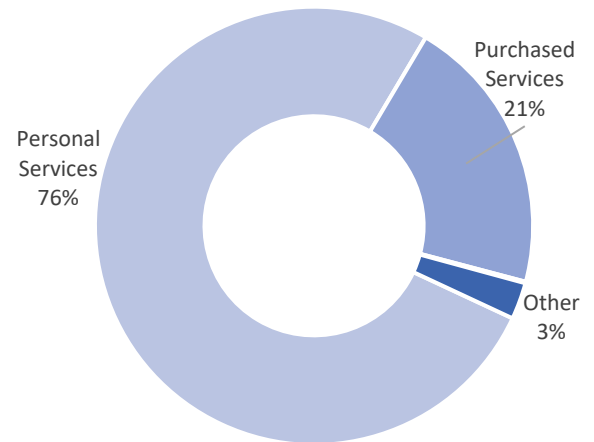
Mission

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

Goals

1. Generate and use evidence that informs operations and decision-making.
2. Design our resources, including technology, to increase the accuracy of information and efficiency of operations.
3. Recruit and retain a diverse, inclusive, and highly skilled workforce.
4. Embody a positive and healthy culture that reflects our values.
5. Build and maintain collaborative relationships across state government.

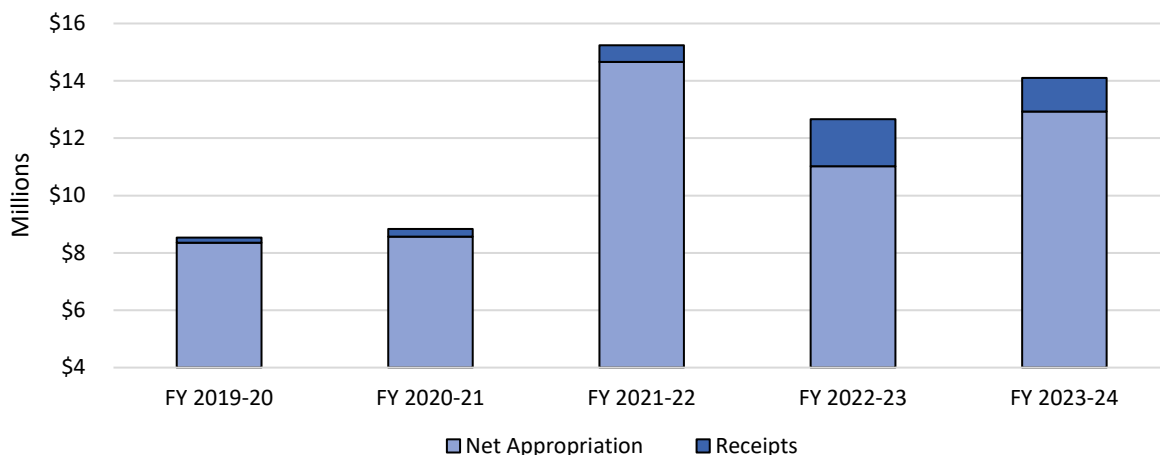
FY 2023-24 Actual Expenditures



Agency Profile

- Deliver the highest quality statewide budgetary, management, and information services to advise the Governor, state agencies, and legislature on the most effective use of public resources.
- Offer facilitative and consultative services to agencies to support the use of evidence-based policymaking across state government.
- Continue to discover ways to better partner with state agencies and add value in the interconnected arenas of strategic planning, performance management, and budget development.

5-Year Historical Expenditures



Charts include the General Fund budget code 13005 only.

State Budget and Management - General Fund (13005)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 12,715,820	\$ 893,962	\$ 1,001,858	\$ 1,895,820	\$ 14,611,640	14.9 %
Receipts	\$ 1,106,402	\$ -	\$ -	\$ -	\$ 1,106,402	0.0 %
Net Appropriation	\$ 11,609,418	\$ 893,962	\$ 1,001,858	\$ 1,895,820	\$ 13,505,238	16.3 %
Positions (FTE)	75.000	3.000	-	3.000	78.000	4.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 12,715,820	\$ 945,317	\$ 850,000	\$ 1,795,317	\$ 14,511,137	14.1 %
Receipts	\$ 1,106,402	\$ -	\$ -	\$ -	\$ 1,106,402	0.0 %
Net Appropriation	\$ 11,609,418	\$ 945,317	\$ 850,000	\$ 1,795,317	\$ 13,404,735	15.5 %
Positions (FTE)	75.000	3.000	-	3.000	78.000	4.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve

Increases all state-funded employee salaries by 2%.

Req \$	179,000	\$ -	\$ 179,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	179,000	\$ -	\$ 179,000	\$ -
FTE	0.000	0.000	0.000	0.000

2 State Employee Bonus

Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ 75,000	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 75,000	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

3 Labor Market Retention and Adjustment Reserve

Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.

Req \$	179,000	\$ -	\$ 179,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	179,000	\$ -	\$ 179,000	\$ -
FTE	0.000	0.000	0.000	0.000

4 Retirement and Retiree Health Contributions

Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.

Req \$	22,670	\$ -	\$ 46,474	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	22,670	\$ -	\$ 46,474	\$ -
FTE	0.000	0.000	0.000	0.000

5 Retiree Cost-of-Living Adjustment

Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.

Req \$	-	\$ 76,858	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 76,858	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

6 State Health Plan

Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.

Req \$	26,238	\$ -	\$ 53,789	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	26,238	\$ -	\$ 53,789	\$ -
FTE	0.000	0.000	0.000	0.000

	R Changes		NR Changes		R Changes		NR Changes	
IT System Upgrades								
7 Budget System Replacement								
Provides funds from the IT Reserve for the replacement of the state's budget system, the Integrated Budget Information System (IBIS). Implemented in 2013, IBIS is now operating beyond its expected lifetime and original specifications, creating substantial risks to the state’s budget operations. For example, the North Carolina Financial System requires data validations that are 50-fold what IBIS was designed to sustain, generating significant processing delays, frequently timing out actions, and occasionally causing IBIS shutdowns. With more than 600 individual users across all state agencies, this creates extensive operating inefficiencies that impact all of state government. IT audits have identified continued reliance on IBIS as a key risk to the continuity of state government operations, with full replacement the only feasible option to address this risk.	Req \$	-	\$	-	\$	-	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	-	\$	-	\$	-	\$	-
	FTE	0.000		0.000		0.000		0.000
8 Integrated Budget Information System Maintenance and Support								
Funds temporary IT contractors to help ensure OSBM has sufficient capacity to maintain and support IBIS until a replacement budget system can be implemented. These positions will be responsible for regular system maintenance, troubleshooting problems, writing new code to ‘patch’ system failures, and addressing any urgent problems. This will help reduce the risk of disruption to agency budget work because of problems with IBIS, which has been fully out-of-service five times during working hours in the last year. These funds will be transferred to Budget Code 23014.	Req \$	-	\$	850,000	\$	-	\$	850,000
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	-	\$	850,000	\$	-	\$	850,000
	FTE	0.000		0.000		0.000		0.000
Department-wide								
9 Agency Support Capacity								
Creates State Budget Management Analyst II positions to allow OSBM to more effectively support state agencies and universities. Two positions will provide technical assistance and training to improve technical knowledge and expertise in fiscal offices statewide, many of which have experienced high turnover and have many new staff. The third position will focus on federal funds, bringing greater oversight of how federal funds are spent across state government and providing expertise to agencies which are applying for, managing, and reporting on federal grants.	Req \$	425,000	\$	-	\$	425,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	425,000	\$	-	\$	425,000	\$	-
	FTE	3.000		0.000		3.000		0.000
10 Information Technology Rates								
Funds the expected increase in IT rate charges resulting from the FY 2025-26 approved increase in the Department of Information Technology's subscription and service delivery rates.	Req \$	62,054	\$	-	\$	62,054	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	62,054	\$	-	\$	62,054	\$	-
	FTE	0.000		0.000		0.000		0.000
Total Change to Requirements	\$	893,962	\$	1,001,858	\$	945,317	\$	850,000
Total Change to Receipts	\$	-	\$	-	\$	-	\$	-
Total Change to Net Appropriations	\$	893,962	\$	1,001,858	\$	945,317	\$	850,000
Total Change to Full-Time Equivalent (FTE)		3.000		0.000		3.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$			1,895,820	\$			1,795,317
Total Change to Full-Time Equivalent (FTE)				3.000				3.000

State Budget and Management - Reserve for General Assembly Appropriation (13085)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 10,300,000	\$ 5,000,000	\$ 20,000,000	\$ 25,000,000	\$ 35,300,000	242.7 %
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0 %
Net Appropriation	\$ 10,300,000	\$ 5,000,000	\$ 20,000,000	\$ 25,000,000	\$ 35,300,000	242.7 %
Positions (FTE)	-	-	-	-	-	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 10,300,000	\$ 5,000,000	\$ -	\$ 5,000,000	\$ 15,300,000	48.5 %
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0 %
Net Appropriation	\$ 10,300,000	\$ 5,000,000	\$ -	\$ 5,000,000	\$ 15,300,000	48.5 %
Positions (FTE)	-	-	-	-	-	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

State Government Productivity and Efficiency

1 IMPACT Center

Establishes the Innovation and Modernization for Performance, Accountability, and Cost-Effective Transformation ('IMPACT') Center to partner with agencies on projects that substantially improve government operations through applied research and private sector best practices, including the use of procurement optimization, agile project management, user-centered (UX) design, data analytics, artificial intelligence, A/B testing, and performance management. These projects will target efficiency gains in state programs and policies, aiming to create cost-savings while maintaining or improving service delivery outcomes. The Center may create two time-limited positions to support its work and utilize funds to bring in external contractors and experts to empower agencies to identify and implement efficiency transformations. These funds will be transferred to budget code 23014.

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

State Workforce

2 State Government Apprenticeships

Establishes a reserve for OSBM to work collaboratively with OSHR and state agencies to create at least 50 new apprenticeships across state government in key sectors and shortage areas.

Req \$	5,000,000	\$ -	\$ 5,000,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	5,000,000	\$ -	\$ 5,000,000	\$ -
FTE	0.000	0.000	0.000	0.000

Total Change to Requirements	\$ 5,000,000	\$ 20,000,000	\$ 5,000,000	\$ -
Total Change to Receipts	\$ -	\$ -	\$ -	\$ -
Total Change to Net Appropriations	\$ 5,000,000	\$ 20,000,000	\$ 5,000,000	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000

Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$ 25,000,000	\$ 5,000,000
Total Change to Full-Time Equivalent (FTE)	0.000	0.000

State Budget and Management - General Fund - Special Revenue (23014)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 2,763,692	\$ -	\$ 20,850,000	\$ 20,850,000	\$ 23,613,692	754.4 %
Receipts	\$ 1,343,364	\$ -	\$ 20,850,000	\$ 20,850,000	\$ 22,193,364	1,552.1 %
Chg in Fund Balance	\$ (1,420,328)	\$ -	\$ -	\$ -	\$ (1,420,328)	0.0 %
Positions (FTE)	15.800	-	-	-	15.800	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 2,763,692	\$ -	\$ 850,000	\$ 850,000	\$ 3,613,692	30.8 %
Receipts	\$ 1,343,364	\$ -	\$ 850,000	\$ 850,000	\$ 2,193,364	63.3 %
Chg in Fund Balance	\$ (1,420,328)	\$ -	\$ -	\$ -	\$ (1,420,328)	0.0 %
Positions (FTE)	15.800	-	-	-	15.800	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes
Transfers from General Fund				
1 Transfer - IT Contractors				
Budgets the transfer from Budget Code 13005 for IT contractors to maintain and support IBIS until a replacement budget system can be implemented.	Req \$	- \$ 850,000	\$ -	\$ 850,000
	Rec \$	- \$ 850,000	\$ -	\$ 850,000
	CFB \$	- \$ -	\$ -	\$ -
	FTE	0.000 0.000	0.000	0.000
2 Transfer - IMPACT Center				
Budgets the transfer from Budget Code 13085 for the IMPACT Center.	Req \$	- \$ 20,000,000	\$ -	\$ -
	Rec \$	- \$ 20,000,000	\$ -	\$ -
	CFB \$	- \$ -	\$ -	\$ -
	FTE	0.000 0.000	0.000	0.000
Total Change to Requirements	\$ -	\$ 20,850,000	\$ -	\$ 850,000
Total Change to Receipts	\$ -	\$ 20,850,000	\$ -	\$ 850,000
Total Change to Fund Balance	\$ -	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$ -	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)		0.000		0.000

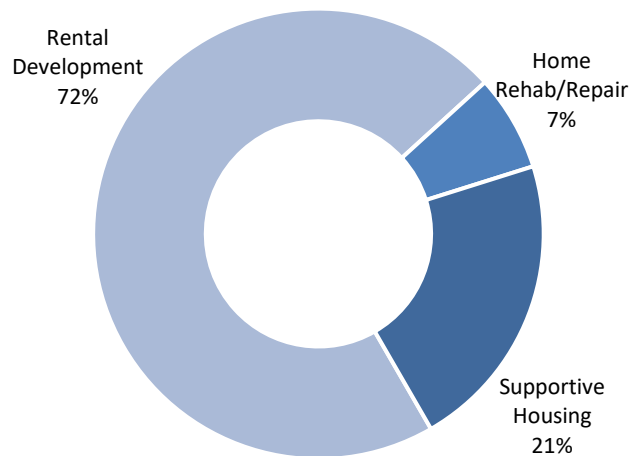
Mission

To provide safe, affordable housing opportunities to enhance the quality of life of North Carolinians.

Goals

1. Meet the housing needs of North Carolinians through a variety of housing options.
2. Partner with other organizations to accomplish a variety of housing strategies.
3. Identify and tap into new funding resources while maintaining and strengthening existing funding streams.
4. Support and encourage sustainable building practices.
5. Attract, maintain and develop diverse, talented and committed professionals.
6. Tailor communications to our many audiences, including specifics about our programs and overall benefits to North Carolinians.
7. Actively reach out to underserved groups and communities to improve access and utilization of our programs.

FY 2023-24 Actual Expenditures



Agency Profile

- Creates affordable housing through rental development, supportive housing investment, home buyer lending, home ownership rehabilitation, and rental assistance, working with over 500 organizations.
- Financed 321,320 affordable homes and apartments, producing real estate valued at over \$34.4 billion since the agency's creation in 1973.
- Finances programs by combining funds from state appropriations, federal and state grants, private investments, and its own earnings.

5-Year Historical Expenditures*

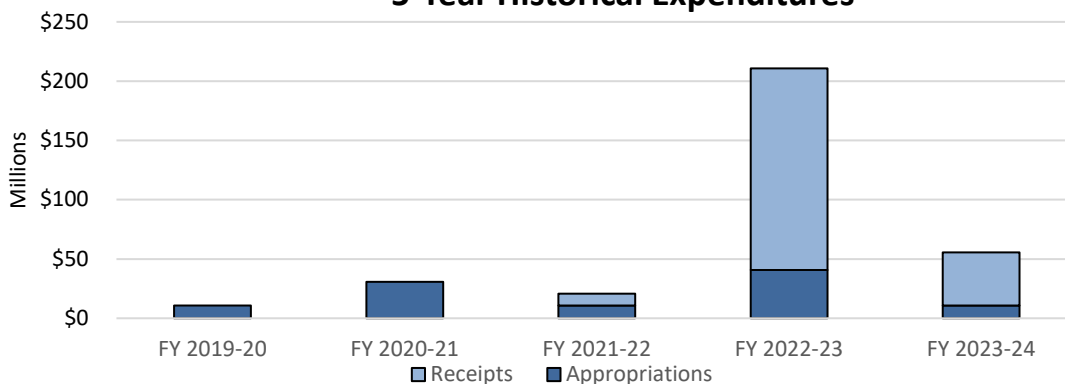


Chart includes General Fund budget code only.

*In FY 2022-23, NCHFA received \$170M from the Housing Reserve to support the Workforce Housing Loan Program, replacing \$170M in ARPA funds originally provided for this purpose in FY 2021-22.

NC Housing Finance Authority - Home Match (13010)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 10,660,000	\$ -	\$ 60,000,000	\$ 60,000,000	\$ 70,660,000	562.8 %
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0 %
Net Appropriation	\$ 10,660,000	\$ -	\$ 60,000,000	\$ 60,000,000	\$ 70,660,000	562.8 %
Positions (FTE)	-	-	-	-	-	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 10,660,000	\$ -	\$ 50,000,000	\$ 50,000,000	\$ 60,660,000	469.0 %
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0 %
Net Appropriation	\$ 10,660,000	\$ -	\$ 50,000,000	\$ 50,000,000	\$ 60,660,000	469.0 %
Positions (FTE)	-	-	-	-	-	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Department-wide

1 Housing Trust Fund

Invests in the NC Housing Trust Fund (HTF) to expand affordable housing, address emergency home repairs, and preserve existing affordable rental housing. In 2024, HFA used the HTF to leverage private sector and federal dollars to finance 1,130 affordable housing units for low-income families, seniors, veterans, and people with disabilities.

Req \$	-	\$ 35,000,000	\$ -	\$ 35,000,000
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 35,000,000	\$ -	\$ 35,000,000
FTE	0.000	0.000	0.000	0.000

2 Workforce Housing Loan Program

Supports the Workforce Housing Loan Program (WHLP) to construct or substantially rehabilitate multi-family affordable housing units. These funds are used in combination with federal low-income housing tax credits to provide gap funding to make affordable housing development financially feasible in difficult-to-serve markets. Since 2015, WHLP has financed more than 12,560 apartments across 59 counties.

Req \$	-	\$ 15,000,000	\$ -	\$ 15,000,000
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 15,000,000	\$ -	\$ 15,000,000
FTE	0.000	0.000	0.000	0.000

3 Local Government Grants

Provides funds to the Housing Finance Agency to develop a grant program for local governments to incentivize higher density zoning laws. Local governments will use these grants to update zoning policies to allow for increased housing density and, thereby, housing supply.

Req \$	-	\$ 10,000,000	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 10,000,000	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

Total Change to Requirements	\$ -	\$ 60,000,000	\$ -	\$ 50,000,000
Total Change to Receipts	\$ -	\$ -	\$ -	\$ -
Total Change to Net Appropriations	\$ -	\$ 60,000,000	\$ -	\$ 50,000,000
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000

Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$ 60,000,000	\$ 50,000,000
Total Change to Full-Time Equivalent (FTE)	0.000	0.000

NC Housing Finance Authority - Partnership (63011)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 67,374,745	\$ -	\$ 60,000,000	\$ 60,000,000	\$ 127,374,745	89.0 %
Receipts	\$ 15,956,745	\$ -	\$ 60,000,000	\$ 60,000,000	\$ 75,956,745	376.0 %
Chg in Fund Balance	\$ (51,418,000)	\$ -	\$ -	\$ -	\$ (51,418,000)	0.0 %
Positions (FTE)	-	-	-	-	-	0.0 %
Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 17,374,745	\$ -	\$ 50,000,000	\$ 50,000,000	\$ 67,374,745	287.8 %
Receipts	\$ 15,956,745	\$ -	\$ 50,000,000	\$ 50,000,000	\$ 65,956,745	313.4 %
Chg in Fund Balance	\$ (1,418,000)	\$ -	\$ -	\$ -	\$ (1,418,000)	0.0 %
Positions (FTE)	-	-	-	-	-	0.0 %
				FY 2025-26	FY 2026-27	
				R Changes	NR Changes	R Changes
						NR Changes
Department-wide						
1 Transfer - Housing Trust Fund						
Budgets the transfer from budget code 13010 for the Housing Trust Fund.			Req \$	-	\$ 35,000,000	\$ -
			Rec \$	-	\$ 35,000,000	\$ -
			CFB \$	-	\$ -	\$ -
			FTE	0.000	0.000	0.000
2 Transfer - Workforce Housing Loan Program						
Budgets the transfer from budget code 13010 for the WHLP.			Req \$	-	\$ 15,000,000	\$ -
			Rec \$	-	\$ 15,000,000	\$ -
			CFB \$	-	\$ -	\$ -
			FTE	0.000	0.000	0.000
3 Transfer - Local Government Grants						
Budgets the transfer from budget code 13010 for Local Government Grants.			Req \$	-	\$ 10,000,000	\$ -
			Rec \$	-	\$ 10,000,000	\$ -
			CFB \$	-	\$ -	\$ -
			FTE	0.000	0.000	0.000
Total Change to Requirements			\$	-	\$ 60,000,000	\$ -
Total Change to Receipts			\$	-	\$ 60,000,000	\$ -
Total Change to Fund Balance			\$	-	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)				0.000	0.000	0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)			\$		-	\$ -
Total Change to Full-Time Equivalent (FTE)					0.000	0.000

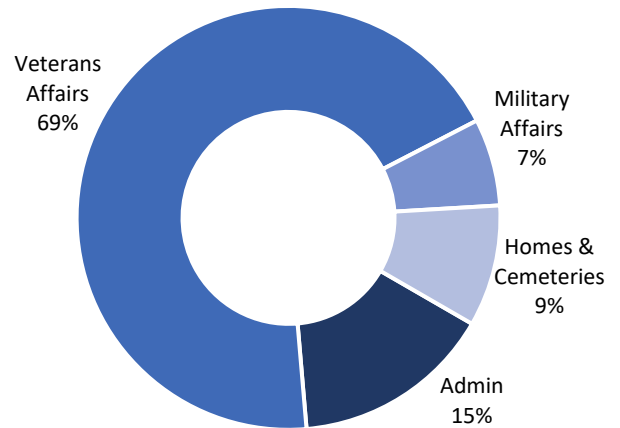
Mission

To support the military community in North Carolina, including the personnel, installations, and their adjacent communities; and to support our state's veterans and their families.

Goals

1. Increase support to deliver much-needed veteran services.
2. Increase support to NC State Veterans Cemeteries and Veterans Homes programs.
3. Enhance delivery of resources to Veterans Service Organizations.
4. Establish an internal and external common communication platform for all field offices to deliver veteran services.
5. Strengthen North Carolina's existing military installations and mission to ensure their continuing resiliency.

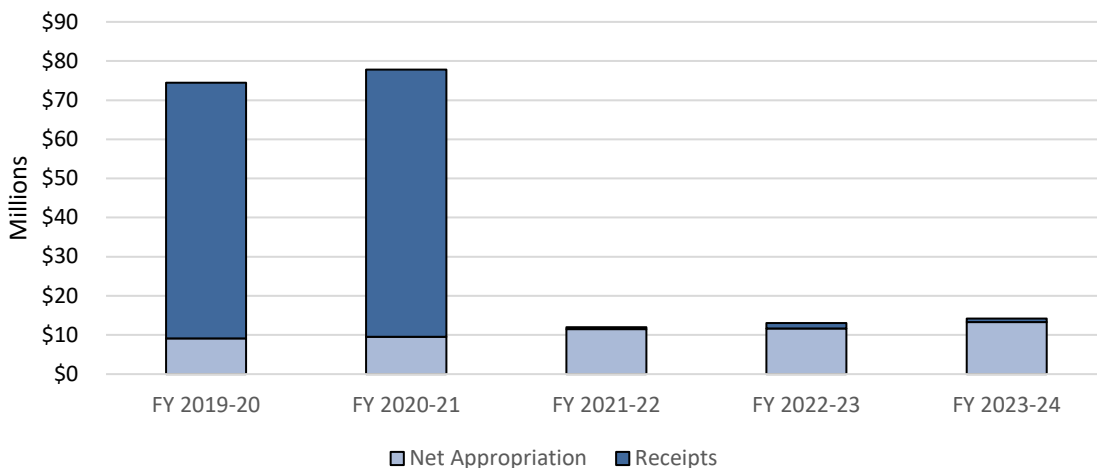
FY 2023-24 Actual Expenditures



Agency Profile

- Provides outreach, resources, and support to over one million members of military connected communities across the state, including servicemembers, veterans and their families.
- Operates 13 field offices providing outreach while working with veterans across the state.
- Provides skilled nursing home services at all State Veterans Homes.
- Operates four state cemeteries for veterans and their families.
- Manage and maintain the Scholarship for Children of Wartime Veterans, a benefit for children of wartime veterans.

5-Year Historical Expenditures*



Charts include General Fund budget codes only.

*In FY 2021-22, the NCGA ended the transfer from the Veterans Home special fund to the General Fund.

Department of Military and Veterans Affairs (13050)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 8,847,078	\$ 1,935,125	\$ 140,568	\$ 2,075,693	\$ 10,922,771	23.5 %
Receipts	\$ -	\$ 400,000	\$ -	\$ 400,000	\$ 400,000	0.0 %
Net Appropriation	\$ 8,847,078	\$ 1,535,125	\$ 140,568	\$ 1,675,693	\$ 10,522,771	18.9 %
Positions (FTE)	85.900	9.000	-	9.000	94.900	10.5 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 8,848,500	\$ 1,987,905	\$ -	\$ 1,987,905	\$ 10,836,405	22.5 %
Receipts	\$ -	\$ 400,000	\$ -	\$ 400,000	\$ 400,000	0.0 %
Net Appropriation	\$ 8,848,500	\$ 1,587,905	\$ -	\$ 1,587,905	\$ 10,436,405	18.0 %
Positions (FTE)	85.900	9.000	-	9.000	94.900	10.5 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve							
Increases all state-funded employee salaries by 2%.		Req \$	129,000	\$ -	\$ 129,000	\$ -	
		Rec \$	-	\$ -	\$ -	\$ -	
		App \$	129,000	\$ -	\$ 129,000	\$ -	
		FTE	0.000	0.000	0.000	0.000	
2 State Employee Bonus							
Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.		Req \$	-	\$ 85,000	\$ -	\$ -	
		Rec \$	-	\$ -	\$ -	\$ -	
		App \$	-	\$ 85,000	\$ -	\$ -	
		FTE	0.000	0.000	0.000	0.000	
3 Labor Market Retention and Adjustment Reserve							
Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.		Req \$	129,000	\$ -	\$ 129,000	\$ -	
		Rec \$	-	\$ -	\$ -	\$ -	
		App \$	129,000	\$ -	\$ 129,000	\$ -	
		FTE	0.000	0.000	0.000	0.000	
4 Retirement and Retiree Health Contributions							
Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.		Req \$	16,390	\$ -	\$ 33,600	\$ -	
		Rec \$	-	\$ -	\$ -	\$ -	
		App \$	16,390	\$ -	\$ 33,600	\$ -	
		FTE	0.000	0.000	0.000	0.000	
5 Retiree Cost-of-Living Adjustment							
Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.		Req \$	-	\$ 55,568	\$ -	\$ -	
		Rec \$	-	\$ -	\$ -	\$ -	
		App \$	-	\$ 55,568	\$ -	\$ -	
		FTE	0.000	0.000	0.000	0.000	
6 State Health Plan							
Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.		Req \$	33,876	\$ -	\$ 69,446	\$ -	
		Rec \$	-	\$ -	\$ -	\$ -	
		App \$	33,876	\$ -	\$ 69,446	\$ -	
		FTE	0.000	0.000	0.000	0.000	

		R Changes		NR Changes		R Changes		NR Changes
Department-wide								
7 Information Technology Rates								
Funds the expected increase in IT rate changes resulting from the FY 2025-26 approved increase in the Department of Information Technology's subscription and service delivery rates.	Req \$	156,728	\$	-	\$	156,728	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	156,728	\$	-	\$	156,728	\$	-
	FTE	0.000		0.000		0.000		0.000
8 Nongovernmental Organization and Intergovernmental Coordinator								
Establishes a position to work with state agencies and the more than 400 agencies, advocacy groups, and nonprofits within North Carolina that focus on military and veterans' issues. This position will build relationships with these organizations to identify and execute programs to support and improve outcomes for active-duty military members, veterans, and their families, helping to make North Carolina the #1 state for military members and veterans.	Req \$	153,572	\$	-	\$	153,572	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	153,572	\$	-	\$	153,572	\$	-
	FTE	1.000		0.000		1.000		0.000
9 Financial Services Position								
Provides funds for an additional position in the Department of Military and Veterans Affairs' (DMVA) Financial Services Office to optimize and strengthen capabilities. DMVA is in the process of bringing their financial services in house after relying on DOA for many years. This additional position will allow DMVA to continue this transition, improve workflow processes, increase fiscal accountability, and decrease the need for temp employees.	Req \$	120,375	\$	-	\$	120,375	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	120,375	\$	-	\$	120,375	\$	-
	FTE	1.000		0.000		1.000		0.000
10 Motor Fleet Management Rate Increase								
Provides funds to cover the increase in Motor Fleet Management rates effective July 1, 2025. Rates have not been updated since January 1, 2018.	Req \$	30,950	\$	-	\$	30,950	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	30,950	\$	-	\$	30,950	\$	-
	FTE	0.000		0.000		0.000		0.000
Transition Services								
11 Creation of Transition Services Office								
Establishes the Transition Services Division to assist 20,000 active military members annually who become veterans in North Carolina. North Carolina ranks number four in the country for active-duty military but has no transition services programs unlike California, Texas, and Virginia. On average 76% of new veterans in the United States are under the age of 40, a prime age to work or seek new careers. New veterans face challenges finding civilian employment, accessing benefits, often feel a loss of purpose, and are known to have a higher risk of suicide. This division will help new veterans address these issues and shorten the time it takes to go from military to civilian employment and to receive benefits.	Req \$	209,660	\$	-	\$	209,660	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	209,660	\$	-	\$	209,660	\$	-
	FTE	2.000		0.000		2.000		0.000
Veterans Affairs-Cemeteries								
12 Veterans Cemeteries Positions								
Maintains the state's four veterans cemeteries by authorizing the department to use up to \$400,000 of the interest earned on the Veterans Cemeteries Trust Fund to support cemetery needs. These funds and positions are needed to keep pace with burials, which have increased by an average of 300 annually over the past few years, and associated maintenance to ensure the grounds honor veterans. The department may create up to four positions with these funds.	Req \$	400,000	\$	-	\$	400,000	\$	-
	Rec \$	400,000	\$	-	\$	400,000	\$	-
	App \$	-	\$	-	\$	-	\$	-
	FTE	0.000		0.000		0.000		0.000
Veterans Services								
13 Veteran Service Center and Officers								
Invests in the Veteran Service Center program by creating and staffing an additional field office. These centers are the core way the department engages with North Carolina's approximately 680,000 veterans. Veterans Service Officers (VSOs) at these centers work with veterans to connect them to earned benefits and community resources. At their current level of staffing, VSOs are unable to meet all needs, leading to retention issues and lower benefits for veterans.	Req \$	555,574	\$	-	\$	555,574	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	555,574	\$	-	\$	555,574	\$	-
	FTE	5.000		0.000		5.000		0.000

	R Changes		NR Changes		R Changes		NR Changes	
Total Change to Requirements	\$	1,935,125	\$	140,568	\$	1,987,905	\$	-
Total Change to Receipts	\$	400,000	\$	-	\$	400,000	\$	-
Total Change to Net Appropriations	\$	1,535,125	\$	140,568	\$	1,587,905	\$	-
Total Change to Full-Time Equivalent (FTE)		9.000		0.000		9.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$			1,675,693	\$			1,587,905
Total Change to Full-Time Equivalent (FTE)				9.000				9.000

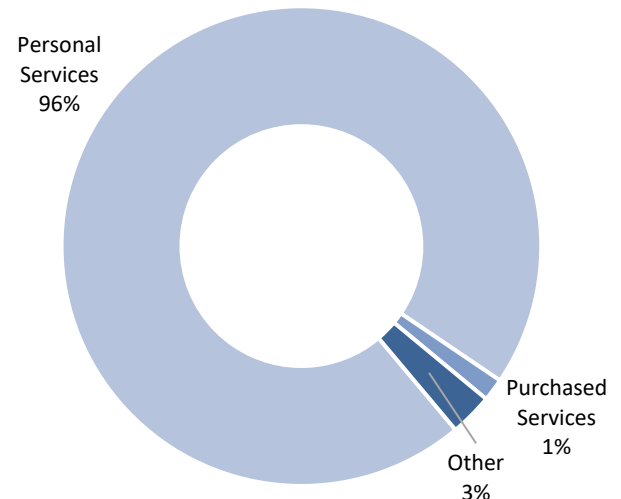
Mission

To make North Carolina a better place to live, work, and raise a family by fighting for hardworking people, championing urban and rural economic development, and strengthening our workforce and education opportunities from cradle to career to prepare our state for the future.

Goals

1. Engage urban and rural communities, with special attention to those who feel overlooked or disconnected from state government.
2. Emphasize the strength of the education system from cradle to career and advocate for increased investment in community colleges and workforce development.
3. Advocate for increased support for childcare and early childhood education to assist hardworking families and parents.
4. Serve the people of North Carolina by advocating for their needs, ensuring their voices are heard, and being responsive to the challenges they face.
5. Lead efforts to put what's best for North Carolina first by working collaboratively with agencies, boards, commissions, and the General Assembly—encouraging compromise and bridging political divides to develop policies that make our state a better place to live, work, and raise a family.

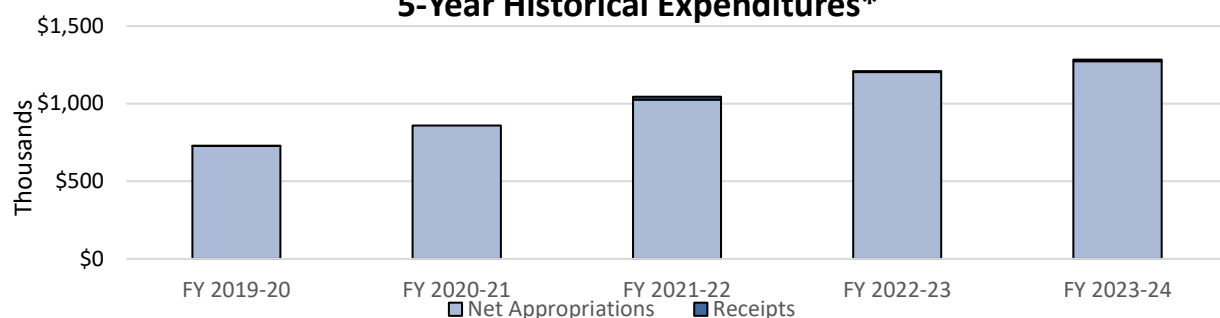
FY 2023-24 Actual Expenditures



Agency Profile

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

5-Year Historical Expenditures*



*Charts include General Fund budget code only.

Lieutenant Governor - General Fund (13100)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 1,343,596	\$ 54,637	\$ 19,408	\$ 74,045	\$ 1,417,641	5.5 %
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0 %
Net Appropriation	\$ 1,343,596	\$ 54,637	\$ 19,408	\$ 74,045	\$ 1,417,641	5.5 %
Positions (FTE)	9.000	-	-	-	9.000	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 1,343,596	\$ 61,607	\$ -	\$ 61,607	\$ 1,405,203	4.6 %
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0 %
Net Appropriation	\$ 1,343,596	\$ 61,607	\$ -	\$ 61,607	\$ 1,405,203	4.6 %
Positions (FTE)	9.000	-	-	-	9.000	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve							
Increases all state-funded employee salaries by 2%.		Req \$	24,000	\$ -	\$ 24,000	\$ -	
		Rec \$	-	\$ -	\$ -	\$ -	
		App \$	24,000	\$ -	\$ 24,000	\$ -	
		FTE	0.000	0.000	0.000	0.000	
2 State Employee Bonus							
Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.		Req \$	-	\$ 9,000	\$ -	\$ -	
		Rec \$	-	\$ -	\$ -	\$ -	
		App \$	-	\$ 9,000	\$ -	\$ -	
		FTE	0.000	0.000	0.000	0.000	
3 Labor Market Retention and Adjustment Reserve							
Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.		Req \$	24,000	\$ -	\$ 24,000	\$ -	
		Rec \$	-	\$ -	\$ -	\$ -	
		App \$	24,000	\$ -	\$ 24,000	\$ -	
		FTE	0.000	0.000	0.000	0.000	
4 Retirement and Retiree Health Contributions							
Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.		Req \$	3,070	\$ -	\$ 6,294	\$ -	
		Rec \$	-	\$ -	\$ -	\$ -	
		App \$	3,070	\$ -	\$ 6,294	\$ -	
		FTE	0.000	0.000	0.000	0.000	
5 Retiree Cost-of-Living Adjustment							
Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.		Req \$	-	\$ 10,408	\$ -	\$ -	
		Rec \$	-	\$ -	\$ -	\$ -	
		App \$	-	\$ 10,408	\$ -	\$ -	
		FTE	0.000	0.000	0.000	0.000	
6 State Health Plan							
Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.		Req \$	3,567	\$ -	\$ 7,313	\$ -	
		Rec \$	-	\$ -	\$ -	\$ -	
		App \$	3,567	\$ -	\$ 7,313	\$ -	
		FTE	0.000	0.000	0.000	0.000	

	R Changes		NR Changes		R Changes		NR Changes	
Reserve for Salaries and Benefits								
Total Change to Requirements	\$	54,637	\$	19,408	\$	61,607	\$	-
Total Change to Receipts	\$	-	\$	-	\$	-	\$	-
Total Change to Net Appropriations	\$	54,637	\$	19,408	\$	61,607	\$	-
Total Change to Full-Time Equivalent (FTE)		0.000		0.000		0.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$			74,045	\$			61,607
Total Change to Full-Time Equivalent (FTE)				0.000				0.000

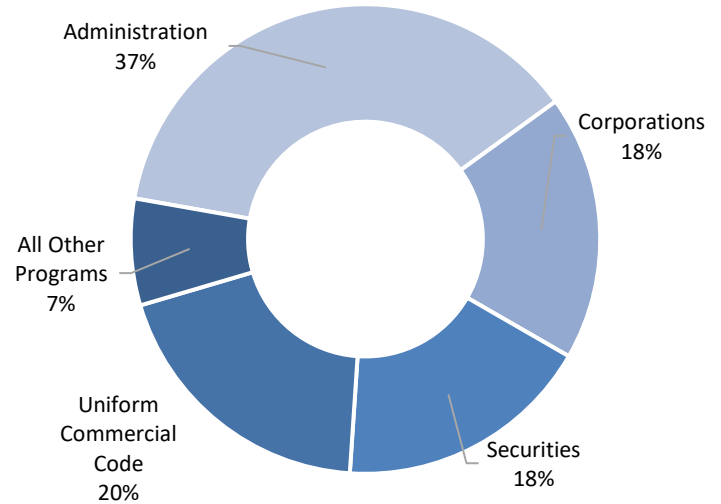
Mission

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

Goals

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

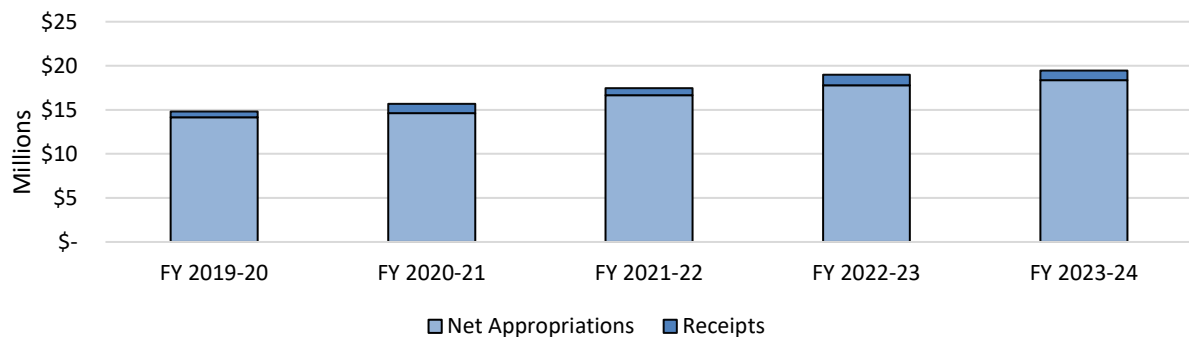
FY 2023-24 Actual Expenditures



Agency Profile

- Facilitates economic development through business and capital formation – registering 162,939 new businesses and nonprofits last year and reviewing 714,955 annual reports.
- Provides business data to the marketplace for leveraging risk and assisting millions of transactions.
- Administers the state's Securities laws by regulating over \$314 billion in securities offerings and investigating and prosecuting white-collar crimes.
- Provides for transparent registration and enforcement of charitable solicitation laws, and registration and reporting of lobbyists and their principals.
- Coordinates Land Records Management, supporting one of the state's largest assets valued at almost \$1.2 trillion, according to the NC State Property Tax Commission.

5-Year Historical Expenditures



Charts include General Fund budget code only.

Secretary of State - General Fund (13200)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 19,556,352	\$ 1,571,331	\$ 298,191	\$ 1,869,522	\$ 21,425,874	9.6 %
Receipts	\$ 362,750	\$ -	\$ -	\$ -	\$ 362,750	0.0 %
Net Appropriation	\$ 19,193,602	\$ 1,571,331	\$ 298,191	\$ 1,869,522	\$ 21,063,124	9.7 %
Positions (FTE)	182.750	6.000	-	6.000	188.750	3.3 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 19,556,352	\$ 1,681,687	\$ -	\$ 1,681,687	\$ 21,238,039	8.6 %
Receipts	\$ 362,750	\$ -	\$ -	\$ -	\$ 362,750	0.0 %
Net Appropriation	\$ 19,193,602	\$ 1,681,687	\$ -	\$ 1,681,687	\$ 20,875,289	8.8 %
Positions (FTE)	182.750	6.000	-	6.000	188.750	3.3 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve							
Increases all state-funded employee salaries by 2%.		Req \$	290,000	\$ -	\$ 290,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	290,000	\$ -	\$ 290,000	\$ -	-
		FTE	0.000	0.000	0.000		0.000
2 State Employee Bonus							
Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.		Req \$	-	\$ 174,000	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 174,000	\$ -	\$ -	-
		FTE	0.000	0.000	0.000		0.000
3 Labor Market Retention and Adjustment Reserve							
Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.		Req \$	290,000	\$ -	\$ 290,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	290,000	\$ -	\$ 290,000	\$ -	-
		FTE	0.000	0.000	0.000		0.000
4 Retirement and Retiree Health Contributions							
Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.		Req \$	36,631	\$ -	\$ 75,094	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	36,631	\$ -	\$ 75,094	\$ -	-
		FTE	0.000	0.000	0.000		0.000
5 Retiree Cost-of-Living Adjustment							
Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.		Req \$	-	\$ 124,191	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 124,191	\$ -	\$ -	-
		FTE	0.000	0.000	0.000		0.000
6 State Health Plan							
Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.		Req \$	68,470	\$ -	\$ 140,363	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	68,470	\$ -	\$ 140,363	\$ -	-
		FTE	0.000	0.000	0.000		0.000

		R Changes		NR Changes		R Changes		NR Changes	
Department-wide									
7 Business Support Positions									
Provides funds for administrative specialists to review paper documentation, staff the department’s call center, and process Annual Report filings. Since 2020, business transactions have grown by 57%, straining the department’s ability to provide adequate customer service and responsiveness to the needs of the business community. As a vital resource for business owners, it is essential that communication with the department is timely and effective. Currently, over 35% of calls to the call center can go unanswered.	Req \$	325,000	\$	-	\$	325,000	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	325,000	\$	-	\$	325,000	\$	-	
	FTE	4.000		0.000		4.000		0.000	
8 Information Technology Positions									
Provides funds for a Database Administrator and User Support Specialist. Growth in volume and complexity of the department’s data requires increased managerial capability. These positions will oversee and analyze this data, providing insights that improve the department's ability to understand and better serve the business community.	Req \$	272,818	\$	-	\$	272,818	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	272,818	\$	-	\$	272,818	\$	-	
	FTE	2.000		0.000		2.000		0.000	
9 Microsoft 365									
Provides funds to purchase Microsoft licenses for department employees. As the only state agency without Microsoft 365, the department will gain extensive collaborative and communication capabilities to enhance their day-to-day operations.	Req \$	150,000	\$	-	\$	150,000	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	150,000	\$	-	\$	150,000	\$	-	
	FTE	0.000		0.000		0.000		0.000	
10 Police Officer									
Provides funds for a State Capital Police Officer in the Old Revenue Building. Maintaining this presence is critical to ensuring safety and security for the public and staff due to the daily volume of visitors and regular cash transactions. On average, the department’s customer service desk serves nearly 100 people per business day.	Req \$	68,670	\$	-	\$	68,670	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	68,670	\$	-	\$	68,670	\$	-	
	FTE	0.000		0.000		0.000		0.000	
11 Motor Fleet Management Rate Increase									
Provides funds to cover the increase in Motor Fleet Management rates effective July 1, 2025. Rates have not been updated since January 1, 2018.	Req \$	33,257	\$	-	\$	33,257	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	33,257	\$	-	\$	33,257	\$	-	
	FTE	0.000		0.000		0.000		0.000	
12 Information Technology Rates									
Funds the expected increase in IT rate charges resulting from the FY 2025-26 approved increase in the Department of Information Technology's subscription and service delivery rates.	Req \$	32,813	\$	-	\$	32,813	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	32,813	\$	-	\$	32,813	\$	-	
	FTE	0.000		0.000		0.000		0.000	
13 Body Cameras									
Provides funding for body cameras for all agency law enforcement officers (LEOs). Body cameras create crucial evidence in investigations by more accurately documenting interactions. Footage will enable situation-based training based on officers’ previous encounters. Currently, 3 LEOs at the agency do not have body cameras. Use of body cameras enhances accountability, transparency, and public trust.	Req \$	3,672	\$	-	\$	3,672	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	3,672	\$	-	\$	3,672	\$	-	
	FTE	0.000		0.000		0.000		0.000	
Total Change to Requirements		\$	1,571,331	\$	298,191	\$	1,681,687	\$	-
Total Change to Receipts		\$	-	\$	-	\$	-	\$	-
Total Change to Net Appropriations		\$	1,571,331	\$	298,191	\$	1,681,687	\$	-
Total Change to Full-Time Equivalent (FTE)			6.000		0.000		6.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$			1,869,522	\$			1,681,687
Total Change to Full-Time Equivalent (FTE)					6.000				6.000

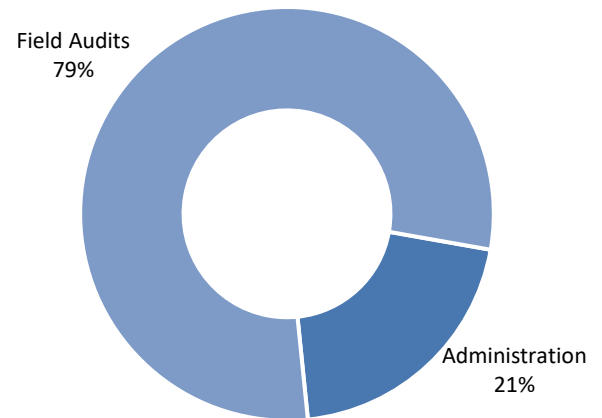
Mission

To provide unbiased and impactful audit and investigative reports so stakeholders can make informed decisions, hold entities accountable, and ensure good stewardship of public funds.

Goals

1. Make state government more effective, efficient, and accountable by delivering reliable, credible, actionable, and timely reports to entities that can use the information and recommendations provided to improve state government.
2. Optimize the efficiency of our audits and investigations to minimize disruption to auditee's regular activities and increase the opportunities for OSA to find savings across state government.

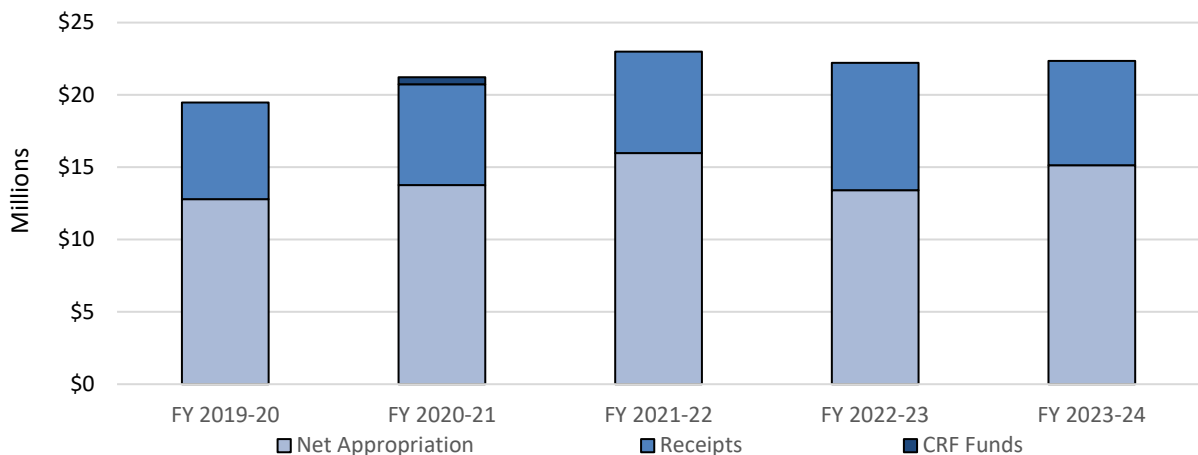
FY 2023-24 Actual Expenditures



Agency Profile

- The State Auditor is elected and is a member of the Council of State.
- OSA's audit responsibilities cover more than \$117.8 billion in state assets and \$32.2 billion in liabilities; \$35.1 billion in annual federal grants; and the finances of the state's public universities and community colleges.
- OSA publishes financial statement audits, performance audits, information systems audits, and investigative reports.
- OSA will continue to expand audits focusing on those with the most impact on North Carolinians.
- The State Auditor has broad powers to examine all books, records, files, papers, documents, and financial affairs of every state agency.

5-Year Historical Expenditures



*Charts include General Fund budget code only.

State Auditor - General Fund (13300)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 26,596,249	\$ 1,257,681	\$ 292,721	\$ 1,550,402	\$ 28,146,651	5.8 %
Receipts	\$ 7,365,869	\$ 149,238	\$ -	\$ 149,238	\$ 7,515,107	2.0 %
Net Appropriation	\$ 19,230,380	\$ 1,108,443	\$ 292,721	\$ 1,401,164	\$ 20,631,544	7.3 %
Positions (FTE)	159.000	4.000	-	4.000	163.000	2.5 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 26,596,249	\$ 1,346,525	\$ -	\$ 1,346,525	\$ 27,942,774	5.1 %
Receipts	\$ 7,365,869	\$ 149,238	\$ -	\$ 149,238	\$ 7,515,107	2.0 %
Net Appropriation	\$ 19,230,380	\$ 1,197,287	\$ -	\$ 1,197,287	\$ 20,427,667	6.2 %
Positions (FTE)	159.000	4.000	-	4.000	163.000	2.5 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve

Increases all state-funded employee salaries by 2%.

Req \$	310,000	\$ -	\$ 310,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	310,000	\$ -	\$ 310,000	\$ -
FTE	0.000	0.000	0.000	0.000

2 State Employee Bonus

Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ 160,000	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 160,000	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

3 Labor Market Retention and Adjustment Reserve

Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.

Req \$	310,000	\$ -	\$ 310,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	310,000	\$ -	\$ 310,000	\$ -
FTE	0.000	0.000	0.000	0.000

4 Retirement and Retiree Health Contributions

Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.

Req \$	39,147	\$ -	\$ 80,252	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	39,147	\$ -	\$ 80,252	\$ -
FTE	0.000	0.000	0.000	0.000

5 Retiree Cost-of-Living Adjustment

Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.

Req \$	-	\$ 132,721	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 132,721	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

6 State Health Plan

Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.

Req \$	45,465	\$ -	\$ 93,204	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	45,465	\$ -	\$ 93,204	\$ -
FTE	0.000	0.000	0.000	0.000

		R Changes		NR Changes		R Changes		NR Changes
Department-wide								
7 Additional Staffing to Increase Audit Capacity								
Provides funds to establish new auditing positions to enhance the Office's capacity to conduct investigatory, financial, and performance audits. Since 2009, the state budget has grown in size by over 70% while the office's staffing level has stagnated. The funding would lead to increased transparency and efficiency in state operations.	Req \$	553,069	\$	-	\$	553,069	\$	-
	Rec \$	149,238	\$	-	\$	149,238	\$	-
	App \$	403,831	\$	-	\$	403,831	\$	-
	FTE	4.000		0.000		4.000		0.000
8 Information Technology Infrastructure								
Provides funding for critical office IT needs, focusing on enhancing security, efficiency, audit capability, and employee recruitment and retention. These strategic investments will enhance the office's capabilities and audit performance, ensuring maximum speed and thoroughness of auditing work products.	Req \$	-	\$	-	\$	-	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	-	\$	-	\$	-	\$	-
	FTE	0.000		0.000		0.000		0.000
Total Change to Requirements	\$	1,257,681	\$	292,721	\$	1,346,525	\$	-
Total Change to Receipts	\$	149,238	\$	-	\$	149,238	\$	-
Total Change to Net Appropriations	\$	1,108,443	\$	292,721	\$	1,197,287	\$	-
Total Change to Full-Time Equivalent (FTE)		4.000		0.000		4.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$			1,401,164	\$			1,197,287
Total Change to Full-Time Equivalent (FTE)				4.000				4.000

Mission

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

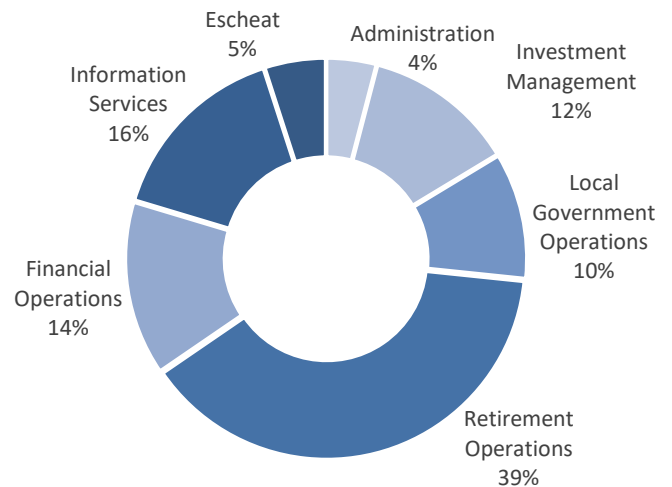
Goals

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

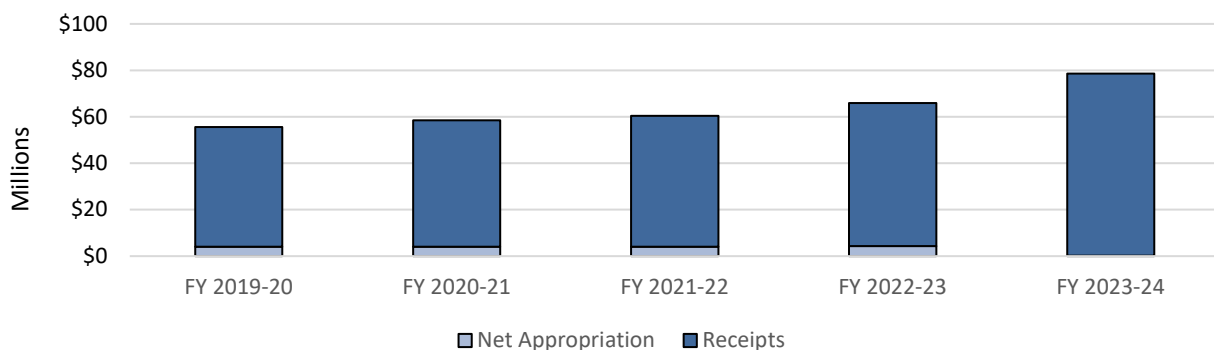
Agency Profile

- Administers retirement systems for more than 950,000 public service workers.
- Operates the State Health Plan, which covers more than 740,000 teachers, state employees, retirees, current and former lawmakers, university employees, community college employees, and their dependents.
- Supports local government units by aiding in the sale of local debt obligations and maintaining sound budget, accounting, and reporting procedures.
- Oversees the issuance of state debt.
- Maintains unclaimed property and the state’s core banking system.

FY 2023-24 Actual Expenditures



5-Year Historical Expenditures



Charts include General Fund budget code only, excludes State Health Plan, State Retirement Plans, and managed investment.

State Treasurer - General Fund (13410)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 79,195,112	\$ 7,255,093	\$ 5,973,560	\$ 13,228,653	\$ 92,423,765	16.7 %
Receipts	\$ 78,986,038	\$ 7,255,093	\$ 5,560,560	\$ 12,815,653	\$ 91,801,691	16.2 %
Net Appropriation	\$ 209,074	\$ -	\$ 413,000	\$ 413,000	\$ 622,074	197.5 %
Positions (FTE)	413.400	6.000	-	6.000	419.400	1.4 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 79,240,553	\$ 7,255,093	\$ -	\$ 7,255,093	\$ 86,495,646	9.2 %
Receipts	\$ 79,031,479	\$ 7,255,093	\$ -	\$ 7,255,093	\$ 86,286,572	9.2 %
Net Appropriation	\$ 209,074	\$ -	\$ -	\$ -	\$ 209,074	0.0 %
Positions (FTE)	413.400	6.000	-	6.000	419.400	1.4 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 State Employee Bonus Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.	Req \$	-	\$ 413,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 413,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000

Department-wide

2 IT Infrastructure, Security Software, and Help Desk System Supports upgrades to hardware and security for the department’s on-premises data center. The upgrades will keep customer data safe during the migration of departmental data to cloud-based storage. The Retirement System Division will also replace the Help Desk software, providing improved customer support for current and future retirees.	Req \$	2,250,000	\$ -	\$ 2,250,000	\$ -
	Rec \$	2,250,000	\$ -	\$ 2,250,000	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000

3 IT Systems Specialists Funds application systems specialist positions focused on the development of cloud infrastructure to allow the department to eventually move all their data to cloud storage. These positions will develop and administer Power BI Apps, establish quality analysis controls and automation scripts, create secure cloud-native applications, and reduce time to deploy new implementations. The new cloud infrastructure will improve efficiency and enhance service delivery.	Req \$	869,520	\$ -	\$ 869,520	\$ -
	Rec \$	869,520	\$ -	\$ 869,520	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	5.000	0.000	5.000	0.000

Retirement Systems

4 ORBIT System Funds the transition of retirement system data from on-premises servers to cloud-based storage. The Retirement System Division must transition this data to upgrade to the latest software, replacing a 20-year-old system. The upgrade will reduce costs, improve efficiency and security, and minimize downtime.	Req \$	650,000	\$ -	\$ 650,000	\$ -
	Rec \$	650,000	\$ -	\$ 650,000	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000

5 Imaging and Workflow System Replaces the Retirement System Division’s document management and imaging system. This system is out of date and is losing vendor-provided support and maintenance. The new system will better safeguard sensitive data, allow for more accurate data analysis, and improve efficiency for the division.	Req \$	372,000	\$ 1,260,560	\$ 372,000	\$ -
	Rec \$	372,000	\$ 1,260,560	\$ 372,000	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000

		R Changes		NR Changes		R Changes		NR Changes	
Banking									
6 Banking System Upgrade									
Upgrades software for the state’s banking system, which is used by all state agencies. The upgrade will result in a more secure system with less downtime and faster support. Funds also support ongoing maintenance of the state banking system. Maintenance costs have increased in recent years and now exceed the department’s budget for this expense.	Req \$	3,000,000	\$	4,300,000	\$	3,000,000	\$	-	
	Rec \$	3,000,000	\$	4,300,000	\$	3,000,000	\$	-	
	App \$	-	\$	-	\$	-	\$	-	
	FTE	0.000		0.000		0.000		0.000	
State and Local Government Finance									
7 State and Local Government Finance Operations Manager									
Funds a position to run business management for the division. The position will help manage the division's budget and oversee facility operational needs. The role will also coordinate travel, manage staff training, organize records, and support special projects. A position dedicated to these tasks will allow the remainder of the division’s staff to focus on programmatic duties. The director and two section managers recorded over 350 hours of overtime in the last year, due, in part, to covering these duties.	Req \$	113,573	\$	-	\$	113,573	\$	-	
	Rec \$	113,573	\$	-	\$	113,573	\$	-	
	App \$	-	\$	-	\$	-	\$	-	
	FTE	1.000		0.000		1.000		0.000	
Total Change to Requirements		\$	7,255,093	\$	5,973,560	\$	7,255,093	\$	-
Total Change to Receipts		\$	7,255,093	\$	5,560,560	\$	7,255,093	\$	-
Total Change to Net Appropriations		\$	-	\$	413,000	\$	-	\$	-
Total Change to Full-Time Equivalent (FTE)			6.000		0.000		6.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$			413,000	\$			-
Total Change to Full-Time Equivalent (FTE)					6.000				6.000

Mission

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

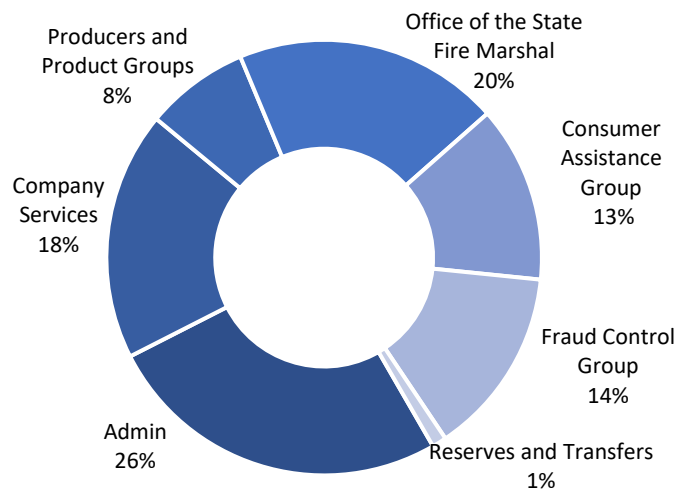
Goals

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

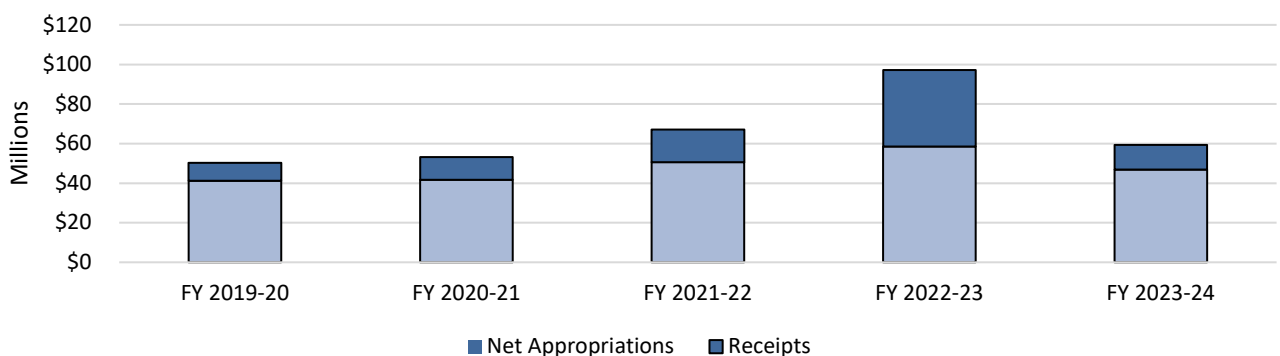
Agency Profile

- Focuses on consumers through fair ratemaking, injury prevention efforts, thorough regulation of insurance company solvency and industry practices, and protecting consumers against insurance fraud.
- Protects the lives and property of North Carolinians through education, risk management, code enforcement, and fire investigations.
- In 2024, the department's Criminal Investigation Division made 406 arrests and had 218 convictions.
- Recovered or saved nearly \$144 million for North Carolinians in 2024, including:
 - \$70.5 million returned to families through life insurance claims they didn't know existed through the lost life insurance policy program;
 - \$22.1 million recovered through combating fraud; and
 - \$2.4 million for North Carolinians originally denied necessary medical procedures or prescription drugs because of reviews or appeals through the SmartNC program.
- Our award-winning DOI Captive Insurance Program is among the top four in the nation.
- DOI received the STAR (State Transformation in Action Recognition) Award as Best in the South from the Southern Council of State Government.

FY 2023-24 Actual Expenditures



5-Year Historical Expenditures



Charts include General Fund budget code only.

Insurance - General Fund (13900)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 71,233,505	\$ 22,430,924	\$ 27,313,470	\$ 49,744,394	\$ 120,977,899	69.8 %
Receipts	\$ 11,971,146	\$ -	\$ -	\$ -	\$ 11,971,146	0.0 %
Net Appropriation	\$ 59,262,359	\$ 22,430,924	\$ 27,313,470	\$ 49,744,394	\$ 109,006,753	83.9 %
Positions (FTE)	445.458	19.000	-	19.000	464.458	4.3 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 71,339,489	\$ 25,020,503	\$ -	\$ 25,020,503	\$ 96,359,992	35.1 %
Receipts	\$ 12,077,130	\$ -	\$ -	\$ -	\$ 12,077,130	0.0 %
Net Appropriation	\$ 59,262,359	\$ 25,020,503	\$ -	\$ 25,020,503	\$ 84,282,862	42.2 %
Positions (FTE)	445.458	19.000	-	19.000	464.458	4.3 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve							
Increases all state-funded employee salaries by 2%.		Req \$	866,000	\$ -	\$ 866,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	866,000	\$ -	\$ 866,000	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
2 State Employee Bonus							
Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.		Req \$	-	\$ 429,000	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 429,000	\$ -	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
3 Labor Market Retention and Adjustment Reserve							
Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.		Req \$	866,000	\$ -	\$ 866,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	866,000	\$ -	\$ 866,000	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
4 Retirement and Retiree Health Contributions							
Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.		Req \$	109,421	\$ -	\$ 224,314	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	109,421	\$ -	\$ 224,314	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
5 Retiree Cost-of-Living Adjustment							
Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.		Req \$	-	\$ 370,970	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 370,970	\$ -	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
6 State Health Plan							
Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.		Req \$	166,367	\$ -	\$ 341,053	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	166,367	\$ -	\$ 341,053	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000

		R Changes		NR Changes		R Changes		NR Changes
Department-wide								
7 Lease Increase								
Funds an increase in the Department of Insurance's (DOI) current lease to allow it to expand and utilize two and a half additional floors within their current office location. This additional space will provide a training facility, room for the expansion of the Bail Bond Regulatory Division and the Criminal Investigation Division and more offices for employees.	Req \$	1,400,000	\$	-	\$	1,400,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	1,400,000	\$	-	\$	1,400,000	\$	-
	FTE	0.000		0.000		0.000		0.000
8 Information Security Division Core Infrastructure Needs								
Provides funding to bolster the department's cybersecurity systems. These cybersecurity systems and the Information Security Division (ISD) core infrastructure provide the security backbone that protects the department from cybersecurity threats. Funds will cover the cost of a security management tool, cybersecurity hardware and software, and data sharing to detect potential threats.	Req \$	2,145,090	\$	-	\$	2,145,090	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	2,145,090	\$	-	\$	2,145,090	\$	-
	FTE	0.000		0.000		0.000		0.000
9 Controller's Office								
Provides funds for additional positions in the Controller's Office to reduce the workload on current staff. The Controller's Office provides budget, accounting, and procurement services to the 647 employees in the Department of Insurance, Office of the State Fire Marshal, and the Industrial Commission. The current staff of 16 permanent and four temporary staff are inadequate for the office to function efficiently. Additional positions will allow the Controller's Office to be proactive in addressing critical needs, such as creating job aids and staff training, that will improve the functioning of the office long-term.	Req \$	455,000	\$	-	\$	455,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	455,000	\$	-	\$	455,000	\$	-
	FTE	5.000		0.000		5.000		0.000
10 Information Technology Rates								
Funds the expected increase in IT rate changes resulting from the FY 2025-27 approved increase in the Department of Information Technology's subscription and service delivery rates.	Req \$	282,016	\$	-	\$	282,016	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	282,016	\$	-	\$	282,016	\$	-
	FTE	0.000		0.000		0.000		0.000
11 Motor Fleet Management Rate Increase								
Provides funds to cover the increase in Motor Fleet Management rates effective July 1, 2025. Rates have not been updated since January 1, 2018.	Req \$	187,500	\$	-	\$	187,500	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	187,500	\$	-	\$	187,500	\$	-
	FTE	0.000		0.000		0.000		0.000
Bail Bond Division								
12 Bail Bond Regulatory Division Personnel								
Creates additional positions in the Bail Bond Regulatory Division (BBRD) to complete the three-year three-phase initiative of providing the public with a more efficient bail bond licensing process. This final phase involves moving the statutorily required bail bondsmen examinations in-house for greater productivity and service. BBRD manages 2,000 licenses for 1,900 individuals who must renew their bail bond licenses every two years. On average, an additional 300 people apply for licenses each year.	Req \$	334,687	\$	-	\$	334,687	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	334,687	\$	-	\$	334,687	\$	-
	FTE	4.000		0.000		4.000		0.000
Consumer Services								
13 Filings and Hearing Support								
Provides funds needed to allow DOI to review and analyze all proposed insurance rate increases the North Carolina Rate Bureau (NCRB) submits. DOI reviews all proposed rate increases to ensure they are not excessive, inadequate, or unfairly discriminatory. When the private insurers forming the NCRB and the Commissioner of Insurance cannot come to an agreement on requested premium rate changes, the request goes to a hearing. Since 2017, proposed rates have nearly doubled, increasing the likelihood of hearings. These funds will be transferred to budget code 23900.	Req \$	1,000,000	\$	-	\$	1,000,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	1,000,000	\$	-	\$	1,000,000	\$	-
	FTE	0.000		0.000		0.000		0.000

		R Changes		NR Changes		R Changes		NR Changes
Consumer Services								
14 Health Insurance Smart NC								
Converts a temporary position in the Health Insurance Smart NC (Smart NC) program to permanent to ensure the program can continue to assist consumers with health insurance coverage disputes in a timely manner. In 2024, Smart NC handled 1,767 cases, received 138,562 phone calls, recovered \$2.4 million for consumers, and overturned insurance company denials for External Review 46.74% of the time. After losing an FTE in 2020, each employee had to take on more cases, delaying responses to customers. Additionally, the Director and Manager have had to provide assistance beyond their regular duties. Maintaining this FTE on a full-time, permanent basis will allow Smart NC to continue providing quality service to North Carolinians.	Req \$	84,988	\$	-	\$	84,988	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	84,988	\$	-	\$	84,988	\$	-
	FTE	1.000		0.000		1.000		0.000
Criminal Investigations								
15 Criminal Investigation Division Agents								
Establishes a new unit and positions in the Criminal Investigations Divisions. In the past three years, the department has investigated insurance fraud cases resulting in, on average, 396 arrests, 190 convictions, and over \$7 million in recovery for victims of insurance fraud per year. In recent years, emerging technology has increased the frequency and complexity of insurance fraud and crime. These additional agents will focus on these new areas of crime.	Req \$	1,185,842	\$	13,500	\$	1,185,842	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	1,185,842	\$	13,500	\$	1,185,842	\$	-
	FTE	9.000		0.000		9.000		0.000
16 Body Cameras								
Provides funding for body cameras for all agency law enforcement officers (LEOs). Body cameras create crucial evidence in investigations by more accurately documenting interactions. Footage will enable situation-based training based on officers' previous encounters. Currently 57 LEOs at the agency do not have body cameras. Use of body cameras enhances accountability, transparency, and public trust	Req \$	69,768	\$	-	\$	69,768	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	69,768	\$	-	\$	69,768	\$	-
	FTE	0.000		0.000		0.000		0.000
Office of the State Fire Marshal								
17 Stanly County Facility Building Reserve								
Supports the basic operating expenses for the office's Emergency Training Center in Stanly County. When it opens in March 2025, this facility will provide training for 54 International Fire Service Accreditation Council (IFSAC) certifications and specialized classes to first responders from North Carolina and across the country. The facility will be the only location in the state that provides aircraft rescue firefighting and water rescue training of this caliber.	Req \$	2,200,000	\$	-	\$	4,500,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	2,200,000	\$	-	\$	4,500,000	\$	-
	FTE	0.000		0.000		0.000		0.000
18 Office Relocation								
Provides funds to relocate the Office of the State Fire Marshall (OSFM) to a facility that better meets their operational needs. The current location neither accommodates all OSFM employees nor has adequate space for board meetings. In addition, OSFM needs an emergency response center to use in case of a disaster, as well as secure space to store their specialized equipment that is currently stored off-site, in unsecure locations.	Req \$	1,000,000	\$	1,500,000	\$	1,000,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	1,000,000	\$	1,500,000	\$	1,000,000	\$	-
	FTE	0.000		0.000		0.000		0.000
19 Motor Fleet Management Rate Increase								
Provides funds to cover the increase in Motor Fleet Management rate effective July 1, 2025. Rates have not been updated since January 1, 2018.	Req \$	78,245	\$	-	\$	78,245	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	78,245	\$	-	\$	78,245	\$	-
	FTE	0.000		0.000		0.000		0.000

		R Changes		NR Changes		R Changes		NR Changes
State Property Fire Insurance Fund								
20 State Property Fire Insurance Fund								
Invests in the State Property Fire Fund (SPFIF) to address a low fund balance and cover the expected increase in the annual excess premium payment. The SPFIF, along with the Public School Insurance Fund, saved the state an estimated \$100-150 million following Hurricane Helene. The SPFIF covers all of the State's 1,800 buildings and other property. This support will enable it to provide agencies an adequate and timely insurance payment following a property damage claim.	Req \$	10,000,000	\$	25,000,000	\$	10,000,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	10,000,000	\$	25,000,000	\$	10,000,000	\$	-
	FTE	0.000		0.000		0.000		0.000
<hr/>								
Total Change to Requirements	\$	22,430,924	\$	27,313,470	\$	25,020,503	\$	-
Total Change to Receipts	\$	-	\$	-	\$	-	\$	-
Total Change to Net Appropriations	\$	22,430,924	\$	27,313,470	\$	25,020,503	\$	-
Total Change to Full-Time Equivalent (FTE)		19.000		0.000		19.000		0.000
<hr/>								
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$			49,744,394	\$			25,020,503
Total Change to Full-Time Equivalent (FTE)				19.000				19.000

Insurance - Special Fund - Interest Bearing (23900)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 83,986,535	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 84,986,535	1.2 %
Receipts	\$ 57,497,173	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 58,497,173	1.7 %
Chg in Fund Balance	\$ (26,489,362)	\$ -	\$ -	\$ -	\$ (26,489,362)	0.0 %
Positions (FTE)	5.355	-	-	-	5.355	0.0 %
Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 84,092,519	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 85,092,519	1.2 %
Receipts	\$ 81,731,562	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 82,731,562	1.2 %
Chg in Fund Balance	\$ (2,360,957)	\$ -	\$ -	\$ -	\$ (2,360,957)	0.0 %
Positions (FTE)	5.355	-	-	-	5.355	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes
Consumer Services				
1 Transfer-Filings and Hearings Support				
Budgets the transfer from Budget Code 23900 for Filings and Hearings support.	Req \$ 1,000,000	\$ -	\$ 1,000,000	\$ -
	Rec \$ 1,000,000	\$ -	\$ 1,000,000	\$ -
	CFB \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
Total Change to Requirements	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -
Total Change to Receipts	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -
Total Change to Fund Balance	\$ -	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$ -	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)		0.000		0.000

Insurance - Trust - Internal Service (63903)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 47,897,053	\$ 10,000,000	\$ 25,000,000	\$ 35,000,000	\$ 82,897,053	73.1 %
Receipts	\$ 45,321,521	\$ 10,000,000	\$ 25,000,000	\$ 35,000,000	\$ 80,321,521	77.2 %
Chg in Fund Balance	\$ (2,575,532)	\$ -	\$ -	\$ -	\$ (2,575,532)	0.0 %
Positions (FTE)	23.340	-	-	-	23.340	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 47,897,053	\$ 10,000,000	\$ -	\$ 10,000,000	\$ 57,897,053	20.9 %
Receipts	\$ 45,321,521	\$ 10,000,000	\$ -	\$ 10,000,000	\$ 55,321,521	22.1 %
Chg in Fund Balance	\$ (2,575,532)	\$ -	\$ -	\$ -	\$ (2,575,532)	0.0 %
Positions (FTE)	23.340	-	-	-	23.340	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes
State Property Fire Insurance Fund				
1 State Property Fire Insurance Fund				
Budgets the transfer from budget code 13900 for the State Property Fire Fund.	Req \$	10,000,000	\$ 25,000,000	\$ 10,000,000
	Rec \$	10,000,000	\$ 25,000,000	\$ 10,000,000
	CFB \$	-	\$ -	\$ -
	FTE	0.000	0.000	0.000
Total Change to Requirements	\$ 10,000,000	\$ 25,000,000	\$ 10,000,000	\$ -
Total Change to Receipts	\$ 10,000,000	\$ 25,000,000	\$ 10,000,000	\$ -
Total Change to Fund Balance	\$ -	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$ -	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)		0.000		0.000

Insurance - General Fund for Industrial Commission (13902)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 18,471,704	\$ 557,141	\$ 1,427,728	\$ 1,984,869	\$ 20,456,573	10.8 %
Receipts	\$ 4,357,425	\$ -	\$ -	\$ -	\$ 4,357,425	0.0 %
Net Appropriation	\$ 14,114,279	\$ 557,141	\$ 1,427,728	\$ 1,984,869	\$ 16,099,148	14.1 %
Positions (FTE)	141.700	-	-	-	141.700	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 18,471,704	\$ 625,662	\$ -	\$ 625,662	\$ 19,097,366	3.4 %
Receipts	\$ 4,357,425	\$ -	\$ -	\$ -	\$ 4,357,425	0.0 %
Net Appropriation	\$ 14,114,279	\$ 625,662	\$ -	\$ 625,662	\$ 14,739,941	4.4 %
Positions (FTE)	141.700	-	-	-	141.700	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve							
Increases all state-funded employee salaries by 2%.		Req \$	200,000	\$ -	\$ 200,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	200,000	\$ -	\$ 200,000	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
2 State Employee Bonus							
Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.		Req \$	-	\$ 142,000	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 142,000	\$ -	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
3 Labor Market Retention and Adjustment Reserve							
Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.		Req \$	200,000	\$ -	\$ 200,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	200,000	\$ -	\$ 200,000	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
4 Retirement and Retiree Health Contributions							
Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.		Req \$	25,287	\$ -	\$ 51,837	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	25,287	\$ -	\$ 51,837	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
5 Retiree Cost-of-Living Adjustment							
Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.		Req \$	-	\$ 85,728	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 85,728	\$ -	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
6 State Health Plan							
Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.		Req \$	39,972	\$ -	\$ 81,943	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	39,972	\$ -	\$ 81,943	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000

	R Changes		NR Changes		R Changes		NR Changes		
Industrial Commission									
7 Body Cameras									
Provides funding for body cameras for all agency law enforcement officers (LEOs). Body cameras create crucial evidence in investigations by more accurately documenting interactions. Footage will enable situation-based training based on officers’ previous encounters. Currently 6 LEOs at the agency do not have body cameras. Use of body cameras enhances accountability, transparency, and public trust.	Req \$	7,344	\$	-	\$	7,344	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	7,344	\$	-	\$	7,344	\$	-	
	FTE	0.000		0.000		0.000		0.000	
8 Digitization of Files Stored in Warehouse									
Funds the modernization of the Industrial Commission’s paper-based records system. Digitizing these 7,000 boxes of records will protect them from potential physical destruction, provide better privacy protections, and enables authorized employees to quickly and easily find and search documents. Once all documents are digitized, the Commission can terminate the file storage facility lease and annual savings of approximately \$54,600.	Req \$	-	\$	1,200,000	\$	-	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	-	\$	1,200,000	\$	-	\$	-	
	FTE	0.000		0.000		0.000		0.000	
9 Increase in Court Reporting Services Cost									
Funds the increased costs of court reporting services for Industrial Commission hearings. The Commission sought a new contract after both parties agreed the current contractor could not provide an adequate service. These recordings are required by law and are essential for the thousands of litigants the Commission serves every year to receive a fair hearing.	Req \$	60,000	\$	-	\$	60,000	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	60,000	\$	-	\$	60,000	\$	-	
	FTE	0.000		0.000		0.000		0.000	
10 Motor Fleet Management Rate Increase									
Provides funds to cover the increase in Motor Fleet Management rate effective July 1, 2025. Rates have not been updated since January 1, 2018.	Req \$	24,538	\$	-	\$	24,538	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	24,538	\$	-	\$	24,538	\$	-	
	FTE	0.000		0.000		0.000		0.000	
Total Change to Requirements		\$	557,141	\$	1,427,728	\$	625,662	\$	-
Total Change to Receipts		\$	-	\$	-	\$	-	\$	-
Total Change to Net Appropriations		\$	557,141	\$	1,427,728	\$	625,662	\$	-
Total Change to Full-Time Equivalent (FTE)			0.000		0.000		0.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$			1,984,869	\$			625,662
Total Change to Full-Time Equivalent (FTE)					0.000				0.000

Mission

To enhance the lives of North Carolinians by providing foundational support to state government agencies through asset management, advocacy, and operations.

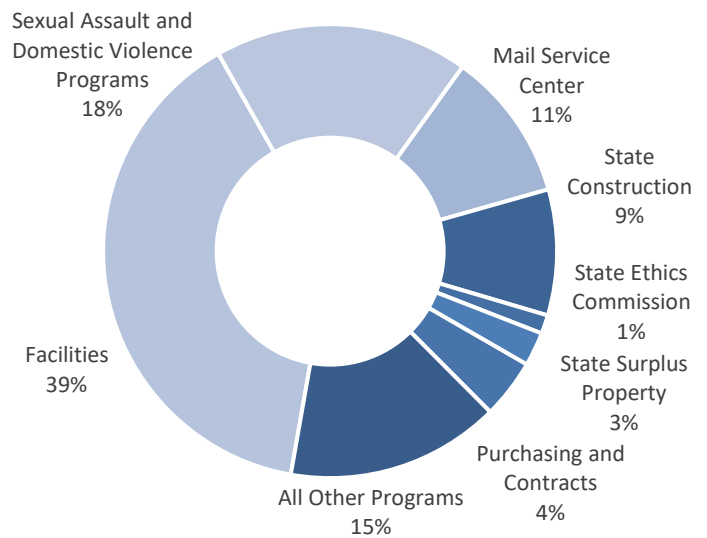
Goals

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

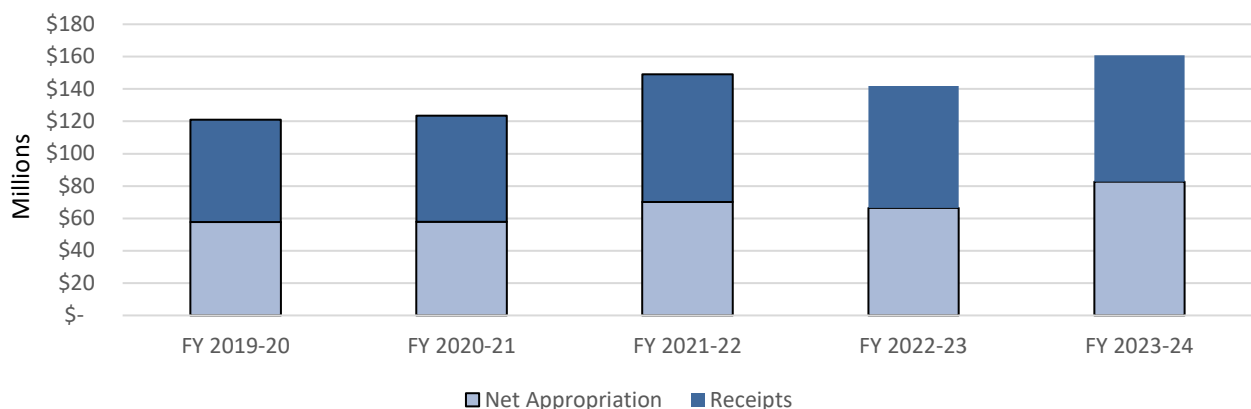
Agency Profile

- Provide services for state government by overseeing government operations in building construction, purchasing and contracting for goods and services, managing state vehicles, acquiring and disposing of real property, overseeing Raleigh state facilities, disposing of surplus real property, and operating a courier mail service.
- Advocate for and provide services to underserved populations. Provide administrative support to various boards and commissions including Indian Affairs, Historically Underutilized Businesses, Inclusion, MLK Jr., Youth Council, State Internships, State Building, Women and Domestic Violence.
- Maintain a registry of home and private schools in the state.

FY 2023-24 Actual Expenditures



5-Year Historical Expenditures



Charts include General Fund and Internal Service Funds.
Charts exclude expenditures from the Office of State Human Resources.

Administration - General Fund (14100)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 78,827,446	\$ 6,630,606	\$ 636,927	\$ 7,267,533	\$ 86,094,979	9.2 %
Receipts	\$ 11,416,041	\$ -	\$ -	\$ -	\$ 11,416,041	0.0 %
Net Appropriation	\$ 67,411,405	\$ 6,630,606	\$ 636,927	\$ 7,267,533	\$ 74,678,938	10.8 %
Positions (FTE)	374.983	3.000	-	3.000	377.983	0.8 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 78,827,446	\$ 6,849,492	\$ -	\$ 6,849,492	\$ 85,676,938	8.7 %
Receipts	\$ 11,416,041	\$ -	\$ -	\$ -	\$ 11,416,041	0.0 %
Net Appropriation	\$ 67,411,405	\$ 6,849,492	\$ -	\$ 6,849,492	\$ 74,260,897	10.2 %
Positions (FTE)	374.983	3.000	-	3.000	377.983	0.8 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve							
Increases all state-funded employee salaries by 2%.		Req \$	616,000	\$ -	\$ 616,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	616,000	\$ -	\$ 616,000	\$ -	-
		FTE	0.000	0.000	0.000		0.000
2 State Employee Bonus							
Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.		Req \$	-	\$ 373,000	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 373,000	\$ -	\$ -	-
		FTE	0.000	0.000	0.000		0.000
3 Labor Market Retention and Adjustment Reserve							
Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.		Req \$	616,000	\$ -	\$ 616,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	616,000	\$ -	\$ 616,000	\$ -	-
		FTE	0.000	0.000	0.000		0.000
4 Retirement and Retiree Health Contributions							
Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.		Req \$	77,848	\$ -	\$ 159,588	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	77,848	\$ -	\$ 159,588	\$ -	-
		FTE	0.000	0.000	0.000		0.000
5 Retiree Cost-of-Living Adjustment							
Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.		Req \$	-	\$ 263,927	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 263,927	\$ -	\$ -	-
		FTE	0.000	0.000	0.000		0.000
6 State Health Plan							
Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium		Req \$	130,615	\$ -	\$ 267,761	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	130,615	\$ -	\$ 267,761	\$ -	-
		FTE	0.000	0.000	0.000		0.000

		R Changes		NR Changes		R Changes		NR Changes	
Facilities Maintenance									
7 Maintenance of State Buildings									
Addresses a shortfall in the Facilities Management Division to allow continued maintenance of state facilities. The Division has a large budget deficit due to the replacement of a receipt-supported tenant (Department of Insurance) that paid rent with one supported by net appropriations. Net appropriations supported agencies do not pay rent for use of space in state-owned buildings. Appropriately maintaining buildings reduces the costs of future repairs and saves money over time.	Req \$	2,100,000	\$	-	\$	2,100,000	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	2,100,000	\$	-	\$	2,100,000	\$	-	
	FTE	0.000		0.000		0.000		0.000	
8 Utility Cost Increase for State-Maintained Buildings									
Increases the Facilities Management Division’s budget for utility expenses. The division is responsible for paying utilities for state-owned buildings. In the past three years, the prices of natural gas and electricity have risen 44% and 14.6%, respectively, without a corresponding increase to the division’s budget.	Req \$	1,617,118	\$	-	\$	1,617,118	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	1,617,118	\$	-	\$	1,617,118	\$	-	
	FTE	0.000		0.000		0.000		0.000	
9 DIT Fees – State Building Security and Monitoring									
Funds ongoing operations and maintenance fees for a closed fiber network for the State Parking Access Revenue Control System and the Facility Maintenance Division’s building automation systems. These systems provide security for state buildings and parking decks, as well as allow for centralized monitoring and control of environmental conditions within each building.	Req \$	240,000	\$	-	\$	240,000	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	240,000	\$	-	\$	240,000	\$	-	
	FTE	0.000		0.000		0.000		0.000	
Non-Public Education									
10 Non-Public Education Staff									
Provides funding for new positions in the Division of Non-Public Education (DNPE). DNPE oversees the state’s 897 private schools and 105,534 homeschools. The positions will enhance the division’s capacity to manage data for each non-public school, process forms for schools seeking to register, answer public inquiries, comply with the legislative requirement that each private school receive an annual visit, and conduct reviews of the schools’ documentation. At current staffing levels, DNPE is unable to meet these obligations.	Req \$	307,782	\$	-	\$	307,782	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	307,782	\$	-	\$	307,782	\$	-	
	FTE	3.000		0.000		3.000		0.000	
Information Technology									
11 Information Technology Rates									
Funds the expected increase in IT rate charges resulting from the FY 2025-26 approved increase in the Department of Information Technology's subscription and service delivery rates.	Req \$	925,243	\$	-	\$	925,243	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	925,243	\$	-	\$	925,243	\$	-	
	FTE	0.000		0.000		0.000		0.000	
Total Change to Requirements		\$	6,630,606	\$	636,927	\$	6,849,492	\$	-
Total Change to Receipts		\$	-	\$	-	\$	-	\$	-
Total Change to Net Appropriations		\$	6,630,606	\$	636,927	\$	6,849,492	\$	-
Total Change to Full-Time Equivalent (FTE)			3.000		0.000		3.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$			7,267,533	\$			6,849,492
Total Change to Full-Time Equivalent (FTE)					3.000				3.000

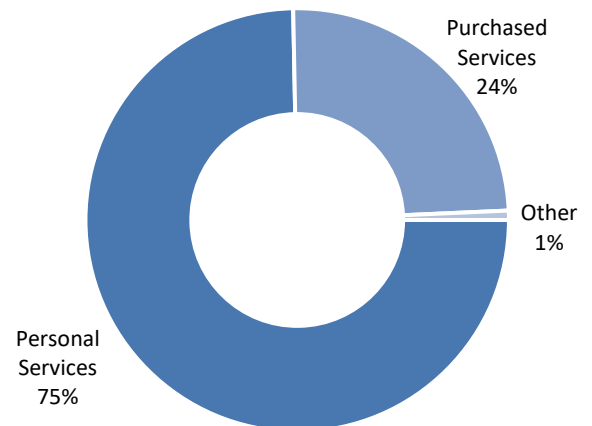
Mission

To have North Carolina State government recognized as an “Employer of Choice” while providing a solid Human Resource management foundation, responsible oversight, and creative solutions through a collaborative approach with stakeholders to maximize the potential of our greatest asset – our employees.

Goals

1. Modernize human capital management systems, streamline operations and implement data-driven decision capability through real-time analytics.
2. Increase employee retention through policies and best practices to improve recruitment and training that ensure development of an effective workforce.
3. Implement proactive measures to reflect the state’s diversity and promote inclusive/welcoming worksites.
4. Provide professional development opportunities to retain a qualified workforce and advance employees evolving career pathways.
5. Reduce injuries and related Safety and Workers’ Compensation cost through updated vendor contracts and proactive consultation and training.
6. Continue Temporary Solutions operations to help agencies effectively manage needs.

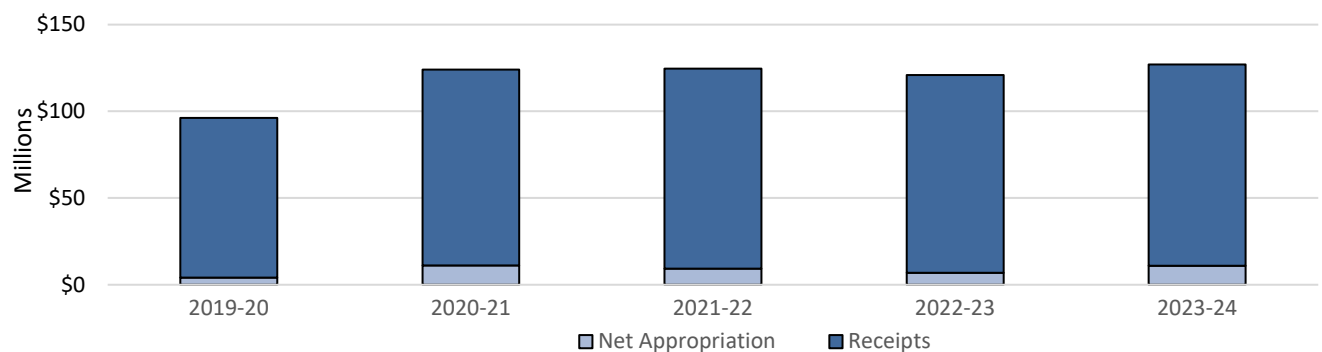
FY 2023-24 Actual Expenditures



Agency Profile

- Serves as a collaborative, strategic, and customer-focused partner, allowing state government to attract, retain, develop, and motivate a high-performing, diverse workforce.
- Supports the State Human Resources Commission in advancing policies and practices to keep state government human resources administration fair, current, and competitive.
- Operates Temporary Solutions to assist agencies in meeting changing workforce needs.
- Ensures eligible employees who experience a work-related injury or illness receive appropriate care and benefits per the Workers' Compensation Act.
- Administers the NCFlex program to provide cost-effective supplemental benefits and flexible spending account options.

5-Year Historical Expenditures



Historical Expenditures chart includes General Fund and Internal Service Fund budget codes. Actual Expenditures chart only includes General Fund budget code.

*Starting FY 2021-22, OSHR has its own budget code; previously, it was budgeted within the Department of Administration.

Office of State Human Resources - General Fund (14111)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 12,022,809	\$ 1,196,183	\$ 129,056	\$ 1,325,239	\$ 13,348,048	11.0 %
Receipts	\$ 100,888	\$ -	\$ -	\$ -	\$ 100,888	0.0 %
Net Appropriation	\$ 11,921,921	\$ 1,196,183	\$ 129,056	\$ 1,325,239	\$ 13,247,160	11.1 %
Positions (FTE)	59.800	7.000	-	7.000	66.800	11.7 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 12,045,335	\$ 3,413,930	\$ -	\$ 3,413,930	\$ 15,459,265	28.3 %
Receipts	\$ 100,888	\$ -	\$ -	\$ -	\$ 100,888	0.0 %
Net Appropriation	\$ 11,944,447	\$ 3,413,930	\$ -	\$ 3,413,930	\$ 15,358,377	28.6 %
Positions (FTE)	59.800	7.000	-	7.000	66.800	11.7 %

FY 2025-26		FY 2026-27	
R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve							
Increases all state-funded employee salaries by 2%.		Req \$	161,000	\$ -	\$ 161,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	161,000	\$ -	\$ 161,000	\$ -	-
		FTE	0.000	0.000	0.000		0.000
2 State Employee Bonus							
Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.		Req \$	-	\$ 60,000	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 60,000	\$ -	\$ -	-
		FTE	0.000	0.000	0.000		0.000
3 Labor Market Retention and Adjustment Reserve							
Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.		Req \$	161,000	\$ -	\$ 161,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	161,000	\$ -	\$ 161,000	\$ -	-
		FTE	0.000	0.000	0.000		0.000
4 Retirement and Retiree Health Contributions							
Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.		Req \$	20,369	\$ -	\$ 41,756	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	20,369	\$ -	\$ 41,756	\$ -	-
		FTE	0.000	0.000	0.000		0.000
5 Retiree Cost-of-Living Adjustment							
Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.		Req \$	-	\$ 69,056	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 69,056	\$ -	\$ -	-
		FTE	0.000	0.000	0.000		0.000
6 State Health Plan							
Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.		Req \$	23,702	\$ -	\$ 48,589	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	23,702	\$ -	\$ 48,589	\$ -	-
		FTE	0.000	0.000	0.000		0.000

		R Changes		NR Changes		R Changes		NR Changes	
Department-wide									
7 IT Contracts/License Increases									
Covers rising software expenses for essential human resource software applications used by all state agencies, including the NEOGOV hiring platform, the Content Anytime learning platform, the State's employee performance management system (NCVIP), and the PeopleAdmin repository for all position descriptions. These systems will eventually be replaced by the Human Capital Management Project (HCM) but need to be maintained until the HCM system and transition is complete.	Req \$	156,065	\$	-	\$	222,070	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	156,065	\$	-	\$	222,070	\$	-	
	FTE	0.000		0.000		0.000		0.000	
8 Data Analytics Position									
Creates a position dedicated to analyzing state HR data, encompassing workforce metrics, compensation statistics, turnover and retirement rates, and talent acquisition insights. The data analyst will develop and maintain a data dictionary, create customized dashboards, refine and map data, and identify and interpret trends and patterns, all of which will help the state develop HR policies and practices grounded in evidence.	Req \$	145,942	\$	-	\$	145,942	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	145,942	\$	-	\$	145,942	\$	-	
	FTE	1.000		0.000		1.000		0.000	
9 HR Complaint Investigative Position									
Establishes an attorney position to allow the Office of State Human Resources (OSHR) to staff an HR Complaint Investigative Unit to receive and investigate complaints from employees and job applicants. Since 2020, more than 300 grievable issues have been reported. OSHR receives an average of more than 135 requests for mediation annually. The Unit will reduce costs for outside mediation, provide a safer work environment, and increase job satisfaction.	Req \$	167,168	\$	-	\$	167,168	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	167,168	\$	-	\$	167,168	\$	-	
	FTE	1.000		0.000		1.000		0.000	
Human Capital Management Project									
10 Human Capital Management Project Support									
Provides additional funding for the state's Human Capital Management (HCM) project. The HCM project is replacing fragmented, outdated, legacy HR applications with a single unified system. The current phase of the project, Phase 1, includes recruitment, applicant tracking, on- and off-boarding, business analytics, organizational charting, and I-9/e-verification. The project requires recurring funding to pay new vendor subscription costs and to hire new technical staff for OSHR to ensure successful project implementation. Once complete, Phase 1 will deliver automated workflows, enhance user interfaces, and provide better data analytics, all of which will improve and streamline the hiring process.	Req \$	360,937	\$	-	\$	2,466,405	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	360,937	\$	-	\$	2,466,405	\$	-	
	FTE	5.000		0.000		5.000		0.000	
11 HCM – Managed Services									
Budgets receipts from the IT Reserve to provide funds for application management services consultants for the HCM project. The specialized team will support successful release and adoption of the HCM by state agency users through enhanced application support.	Req \$	-	\$	-	\$	-	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	-	\$	-	\$	-	\$	-	
	FTE	0.000		0.000		0.000		0.000	
12 Human Asset Research Project									
Budgets receipts from the IT Reserve to provide funds for the Human Asset Research Project (HARP). OSHR, in collaboration with Government Data Analytics Center (GDAC), will use HARP to integrate current and historical HR data from multiple disparate HR systems. HARP will make sure that all historical HR data is successfully migrated and easily accessible to agencies and allow for a smooth integration of data into the HCM system.	Req \$	-	\$	-	\$	-	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	-	\$	-	\$	-	\$	-	
	FTE	0.000		0.000		0.000		0.000	
Total Change to Requirements		\$	1,196,183	\$	129,056	\$	3,413,930	\$	-
Total Change to Receipts		\$	-	\$	-	\$	-	\$	-
Total Change to Net Appropriations		\$	1,196,183	\$	129,056	\$	3,413,930	\$	-
Total Change to Full-Time Equivalent (FTE)			7.000		0.000		7.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$			1,325,239	\$			3,413,930
Total Change to Full-Time Equivalent (FTE)					7.000				7.000

Mission

To protect the financial integrity of the state and promote accountability in an objective and efficient manner.

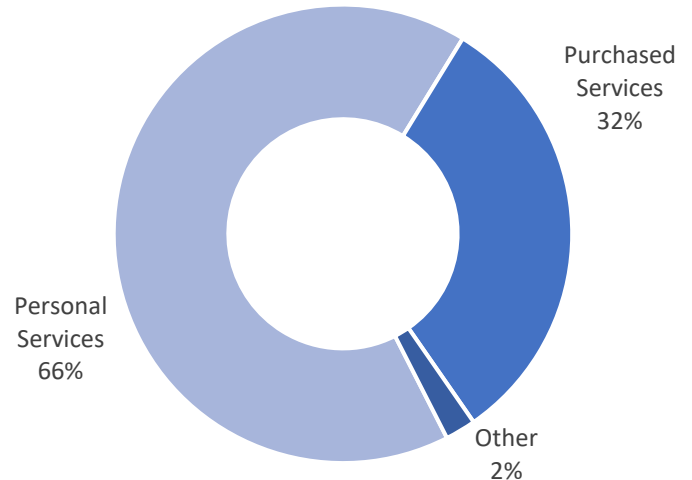
Goals

1. Transition from deployment to sustainment of the new enterprise financial system for state government.
2. Maintain and support the state's bond ratings.
3. Continuously optimize and enhance the Statewide Integrated HR-Payroll system and OSC Shared Services Center.
4. Improve and enhance information technology operations.

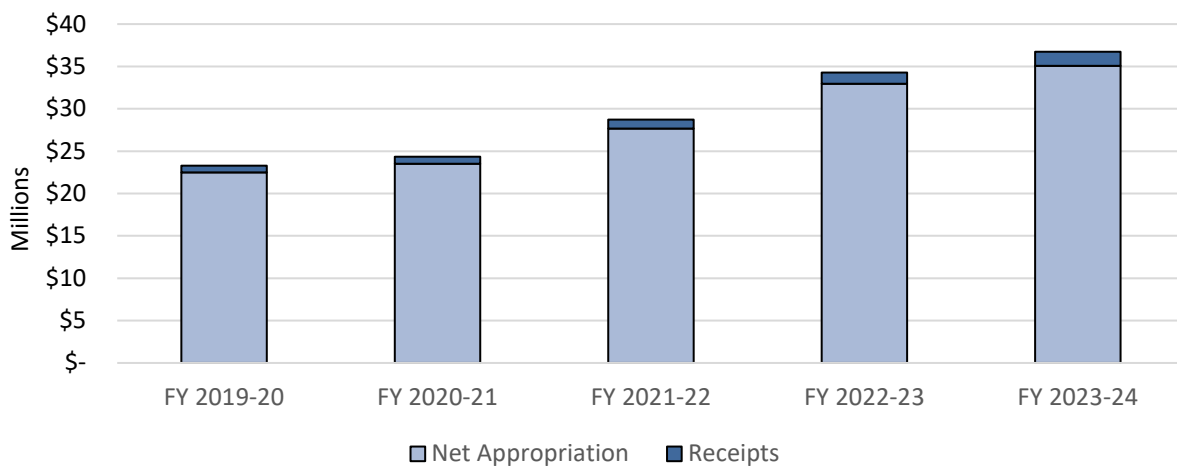
Agency Profile

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

FY 2023-24 Actual Expenditures



5-Year Historical Expenditures



Charts include General Fund budget code 14160 only.
Budget growth in since FY 2020-21 reflects NCFS implementation.

State Controller - General Fund (14160)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 37,109,798	\$ 1,365,875	\$ 390,434	\$ 1,756,309	\$ 38,866,107	4.7 %
Receipts	\$ 1,130,469	\$ -	\$ -	\$ -	\$ 1,130,469	0.0 %
Net Appropriation	\$ 35,979,329	\$ 1,365,875	\$ 390,434	\$ 1,756,309	\$ 37,735,638	4.9 %
Positions (FTE)	196.000	2.000	-	2.000	198.000	1.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 37,109,798	\$ 1,505,667	\$ -	\$ 1,505,667	\$ 38,615,465	4.1 %
Receipts	\$ 1,130,469	\$ -	\$ -	\$ -	\$ 1,130,469	0.0 %
Net Appropriation	\$ 35,979,329	\$ 1,505,667	\$ -	\$ 1,505,667	\$ 37,484,996	4.2 %
Positions (FTE)	196.000	2.000	-	2.000	198.000	1.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve							
Increases all state-funded employee salaries by 2%.		Req \$	470,000	\$ -	\$ 470,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	470,000	\$ -	\$ 470,000	\$ -	-
		FTE	0.000	0.000	0.000		0.000
2 State Employee Bonus							
Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.		Req \$	-	\$ 189,000	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 189,000	\$ -	\$ -	-
		FTE	0.000	0.000	0.000		0.000
3 Labor Market Retention and Adjustment Reserve							
Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.		Req \$	470,000	\$ -	\$ 470,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	470,000	\$ -	\$ 470,000	\$ -	-
		FTE	0.000	0.000	0.000		0.000
4 Retirement and Retiree Health Contributions							
Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.		Req \$	59,415	\$ -	\$ 121,801	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	59,415	\$ -	\$ 121,801	\$ -	-
		FTE	0.000	0.000	0.000		0.000
5 Retiree Cost-of-Living Adjustment							
Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.		Req \$	-	\$ 201,434	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 201,434	\$ -	\$ -	-
		FTE	0.000	0.000	0.000		0.000
6 State Health Plan							
Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.		Req \$	73,720	\$ -	\$ 151,126	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	73,720	\$ -	\$ 151,126	\$ -	-
		FTE	0.000	0.000	0.000		0.000

		R Changes		NR Changes		R Changes		NR Changes	
Department-wide									
7 Increasing Financial Reporting Capacity									
Funds additional positions for the office’s financial reporting team, increasing its capacity to support and train finance and accounting staff across state government. Many finance offices are facing recruitment and retention challenges and have experienced a high level of retirements, resulting in newer, less experienced teams. These positions will also reduce staff overtime during production of the Annual Comprehensive Financial Report, helping address the financial reporting team’s current 20% staff turnover rate.	Req	\$	292,740	\$	-	\$	292,740	\$	-
	Rec	\$	-	\$	-	\$	-	\$	-
	App	\$	292,740	\$	-	\$	292,740	\$	-
	FTE		2.000		0.000		2.000		0.000
Total Change to Requirements		\$	1,365,875	\$	390,434	\$	1,505,667	\$	-
Total Change to Receipts		\$	-	\$	-	\$	-	\$	-
Total Change to Net Appropriations		\$	1,365,875	\$	390,434	\$	1,505,667	\$	-
Total Change to Full-Time Equivalent (FTE)			2.000		0.000		2.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$			1,756,309	\$			1,505,667
Total Change to Full-Time Equivalent (FTE)					2.000				2.000

Mission

To enable trusted business-driven solutions that meet the needs of North Carolinians. NCDIT priorities are Broadband/Connectivity, Cybersecurity & Privacy, and Digital Transformation.

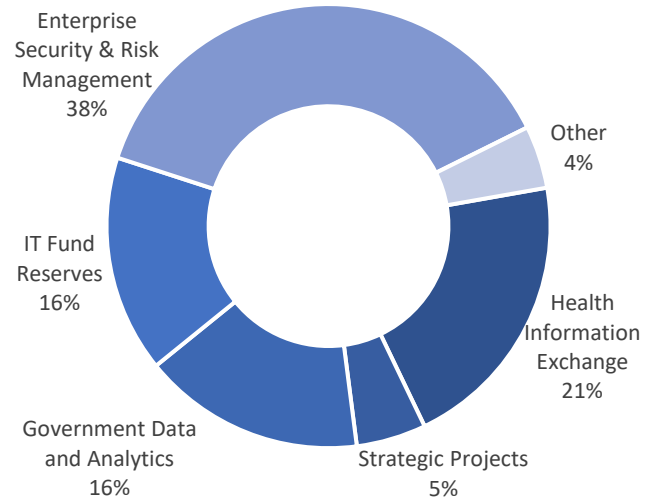
Goals

1. Foster a connected NC to improve opportunities and outcomes for all North Carolinians.
2. Transform the delivery of services.
3. Optimize and secure the state's IT and applications portfolios.
4. Promote an inclusive and innovative workforce.
5. Leverage data assets and analytics to further advance a data-driven government.

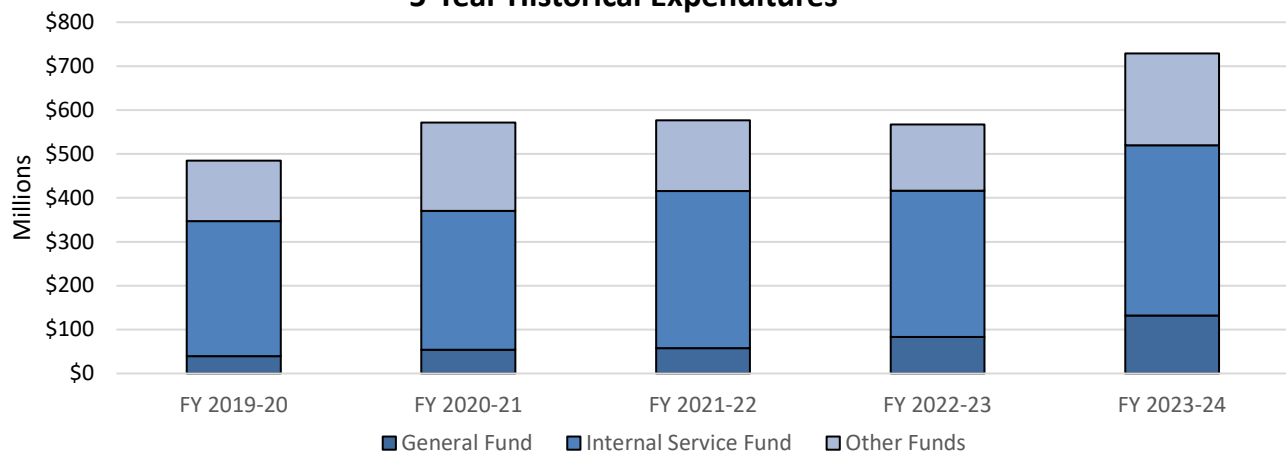
Agency Profile

- Provides services to state agencies, local governments, and education institutions that include expanding broadband access in rural parts of the state, strengthening cybersecurity, procuring IT resources, and using data to improve service to residents.
- Represented on five boards and commissions, including the state's 911 Board, the N.C. Geographic Information Coordinating Council, the IT Strategy Board, the N.C. Health Information Exchange Authority Advisory Board, and the N.C. Longitudinal Data System Governance Board.
- Optimizes state IT functions, bringing IT personnel from most executive branch agencies into one organization address the digital government needs of the state more efficiently and effectively.

FY 2023-24 Actual Expenditures*



5-Year Historical Expenditures**



*Chart includes General Fund budget code only.

**Chart includes General Fund and Special Funds/Receipts.

Governor's Office - Information Technology Services (14660)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 76,806,553	\$ 19,256,946	\$ 320,790	\$ 19,577,736	\$ 96,384,289	25.5 %
Receipts	\$ 475,922	\$ -	\$ -	\$ -	\$ 475,922	0.0 %
Net Appropriation	\$ 76,330,631	\$ 19,256,946	\$ 320,790	\$ 19,577,736	\$ 95,908,367	25.6 %
Positions (FTE)	135.750	1.000	-	1.000	136.750	0.7 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 76,806,553	\$ 20,819,736	\$ -	\$ 20,819,736	\$ 97,626,289	27.1 %
Receipts	\$ 475,922	\$ -	\$ -	\$ -	\$ 475,922	0.0 %
Net Appropriation	\$ 76,330,631	\$ 20,819,736	\$ -	\$ 20,819,736	\$ 97,150,367	27.3 %
Positions (FTE)	135.750	1.000	-	1.000	136.750	0.7 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve							
Increases all state-funded employee salaries by 2%.		Req \$	431,000	\$ -	\$ 431,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	431,000	\$ -	\$ 431,000	\$ -	-
		FTE	0.000	0.000	0.000		0.000
2 State Employee Bonus							
Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.		Req \$	-	\$ 136,000	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 136,000	\$ -	\$ -	-
		FTE	0.000	0.000	0.000		0.000
3 Labor Market Retention and Adjustment Reserve							
Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.		Req \$	431,000	\$ -	\$ 431,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	431,000	\$ -	\$ 431,000	\$ -	-
		FTE	0.000	0.000	0.000		0.000
4 Retiree Cost-of-Living Adjustment							
Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.		Req \$	-	\$ 184,790	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 184,790	\$ -	\$ -	-
		FTE	0.000	0.000	0.000		0.000
5 Retirement and Retiree Health Contributions							
Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.		Req \$	54,506	\$ -	\$ 111,737	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	54,506	\$ -	\$ 111,737	\$ -	-
		FTE	0.000	0.000	0.000		0.000
6 State Health Plan							
Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.		Req \$	52,913	\$ -	\$ 108,472	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	52,913	\$ -	\$ 108,472	\$ -	-
		FTE	0.000	0.000	0.000		0.000

		R Changes		NR Changes		R Changes		NR Changes
Enterprise Security and Risk Management								
7 Cybersecurity Tools								
Funds the costs of existing enterprise security tools and anticipated cost increases as adoption and use of those tools expands across the enterprise. There are approximately 11.2 billion attempts to access the state network per month. These cybersecurity tools are critical to detect and mitigate threats to the state’s network. Nonrecurring funds will come from the Information Technology Reserve.	Req \$	15,000,000	\$	-	\$	15,000,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	15,000,000	\$	-	\$	15,000,000	\$	-
	FTE	0.000		0.000		0.000		0.000
Enterprise Operations								
8 Constituent Portal and Citizen Identity								
Invests in a constituent portal that will provide a centralized and user-friendly online platform to enhance public access to government programs, services, and information. North Carolinians will experience a secure single sign-on to state applications, such as online services for unemployment insurance, tax returns, business licensing, and health and human services benefits. This will improve North Carolinians’ ability to access and use services more efficiently. Nonrecurring funds for one-time, initial stand up of the platform will come from the Information Technology Reserve.	Req \$	3,140,000	\$	-	\$	4,590,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	3,140,000	\$	-	\$	4,590,000	\$	-
	FTE	0.000		0.000		0.000		0.000
Government Data Analytics Center								
9 North Carolina Longitudinal Service Staffing								
Provides a position to support the North Carolina Longitudinal Data Service (NCLDS). NCLDS facilitates the exchange and linkage of data across agencies and organizations to support research and evidence-based decision-making. NCLDS is currently only staffed by the Executive Director with no dedicated support staff to manage the data request process and the data request tool. Currently, NCLDS receives up to 100 data requests annually, and completion of each request includes multiple processes, reviews, and legal tasks that collectively can take several months to manage and resolve.	Req \$	147,527	\$	-	\$	147,527	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	147,527	\$	-	\$	147,527	\$	-
	FTE	1.000		0.000		1.000		0.000
Total Change to Requirements								
	\$	19,256,946	\$	320,790	\$	20,819,736	\$	-
Total Change to Receipts								
	\$	-	\$	-	\$	-	\$	-
Total Change to Net Appropriations								
	\$	19,256,946	\$	320,790	\$	20,819,736	\$	-
Total Change to Full-Time Equivalent (FTE)								
		1.000		0.000		1.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)								
	\$			19,577,736	\$			20,819,736
Total Change to Full-Time Equivalent (FTE)								
				1.000				1.000

Mission

To fund public services benefiting the people of North Carolina, we administer the tax laws and collect the taxes due in an impartial, consistent, secure, and efficient manner.

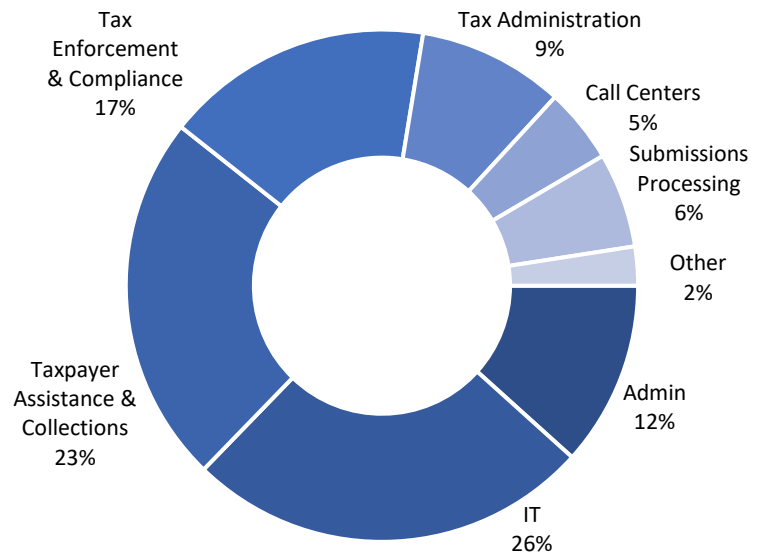
Goals

1. Improve information technology capabilities, security, and manageability.
2. Agency EEO Commitment
3. Engagement/OneDOR.

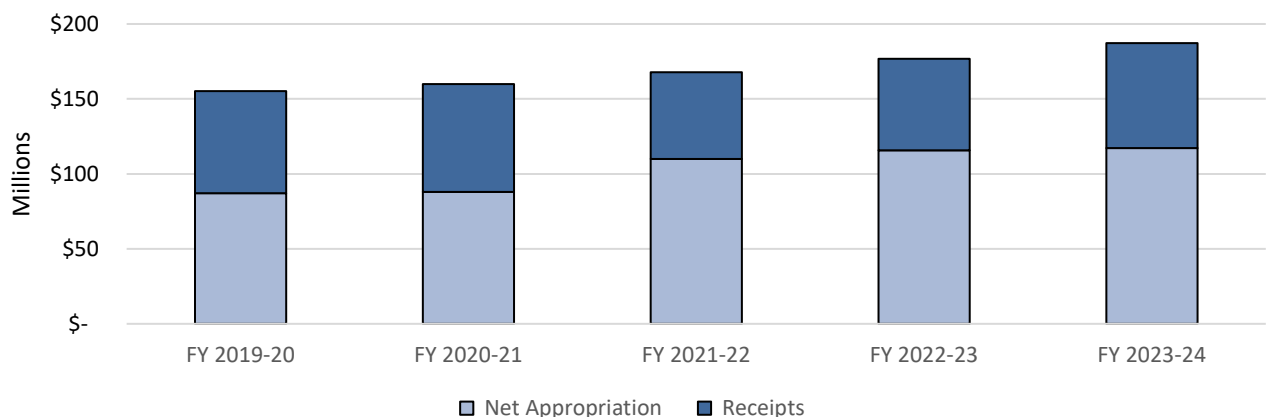
Agency Profile

- Administers over 20 different taxes, including individual income, corporate income, sales and use, motor fuel, alcoholic beverage, and tobacco tax.
- Provides compliance and enforcement efforts that yielded nearly \$2.4 billion during FY 2023-24.
- Collected \$45.4 billion in revenue during FY 2023-24 and deposited nearly \$32 billion into the state's General Fund.
- Received 88% of payments electronically during FY 2023-24.
- The individual income tax represents the largest source of revenue for the state General Fund, followed by the sales tax.

FY 2023-24 Actual Expenditures



5-Year Historical Expenditures



Charts include General Fund budget code only.

Revenue - General (14700)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 193,746,894	\$ 13,950,220	\$ 2,264,877	\$ 16,215,097	\$ 209,961,991	8.4 %
Receipts	\$ 72,934,239	\$ 1,048,397	\$ 143,909	\$ 1,192,306	\$ 74,126,545	1.6 %
Net Appropriation	\$ 120,812,655	\$ 12,901,823	\$ 2,120,968	\$ 15,022,791	\$ 135,835,446	12.4 %
Positions (FTE)	1,452.386	-	-	-	1,452.386	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 193,798,002	\$ 15,714,238	\$ 302,209	\$ 16,016,447	\$ 209,814,449	8.3 %
Receipts	\$ 72,963,537	\$ 1,419,397	\$ 150,333	\$ 1,569,730	\$ 74,533,267	2.2 %
Net Appropriation	\$ 120,834,465	\$ 14,294,841	\$ 151,876	\$ 14,446,717	\$ 135,281,182	12.0 %
Positions (FTE)	1,452.386	-	-	-	1,452.386	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve							
Increases all state-funded employee salaries by 2%.		Req \$	1,565,000	\$ -	\$ 1,565,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	1,565,000	\$ -	\$ 1,565,000	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
2 State Employee Bonus							
Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.		Req \$	-	\$ 1,451,000	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 1,451,000	\$ -	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
3 Labor Market Retention and Adjustment Reserve							
Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.		Req \$	1,565,000	\$ -	\$ 1,565,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	1,565,000	\$ -	\$ 1,565,000	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
4 Retirement and Retiree Health Contributions							
Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.		Req \$	197,613	\$ -	\$ 405,108	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	197,613	\$ -	\$ 405,108	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
5 Retiree Cost-of-Living Adjustment							
Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.		Req \$	-	\$ 669,968	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 669,968	\$ -	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
6 State Health Plan							
Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.		Req \$	324,303	\$ -	\$ 664,822	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	324,303	\$ -	\$ 664,822	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000

		R Changes		NR Changes		R Changes		NR Changes
Department-wide								
7 Motor Fleet Management Rate Increase								
Provides funds to cover the increase in Motor Fleet Management rates effective July 1, 2025. Rates have not been updated since January 1, 2018. Receipts from the Motor Fuels Tax and Fuel Compliance Tax at DOT will support this increase since DOR vehicle needs are to support taxes collected for DOT.	Req \$	60,620	\$	-	\$	60,620	\$	-
	Rec \$	48,397	\$	-	\$	48,397	\$	-
	App \$	12,223	\$	-	\$	12,223	\$	-
	FTE	0.000		0.000		0.000		0.000
Information Systems								
8 Integrated Tax Automation System (ITAS) Mainframe Operating Expenses								
Provides funds to maintain the legacy Integrated Tax Administration System (ITAS) as the Department of Revenue (DOR) builds and transitions to a new tax system. The transition will take 6 years to fully implement. Without additional funds for maintenance, this 30-year-old system may cease to function, threatening North Carolina's tax collection. During FY 2023-24, the department collected \$42.6 billion in General Fund revenue through this system, or 94% the state's gross tax revenue.	Req \$	5,700,000	\$	-	\$	6,125,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	5,700,000	\$	-	\$	6,125,000	\$	-
	FTE	0.000		0.000		0.000		0.000
9 IT Security and Network Cost Increases								
Covers the shortfall in IT security licenses, network, and support costs due to vendor price increases and the addition of new security applications. These updates are needed to ensure taxpayer data is protected.	Req \$	1,316,928	\$	-	\$	1,557,057	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	1,316,928	\$	-	\$	1,557,057	\$	-
	FTE	0.000		0.000		0.000		0.000
10 Document Management System Maintenance								
Provides funding for ongoing costs to maintain the department's document management system, which processes electronic forms, paper forms, taxpayer correspondence, and Power of Attorney (POA) submissions. Since 2022, this application has processed over 667,000 documents, including 95,723 POA forms. Without this system, the department would have to handle all POA and paper correspondence manually, which would greatly delay responses and refunds to taxpayers.	Req \$	497,500	\$	-	\$	522,375	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	497,500	\$	-	\$	522,375	\$	-
	FTE	0.000		0.000		0.000		0.000
11 Modernized Electronic Filing (MeF) Yearly Updates								
Covers the increased costs for yearly updates to the Modernized Electronic Filing (MeF) System, which processes Individual Income, Corporate Income, Franchise, Partnership, and Estates, and Trusts tax types. The MeF system allows taxpayers to submit returns electronically and communicate tax filings with the IRS. In FY 2023-24, the MeF system collected \$5.43 billion in tax revenue. These updates will ensure the security and operations of the system and that collections comply with the latest tax laws.	Req \$	400,000	\$	-	\$	555,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	400,000	\$	-	\$	555,000	\$	-
	FTE	0.000		0.000		0.000		0.000
12 Fuel Tracking Software								
Budgets receipts from the Department of Transportation (DOT) to support ongoing maintenance and software and functionality upgrades of the Fuel Tracking System (FTS). The FTS is used to pay over \$2 billion in taxes annually. DOR manages this system, and these updates will reduce paperwork for both taxpayers and DOR employees.	Req \$	-	\$	-	\$	371,000	\$	-
	Rec \$	-	\$	-	\$	371,000	\$	-
	App \$	-	\$	-	\$	-	\$	-
	FTE	0.000		0.000		0.000		0.000
13 Public Sector Revenue Management								
Provides funds to maintain the Public Sector Revenue Management System, which manages various excise taxes, including those related to alcohol and tobacco. Annual licenses and support costs have increased by 9% since 2023, and the department anticipates similar increases to continue. In FY 2023-24, the department collected \$850 million in taxes through this system. This item is partially supported by a transfer from the William S. Lee Tax Credit Fund, which is no longer used and has a small cash balance that has been sitting in budget code 24706 for 14 years.	Req \$	-	\$	143,909	\$	-	\$	302,209
	Rec \$	-	\$	143,909	\$	-	\$	150,333
	App \$	-	\$	-	\$	-	\$	151,876
	FTE	0.000		0.000		0.000		0.000

	R Changes		NR Changes		R Changes		NR Changes		
Information Systems									
14 Replace Desktop Clients									
Provides funds to replace the Online File Payment Desktop Client and Revenue Collection and Analysis System Desktop Client. Without these systems taxes cannot be paid online and cash cannot be certified to the state’s bank account. Over 94% of taxpayers file their individual taxes online and therefore rely on these systems. Funds for this will come from the IT Reserve.	Req \$	-	\$	-	\$	-	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	-	\$	-	\$	-	\$	-	
	FTE	0.000		0.000		0.000		0.000	
15 Replace Hardware									
Supports upgrades to old and out-of-support equipment in the department’s on-site data center. These upgrades will let taxpayers keep using online applications, and help the department check tax returns and online payments, maintaining efficiency and combating refund fraud. Funds for this will come from the IT Reserve.	Req \$	-	\$	-	\$	-	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	-	\$	-	\$	-	\$	-	
	FTE	0.000		0.000		0.000		0.000	
16 DataPower End of Life Replacement									
Provides funds to replace two of the department’s DataPower Applications that are near the end of support. These applications are used for secure file transfers with external parties, including with other state agencies and the IRS. After these applications go out of support in 2027, taxpayer data will not be secure and could become compromised. Additionally, the IRS will not share federal taxpayer data with the department if it does not meet certain security standards that the DataPower Applications provide. Funds for this will come from the IT Reserve and will be placed in a Special Fund.	Req \$	-	\$	-	\$	-	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	-	\$	-	\$	-	\$	-	
	FTE	0.000		0.000		0.000		0.000	
Law Enforcement									
17 Body Cameras									
Provides funding for body cameras for all agency law enforcement officers (LEOs). Body cameras create crucial evidence in investigations by more accurately documenting interactions. Footage will enable situation-based training based on officers’ previous encounters. Currently 19 LEOs at the agency do not have body cameras. Use of body cameras enhances accountability, transparency, and public trust.	Req \$	23,256	\$	-	\$	23,256	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	23,256	\$	-	\$	23,256	\$	-	
	FTE	0.000		0.000		0.000		0.000	
Tax Fraud Prevention									
18 Increase in Funding for Fraud Analytics									
Provides funds to update the department’s technology for its tax fraud analytics program. In FY 2023-24, the department identified and stopped \$983 million in fraudulent refund claims.	Req \$	1,000,000	\$	-	\$	1,000,000	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	1,000,000	\$	-	\$	1,000,000	\$	-	
	FTE	0.000		0.000		0.000		0.000	
Taxpayer Communication									
19 Printing and Mailing Services									
Increases the department’s budget for printing costs. Printing needs have increased with population and business growth and DOR’s desire to create better taxpayer customer service. This includes printing tax bills, notices, and refund checks. This increase in expenses will be partially funded using receipts from the Collection Assistant Fund, Budget Code 24704.	Req \$	1,300,000	\$	-	\$	1,300,000	\$	-	
	Rec \$	1,000,000	\$	-	\$	1,000,000	\$	-	
	App \$	300,000	\$	-	\$	300,000	\$	-	
	FTE	0.000		0.000		0.000		0.000	
Total Change to Requirements		\$	13,950,220	\$	2,264,877	\$	15,714,238	\$	302,209
Total Change to Receipts		\$	1,048,397	\$	143,909	\$	1,419,397	\$	150,333
Total Change to Net Appropriations		\$	12,901,823	\$	2,120,968	\$	14,294,841	\$	151,876
Total Change to Full-Time Equivalent (FTE)			0.000		0.000		0.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$			15,022,791	\$			14,446,717
Total Change to Full-Time Equivalent (FTE)					0.000				0.000

Revenue - Lee Tax Credits (24706)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ -	\$ -	\$ 143,909	\$ 143,909	\$ 143,909	0.0 %
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0 %
Chg in Fund Balance	\$ -	\$ -	\$ (143,909)	\$ (143,909)	\$ -	0.0 %
Positions (FTE)	-	-	-	-	-	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ -	\$ -	\$ 150,333	\$ 150,333	\$ 150,333	0.0 %
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0 %
Chg in Fund Balance	\$ -	\$ -	\$ (150,333)	\$ (150,333)	\$ -	0.0 %
Positions (FTE)	-	-	-	-	-	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes
Public Sector Revenue Management				
1 Transfer-Public Sector Revenue Management				
Budgets the transfer from budget code 14700 for the Public Sector Revenue Management System.	Req \$ -	\$ 143,909	\$ -	\$ 150,333
	Rec \$ -	\$ -	\$ -	\$ -
	CFB \$ -	\$ (143,909)	\$ -	\$ (150,333)
	FTE 0.000	0.000	0.000	0.000
Total Change to Requirements	\$ -	\$ 143,909	\$ -	\$ 150,333
Total Change to Receipts	\$ -	\$ -	\$ -	\$ -
Total Change to Fund Balance	\$ -	\$ (143,909)	\$ -	\$ (150,333)
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$	(143,909)	\$	(150,333)
Total Change to Full-Time Equivalent (FTE)		0.000		0.000

Mission

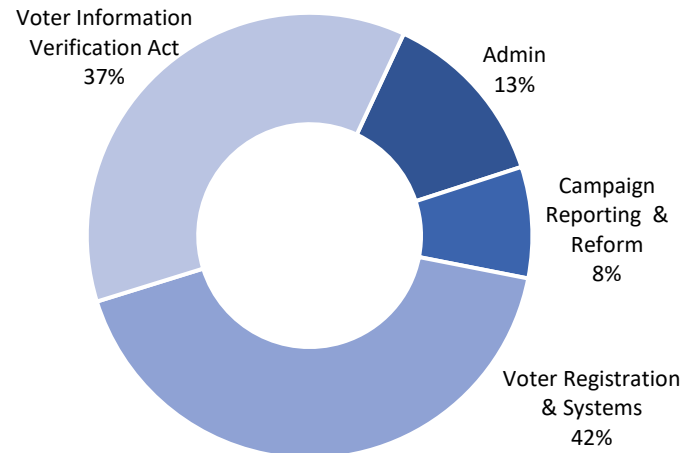
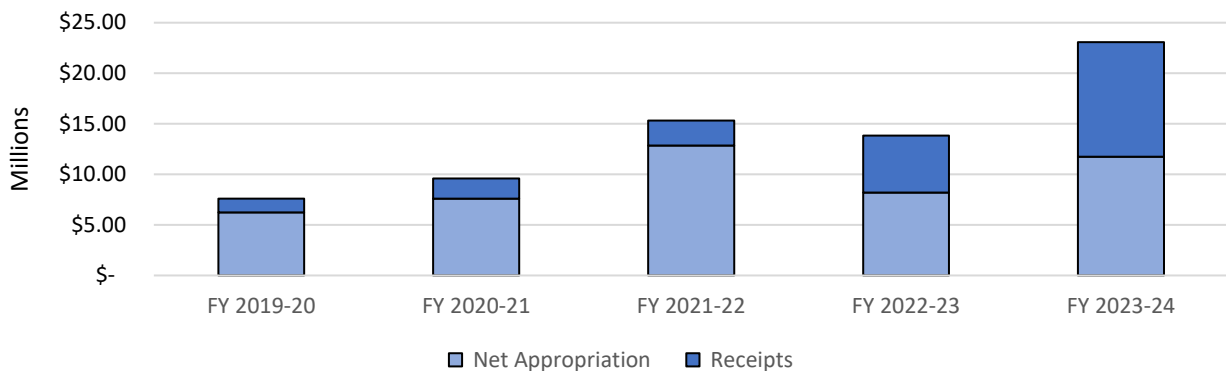
To supervise and support the lawful, accurate, and transparent administration of elections for the people of North Carolina.

Goals

1. Create and maintain a comprehensive and secure environment for North Carolina elections.
2. Be good stewards of election resources.
3. Institute and establish practices that prioritize statewide uniformity in elections administration to ensure lawful, accurate elections that promote public confidence in the process.
4. Provide excellent customer service in all agency efforts.

Agency Profile

- Supervise the conduct of elections and the disclosure of campaign financing in the state. Elections are conducted by 100 county boards under State Board of Elections' oversight.
- Governed by a five-member Board appointed by the Governor—to be appointed by the State Auditor, beginning in May 2025. No more than three members may belong to the same party.
- Appoints four of the five members for each county's elections board. The Governor names the fifth member who serves as chair; beginning in June 2025, the State Auditor will appoint county chairs.
- Evaluates and certifies voting equipment used by county boards to administer elections.
- Develops and manages the State Elections Information Management System used by the SBE and all county boards of elections to automate processes for voter registration, voting, election site operations, and other key functions.

FY 2023-24 Actual Expenditures**5-Year Historical Expenditures***

Charts include General Fund budget codes only.

* FY2022-23 reflects additional non-recurring receipts related to Voter ID Program and S.L. 2023-140 changes. FY 2023-2024 reflects additional nonrecurring receipts related to Voter ID Program Carryforward and State Election Information Management System replacement.

State Board of Elections - General (18025)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 9,849,327	\$ 1,891,617	\$ 121,051	\$ 2,012,668	\$ 11,861,995	20.4 %
Receipts	\$ 102,000	\$ -	\$ -	\$ -	\$ 102,000	0.0 %
Net Appropriation	\$ 9,747,327	\$ 1,891,617	\$ 121,051	\$ 2,012,668	\$ 11,759,995	20.6 %
Positions (FTE)	65.000	4.000	-	4.000	69.000	6.2 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 9,849,327	\$ 1,935,495	\$ -	\$ 1,935,495	\$ 11,784,822	19.6 %
Receipts	\$ 102,000	\$ -	\$ -	\$ -	\$ 102,000	0.0 %
Net Appropriation	\$ 9,747,327	\$ 1,935,495	\$ -	\$ 1,935,495	\$ 11,682,822	19.9 %
Positions (FTE)	65.000	4.000	-	4.000	69.000	6.2 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve							
Increases all state-funded employee salaries by 2%.		Req \$	142,000	\$ -	\$ 142,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	142,000	\$ -	\$ 142,000	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
2 State Employee Bonus							
Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.		Req \$	-	\$ 60,000	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 60,000	\$ -	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
3 Labor Market Retention and Adjustment Reserve							
Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.		Req \$	142,000	\$ -	\$ 142,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	142,000	\$ -	\$ 142,000	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
4 Retirement and Retiree Health Contributions							
Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.		Req \$	18,008	\$ -	\$ 36,916	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	18,008	\$ -	\$ 36,916	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
5 Retiree Cost-of-Living Adjustment							
Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.		Req \$	-	\$ 61,051	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 61,051	\$ -	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
6 State Health Plan							
Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.		Req \$	23,781	\$ -	\$ 48,751	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	23,781	\$ -	\$ 48,751	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000

		R Changes		NR Changes		R Changes		NR Changes
County Support								
7 Supporting County Boards of Elections								
Provides funds to allow the State Board of Elections (SBE) to create up to four positions to support local county boards of elections. SBE may determine which positions – Regional Security and Support Technicians, Legal Analysts, and Application Analysts – are most needed to provide this support. SBE may also use these funds for other services that assist the local boards to ensure a smooth election process.	Req \$	652,983	\$	-	\$	652,983	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	652,983	\$	-	\$	652,983	\$	-
	FTE	0.000		0.000		0.000		0.000
Information Systems								
8 Securing Election Integrity								
Fundshifts the Chief Information Security Officer, additional IT staff, and IT software services from federal Help America Vote Act (HAVA) grants to net appropriation. HAVA grant funds vary greatly in timing and amount and SBE expects to exhaust all awarded funds by the end of 2026. Maintaining these IT positions is imperative; the Department of Homeland Security designated elections systems as part of the nation's critical infrastructure in 2017. Moving this funding to net appropriations will provide stable funding for these necessary positions and software services that are critical for monitoring and responding to election technology system threats.	Req \$	912,845	\$	-	\$	912,845	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	912,845	\$	-	\$	912,845	\$	-
	FTE	4.000		0.000		4.000		0.000
9 Software Modernization Funding								
Invests funds from the IT Reserve to complete the second phase of Statewide Elections Information Management System (SEIMS) within four years. SBE received \$5.6 million in FY 2022-23 to begin the modernization process and has expended those funds completing phase one of the upgrade. Phase one allowed SBE to convert five legacy applications to modern software modules. Phase two will allow SBE to finish the project of modernizing the entire election information management system, including completing the conversion of the remaining seven legacy applications and two web applications. Modernization is vital to making SBE's technology secure, accessible, and centralized.	Req \$	-	\$	-	\$	-	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	-	\$	-	\$	-	\$	-
	FTE	0.000		0.000		0.000		0.000
Total Change to Requirements								
	\$	1,891,617	\$	121,051	\$	1,935,495	\$	-
Total Change to Receipts								
	\$	-	\$	-	\$	-	\$	-
Total Change to Net Appropriations								
	\$	1,891,617	\$	121,051	\$	1,935,495	\$	-
Total Change to Full-Time Equivalent (FTE)								
		4.000		0.000		4.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)								
	\$			2,012,668	\$			1,935,495
Total Change to Full-Time Equivalent (FTE)								
				4.000				4.000

Mission

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

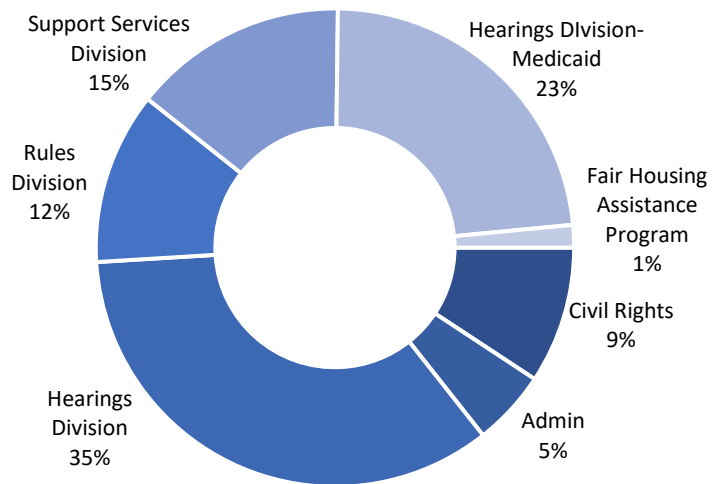
Goals

1. Conduct contested case hearings in compliance with statutory requirements and render final decisions that correctly apply the laws of North Carolina.
2. Manage dockets and case flow.
3. Conclude all cases and investigations in a timely manner.
4. Publish rules, Rules Review Commission in review of rules and rulemaking training.
5. Reduce the time to formalize a charge of discrimination.

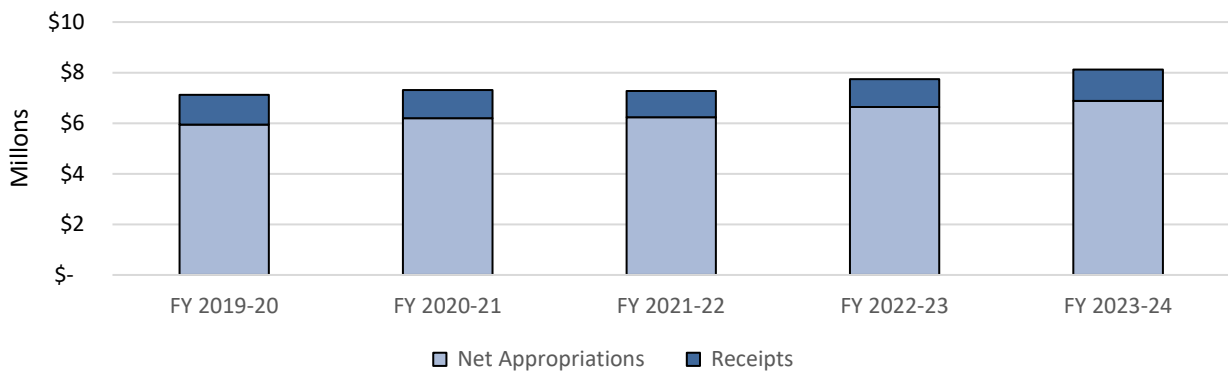
Agency Profile

- Hears and renders administrative positions in a fair and impartial manner.
- Administers a uniform system of administrative rule making and review procedures for agencies.
- Acts as the official North Carolina Register and the North Carolina Administrative Code.
- Serves as the deferral agency for the Equal Employment Opportunity Commission and receives fair housing complaints from the United States Department of Housing and Urban Development.
- Investigates acts of discrimination in employment and housing, and staffs both the Rules Review Commission and Human Relations Commission.
- Supports the State Human Resources Commission.

FY 2023-24 Actual Expenditures



5-Year Historical Expenditures



Charts includes General Fund budget codes only.

Office of Administrative Hearings (18210)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 9,770,183	\$ 537,234	\$ 113,051	\$ 650,285	\$ 10,420,468	6.7 %
Receipts	\$ 1,521,520	\$ -	\$ -	\$ -	\$ 1,521,520	0.0 %
Net Appropriation	\$ 8,248,663	\$ 537,234	\$ 113,051	\$ 650,285	\$ 8,898,948	7.9 %
Positions (FTE)	58.790	1.000	-	1.000	59.790	1.7 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 9,784,250	\$ 576,781	\$ -	\$ 576,781	\$ 10,361,031	5.9 %
Receipts	\$ 1,521,520	\$ -	\$ -	\$ -	\$ 1,521,520	0.0 %
Net Appropriation	\$ 8,262,730	\$ 576,781	\$ -	\$ 576,781	\$ 8,839,511	7.0 %
Positions (FTE)	58.790	1.000	-	1.000	59.790	1.7 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve

Increases all state-funded employee salaries by 2%.

Req \$	121,000	\$ -	\$ 121,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	121,000	\$ -	\$ 121,000	\$ -
FTE	0.000	0.000	0.000	0.000

2 State Employee Bonus

Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ 61,000	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 61,000	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

3 Labor Market Retention and Adjustment Reserve

Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.

Req \$	121,000	\$ -	\$ 121,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	121,000	\$ -	\$ 121,000	\$ -
FTE	0.000	0.000	0.000	0.000

4 Retirement and Retiree Health Contributions

Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.

Req \$	15,353	\$ -	\$ 31,474	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	15,353	\$ -	\$ 31,474	\$ -
FTE	0.000	0.000	0.000	0.000

5 Retiree Cost-of-Living Adjustment

Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.

Req \$	-	\$ 52,051	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 52,051	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

6 State Health Plan

Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.

Req \$	22,311	\$ -	\$ 45,737	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	22,311	\$ -	\$ 45,737	\$ -
FTE	0.000	0.000	0.000	0.000

		R Changes		NR Changes		R Changes		NR Changes	
Department-wide									
7 Financial Staff									
Establishes an additional position in the Financial Office, which currently consists of a CFO and a part-time temporary employee. This additional position will improve efficiency, create greater checks and balances, and enhance internal controls.	Req \$	119,614	\$	-	\$	119,614	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	119,614	\$	-	\$	119,614	\$	-	
	FTE	1.000		0.000		1.000		0.000	
8 Information Technology Rates									
Funds the expected increase in IT rate charges resulting from the FY 2025-26 approved increase in the Department of Information Technology's subscription and service delivery rates.	Req \$	137,956	\$	-	\$	137,956	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	137,956	\$	-	\$	137,956	\$	-	
	FTE	0.000		0.000		0.000		0.000	
Total Change to Requirements		\$	537,234	\$	113,051	\$	576,781	\$	-
Total Change to Receipts		\$	-	\$	-	\$	-	\$	-
Total Change to Net Appropriations		\$	537,234	\$	113,051	\$	576,781	\$	-
Total Change to Full-Time Equivalent (FTE)			1.000		0.000		1.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$			650,285	\$			576,781
Total Change to Full-Time Equivalent (FTE)					1.000				1.000

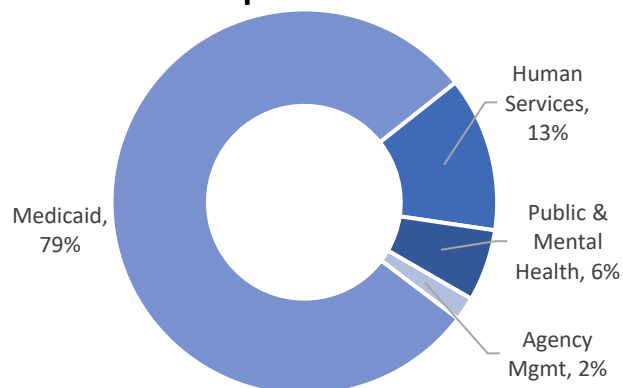
Mission

To provide essential services to improve the health, safety, and well-being of all North Carolinians, in collaboration with our partners.

Goals

1. Advance health access by increasing opportunity and outcomes for people who face greater health and situational challenges within NCDHHS and across the state.
2. Promote child and family well-being by making it easier for children and families to access the healthcare, programs, and supports they need.
3. Support behavioral health and resilience by prioritizing investments in coordinated systems of care that make mental health services easy to access when and where they are needed and reduce the stigma around accessing these services.
4. Build a strong, inclusive workforce that supports early learning, health, and wellness across North Carolina. This includes investigating opportunities to build workforce pipelines, forge career pathways, and promote inclusive employment strategies to support a workforce that is ready for our next challenge and is reflective of our communities.
5. Achieve operational excellence by enabling efficient, effective, and innovative processes and services.

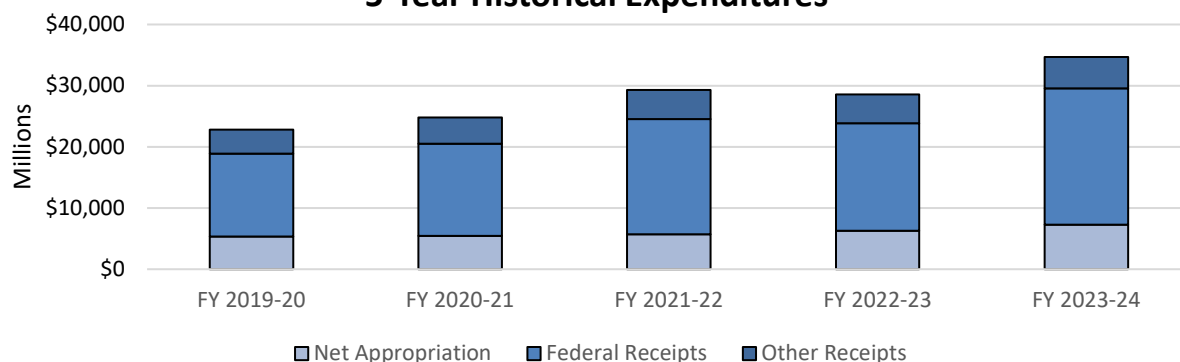
FY 2023-24 Actual Expenditures



Agency Profile

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

5-Year Historical Expenditures



DHHS - Central Management and Support (14410)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 386,789,352	\$ 42,371,145	\$ 22,465,660	\$ 64,836,805	\$ 451,626,157	16.8 %
Receipts	\$ 171,031,163	\$ 2,264,035	\$ 13,662,501	\$ 15,926,536	\$ 186,957,699	9.3 %
Net Appropriation	\$ 215,758,189	\$ 40,107,110	\$ 8,803,159	\$ 48,910,269	\$ 264,668,458	22.7 %
Positions (FTE)	1,025.500	1.000	-	1.000	1,026.500	0.1 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 386,842,525	\$ 65,799,892	\$ 10,498,001	\$ 76,297,893	\$ 463,140,418	19.7 %
Receipts	\$ 171,067,199	\$ 728,479	\$ 10,498,001	\$ 11,226,480	\$ 182,293,679	6.6 %
Net Appropriation	\$ 215,775,326	\$ 65,071,413	\$ -	\$ 65,071,413	\$ 280,846,739	30.2 %
Positions (FTE)	1,025.500	1.000	-	1.000	1,026.500	0.1 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve							
Increases all state-funded employee salaries by 2%.		Req \$	1,383,000	\$ -	\$ 1,383,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	1,383,000	\$ -	\$ 1,383,000	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
2 State Employee Bonus							
Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.		Req \$	-	\$ 1,051,000	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 1,051,000	\$ -	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
3 Labor Market Retention and Adjustment Reserve							
Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.		Req \$	10,404,000	\$ -	\$ 10,404,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	10,404,000	\$ -	\$ 10,404,000	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
4 Retirement and Retiree Health Contributions							
Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.		Req \$	174,663	\$ -	\$ 358,059	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	174,663	\$ -	\$ 358,059	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
5 Retiree Cost-of-Living Adjustment							
Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.		Req \$	-	\$ 592,159	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 592,159	\$ -	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
6 State Health Plan							
Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.		Req \$	243,616	\$ -	\$ 499,414	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	243,616	\$ -	\$ 499,414	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
7 Nurse Salary Increases							
Provides funding for an additional 1% salary increase for nurses. This increase adds to the 2% statewide compensation increase, resulting in a total 3% across-the-board increase for nurses.		Req \$	620,000	\$ -	\$ 620,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	620,000	\$ -	\$ 620,000	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000

		R Changes		NR Changes		R Changes		NR Changes
Division-wide								
8 Transitions to Community Living								
Increases funding for the Transitions to Community Living initiative, which supports eligible adults with serious mental illnesses as they transition from institutional to community care settings. This funding will provide additional housing, tenancy support, and wraparound mental health services, ensuring compliance with the US Department of Justice Olmstead Settlement. This item also includes funding for an Olmstead Associate Director position within the Division of Central Management to ensure budget alignment.	Req \$	22,112,954	\$	-	\$	32,112,954	\$	-
	Rec \$	3,920,830	\$	-	\$	3,920,830	\$	-
	App \$	18,192,124	\$	-	\$	28,192,124	\$	-
	FTE	1.000		0.000		1.000		0.000
9 Direct Support Professional Development								
Provides \$5 million to strengthen the Direct Support Professional (DSP) workforce. DSPs are skilled workers who help people with disabilities participate in their communities. Nationwide, DSP turnover rates are estimated to be more than 40%. Funding will support the creation of high school and community college courses for DSPs, offer scholarships and paid apprenticeships, and create incentive programs to improve retention rates for DSPs.	Req \$	-	\$	5,000,000	\$	-	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	-	\$	5,000,000	\$	-	\$	-
	FTE	0.000		0.000		0.000		0.000
10 Electronic Health Records								
Provides funding for the Division of State Operated Health Facilities to fully implement an electronic health record system at all 13 of its facilities by FY 2026-27. The transition from paper-based to electronic records will support patient care and safety by streamlining data collection, improving security, and ensuring compliance with the Health Insurance Portability and Accountability Act and the NC Health Information Exchange Authority. The division will use nonrecurring funds transferred from the IT Reserve to the division's Special Fund (24410) for system integration and training and recurring funds for operations and maintenance.	Req \$	3,019,233	\$	-	\$	7,323,936	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	3,019,233	\$	-	\$	7,323,936	\$	-
	FTE	0.000		0.000		0.000		0.000
11 Partnership and Technology Hub NC								
Provides funding for ongoing operations and maintenance of the new Partnership and Technology Hub for North Carolina (PATH NC) platform, as directed in Rylan's Law (S.L. 2017-41). The expected 6,500 users of this system support over 50,000 Child Protective Services assessments, resulting in 10,000 Family In-Home cases and 16,000 foster care children and young adults. This platform creates a unified system for statewide child welfare and assists child welfare staff in their efforts to promote safety, permanency, and well-being of children and families. Nonrecurring funds support the development of additional capabilities within the system and address implementation delays in western pilot counties. These funds support enhanced data collection and visualization, and the ability to collect wet signatures within the PATH NC platform.	Req \$	3,403,619	\$	2,700,000	\$	12,088,469	\$	-
	Rec \$	680,724	\$	540,000	\$	2,417,694	\$	-
	App \$	2,722,895	\$	2,160,000	\$	9,670,775	\$	-
	FTE	0.000		0.000		0.000		0.000
12 Reduced NC FAST Receipts								
Adjusts federal receipts to reflect the reduction in reimbursements generated from the transition of the child welfare information system from NC Families Accessing Services through Technology (NC FAST) to the PATH NC platform. Transitioning to PATH NC was necessary to ensure efficiency in the management of child welfare services and flexibility in dealing with complex, continuous changes to child welfare programs.	Req \$	-	\$	-	\$	-	\$	-
	Rec \$	(2,337,519)	\$	-	\$	(5,610,045)	\$	-
	App \$	2,337,519	\$	-	\$	5,610,045	\$	-
	FTE	0.000		0.000		0.000		0.000
13 Information Technology Rates								
Funds the expected increase in IT rate charges resulting from the FY 2025-26 approved increase in the Department of Information Technology's subscription and service delivery rates.	Req \$	1,010,060	\$	-	\$	1,010,060	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	1,010,060	\$	-	\$	1,010,060	\$	-
	FTE	0.000		0.000		0.000		0.000

		R Changes		NR Changes		R Changes		NR Changes	
Division-wide									
14 Designated State Health Programs Federal Receipts									
Budgets additional federal receipts resulting from the Designated State Health Programs (DSHP) authority in the state's 1115 Waiver. This authority enables states to draw down federal Medicaid matching funds for existing 100% state funded health programs that serve low-income and underinsured individuals. The Division of Central Management and Support will transfer freed-up state funds resulting from the DSHP receipts to the Division of Health Benefits (DHB). DHB must use the funds to expand the Healthy Opportunities Program or support the Justice-Involved Reentry Initiative as authorized in the 1115 Waiver.	Req \$	-	\$	13,122,501	\$	-	\$	10,498,001	
	Rec \$	-	\$	13,122,501	\$	-	\$	10,498,001	
	App \$	-	\$	-	\$	-	\$	-	
	FTE	0.000		0.000		0.000		0.000	
Total Change to Requirements	\$	42,371,145	\$	22,465,660	\$	65,799,892	\$	10,498,001	
Total Change to Receipts	\$	2,264,035	\$	13,662,501	\$	728,479	\$	10,498,001	
Total Change to Net Appropriations	\$	40,107,110	\$	8,803,159	\$	65,071,413	\$	-	
Total Change to Full-Time Equivalent (FTE)		1.000		0.000		1.000		0.000	
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$			48,910,269	\$			65,071,413	
Total Change to Full-Time Equivalent (FTE)				1.000				1.000	

DHHS - Central Management - Special Fund (24410)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 3,310,007	\$ -	\$ 6,700,000	\$ 6,700,000	\$ 10,010,007	202.4 %
Receipts	\$ 3,310,007	\$ -	\$ 6,700,000	\$ 6,700,000	\$ 10,010,007	202.4 %
Chg in Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	0.0 %
Positions (FTE)	36.000	-	-	-	36.000	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 3,310,007	\$ -	\$ 4,000,000	\$ 4,000,000	\$ 7,310,007	120.8 %
Receipts	\$ 3,310,007	\$ -	\$ 4,000,000	\$ 4,000,000	\$ 7,310,007	120.8 %
Chg in Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	0.0 %
Positions (FTE)	36.000	-	-	-	36.000	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Information Technology

1 Electronic Health Records Budgets the transfer of nonrecurring funds from the IT Reserve for electronic health records system integration.	Req \$	-	\$ -	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	CFB \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
2 Partnership and Technology Hub NC Budgets the transfer of \$2.7 million nonrecurring funds from the General Fund for the development of additional capabilities of within the system and address implementation delays.	Req \$	-	\$ 2,700,000	\$ -	\$ -
	Rec \$	-	\$ 2,700,000	\$ -	\$ -
	CFB \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000

Settlement Funds

3 Talc Settlement Funds Budgets funds from the Johnson and Johnson talcum powder settlement to the Ovarian Cancer Mitigation Fund within the Division of Central Management to be allocated within the allowable uses of the Talc Settlement Fund, including a statewide campaign to raise awareness of ovarian cancer, promoting early screening and treatment, and strengthening data collection. Ovarian cancer is the eighth-leading cause of cancer-related deaths among women in North Carolina, with 50% of those diagnosed surviving beyond five years. These funds will support efforts to reduce ovarian cancer incidence and mortality rates.	Req \$	-	\$ 4,000,000	\$ -	\$ 4,000,000
	Rec \$	-	\$ 4,000,000	\$ -	\$ 4,000,000
	CFB \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000

Total Change to Requirements	\$ -	\$ 6,700,000	\$ -	\$ 4,000,000
Total Change to Receipts	\$ -	\$ 6,700,000	\$ -	\$ 4,000,000
Total Change to Fund Balance	\$ -	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000

Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000

DHHS - Aging and Adult Services (14411)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 163,808,680	\$ 86,835	\$ 108,169	\$ 195,004	\$ 164,003,684	0.1 %
Receipts	\$ 111,082,482	\$ -	\$ -	\$ -	\$ 111,082,482	0.0 %
Net Appropriation	\$ 52,726,198	\$ 86,835	\$ 108,169	\$ 195,004	\$ 52,921,202	0.4 %
Positions (FTE)	80.000	-	-	-	80.000	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 163,808,680	\$ 109,762	\$ -	\$ 109,762	\$ 163,918,442	0.1 %
Receipts	\$ 111,082,482	\$ -	\$ -	\$ -	\$ 111,082,482	0.0 %
Net Appropriation	\$ 52,726,198	\$ 109,762	\$ -	\$ 109,762	\$ 52,835,960	0.2 %
Positions (FTE)	80.000	-	-	-	80.000	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve

Increases all state-funded employee salaries by 2%.

Req \$	65,000	\$ -	\$ 65,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	65,000	\$ -	\$ 65,000	\$ -
FTE	0.000	0.000	0.000	0.000

2 State Employee Bonus

Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ 80,000	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 80,000	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

3 Retirement and Retiree Health Contributions

Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.

Req \$	8,309	\$ -	\$ 17,033	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	8,309	\$ -	\$ 17,033	\$ -
FTE	0.000	0.000	0.000	0.000

4 Retiree Cost-of-Living Adjustment

Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.

Req \$	-	\$ 28,169	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 28,169	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

5 State Health Plan

Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.

Req \$	13,526	\$ -	\$ 27,729	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	13,526	\$ -	\$ 27,729	\$ -
FTE	0.000	0.000	0.000	0.000

Total Change to Requirements	\$ 86,835	\$ 108,169	\$ 109,762	\$ -
Total Change to Receipts	\$ -	\$ -	\$ -	\$ -
Total Change to Net Appropriations	\$ 86,835	\$ 108,169	\$ 109,762	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000

Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$ 195,004	\$ 109,762
Total Change to Full-Time Equivalent (FTE)	0.000	0.000

DHHS - Child Development and Early Education (14420)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 932,502,679	\$ 124,708,571	\$ 400,807	\$ 125,109,378	\$ 1,057,612,057	13.4 %
Receipts	\$ 638,489,749	\$ 36,750,000	\$ -	\$ 36,750,000	\$ 675,239,749	5.8 %
Net Appropriation	\$ 294,012,930	\$ 87,958,571	\$ 400,807	\$ 88,359,378	\$ 382,372,308	30.0 %
Positions (FTE)	349.000	-	-	-	349.000	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 932,502,679	\$ 151,474,920	\$ -	\$ 151,474,920	\$ 1,083,977,599	16.2 %
Receipts	\$ 638,489,749	\$ 43,150,000	\$ -	\$ 43,150,000	\$ 681,639,749	6.8 %
Net Appropriation	\$ 294,012,930	\$ 108,324,920	\$ -	\$ 108,324,920	\$ 402,337,850	36.8 %
Positions (FTE)	349.000	-	-	-	349.000	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve

Increases all state-funded employee salaries by 2%.

Req \$	43,000	\$ -	\$ 43,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	43,000	\$ -	\$ 43,000	\$ -
FTE	0.000	0.000	0.000	0.000

2 State Employee Bonus

Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ 382,000	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 382,000	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

3 Retirement and Retiree Health Contributions

Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.

Req \$	5,548	\$ -	\$ 11,372	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	5,548	\$ -	\$ 11,372	\$ -
FTE	0.000	0.000	0.000	0.000

4 Retiree Cost-of-Living Adjustment

Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.

Req \$	-	\$ 18,807	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 18,807	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

5 State Health Plan

Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2025-27 fiscal biennium.

Req \$	10,023	\$ -	\$ 20,548	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	10,023	\$ -	\$ 20,548	\$ -
FTE	0.000	0.000	0.000	0.000

Strengthening Child Care and Early Education for Working Families

6 Low Income Child Care Subsidy

Provides funds to increase child care subsidy rates for infants and toddlers, addressing the fundamental conflict between keeping tuition affordable for families but high enough to pay teachers a living wage. Nearly 8% of North Carolina's child care programs closed since February 2020, and this adjustment will help centers stay open by increasing subsidy rates in 95 counties based on the 2024 Child Care Market Rate Survey.

Req \$	87,900,000	\$ -	\$ 87,900,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	87,900,000	\$ -	\$ 87,900,000	\$ -
FTE	0.000	0.000	0.000	0.000

		R Changes		NR Changes		R Changes		NR Changes
Strengthening Child Care and Early Education for Working Families								
7 NC Pre-K Program Expansion								
Raises NC Pre-K slot reimbursement rates in all settings by 20% over the biennium, raises the administrative rate from 4% to 8%, and adds 1,000 new NC Pre-K seats. Currently, NC Pre-K serves only 53% of eligible children, below its goal of serving 75%. By providing adequate resources to recruit and retain qualified teachers at competitive salaries, and adequately supporting administration, these funds address fundamental barriers to stabilizing and expanding this nationally recognized model for early childhood education. Receipts from the NC Education Lottery offset the majority of the requirements.	Req \$	26,750,000	\$	-	\$	53,500,000	\$	-
	Rec \$	26,750,000	\$	-	\$	33,150,000	\$	-
	App \$	-	\$	-	\$	20,350,000	\$	-
	FTE	0.000		0.000		0.000		0.000
8 Wrap-Around Summer Child Care								
Funds grants to over 300 NC Pre-K Summer Learning Programs. The funding will provide essential child care coverage for parents, ensuring they do not miss work, and enriching learning opportunities for children in the gap summer months between Pre-K and kindergarten. Receipts from the NC Education Lottery support this item.	Req \$	10,000,000	\$	-	\$	10,000,000	\$	-
	Rec \$	10,000,000	\$	-	\$	10,000,000	\$	-
	App \$	-	\$	-	\$	-	\$	-
	FTE	0.000		0.000		0.000		0.000
<hr/>								
Total Change to Requirements	\$	124,708,571	\$	400,807	\$	151,474,920	\$	-
Total Change to Receipts	\$	36,750,000	\$	-	\$	43,150,000	\$	-
Total Change to Net Appropriations	\$	87,958,571	\$	400,807	\$	108,324,920	\$	-
Total Change to Full-Time Equivalent (FTE)		0.000		0.000		0.000		0.000
<hr/>								
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$			88,359,378	\$			108,324,920
Total Change to Full-Time Equivalent (FTE)				0.000				0.000

DHHS - Public Health (14430)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 505,158,669	\$ 1,699,500	\$ 20,679,938	\$ 22,379,438	\$ 527,538,107	4.4 %
Receipts	\$ 365,995,851	\$ -	\$ 16,339,794	\$ 16,339,794	\$ 382,335,645	4.5 %
Net Appropriation	\$ 139,162,818	\$ 1,699,500	\$ 4,340,144	\$ 6,039,644	\$ 145,202,462	4.3 %
Positions (FTE)	1,237.535	-	-	-	1,237.535	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 505,161,041	\$ 1,950,976	\$ 13,071,835	\$ 15,022,811	\$ 520,183,852	3.0 %
Receipts	\$ 365,996,216	\$ -	\$ 13,071,835	\$ 13,071,835	\$ 379,068,051	3.6 %
Net Appropriation	\$ 139,164,825	\$ 1,950,976	\$ -	\$ 1,950,976	\$ 141,115,801	1.4 %
Positions (FTE)	1,237.535	-	-	-	1,237.535	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve							
Increases all state-funded employee salaries by 2%.		Req \$	761,000	\$ -	\$ 761,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	761,000	\$ -	\$ 761,000	\$ -	-
		FTE	0.000	0.000	0.000		0.000
2 Retirement and Retiree Health Contributions							
Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.		Req \$	96,140	\$ -	\$ 197,087	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	96,140	\$ -	\$ 197,087	\$ -	-
		FTE	0.000	0.000	0.000		0.000
3 State Employee Bonus							
Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.		Req \$	-	\$ 1,242,000	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 1,242,000	\$ -	\$ -	-
		FTE	0.000	0.000	0.000		0.000
4 Retiree Cost-of-Living Adjustment							
Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.		Req \$	-	\$ 325,944	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 325,944	\$ -	\$ -	-
		FTE	0.000	0.000	0.000		0.000
5 State Health Plan							
Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.		Req \$	143,360	\$ -	\$ 293,889	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	143,360	\$ -	\$ 293,889	\$ -	-
		FTE	0.000	0.000	0.000		0.000

Office of the Chief Medical Examiner

6 Increase Medical Examiner Fees							
Increases the fee paid to county medical examiners in G.S. 130A-387 from \$200 to \$400 per case, improving the state's ability to recruit and retain qualified professionals to complete medical investigations and reduce delays for grieving families. The nonrecurring funds in FY 2025-26 cover the county share of the fees, ensuring counties have time to adjust to the fee increase for deaths of residents within their jurisdiction.		Req \$	699,000	\$ 1,972,200	\$ 699,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	699,000	\$ 1,972,200	\$ 699,000	\$ -	-
		FTE	0.000	0.000	0.000		0.000

		R Changes		NR Changes		R Changes		NR Changes		
Office of the Chief Medical Examiner										
7 Office of the Chief Medical Examiner Strategic Plan Feasibility Study										
Invests in an independent evaluation of the Office of the Chief Medical Examiner’s priority recommendations in its strategic plan, such as resources required to expand the medical examiner system’s capacity to meet the state’s growing needs. S.L. 2023-134 required a strategic plan for improving the operation and efficiency of the State’s medical examiner system to enable timely, high-quality death investigations of all appropriately identified deaths occurring in North Carolina.	Req \$	-	\$	800,000	\$	-	\$	-		
	Rec \$	-	\$	-	\$	-	\$	-		
	App \$	-	\$	800,000	\$	-	\$	-		
	FTE	0.000		0.000		0.000		0.000		
Division-wide										
8 Designated State Health Programs Federal Receipts										
Budgets additional federal receipts resulting from the Designated State Health Programs (DSHP) authority in the state’s 1115 Waiver. This authority enables states to draw down federal Medicaid matching funds for existing 100% state funded health programs that serve low-income and underinsured individuals. The Division of Public Health will transfer freed-up state funds resulting from the DSHP receipts to the Division of Health Benefits (DHB). DHB must use the funds to expand the Healthy Opportunities Program or support the Justice-Involved Reentry Initiative as authorized in the 1115 Waiver.	Req \$	-	\$	16,339,794	\$	-	\$	13,071,835		
	Rec \$	-	\$	16,339,794	\$	-	\$	13,071,835		
	App \$	-	\$	-	\$	-	\$	-		
	FTE	0.000		0.000		0.000		0.000		
Total Change to Requirements										\$ 1,699,500 \$ 20,679,938 \$ 1,950,976 \$ 13,071,835
Total Change to Receipts										\$ - \$ 16,339,794 \$ - \$ 13,071,835
Total Change to Net Appropriations										\$ 1,699,500 \$ 4,340,144 \$ 1,950,976 \$ -
Total Change to Full-Time Equivalent (FTE)										0.000 0.000 0.000 0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)										\$ 6,039,644 \$ 1,950,976
Total Change to Full-Time Equivalent (FTE)										0.000 0.000

DHHS Youth Electronic Nicotine Abatement Fund - Interest Bearing (24433)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 327,766	\$ 3,250,000	\$ -	\$ 3,250,000	\$ 3,577,766	991.6 %
Receipts	\$ -	\$ 3,250,000	\$ -	\$ 3,250,000	\$ 3,250,000	0.0 %
Chg in Fund Balance	\$ (327,766)	\$ -	\$ -	\$ -	\$ (327,766)	0.0 %
Positions (FTE)	3.000	-	-	-	3.000	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 327,766	\$ 2,750,000	\$ -	\$ 2,750,000	\$ 3,077,766	839.0 %
Receipts	\$ -	\$ 2,750,000	\$ -	\$ 2,750,000	\$ 2,750,000	0.0 %
Chg in Fund Balance	\$ (327,766)	\$ -	\$ -	\$ -	\$ (327,766)	0.0 %
Positions (FTE)	3.000	-	-	-	3.000	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes
Settlement Funds				
1 JUUL Settlement Funds				
Appropriates payments for years five and six of Juul Labs Inc. v. State of NC settlement funds. Studies show that almost 10% of teenagers reported vaping in 2022. These funds will support the department's efforts to combat the vaping crisis among youth in North Carolina by carrying out the activities required in the judge's consent order settling the Juul Labs Inc. V. State of NC case.	Req \$	3,250,000	\$ -	\$ 2,750,000
	Rec \$	3,250,000	\$ -	\$ 2,750,000
	CFB \$	-	\$ -	\$ -
	FTE	0.000	0.000	0.000
Total Change to Requirements	\$ 3,250,000	\$ -	\$ 2,750,000	\$ -
Total Change to Receipts	\$ 3,250,000	\$ -	\$ 2,750,000	\$ -
Total Change to Fund Balance	\$ -	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$ -	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)		0.000		0.000

Division of Child and Family Wellbeing (14435)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 588,249,295	\$ 17,791,332	\$ 8,458,974	\$ 26,250,306	\$ 614,499,601	4.5 %
Receipts	\$ 529,776,108	\$ 9,596,774	\$ 7,396,250	\$ 16,993,024	\$ 546,769,132	3.2 %
Net Appropriation	\$ 58,473,187	\$ 8,194,558	\$ 1,062,724	\$ 9,257,282	\$ 67,730,469	15.8 %
Positions (FTE)	871.725	26.500	-	26.500	898.225	3.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 588,314,286	\$ 17,957,673	\$ 5,917,000	\$ 23,874,673	\$ 612,188,959	4.1 %
Receipts	\$ 529,776,108	\$ 9,596,774	\$ 5,917,000	\$ 15,513,774	\$ 545,289,882	2.9 %
Net Appropriation	\$ 58,538,178	\$ 8,360,899	\$ -	\$ 8,360,899	\$ 66,899,077	14.3 %
Positions (FTE)	871.725	26.500	-	26.500	898.225	3.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve							
Increases all state-funded employee salaries by 2%.		Req \$	445,000	\$ -	\$ 445,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	445,000	\$ -	\$ 445,000	\$ -	-
		FTE	0.000	0.000	0.000		0.000
2 State Employee Bonus							
Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.		Req \$	-	\$ 872,000	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 872,000	\$ -	\$ -	-
		FTE	0.000	0.000	0.000		0.000
3 Retirement and Retiree Health Contributions							
Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.		Req \$	56,256	\$ -	\$ 115,325	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	56,256	\$ -	\$ 115,325	\$ -	-
		FTE	0.000	0.000	0.000		0.000
4 Retiree Cost-of-Living Adjustment							
Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.		Req \$	-	\$ 190,724	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 190,724	\$ -	\$ -	-
		FTE	0.000	0.000	0.000		0.000
5 State Health Plan							
Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.		Req \$	102,164	\$ -	\$ 209,436	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	102,164	\$ -	\$ 209,436	\$ -	-
		FTE	0.000	0.000	0.000		0.000

Division-wide

6 Summer Electronic Benefit Transfer (SUN Bucks) State Administration Match							
Provides half of the required state matching funds to cover administrative costs of the Summer Electronic Benefits Transfer Program for Children (SUN Bucks). The US Department of Agriculture requires states to cover 50% of administration costs to leverage federal benefits. DHHS is committed to finding philanthropic funding for the remainder of the state share. For eligible families, SUN Bucks offers \$40 per child per month in grocery benefits, helping prevent hunger during the summer for children who depend on school meals for daily nutrition. In summer 2024, the state drew down approximately \$130 million in grocery-buying benefits, supporting approximately 1 million students statewide.		Req \$	7,705,278	\$ -	\$ 7,705,278	\$ -	-
		Rec \$	5,765,169	\$ -	\$ 5,765,169	\$ -	-
		App \$	1,940,109	\$ -	\$ 1,940,109	\$ -	-
		FTE	1.000	0.000	1.000		0.000

		R Changes		NR Changes		R Changes		NR Changes
Division-wide								
7 Early Intervention Workforce Capacity								
Enables the division to establish positions to meet the growing enrollment in the Early Intervention program. The program provides community-based support to families with children up to age three with developmental delays and established medical conditions. Over the past five years, enrollment rates for currently eligible children have increased by over 10%. This enrollment increase, coupled with a decrease in the number of private providers who offer early intervention services, requires an additional investment to ensure timely access to services.	Req \$	1,819,425	\$	-	\$	1,819,425	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	1,819,425	\$	-	\$	1,819,425	\$	-
	FTE	20.000		0.000		20.000		0.000
8 Expanding Triple P to Support Families Statewide								
Provides a state match for philanthropic funds to support statewide expansion of the Positive Parenting Program (Triple P). Triple P is an evidence-based system to strengthen parenting skills and prevent child maltreatment and emotional, behavioral, and developmental problems. Research shows that Triple P slows rates of child abuse, reduces foster care placements, and decreases hospitalizations from child abuse injuries. DHHS estimates as many as 66,000 children will be served by the program's expansion. Additional staff will provide administrative support to the expansion, including data collections and analysis, contract administration and monitoring, and program support and administration of the expansion of Triple P online.	Req \$	7,663,209	\$	-	\$	7,663,209	\$	-
	Rec \$	3,831,605	\$	-	\$	3,831,605	\$	-
	App \$	3,831,604	\$	-	\$	3,831,604	\$	-
	FTE	5.500		0.000		5.500		0.000
9 Designated State Health Programs Federal Receipts								
Budgets additional federal receipts resulting from the Designated State Health Programs (DSHP) authority in the state's 1115 Waiver. This authority enables states to draw down federal Medicaid matching funds for existing 100% state funded health programs that serve low-income and underinsured individuals. The Division of Child and Family Wellbeing will transfer freed-up state funds resulting from the DSHP receipts to the Division of Health Benefits (DHB). DHB must use the funds to expand the Healthy Opportunities Program or support the Justice-Involved Reentry Initiative as authorized in the 1115 Waiver.	Req \$	-	\$	7,396,250	\$	-	\$	5,917,000
	Rec \$	-	\$	7,396,250	\$	-	\$	5,917,000
	App \$	-	\$	-	\$	-	\$	-
	FTE	0.000		0.000		0.000		0.000
Total Change to Requirements								
	\$	17,791,332	\$	8,458,974	\$	17,957,673	\$	5,917,000
Total Change to Receipts								
	\$	9,596,774	\$	7,396,250	\$	9,596,774	\$	5,917,000
Total Change to Net Appropriations								
	\$	8,194,558	\$	1,062,724	\$	8,360,899	\$	-
Total Change to Full-Time Equivalent (FTE)								
		26.500		0.000		26.500		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)								
	\$			9,257,282	\$			8,360,899
Total Change to Full-Time Equivalent (FTE)								
				26.500				26.500

DHHS - Social Services - General (14440)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 2,233,805,158	\$ 385,153	\$ 494,330	\$ 879,483	\$ 2,234,684,641	0.0 %
Receipts	\$ 1,996,907,896	\$ -	\$ -	\$ -	\$ 1,996,907,896	0.0 %
Net Appropriation	\$ 236,897,262	\$ 385,153	\$ 494,330	\$ 879,483	\$ 237,776,745	0.4 %
Positions (FTE)	372.000	-	-	-	372.000	0.0 %
Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 2,233,808,071	\$ 490,313	\$ -	\$ 490,313	\$ 2,234,298,384	0.0 %
Receipts	\$ 1,996,909,353	\$ -	\$ -	\$ -	\$ 1,996,909,353	0.0 %
Net Appropriation	\$ 236,898,718	\$ 490,313	\$ -	\$ 490,313	\$ 237,389,031	0.2 %
Positions (FTE)	372.000	-	-	-	372.000	0.0 %
		FY 2025-26		FY 2026-27		
		R Changes	NR Changes	R Changes	NR Changes	
Reserve for Salaries and Benefits						
1 Compensation Increase Reserve						
Increases all state-funded employee salaries by 2%.		Req \$	285,000	\$ -	\$ 285,000	\$ -
		Rec \$	-	\$ -	\$ -	\$ -
		App \$	285,000	\$ -	\$ 285,000	\$ -
		FTE	0.000	0.000	0.000	0.000
2 State Employee Bonus						
Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.		Req \$	-	\$ 372,000	\$ -	\$ -
		Rec \$	-	\$ -	\$ -	\$ -
		App \$	-	\$ 372,000	\$ -	\$ -
		FTE	0.000	0.000	0.000	0.000
3 Retirement and Retiree Health Contributions						
Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.		Req \$	36,083	\$ -	\$ 73,969	\$ -
		Rec \$	-	\$ -	\$ -	\$ -
		App \$	36,083	\$ -	\$ 73,969	\$ -
		FTE	0.000	0.000	0.000	0.000
4 Retiree Cost-of-Living Adjustment						
Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.		Req \$	-	\$ 122,330	\$ -	\$ -
		Rec \$	-	\$ -	\$ -	\$ -
		App \$	-	\$ 122,330	\$ -	\$ -
		FTE	0.000	0.000	0.000	0.000
5 State Health Plan						
Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.		Req \$	64,070	\$ -	\$ 131,344	\$ -
		Rec \$	-	\$ -	\$ -	\$ -
		App \$	64,070	\$ -	\$ 131,344	\$ -
		FTE	0.000	0.000	0.000	0.000
Total Change to Requirements		\$	385,153	\$	494,330	\$ 490,313
Total Change to Receipts		\$	-	\$	-	\$ -
Total Change to Net Appropriations		\$	385,153	\$	494,330	\$ 490,313
Total Change to Full-Time Equivalent (FTE)			0.000		0.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$		879,483	\$	490,313
Total Change to Full-Time Equivalent (FTE)				0.000		0.000

DHHS - Health Benefits - General Fund (14445)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 30,796,933,536	\$ 3,307,849,963	\$ 483,738,637	\$ 3,791,588,600	\$ 34,588,522,136	12.3 %
Receipts	\$ 24,830,792,815	\$ 2,433,407,566	\$ 610,572,115	\$ 3,043,979,681	\$ 27,874,772,496	12.3 %
Net Appropriation	\$ 5,966,140,721	\$ 874,442,397	\$ (126,833,478)	\$ 747,608,919	\$ 6,713,749,640	12.5 %
Positions (FTE)	446.000	-	-	-	446.000	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 30,796,937,437	\$ 3,190,911,714	\$ 181,535,625	\$ 3,372,447,339	\$ 34,169,384,776	11.0 %
Receipts	\$ 24,830,792,815	\$ 2,300,883,982	\$ 122,335,625	\$ 2,423,219,607	\$ 27,254,012,422	9.8 %
Net Appropriation	\$ 5,966,144,622	\$ 890,027,732	\$ 59,200,000	\$ 949,227,732	\$ 6,915,372,354	15.9 %
Positions (FTE)	446.000	-	-	-	446.000	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve

Increases all state-funded employee salaries by 2%.

Req \$	429,000	\$ -	\$ 429,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	429,000	\$ -	\$ 429,000	\$ -
FTE	0.000	0.000	0.000	0.000

2 State Employee Bonus

Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase

Req \$	-	\$ 466,000	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 466,000	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

3 Retirement and Retiree Health Contributions

Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.

Req \$	54,255	\$ -	\$ 111,222	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	54,255	\$ -	\$ 111,222	\$ -
FTE	0.000	0.000	0.000	0.000

4 Retiree Cost-of-Living Adjustment

Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.

Req \$	-	\$ 183,939	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 183,939	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

5 State Health Plan

Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.

Req \$	74,837	\$ -	\$ 153,416	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	74,837	\$ -	\$ 153,416	\$ -
FTE	0.000	0.000	0.000	0.000

Division-wide

6 Medicaid Rebase

Provides funds to reflect changes in the federal medical assistance percentage, as well as changes in enrollment, utilization, costs, capitation rates, and services associated with the Medicaid program for the upcoming fiscal year. The Child and Family Special Plan in managed care, which will serve as a single statewide managed care health plan for children, youth, and families served by the child welfare system, is projected to begin December 1, 2025.

Req \$	2,309,338,646	\$ -	\$ 2,309,338,646	\$ -
Rec \$	1,609,017,948	\$ -	\$ 1,609,017,948	\$ -
App \$	700,320,698	\$ -	\$ 700,320,698	\$ -
FTE	0.000	0.000	0.000	0.000

		R Changes		NR Changes		R Changes		NR Changes
Division-wide								
7 Innovation Waiver and Traumatic Brain Injury Waiver Slots								
Creates up to 200 Innovation Waiver slots and 75 Traumatic Brain Injury (TBI) Waiver slots, effective January 1, 2026. The additional Innovation Waiver slots will provide individualized services in the home and community for peoples who qualify for institutional level care due to intellectual or developmental disabilities (I/DD), reducing the current waitlist of 18,771 individuals. The TBI Waiver slots will enable people with TBI to access specific rehabilitative services and live as independently as possible, expanding access to the waiver services statewide.	Req \$	12,615,465	\$	-	\$	25,230,930	\$	-
	Rec \$	8,165,991	\$	-	\$	16,331,981	\$	-
	App \$	4,449,474	\$	-	\$	8,898,949	\$	-
	FTE	0.000		0.000		0.000		0.000
8 Federal Qualified Health Centers and Rural Health Clinics Funding								
Provides recurring funding for the state's share of a Medicaid reimbursement structure that started in 2023. The updated rate reimburses the state's more than 39 Federally Qualified Health Centers (FQHC) and approximately 90 Rural Health Clinics (RHC) at 113% of historical allowable physical and dental costs per visit and ensures full visit payment when initial claims are adjudicated, or soon after. This new structure reduces the administrative burden on FQHCs and RHCs and provides predictable reimbursements, ensuring they can continue to provide critical primary care services to underserved North Carolinians.	Req \$	14,259,259	\$	-	\$	14,259,259	\$	-
	Rec \$	9,259,259	\$	-	\$	9,259,259	\$	-
	App \$	5,000,000	\$	-	\$	5,000,000	\$	-
	FTE	0.000		0.000		0.000		0.000
9 1115 Waiver - OB/GYN and Primary Care Rate Increase								
Provides funds to increase primary care and obstetrician/gynecologist (OB/GYN) rates to 80% of Medicare. Data shows that primary care improves access to health care outcomes and decreased emergency department visits. Additionally, access to OB/GYN care is critical for preventative health, pre, and post-partum care. This increase ensures the state adheres to the requirements of the 1115 Waiver renewal, approved by the Centers for Medicare and Medicaid Services in December 2024 and is required for the state to draw down Designated State Health Program (DSHP) federal matching funds. DSHP allows states to draw down federal Medicaid matching funds for existing state funded health programs that serve low-income and underinsured individuals, which do not currently qualify for federal funding.	Req \$	19,846,895	\$	-	\$	19,846,895	\$	-
	Rec \$	12,846,895	\$	-	\$	12,846,895	\$	-
	App \$	7,000,000	\$	-	\$	7,000,000	\$	-
	FTE	0.000		0.000		0.000		0.000
10 1115 Waiver - Justice-Involved Reentry								
Enables the division to provide health coverage and care to eligible justice-involved people who are enrolled in Medicaid within the 90-day period prior to release from a correctional facility, youth development center, or jail. This coverage and care will improve physical, behavioral, and non-medical health outcomes, reduce recidivism, and reduce the risk of death and opioid overdose for justice-involved people reentering their communities. Initial services include case management, medication for opioid use disorder, and at least a 30-day supply of prescription medication. Other services, like physical and behavioral health clinical consultation services, will be phased in based on facility and provider readiness. The Division of Health Benefits (DHB) will use the funds freed up by the DSHP federal match to cover the recurring service costs in both years of the biennium, approximately \$3 million in FY 2025-26 and \$11 million in FY 2026-27, and \$16.3 million of the nonrecurring capacity-building costs in FY 2026-27.	Req \$	9,000,000	\$	80,000,000	\$	32,000,000	\$	100,000,000
	Rec \$	9,000,000	\$	80,000,000	\$	32,000,000	\$	66,300,000
	App \$	-	\$	-	\$	-	\$	33,700,000
	FTE	0.000		0.000		0.000		0.000

		R Changes		NR Changes		R Changes		NR Changes
Division-wide								
11 Sustain Healthy Opportunities in Existing Regions								
Sustains funding for the Healthy Opportunities Pilots (HOP) in the program's three existing rural regions. HOP improves health outcomes and lowers health care costs by an estimated \$85 per month per individual. HOP also connects more than 29,000 eligible people enrolled in Medicaid Managed Care programs to community resources that address non-medical needs, including access to healthy food, safe housing, and transportation. The program's initial evaluation showed that HOP participation was associated with decreased emergency department utilization and service spending for medical care compared to non-participants.	Req \$	313,106,947	\$	-	\$	313,106,947	\$	-
	Rec \$	225,439,406	\$	-	\$	225,439,406	\$	-
	App \$	87,667,541	\$	-	\$	87,667,541	\$	-
	FTE	0.000		0.000		0.000		0.000
12 Plan for Healthy Opportunities Statewide Expansion								
Provides funds to enable the division to build capacity for Healthy Opportunities and implement it in the western counties in which the program is not currently operational. Funds may also be used to plan the expansion of Healthy Opportunities to additional regions throughout the state. The nonrecurring portion of this item comes from state funds freed up by the DSHP federal match, \$46.0 million in FY 2025-26 and \$11.8 million in FY 2026-27.	Req \$	6,348,600	\$	92,148,698	\$	28,650,092	\$	29,985,625
	Rec \$	3,174,300	\$	92,148,698	\$	17,363,692	\$	29,985,625
	App \$	3,174,300	\$	-	\$	11,286,400	\$	-
	FTE	0.000		0.000		0.000		0.000
13 Managed Care Oversight								
Enables the state to sustain the Medicaid managed care model and prepare for and effectively implement the Child and Family Specialty Plan, which is a single, statewide Medicaid Managed Care health plan that will provide integrated, and coordinated health care to Medicaid-enrolled children, youth, and families served by the child welfare system. Funds will cover contractual costs for core operations to ensure that the state can implement and oversee the managed care model including compliance, monitoring, reporting, and evaluation associated with all Medicaid managed care programs.	Req \$	172,402,831	\$	81,140,000	\$	172,402,831	\$	51,550,000
	Rec \$	97,183,773	\$	41,070,000	\$	97,183,773	\$	26,050,000
	App \$	75,219,058	\$	40,070,000	\$	75,219,058	\$	25,500,000
	FTE	0.000		0.000		0.000		0.000
14 Medicaid Enterprise System								
Funds the division's transition from the Medicaid Managed Management Information System to the Medicaid Enterprise System (MES), as required by the Centers for Medicare and Medicaid Services. The MES is a modernized, data-driven system that manages the state's Medicaid claims, processing, and information retrieval. This funding enables the division to fully implement three technology modules and begin the procurement and implementation of three additional modules. Nonrecurring funding from the IT Reserve will be used for development and implementation. The division will use the recurring funds for operations and maintenance.	Req \$	73,399,228	\$	-	\$	60,369,476	\$	-
	Rec \$	60,084,994	\$	-	\$	44,167,028	\$	-
	App \$	13,314,234	\$	-	\$	16,202,448	\$	-
	FTE	0.000		0.000		0.000		0.000
NC Health Works								
15 NC Health Works Services and Healthcare Access and Stabilization Program								
Funds the rebased costs for the NC Health Works population authorized in S.L. 2023-7. The amount includes Medicaid managed care hospital reimbursements generated from the Healthcare Access and Stabilization Program (HASP) for the NC Health Works population.	Req \$	399,235,000	\$	-	\$	237,274,000	\$	-
	Rec \$	399,235,000	\$	-	\$	237,274,000	\$	-
	App \$	-	\$	-	\$	-	\$	-
	FTE	0.000		0.000		0.000		0.000
16 Gross Premiums Tax-Eliminate Base Budget								
Makes a technical adjustment to eliminate the recurring appropriation of the gross premiums tax offset in the base budget. The transfer will occur directly as an adjustment to revenue.	Req \$	(22,261,000)	\$	-	\$	(22,261,000)	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	(22,261,000)	\$	-	\$	(22,261,000)	\$	-
	FTE	0.000		0.000		0.000		0.000
17 American Rescue Plan Act Temporary Savings								
Budgets \$262 million in savings for FY 2025-26 generated from the ARPA five percentage point Medicaid match for states that expanded Medicaid after March 11, 2021.	Req \$	-	\$	(32,900,000)	\$	-	\$	-
	Rec \$	-	\$	229,800,000	\$	-	\$	-
	App \$	-	\$	(262,700,000)	\$	-	\$	-
	FTE	0.000		0.000		0.000		0.000

		R Changes	NR Changes	R Changes	NR Changes
NC Health Works					
18 Transfer of Temporary Savings from Expansion Incentive					
Budgets the anticipated remaining balance from the ARPA Temporary Savings Fund to the Division of Health Benefits after all other appropriated transfers have been made.	Req \$	-	\$ 262,700,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 262,700,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
19 Transfer Balance from the American Rescue Plan Act Temporary Savings Fund					
Budgets the anticipated remaining balance from the ARPA Temporary Savings Fund to the Division of Health Benefits after all other appropriated transfers have been made.	Req \$	-	\$ -	\$ -	\$ -
	Rec \$	-	\$ 167,553,417	\$ -	\$ -
	App \$	-	\$ (167,553,417)	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
Total Change to Requirements		\$ 3,307,849,963	\$ 483,738,637	\$ 3,190,911,714	\$ 181,535,625
Total Change to Receipts		\$ 2,433,407,566	\$ 610,572,115	\$ 2,300,883,982	\$ 122,335,625
Total Change to Net Appropriations		\$ 874,442,397	\$ (126,833,478)	\$ 890,027,732	\$ 59,200,000
Total Change to Full-Time Equivalent (FTE)		0.000	0.000	0.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$	747,608,919	\$	949,227,732
Total Change to Full-Time Equivalent (FTE)			0.000		0.000

DHHS - Health Benefits - Special Fund (24445)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 166,907,457	\$ -	\$ 49,248,649	\$ 49,248,649	\$ 216,156,106	29.5 %
Receipts	\$ 166,380,841	\$ -	\$ 49,248,649	\$ 49,248,649	\$ 215,629,490	29.6 %
Chg in Fund Balance	\$ (526,616)	\$ -	\$ -	\$ -	\$ (526,616)	0.0 %
Positions (FTE)	-	-	-	-	-	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 166,907,457	\$ -	\$ 39,398,919	\$ 39,398,919	\$ 206,306,376	23.6 %
Receipts	\$ 166,380,841	\$ -	\$ 39,398,919	\$ 39,398,919	\$ 205,779,760	23.7 %
Chg in Fund Balance	\$ (526,616)	\$ -	\$ -	\$ -	\$ (526,616)	0.0 %
Positions (FTE)	-	-	-	-	-	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Designated State Health Programs

1 Designated State Health Programs Freed-Up Funds					
Budgets freed up state funds realized through the Designated State Health Programs (DSHP) authority in the state's 1115 Waiver and transfers a portion to the Division of Health Benefits General Fund budget code. This authority enables states to draw down federal Medicaid matching funds for existing state funded health programs that serve low-income and underinsured individuals and are not currently eligible for a federal match. DHB must invest funds to expand Healthy Opportunities or support the Justice-Involved Reentry Initiative as authorized in the 1115 Waiver.	Req \$	-	\$ 49,248,649	\$ -	\$ 39,398,919
	Rec \$	-	\$ 49,248,649	\$ -	\$ 39,398,919
	CFB \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
Total Change to Requirements	\$	-	\$ 49,248,649	\$ -	\$ 39,398,919
Total Change to Receipts	\$	-	\$ 49,248,649	\$ -	\$ 39,398,919
Total Change to Fund Balance	\$	-	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)		0.000	0.000	0.000	0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$	-	\$ -		-
Total Change to Full-Time Equivalent (FTE)			0.000		0.000

Health Advancement Receipts (24448)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 1,342,070,000	\$ (5,478,000)	\$ -	\$ (5,478,000)	\$ 1,336,592,000	(0.4) %
Receipts	\$ 1,327,799,000	\$ 90,339,000	\$ -	\$ 90,339,000	\$ 1,418,138,000	6.8 %
Chg in Fund Balance	\$ (14,271,000)	\$ 95,817,000	\$ -	\$ 95,817,000	\$ 81,546,000	(671.4) %
Positions (FTE)	-	-	-	-	-	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 1,342,070,000	\$ (21,675,000)	\$ -	\$ (21,675,000)	\$ 1,320,395,000	(1.6) %
Receipts	\$ 1,327,799,000	\$ 85,630,000	\$ -	\$ 85,630,000	\$ 1,413,429,000	6.4 %
Chg in Fund Balance	\$ (14,271,000)	\$ 107,305,000	\$ -	\$ 107,305,000	\$ 93,034,000	(751.9) %
Positions (FTE)	-	-	-	-	-	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

NC Health Works

1 Transfer for NC Health Works Services and HASP

Transfers funds to the Division of Health Benefits (DHB) to pay for the rebased service and capitation costs associated with the NC Health Works Medicaid population and to make the HASP directed payments to prepaid health plans for hospital services provided to the NC Health Works Medicaid population.

Req \$	(5,478,000)	\$ -	\$ (21,675,000)	\$ -
Rec \$	-	\$ -	\$ -	\$ -
CFB \$	5,478,000	\$ -	\$ 21,675,000	\$ -
FTE	0.000	0.000	0.000	0.000

2 Gross Premiums Tax Offset Technical Adjustment

Eliminates the recurring appropriation of the gross premiums tax offset in the base budget. The transfer will occur directly as an adjustment to revenue.

Req \$	-	\$ -	\$ -	\$ -
Rec \$	(22,261,000)	\$ -	\$ (22,261,000)	\$ -
CFB \$	(22,261,000)	\$ -	\$ (22,261,000)	\$ -
FTE	0.000	0.000	0.000	0.000

3 Health Advancement Assessment Hospital Receipts

Budgets hospital receipts from the Health Advancement Assessments structure established in SL 2023-7.

Req \$	-	\$ -	\$ -	\$ -
Rec \$	105,544,000	\$ -	\$ 99,056,000	\$ -
CFB \$	105,544,000	\$ -	\$ 99,056,000	\$ -
FTE	0.000	0.000	0.000	0.000

4 Transfer for NC Health Works Healthy Opportunities

Transfers funds to DHB to pay for Healthy Opportunities for the NC Health Works Medicaid population.

Req \$	-	\$ -	\$ -	\$ -
Rec \$	7,056,000	\$ -	\$ 8,835,000	\$ -
CFB \$	7,056,000	\$ -	\$ 8,835,000	\$ -
FTE	0.000	0.000	0.000	0.000

Total Change to Requirements	\$ (5,478,000)	\$ -	\$ (21,675,000)	\$ -
Total Change to Receipts	\$ 90,339,000	\$ -	\$ 85,630,000	\$ -
Total Change to Fund Balance	\$ 95,817,000	\$ -	\$ 107,305,000	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000

Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$ 95,817,000	\$ 107,305,000
Total Change to Full-Time Equivalent (FTE)	0.000	0.000

ARPA Temporary Savings (24449)

Year 1 FY 2025-26	Base Budget		Net Recurring		Net Nonrecurring		Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$	-	\$	-	\$	376,053,417	\$ 376,053,417	\$ 376,053,417	0.0 %
Receipts	\$	-	\$	-	\$	262,700,000	\$ 262,700,000	\$ 262,700,000	0.0 %
Chg in Fund Balance	\$	-	\$	-	\$	(113,353,417)	\$ (113,353,417)	\$ -	0.0 %
Positions (FTE)		-		-		-	-	-	0.0 %
Year 2 FY 2026-27	Base Budget		Net Recurring		Net Nonrecurring		Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$	-	\$	-	\$	-	\$ -	\$ -	0.0 %
Receipts	\$	-	\$	-	\$	-	\$ -	\$ -	0.0 %
Chg in Fund Balance	\$	-	\$	-	\$	-	\$ -	\$ -	0.0 %
Positions (FTE)		-		-		-	-	-	0.0 %
					FY 2025-26		FY 2026-27		
					R Changes	NR Changes	R Changes	NR Changes	
ARPA TSF									
1 Savings from Expansion Incentive									
Deposits the additional General Fund savings generated by the ARPA expansion incentive for FY 2025-26.				Req \$	-	\$ -	\$ -	\$ -	-
				Rec \$	-	\$ 262,700,000	\$ -	\$ -	-
				CFB \$	-	\$ 262,700,000	\$ -	\$ -	-
				FTE	0.000	0.000	0.000	0.000	0.000
2 UNC – Children’s Hospital									
Transfers funds to the State Capital Infrastructure Funds (SCIF) for funding to the UNC Board of Governors (BOG) for UNC Health to construct, on behalf of the State of North Carolina, a new Children's Hospital in the Triangle area. The hospital will include a children's behavioral health hospital.				Req \$	-	\$ 103,500,000	\$ -	\$ -	-
				Rec \$	-	\$ -	\$ -	\$ -	-
				CFB \$	-	\$ (103,500,000)	\$ -	\$ -	-
				FTE	0.000	0.000	0.000	0.000	0.000
3 UNC-NC Care Health Clinics									
Transfers funds to the SCIF to provide funds to the UNC BOG for the construction of 3 rural care centers as part of the NC Care initiative.				Req \$	-	\$ 105,000,000	\$ -	\$ -	-
				Rec \$	-	\$ -	\$ -	\$ -	-
				CFB \$	-	\$ (105,000,000)	\$ -	\$ -	-
				FTE	0.000	0.000	0.000	0.000	0.000
4 Transfer Remaining ARPA TSF Balance									
Transfers the anticipated remaining balance from the ARPA Temporary Savings Fund to the Division of Health Benefits after all other appropriated transfers have been made.				Req \$	-	\$ 167,553,417	\$ -	\$ -	-
				Rec \$	-	\$ -	\$ -	\$ -	-
				CFB \$	-	\$ (167,553,417)	\$ -	\$ -	-
				FTE	0.000	0.000	0.000	0.000	0.000
Total Change to Requirements					\$	-	\$ 376,053,417	\$ -	\$ -
Total Change to Receipts					\$	-	\$ 262,700,000	\$ -	\$ -
Total Change to Fund Balance					\$	-	\$ (113,353,417)	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)						0.000	0.000	0.000	0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)					\$		(113,353,417)	\$	-
Total Change to Full-Time Equivalent (FTE)							0.000		0.000

DHHS - Services for the Blind/Deaf/Hard of Hearing (14450)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 47,418,257	\$ 4,793,169	\$ 373,679	\$ 5,166,848	\$ 52,585,105	10.9 %
Receipts	\$ 37,993,401	\$ 3,676,959	\$ -	\$ 3,676,959	\$ 41,670,360	9.7 %
Net Appropriation	\$ 9,424,856	\$ 1,116,210	\$ 373,679	\$ 1,489,889	\$ 10,914,745	15.8 %
Positions (FTE)	339.500	-	-	-	339.500	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 47,427,172	\$ 4,833,769	\$ -	\$ 4,833,769	\$ 52,260,941	10.2 %
Receipts	\$ 38,001,826	\$ 3,676,959	\$ -	\$ 3,676,959	\$ 41,678,785	9.7 %
Net Appropriation	\$ 9,425,346	\$ 1,156,810	\$ -	\$ 1,156,810	\$ 10,582,156	12.3 %
Positions (FTE)	339.500	-	-	-	339.500	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve							
Increases all state-funded employee salaries by 2%.		Req \$	81,000	\$ -	\$ 81,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	81,000	\$ -	\$ 81,000	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
2 State Employee Bonus							
Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.		Req \$	-	\$ 339,000	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 339,000	\$ -	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
3 Retirement and Retiree Health Contributions							
Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.		Req \$	10,229	\$ -	\$ 20,969	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	10,229	\$ -	\$ 20,969	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
4 Retiree Cost-of-Living Adjustment							
Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.		Req \$	-	\$ 34,679	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 34,679	\$ -	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
5 State Health Plan							
Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.		Req \$	20,819	\$ -	\$ 42,679	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	20,819	\$ -	\$ 42,679	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
6 State Agency Teachers							
Funds a salary increase for State agency teachers in accordance with the statewide teacher salary schedules.		Req \$	9,000	\$ -	\$ 17,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	9,000	\$ -	\$ 17,000	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000

		R Changes		NR Changes		R Changes		NR Changes
Division-wide								
7 Strengthen the Vocational Rehabilitation Workforce								
Addresses the vocational rehabilitation workforce shortage by increasing pay for a range of key positions by approximately 18% and by stabilizing community-based provider rates. The statewide average vacancy rate for the vocational rehabilitation workforce across the Division of Employment and Independence for People with Disabilities (DEIPD) and the Division of Services for the Blind (DSB) is 23%, while the vacancy rate in some rural counties is nearly 40%. This investment will ensure that the more than 21,000 individuals with disabilities currently receiving employment services and new applicants can access services and supports in a timely manner, allowing them to meet their employment goals. This investment provides state matching funds required to draw down additional federal Rehabilitation Services Administration grant funds. This grant provides total federal funding of \$21 million across the DEIPD and the DSB.	Req \$	4,672,121	\$	-	\$	4,672,121	\$	-
	Rec \$	3,676,959	\$	-	\$	3,676,959	\$	-
	App \$	995,162	\$	-	\$	995,162	\$	-
	FTE	0.000		0.000		0.000		0.000
Total Change to Requirements	\$	4,793,169	\$	373,679	\$	4,833,769	\$	-
Total Change to Receipts	\$	3,676,959	\$	-	\$	3,676,959	\$	-
Total Change to Net Appropriations	\$	1,116,210	\$	373,679	\$	1,156,810	\$	-
Total Change to Full-Time Equivalent (FTE)		0.000		0.000		0.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$			1,489,889	\$			1,156,810
Total Change to Full-Time Equivalent (FTE)				0.000				0.000

DHHS - Mental Health/Developmental Disabilities/Substance Use Services (14460)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 1,836,974,082	\$ 17,312,194	\$ 27,907,741	\$ 45,219,935	\$ 1,882,194,017	2.5 %
Receipts	\$ 994,893,697	\$ -	\$ 14,390,105	\$ 14,390,105	\$ 1,009,283,802	1.4 %
Net Appropriation	\$ 842,080,385	\$ 17,312,194	\$ 13,517,636	\$ 30,829,830	\$ 872,910,215	3.7 %
Positions (FTE)	10,685.644	-	-	-	10,685.644	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 1,836,974,082	\$ 19,820,709	\$ 11,912,084	\$ 31,732,793	\$ 1,868,706,875	1.7 %
Receipts	\$ 994,893,697	\$ -	\$ 11,912,084	\$ 11,912,084	\$ 1,006,805,781	1.2 %
Net Appropriation	\$ 842,080,385	\$ 19,820,709	\$ -	\$ 19,820,709	\$ 861,901,094	2.4 %
Positions (FTE)	10,685.644	-	-	-	10,685.644	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve							
Increases all state-funded employee salaries by 2%.		Req \$	6,184,000	\$ -	\$ 6,184,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	6,184,000	\$ -	\$ 6,184,000	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
2 State Employee Bonus							
Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.		Req \$	-	\$ 10,871,000	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 10,871,000	\$ -	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
3 Retirement and Retiree Health Contributions							
Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.		Req \$	780,647	\$ -	\$ 1,600,332	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	780,647	\$ -	\$ 1,600,332	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
4 Retiree Cost-of-Living Adjustment							
Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.		Req \$	-	\$ 2,646,636	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 2,646,636	\$ -	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
5 State Health Plan							
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2025-27 fiscal biennium.		Req \$	1,545,547	\$ -	\$ 3,168,377	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	1,545,547	\$ -	\$ 3,168,377	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
6 State Agency Teachers							
Funds a salary increase for State agency teachers in accordance with the statewide teacher salary schedules.		Req \$	102,000	\$ -	\$ 168,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	102,000	\$ -	\$ 168,000	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000

		R Changes		NR Changes		R Changes		NR Changes	
Division-wide									
7 Expand State Funded Co-Response Teams									
Provides recurring funds to support the creation of 50 new co-response teams in rural counties across the state. Co-response teams are comprised of a police officer or first responder and a licensed behavioral health clinician. Evidence shows that co-response teams increase the likelihood of crisis de-escalation, decrease the need for use of force and arrest, and support the connection of an individual to appropriate behavioral health services in their community. These teams are in addition to the three co-response teams the Division of Mental Health is currently funding with Bipartisan Safer Communities Act grant funding, and one team the division is funding through the Mental Health Block Grant.	Req \$	8,700,000	\$	-	\$	8,700,000	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	8,700,000	\$	-	\$	8,700,000	\$	-	
	FTE	0.000		0.000		0.000		0.000	
8 Designated State Health Programs Federal Receipts									
Budgets additional federal receipts resulting from the Designated State Health Programs (DSHP) authority in the state's 1115 Waiver. This authority enables states to draw down federal Medicaid matching funds for existing 100% state funded health programs that serve low-income and underinsured individuals. The Division of Mental Health, Developmental Disabilities, and Substance Use Services, will transfer freed-up state funds resulting from the DSHP receipts to the Division of Health Benefits (DHB). DHB must use the funds to expand the Healthy Opportunities Program or support the Justice-Involved Reentry Initiative as authorized in the 1115 Waiver.	Req \$	-	\$	12,390,105	\$	-	\$	9,912,084	
	Rec \$	-	\$	12,390,105	\$	-	\$	9,912,084	
	App \$	-	\$	-	\$	-	\$	-	
	FTE	0.000		0.000		0.000		0.000	
9 Authorize Receipts for Critical IT Systems Upgrade									
Authorizes the division to use Mixed Beverage Tax revenue established in GS 18B-805(b)(3) to replace outdated IT systems that support the division's substance use prevention and treatment goals. The new system will integrate existing platforms, improve processes, and enable data collection within one system to enhance the Driving While Impaired Services, Drug Education School, and the Drug Control Unit programs.	Req \$	-	\$	2,000,000	\$	-	\$	2,000,000	
	Rec \$	-	\$	2,000,000	\$	-	\$	2,000,000	
	App \$	-	\$	-	\$	-	\$	-	
	FTE	0.000		0.000		0.000		0.000	
Total Change to Requirements		\$	17,312,194	\$	27,907,741	\$	19,820,709	\$	11,912,084
Total Change to Receipts		\$	-	\$	14,390,105	\$	-	\$	11,912,084
Total Change to Net Appropriations		\$	17,312,194	\$	13,517,636	\$	19,820,709	\$	-
Total Change to Full-Time Equivalent (FTE)			0.000		0.000		0.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$			30,829,830	\$			19,820,709
Total Change to Full-Time Equivalent (FTE)					0.000				0.000

Opioid Abatement Fund (24491)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ -	\$ -	\$ -	\$ -	\$ -	0.0 %
Receipts	\$ -	\$ -	\$ 60,822,049	\$ 60,822,049	\$ 60,822,049	0.0 %
Chg in Fund Balance	\$ -	\$ -	\$ 60,822,049	\$ 60,822,049	\$ -	0.0 %
Positions (FTE)	-	-	-	-	-	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ -	\$ -	\$ -	\$ -	\$ -	0.0 %
Receipts	\$ -	\$ -	\$ 13,511,210	\$ 13,511,210	\$ 13,511,210	0.0 %
Chg in Fund Balance	\$ -	\$ -	\$ 13,511,210	\$ 13,511,210	\$ -	0.0 %
Positions (FTE)	-	-	-	-	-	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes
Uncategorized				
1 Opioid Abatement Funds				
Budgets funds from the multi-state opioid settlements to the Division of Mental Health to be allocated within the allowable uses of the Opioid Abatement Fund. Allowable uses include overdose prevention and response, purchase of naloxone, and improved opioid treatment access. NC’s overdose epidemic data shows that in 2023, an estimated 4,442 died of an overdose, a slight increase from 2022. These funds will ensure the division can address the misuse of and addiction to prescriptions and illicit opioids statewide, saving lives.	Req \$	-	\$ -	\$ -
	Rec \$	-	\$ 60,822,049	\$ -
	CFB \$	-	\$ 60,822,049	\$ -
	FTE	0.000	0.000	0.000
Total Change to Requirements	\$ -	\$ -	\$ -	\$ -
Total Change to Receipts	\$ -	\$ 60,822,049	\$ -	\$ 13,511,210
Total Change to Fund Balance	\$ -	\$ 60,822,049	\$ -	\$ 13,511,210
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$	60,822,049	\$	13,511,210
Total Change to Full-Time Equivalent (FTE)		0.000		0.000

DHHS - Health Services Regulation (14470)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 83,682,067	\$ 1,968,015	\$ 1,394,846	\$ 3,362,861	\$ 87,044,928	4.0 %
Receipts	\$ 57,834,172	\$ 300,112	\$ -	\$ 300,112	\$ 58,134,284	0.5 %
Net Appropriation	\$ 25,847,895	\$ 1,667,903	\$ 1,394,846	\$ 3,062,749	\$ 28,910,644	11.8 %
Positions (FTE)	585.500	9.000	-	9.000	594.500	1.5 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 83,689,613	\$ 2,136,272	\$ -	\$ 2,136,272	\$ 85,825,885	2.6 %
Receipts	\$ 57,841,718	\$ 300,112	\$ -	\$ 300,112	\$ 58,141,830	0.5 %
Net Appropriation	\$ 25,847,895	\$ 1,836,160	\$ -	\$ 1,836,160	\$ 27,684,055	7.1 %
Positions (FTE)	585.500	9.000	-	9.000	594.500	1.5 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve

Increases all state-funded employee salaries by 2%.

Req \$	488,000	\$ -	\$ 488,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	488,000	\$ -	\$ 488,000	\$ -
FTE	0.000	0.000	0.000	0.000

2 State Employee Bonus

Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ 586,000	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 586,000	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

3 Retirement and Retiree Health Contributions

Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.

Req \$	61,601	\$ -	\$ 126,282	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	61,601	\$ -	\$ 126,282	\$ -
FTE	0.000	0.000	0.000	0.000

4 Retiree Cost-of-Living Adjustment

Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.

Req \$	-	\$ 208,846	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 208,846	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

5 State Health Plan

Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.

Req \$	98,644	\$ -	\$ 202,220	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	98,644	\$ -	\$ 202,220	\$ -
FTE	0.000	0.000	0.000	0.000

Division-wide

6 Healthcare Regulation and Licensing Workforce Capacity Improvements

Creates positions to increase the division's capacity to adhere to federal and state regulations to investigate complaints, eliminate backlogs of health care facility inspections in acute care and adult care facilities and nursing homes, and process expedited licensure applications for residential mental health facilities. These positions are critical to address the more than 5,000 facility reported incidents in adult care, acute care, nursing home and mental health facilities, many of which are overdue for inspection.

Req \$	1,319,770	\$ -	\$ 1,319,770	\$ -
Rec \$	300,112	\$ -	\$ 300,112	\$ -
App \$	1,019,658	\$ -	\$ 1,019,658	\$ -
FTE	9.000	0.000	9.000	0.000

		R Changes		NR Changes		R Changes		NR Changes	
Division-wide									
7 Healthcare Facility Regulation and Licensing Program Evaluation									
Funds an independent evaluation of the division’s capacity to address sustained inspection and investigation backlogs, staffing shortages, and compliance challenges highlighted in the 2024 State Auditor’s report. This evaluation will analyze workforce needs, operational processes, and regulatory requirements to develop a data-driven strategy for meeting state and federal investigative timeframes while increasing efficiency. Findings will inform future budget and policy decisions to strengthen oversight and accountability in health care facility regulation.	Req \$	-	\$	600,000	\$	-	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	-	\$	600,000	\$	-	\$	-	
	FTE	0.000		0.000		0.000		0.000	
Total Change to Requirements	\$	1,968,015	\$	1,394,846	\$	2,136,272	\$	-	
Total Change to Receipts	\$	300,112	\$	-	\$	300,112	\$	-	
Total Change to Net Appropriations	\$	1,667,903	\$	1,394,846	\$	1,836,160	\$	-	
Total Change to Full-Time Equivalent (FTE)		9.000		0.000		9.000		0.000	
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$			3,062,749	\$			1,836,160	
Total Change to Full-Time Equivalent (FTE)				9.000				9.000	

DHHS - Employment and Independence for People with Disabilities (14480)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 190,289,974	\$ 22,820,166	\$ 1,157,313	\$ 23,977,479	\$ 214,267,453	12.6 %
Receipts	\$ 146,712,229	\$ 17,569,204	\$ -	\$ 17,569,204	\$ 164,281,433	12.0 %
Net Appropriation	\$ 43,577,745	\$ 5,250,962	\$ 1,157,313	\$ 6,408,275	\$ 49,986,020	14.7 %
Positions (FTE)	978.000	-	-	-	978.000	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 190,326,361	\$ 22,968,102	\$ -	\$ 22,968,102	\$ 213,294,463	12.1 %
Receipts	\$ 146,737,025	\$ 17,569,204	\$ -	\$ 17,569,204	\$ 164,306,229	12.0 %
Net Appropriation	\$ 43,589,336	\$ 5,398,898	\$ -	\$ 5,398,898	\$ 48,988,234	12.4 %
Positions (FTE)	978.000	-	-	-	978.000	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve

Increases all state-funded employee salaries by 2%.

Req \$	355,000	\$ -	\$ 355,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	355,000	\$ -	\$ 355,000	\$ -
FTE	0.000	0.000	0.000	0.000

2 State Employee Bonus

Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ 1,005,000	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 1,005,000	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

3 Retirement and Retiree Health Contributions

Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.

Req \$	44,926	\$ -	\$ 92,099	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	44,926	\$ -	\$ 92,099	\$ -
FTE	0.000	0.000	0.000	0.000

4 Retiree Cost-of-Living Adjustment

Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.

Req \$	-	\$ 152,313	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 152,313	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

5 State Health Plan

Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2025-27 fiscal biennium.

Req \$	95,965	\$ -	\$ 196,728	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	95,965	\$ -	\$ 196,728	\$ -
FTE	0.000	0.000	0.000	0.000

		R Changes		NR Changes		R Changes		NR Changes
Division-wide								
6 Strengthen the Vocational Rehabilitation Workforce								
Addresses the vocational rehabilitation workforce shortage by increasing pay for a range of key positions by approximately 18% and by stabilizing community-based provider rates. The statewide average vacancy rate for the vocational rehabilitation workforce across the Division of Employment and Independence for People with Disabilities (DEIPD), and the Division of Services for the Blind (DSB) is 23%, while the vacancy rate in some rural counties is nearly 40%. This investment will ensure that the more than 21,000 individuals with disabilities currently receiving employment services and new applicants can access services and supports in a timely manner, allowing them to meet their employment goals. This investment provides state matching funds required to draw down additional federal Rehabilitation Services Administration grant funds. This grant provides total federal funding of \$21 million across the DEIPD and DSB.	Req \$	22,324,275	\$	-	\$	22,324,275	\$	-
	Rec \$	17,569,204	\$	-	\$	17,569,204	\$	-
	App \$	4,755,071	\$	-	\$	4,755,071	\$	-
	FTE	0.000		0.000		0.000		0.000
Total Change to Requirements	\$	22,820,166	\$	1,157,313	\$	22,968,102	\$	-
Total Change to Receipts	\$	17,569,204	\$	-	\$	17,569,204	\$	-
Total Change to Net Appropriations	\$	5,250,962	\$	1,157,313	\$	5,398,898	\$	-
Total Change to Full-Time Equivalent (FTE)		0.000		0.000		0.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$			6,408,275	\$			5,398,898
Total Change to Full-Time Equivalent (FTE)				0.000				0.000

Mission

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

Administrative Office of the Courts assists and equips the General Court of Justice in fulfilling its constitutional mandate to timely dispense equal justice under the law.

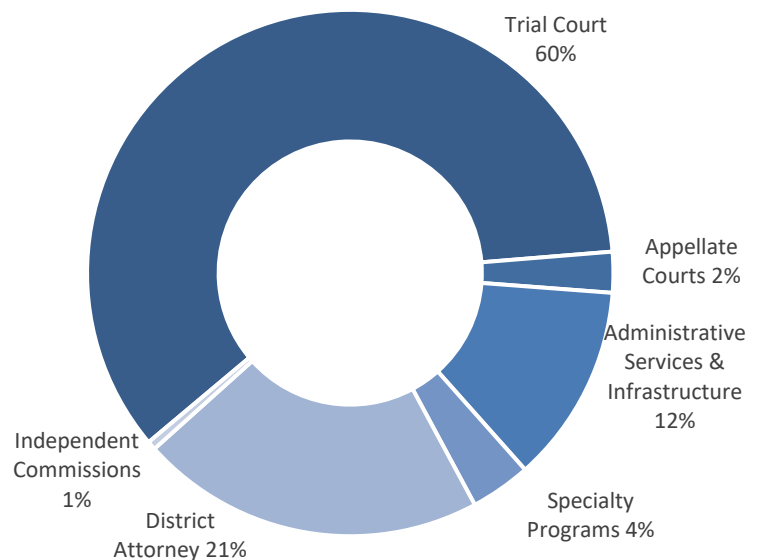
Goals

1. Strengthen fairness in the state court system.
2. Improve meaningful access to the courts for all North Carolinians.
3. Promote efficient case management that saves time and supports good stewardship of taxpayer dollars.

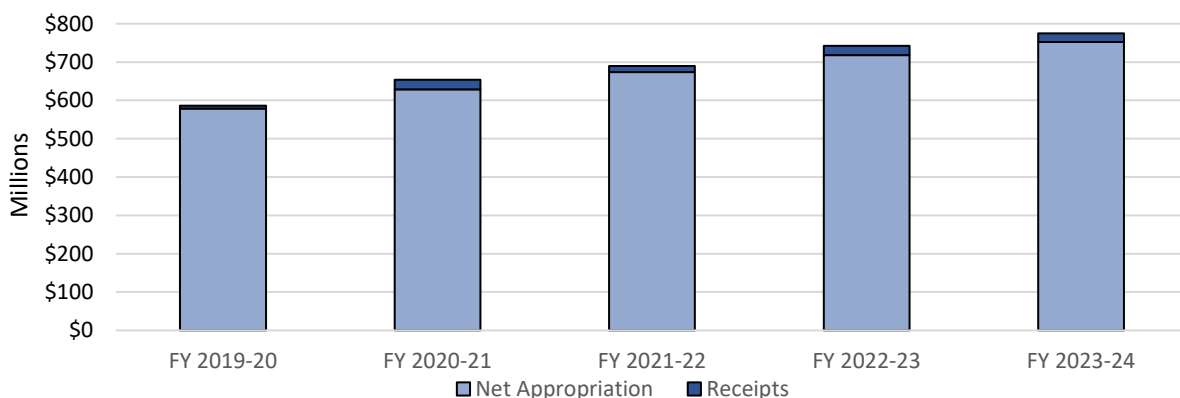
Agency Profile

- Employs approximately 450 NCAOC staff positions to support the needs of 555 independently elected court officials and over 7,000 total court personnel.
- Provides centralized operations and support for the field, including Human Resources, Financial Services, Training, and Technology Services.
- Budgets and authorizes expenditures, identifying staffing needs statewide, procuring and distributing equipment and supplies, prescribing uniform practices for clerks, and making recommendations for the overall improvement of the Judicial Branch.

FY 2023-24 Actual Expenditures



5-Year Historical Expenditures



Charts include General Fund budget code only.

Judicial - AOC - General Fund (12000)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 793,702,159	\$ 23,218,344	\$ 12,062,380	\$ 35,280,724	\$ 828,982,883	4.4 %
Receipts	\$ 1,209,807	\$ -	\$ -	\$ -	\$ 1,209,807	0.0 %
Net Appropriation	\$ 792,492,352	\$ 23,218,344	\$ 12,062,380	\$ 35,280,724	\$ 827,773,076	4.4 %
Positions (FTE)	6,600.450	1.000	-	1.000	6,601.450	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 793,702,159	\$ 27,673,008	\$ -	\$ 27,673,008	\$ 821,375,167	3.5 %
Receipts	\$ 1,209,807	\$ -	\$ -	\$ -	\$ 1,209,807	0.0 %
Net Appropriation	\$ 792,492,352	\$ 27,673,008	\$ -	\$ 27,673,008	\$ 820,165,360	3.5 %
Positions (FTE)	6,600.450	1.000	-	1.000	6,601.450	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve							
Increases all state-funded employee salaries by 2%.		Req \$	13,345,000	\$ -	\$ 13,345,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	13,345,000	\$ -	\$ 13,345,000	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
2 State Employee Bonus							
Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.		Req \$	-	\$ 6,456,000	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 6,456,000	\$ -	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
3 Labor Market Retention and Adjustment Reserve							
Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.		Req \$	3,532,000	\$ -	\$ 3,532,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	3,532,000	\$ -	\$ 3,532,000	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
4 Retirement and Retiree Health Contributions							
Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.		Req \$	1,684,623	\$ -	\$ 3,453,491	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	1,684,623	\$ -	\$ 3,453,491	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
5 Retiree Cost-of-Living Adjustment							
Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.		Req \$	-	\$ 5,606,380	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 5,606,380	\$ -	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
6 State Health Plan							
Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.		Req \$	2,557,894	\$ -	\$ 5,243,690	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	2,557,894	\$ -	\$ 5,243,690	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000

		R Changes		NR Changes		R Changes		NR Changes	
Support of Court Programs									
7 Guardian Ad Litem Contract Rate									
Provides funds to increase the Guardian Ad Litem (GAL) contract rate by \$15 per hour. This funding will align the GAL contract rate with the court-appointed public defender rate. This increase will help to recruit and retain attorneys for the GAL program, as it is difficult to find recruit attorneys to serve in this capacity at current rates.	Req \$	1,513,898	\$	-	\$	1,513,898	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	1,513,898	\$	-	\$	1,513,898	\$	-	
	FTE	0.000		0.000		0.000		0.000	
8 Body Cameras									
Provides funding for body cameras for all agency law enforcement officers (LEOs). Body cameras create crucial evidence in investigations by more accurately documenting interactions. Footage will enable situation-based training based on officers’ previous encounters. Currently four LEOs at the agency do not have body cameras. Use of body cameras enhances accountability, transparency, and public trust.	Req \$	4,896	\$	-	\$	4,896	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	4,896	\$	-	\$	4,896	\$	-	
	FTE	0.000		0.000		0.000		0.000	
9 NC Conference of District Attorneys Personnel									
Provides permanent funding for a victim services coordinator for the Conference of District Attorneys. This position was previously funded by a federal grant that has expired. The coordinator will provide victim support in conflict and special prosecution cases that the Conference of District Attorneys handles and serve as a central resource for district attorney staff regarding victim-related issues, allowing the needs of victims to be represented throughout the justice process.	Req \$	104,342	\$	-	\$	104,342	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	104,342	\$	-	\$	104,342	\$	-	
	FTE	1.000		0.000		1.000		0.000	
Local Courthouse Resources									
10 Court Interpreter Contract Rate									
Increases all court interpreter contract rates. This increase will help recruit and retain court interpreters by offering rates competitive to those of neighboring states, thus allowing equal access to justice for non-English speakers and ensuring due process. Court interpreter rates vary and will increase based on need.	Req \$	475,691	\$	-	\$	475,691	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	475,691	\$	-	\$	475,691	\$	-	
	FTE	0.000		0.000		0.000		0.000	
Total Change to Requirements		\$	23,218,344	\$	12,062,380	\$	27,673,008	\$	-
Total Change to Receipts		\$	-	\$	-	\$	-	\$	-
Total Change to Net Appropriations		\$	23,218,344	\$	12,062,380	\$	27,673,008	\$	-
Total Change to Full-Time Equivalent (FTE)			1.000		0.000		1.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$			35,280,724	\$			27,673,008
Total Change to Full-Time Equivalent (FTE)					1.000				1.000

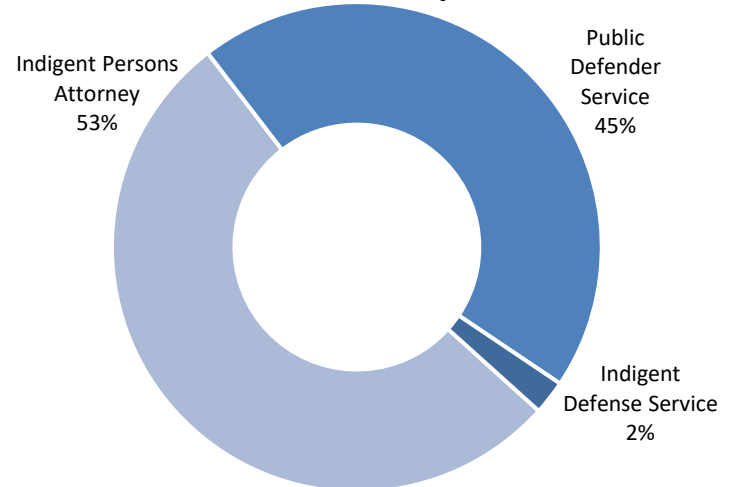
Mission

To ensure that the North Carolina public defense community has the resources needed to achieve fair and just outcomes for clients.

Goals

1. Implement comprehensive long-term plan for provision of quality client defense in all 100 counties through expansion of public defender districts supported by a network of well-resourced private assigned counsel.
2. Improve compensation and resource support to all private assigned counsel to build local rosters and improve client outcomes.
3. Balance increased efficiency of court operations with effectiveness of counsel through robust, well-informed defense bar.

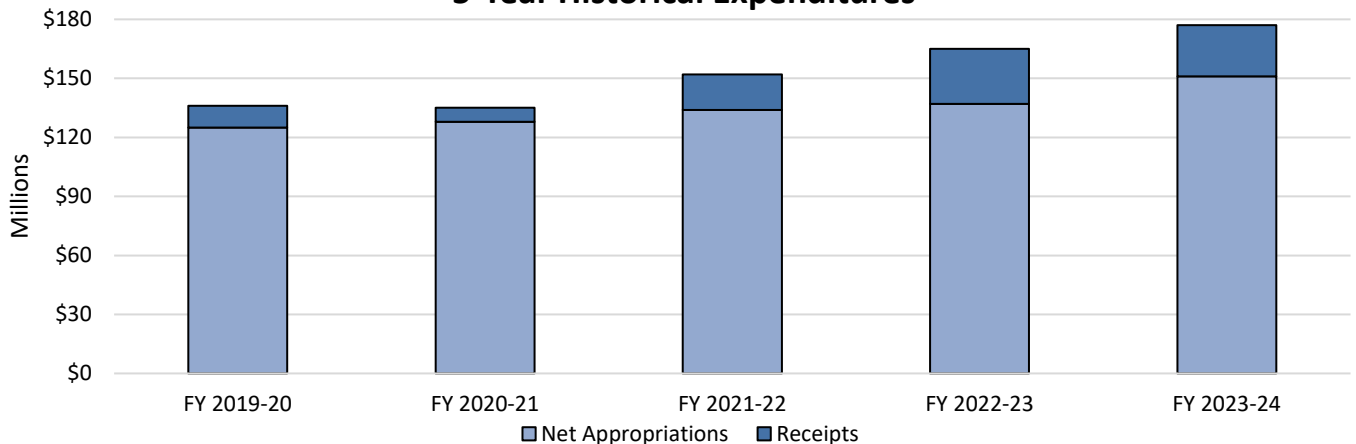
FY 2023-24 Actual Expenditures



Agency Profile

- Administers and implements policy as directed by the 13-member Indigent Defense Commission, including direct support for court-appointed counsel through resources such as Forensic Resource Counsel and Regional Defenders.
- Manages the Private Assigned Counsel Fund, which pays court-appointed attorneys to represent indigent individuals, as provisioned by a carefully monitored process to ensure speedy payment of attorney and expert fee applications.
- Administers and oversees statewide defender programs: Offices of the Appellate Defender, Capital Defender, Juvenile Defender, Parent Representation, and Special Counsel.
- Provides administrative and budget oversight for Public Defender Offices in 27 court districts.
- Develops training and qualification and performance standards to govern the provision of legal services to indigent persons.

5-Year Historical Expenditures



Charts include General Fund budget code only.

Judicial - AOC - Indigent Defense Services (12001)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 174,952,913	\$ 13,510,461	\$ 11,493,946	\$ 25,004,407	\$ 199,957,320	14.3 %
Receipts	\$ 13,994,851	\$ -	\$ -	\$ -	\$ 13,994,851	0.0 %
Net Appropriation	\$ 160,958,062	\$ 13,510,461	\$ 11,493,946	\$ 25,004,407	\$ 185,962,469	15.5 %
Positions (FTE)	733.000	-	-	-	733.000	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 174,971,287	\$ 14,050,306	\$ -	\$ 14,050,306	\$ 189,021,593	8.0 %
Receipts	\$ 13,994,851	\$ -	\$ -	\$ -	\$ 13,994,851	0.0 %
Net Appropriation	\$ 160,976,436	\$ 14,050,306	\$ -	\$ 14,050,306	\$ 175,026,742	8.7 %
Positions (FTE)	733.000	-	-	-	733.000	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve							
Increases all state-funded employee salaries by 2%.		Req \$	1,796,000	\$ -	\$ 1,796,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	1,796,000	\$ -	\$ 1,796,000	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
2 State Employee Bonus							
Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.		Req \$	-	\$ 733,000	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 733,000	\$ -	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
3 Labor Market Retention and Adjustment Reserve							
Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.		Req \$	554,000	\$ -	\$ 554,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	554,000	\$ -	\$ 554,000	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
4 Retirement and Retiree Health Contributions							
Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.		Req \$	226,781	\$ -	\$ 464,903	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	226,781	\$ -	\$ 464,903	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
5 Retiree Cost-of-Living Adjustment							
Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.		Req \$	-	\$ 760,946	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 760,946	\$ -	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
6 State Health Plan							
Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.		Req \$	287,355	\$ -	\$ 589,078	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	287,355	\$ -	\$ 589,078	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000

		R Changes		NR Changes		R Changes		NR Changes		
Department-wide										
7 Recruitment Coordinator										
Continues funding for a recruitment coordinator position currently funded by an expiring grant. This position is pivotal in recruiting both public defenders and private/managed assigned counsel (PAC)/(MAC) to provide services for people declared indigent. Through this position, IDS can work to recruit and retain individuals on both the PAC and MAC rosters, as well as local public defender offices.	Req \$	116,105	\$	-	\$	116,105	\$	-		
	Rec \$	-	\$	-	\$	-	\$	-		
	App \$	116,105	\$	-	\$	116,105	\$	-		
	FTE	0.000		0.000		0.000		0.000		
Public Defender Capacity										
8 Digital Discovery										
Provides digital evidence licenses to all IDS attorneys to enable cloud-based storage and transcription services.This will result in increased efficiency in case dispositions due to more readily available and accessible digital discovery.	Req \$	530,220	\$	-	\$	530,220	\$	-		
	Rec \$	-	\$	-	\$	-	\$	-		
	App \$	530,220	\$	-	\$	530,220	\$	-		
	FTE	0.000		0.000		0.000		0.000		
Support for Private Assigned Counsel										
9 Private Assigned Counsel Funding Gap										
Provides funds to cover the gap for PAC representation to reduce the current deficit and prevent depletion of the fund. This support will facilitate the timely repayment of PAC attorneys for their services and will allow indigent defendants to maintain representation as new public defense districts are still staffing up.	Req \$	-	\$	10,000,000	\$	-	\$	-		
	Rec \$	-	\$	-	\$	-	\$	-		
	App \$	-	\$	10,000,000	\$	-	\$	-		
	FTE	0.000		0.000		0.000		0.000		
10 Private Assigned Counsel Rate Increase										
Increases the rate for private assigned counsel who represent people that the court declared indigent. Low rates have affected Indigent Defense Services' ability to recruit and retain qualified counsel. IDS records indicate that nearly 500 attorneys have left the PAC over the last two years. This will allow continued access to attorneys for indigent defendants.	Req \$	10,000,000	\$	-	\$	10,000,000	\$	-		
	Rec \$	-	\$	-	\$	-	\$	-		
	App \$	10,000,000	\$	-	\$	10,000,000	\$	-		
	FTE	0.000		0.000		0.000		0.000		
Total Change to Requirements										\$ 13,510,461 \$ 11,493,946 \$ 14,050,306 \$ -
Total Change to Receipts										\$ - \$ - \$ - \$ -
Total Change to Net Appropriations										\$ 13,510,461 \$ 11,493,946 \$ 14,050,306 \$ -
Total Change to Full-Time Equivalent (FTE)										0.000 0.000 0.000 0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)										\$ 25,004,407 \$ 14,050,306
Total Change to Full-Time Equivalent (FTE)										0.000 0.000

Mission

To protect the people of North Carolina through its work to prevent crime and support law enforcement, to safeguard consumers, and to defend the state, its people, and their constitutional rights.

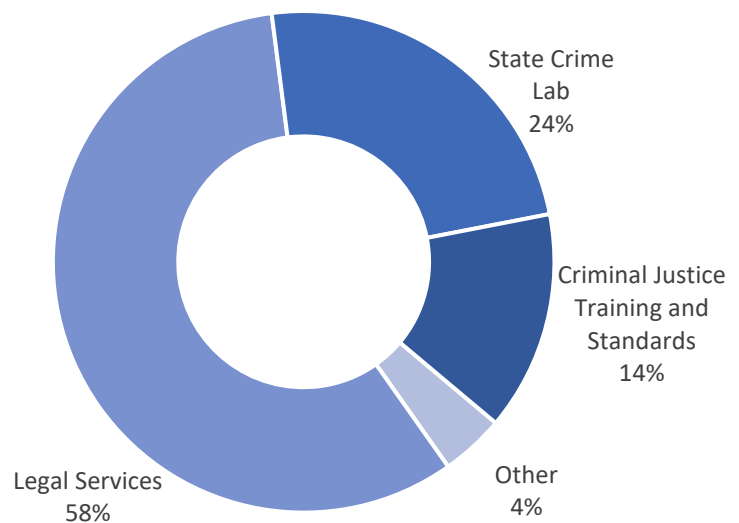
Goals

1. Use science to promote justice.
2. Provide excellent legal counsel and defense to the state.
3. Provide local law enforcement agencies with high-value, cost-effective, and responsive officer training, licensure, and certification activities.
4. Develop and lead policy implementation to protect North Carolinians.

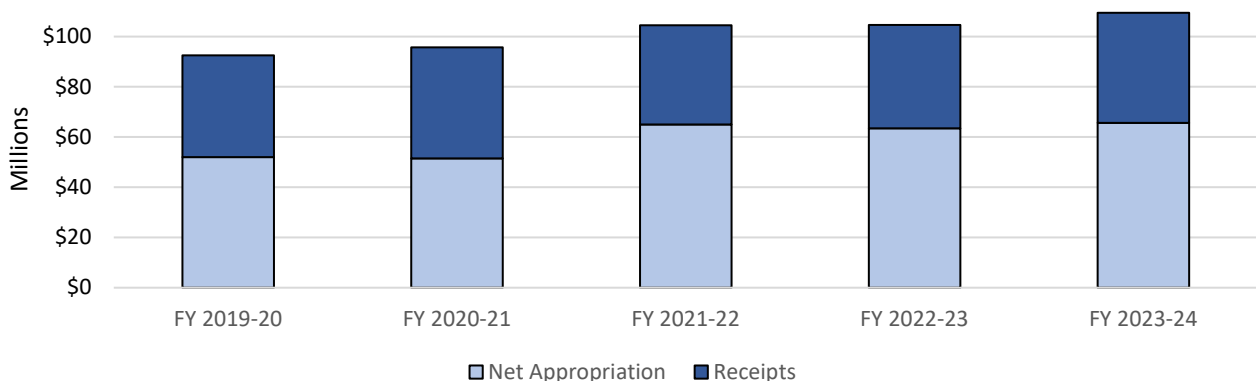
Agency Profile

- Protects consumers by working to prevent scams, investigating and taking legal action against corporations that break the law, combating Medicaid fraud, prosecuting tax cheats, and confronting the opioid and fentanyl crisis.
- Provides legal advice and representation to state agencies.
- Prosecutes complex criminal cases and handles all criminal appeals from state trial courts.
- Works with partners to analyze evidence at the State Crime Lab to convict the guilty and exonerate the innocent.
- Supports law enforcement through the NC Justice Academy, which trains officers, and Criminal Justice Training and Standards and Sheriffs' Standards, which certify law enforcement officers.

FY 2023-24 Actual Expenditures



5-Year Historical Expenditures



Charts include General Fund budget codes only. Charts exclude pass-through transfers.

Justice - General Fund (13600)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 117,269,701	\$ 22,325,652	\$ 1,324,051	\$ 23,649,703	\$ 140,919,404	20.2 %
Receipts	\$ 50,114,998	\$ -	\$ -	\$ -	\$ 50,114,998	0.0 %
Net Appropriation	\$ 67,154,703	\$ 22,325,652	\$ 1,324,051	\$ 23,649,703	\$ 90,804,406	35.2 %
Positions (FTE)	857.500	9.000	-	9.000	866.500	1.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 117,276,679	\$ 22,702,232	\$ -	\$ 22,702,232	\$ 139,978,911	19.4 %
Receipts	\$ 50,114,998	\$ -	\$ -	\$ -	\$ 50,114,998	0.0 %
Net Appropriation	\$ 67,161,681	\$ 22,702,232	\$ -	\$ 22,702,232	\$ 89,863,913	33.8 %
Positions (FTE)	857.500	9.000	-	9.000	866.500	1.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve							
Increases all state-funded employee salaries by 2%.		Req \$	1,103,000	\$ -	\$ 1,103,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	1,103,000	\$ -	\$ 1,103,000	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
2 State Employee Bonus							
Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.		Req \$	-	\$ 852,000	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 852,000	\$ -	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
3 Labor Market Retention and Adjustment Reserve							
Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.		Req \$	1,103,000	\$ -	\$ 1,103,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	1,103,000	\$ -	\$ 1,103,000	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
4 Retirement and Retiree Health Contributions							
Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.		Req \$	139,236	\$ -	\$ 285,434	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	139,236	\$ -	\$ 285,434	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
5 Retiree Cost-of-Living Adjustment							
Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.		Req \$	-	\$ 472,051	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 472,051	\$ -	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
6 State Health Plan							
Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.		Req \$	219,410	\$ -	\$ 449,792	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	219,410	\$ -	\$ 449,792	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000

		R Changes		NR Changes		R Changes		NR Changes
Administration								
7 IT Security Officer								
Creates an IT security officer position responsible for the strategic development and implementation of the department's IT and data risk management. The agency currently does not have a position dedicated to cybersecurity. The Department of Justice (DOJ) must protect both its own data and the data of the agencies it represents, which includes sensitive information from health records, consumer complaints, and criminal cases. This position will identify, analyze, and mitigate threats to IT systems and networks.	Req \$	193,844	\$	-	\$	193,844	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	193,844	\$	-	\$	193,844	\$	-
	FTE	1.000		0.000		1.000		0.000
Legal Services								
8 Fentanyl Control Prosecutors								
Establishes attorney positions to create a Fentanyl Control Unit within the Special Prosecution Unit. North Carolina suffered more than 2,300 suspected overdose deaths in 2024. These special prosecutors will pursue fentanyl traffickers and sellers and support regional task forces, addressing large scale trafficking and wiretap cases. The funding will increase the safety of communities and reduce overdoses to save North Carolinians' lives.	Req \$	505,753	\$	-	\$	505,753	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	505,753	\$	-	\$	505,753	\$	-
	FTE	3.000		0.000		3.000		0.000
9 Case Management System								
Invests funds from the IT Reserve to acquire a legal case management system. The Legal Division needs updated software to track case progress and manage projects. The current system does not meet industry standards for functionality, flexibility, and user interface. This funding supports an agencywide solution that benefits all attorneys instead of the section-by-section approach the department has had to take. This modern system will provide attorneys with the tools to better represent state agencies and assist local law enforcement in fighting crime and prosecuting cases.	Req \$	-	\$	-	\$	-	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	-	\$	-	\$	-	\$	-
	FTE	0.000		0.000		0.000		0.000
10 Operational Enhancements								
Provides funding for equipment and technology upgrades and professional development. DOJ faces rising costs for software licenses, such as Microsoft Office 365 subscriptions that have risen more than one-third in the last three years. Additional training opportunities will allow agency attorneys to implement best and innovative practices in their work. This support equips the agency with the tools and knowledge necessary to provide high-quality legal representation to consumers and state agencies.	Req \$	3,000,000	\$	-	\$	3,000,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	3,000,000	\$	-	\$	3,000,000	\$	-
	FTE	0.000		0.000		0.000		0.000
Criminal Justice and Sheriffs' Education and Training Standards								
11 Bonuses for New Officers								
Supports bonuses for graduates of basic law enforcement training (BLET) and out-of-state transfers. Between 2,000-2,400 cadets graduate from BLET each year in North Carolina. This funding would allow state and local law enforcement agencies to provide \$5,000 sign-on bonuses to newly certified BLET graduates and \$10,000 sign-on bonuses for new out-of-state hires certified through the Criminal Justice Training Standards Division (CJTS). CJTS shall pay these bonuses upon beginning employment with the state and local agencies. These rewards will boost both state and local law enforcement recruitment to better protect communities. CJTS may use up to \$100,000 of these funds to evaluate the impact of these bonuses on BLET enrollment.	Req \$	15,500,000	\$	-	\$	15,500,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	15,500,000	\$	-	\$	15,500,000	\$	-
	FTE	0.000		0.000		0.000		0.000

		R Changes		NR Changes		R Changes		NR Changes	
Criminal Justice and Sheriffs' Education and Training Standards									
12 Increased Capacity for Employee Certification									
Creates additional investigator positions at CJTS and the Sheriffs' Training and Standards Divisions to improve turnaround time for law enforcement, correctional, and juvenile justice officer certification. The divisions now have more cases to investigate: CJTS investigated 150 cases in 2021 but worked on over 1,000 cases in 2024. State and local agencies have lost prospective employees due to approval delays. Faster processing of applications will allow agencies to onboard staff more efficiently to better protect North Carolinians.	Req \$	561,409	\$	-	\$	561,409	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	561,409	\$	-	\$	561,409	\$	-	
	FTE	5.000		0.000		5.000		0.000	
Total Change to Requirements	\$	22,325,652	\$	1,324,051	\$	22,702,232	\$	-	
Total Change to Receipts	\$	-	\$	-	\$	-	\$	-	
Total Change to Net Appropriations	\$	22,325,652	\$	1,324,051	\$	22,702,232	\$	-	
Total Change to Full-Time Equivalent (FTE)		9.000		0.000		9.000		0.000	
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$			23,649,703	\$			22,702,232	
Total Change to Full-Time Equivalent (FTE)				9.000				9.000	

Mission

To protect the public by collaboratively focusing on rehabilitation, protection, innovation, accountability, and professionalism.

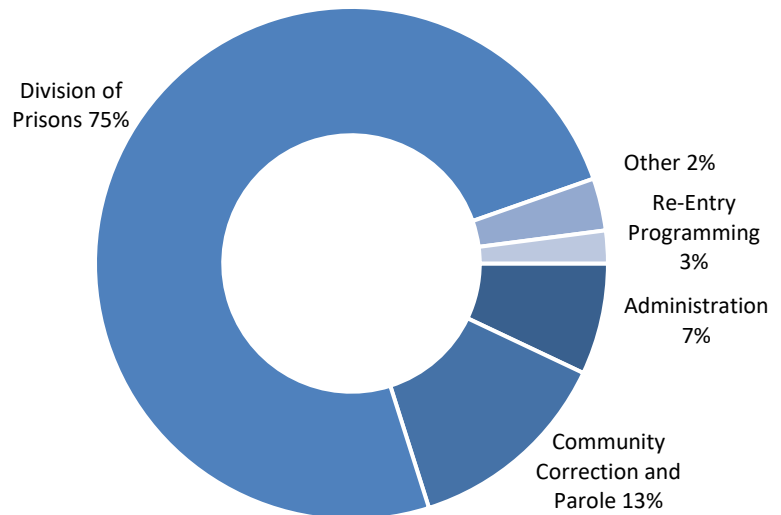
Goals

1. Support our employees.
2. Safely manage and support offenders from custody to reentry.
3. Strengthen safety and security at all DAC locations.
4. Operate effectively and efficiently.
5. Increase transparency of DAC's mission and operations.

Agency Profile

- Manages the care and custody of approximately 31,000 people housed in 54 North Carolina Prisons.
- Protects the safety of citizens in communities throughout the state by providing viable alternatives and meaningful supervision to more than 75,000 offenders on probation, parole, or post-release supervision. The department also oversees 6,000 unsupervised offenders who are issued court ordered community service.
- Oversees a comprehensive array of re-entry programs and services to help justice-involved individuals reintegrate into their communities.
- Develops marketable jobs skills and opportunities for offenders in a professional and safe work environment.

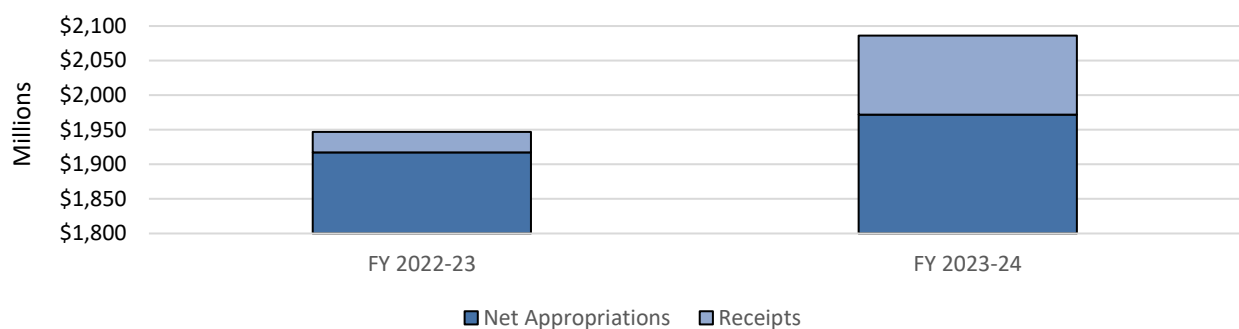
FY 2023-24 Actual Expenditures



Budget Note

The Department of Adult Correction was established on January 1, 2023; therefore, some historical figures are not available.

Historical Expenditures



Charts include General Fund budget codes only.

Adult Correction - General Fund (15010)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 2,060,995,456	\$ 106,315,731	\$ 31,271,570	\$ 137,587,301	\$ 2,198,582,757	6.7 %
Receipts	\$ 21,455,170	\$ -	\$ -	\$ -	\$ 21,455,170	0.0 %
Net Appropriation	\$ 2,039,540,286	\$ 106,315,731	\$ 31,271,570	\$ 137,587,301	\$ 2,177,127,587	6.8 %
Positions (FTE)	18,571.225	-	-	-	18,571.225	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 2,061,651,669	\$ 117,740,690	\$ -	\$ 117,740,690	\$ 2,179,392,359	5.7 %
Receipts	\$ 21,455,170	\$ -	\$ -	\$ -	\$ 21,455,170	0.0 %
Net Appropriation	\$ 2,040,196,499	\$ 117,740,690	\$ -	\$ 117,740,690	\$ 2,157,937,189	5.8 %
Positions (FTE)	18,571.225	-	-	-	18,571.225	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve							
Increases all state-funded employee salaries by 2%.		Req \$	27,314,000	\$ -	\$ 27,314,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	27,314,000	\$ -	\$ 27,314,000	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
2 State Employee Bonus							
Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.		Req \$	-	\$ 18,522,000	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 18,522,000	\$ -	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
3 Labor Market Retention and Adjustment Reserve							
Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.		Req \$	14,625,000	\$ -	\$ 14,625,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	14,625,000	\$ -	\$ 14,625,000	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
4 Retirement and Retiree Health Contributions							
Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.		Req \$	3,447,848	\$ -	\$ 7,068,116	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	3,447,848	\$ -	\$ 7,068,116	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
5 Retiree Cost-of-Living Adjustment							
Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.		Req \$	-	\$ 11,689,282	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 11,689,282	\$ -	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
6 State Health Plan							
Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.		Req \$	7,333,968	\$ -	\$ 15,034,659	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	7,333,968	\$ -	\$ 15,034,659	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
7 State Agency Teachers							
Funds a salary increase for State agency teachers in accordance with the statewide teacher salary schedules.		Req \$	252,000	\$ -	\$ 356,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	252,000	\$ -	\$ 356,000	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000

		R Changes		NR Changes		R Changes		NR Changes
Reserve for Salaries and Benefits								
8 Nurse Salary Increases								
Provides funding for an additional 1% salary increase for nurses. This increase adds to the 2% statewide compensation increase, resulting in a total 3% across-the-board increase for nurses.	Req \$	422,000	\$	-	\$	422,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	422,000	\$	-	\$	422,000	\$	-
	FTE	0.000		0.000		0.000		0.000
9 Correctional Officer Salary Increase								
Increases salaries for Correctional Officers by an additional 4.5% above the 2% compensation increase provided statewide. This results in a total salary increase for Correctional Officers of 6.5% and brings starting pay to over \$40,000.	Req \$	22,132,000	\$	-	\$	22,132,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	22,132,000	\$	-	\$	22,132,000	\$	-
	FTE	0.000		0.000		0.000		0.000
10 Probation and Parole Officer Salary Increase								
Increases salaries for Probation and Parole Officers by an additional 1% above the 2% compensation increase provided statewide, resulting in a total 3% salary increase.	Req \$	1,379,000	\$	-	\$	1,379,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	1,379,000	\$	-	\$	1,379,000	\$	-
	FTE	0.000		0.000		0.000		0.000
11 Correctional Officer Supervisors Compression Reserve								
Provides additional funding to address salary compression for correctional staff not paid on the Correctional Officer Salary Schedule including Correctional Captains, Sergeants, Lieutenants, Associate Wardens, and Wardens. Due to recent salary increases, there is little difference in pay between Correctional Officers and their supervisors.	Req \$	2,266,000	\$	-	\$	2,266,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	2,266,000	\$	-	\$	2,266,000	\$	-
	FTE	0.000		0.000		0.000		0.000
Department-wide								
12 Motor Fleet Management Rate Increase								
Provides funds to cover the increase in Motor Fleet Management rates effective July 1, 2025. Rates have not been updated since January 1, 2018.	Req \$	3,627,725	\$	-	\$	3,627,725	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	3,627,725	\$	-	\$	3,627,725	\$	-
	FTE	0.000		0.000		0.000		0.000
Division of Prisons								
13 Food and Pharmaceutical Cost Increases								
Provides funds to address increases in food and pharmaceutical costs. The Department of Adult Correction (DAC) correctional institutions house, feed, and provide medical care for approximately 30,000 incarcerated individuals. In the past five years, food prices have increased by 27.8% and pharmaceutical prices have increased by 8.1%. These funds will allow the department to continue to provide necessary services to incarcerated individuals across the state.	Req \$	3,850,000	\$	-	\$	3,850,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	3,850,000	\$	-	\$	3,850,000	\$	-
	FTE	0.000		0.000		0.000		0.000
14 Medication for Opioid Use Disorder Program Expansion								
Expands the use of medication to treat opioid use disorder to all correctional institutions following the success of regional pilot programs. The use of medication for opioid use disorder significantly reduces the risk of overdose death, and approximately 20-30% of incarcerated individuals in North Carolina are diagnosed with opioid use disorder. These funds will allow the department to be compliant with Americans with Disabilities Act mandates. The department shall use a portion of these funds to evaluate program outcomes.	Req \$	10,100,000	\$	-	\$	10,100,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	10,100,000	\$	-	\$	10,100,000	\$	-
	FTE	0.000		0.000		0.000		0.000
15 Rounds Tracking Software								
Implements software to track, document, and manage staff interactions with incarcerated individuals in restrictive housing units, and updates the rounds tracking process to reflect current standards and best practices. The investment in this technology will modernize the department's data tracking capabilities and improve accountability and operational oversight. The department will implement this software in all 38 medium and close custody correctional institutions. Nonrecurring receipts for the purchase and implementation of the software are provided through the IT reserve.	Req \$	35,005	\$	-	\$	35,005	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	35,005	\$	-	\$	35,005	\$	-
	FTE	0.000		0.000		0.000		0.000

		R Changes		NR Changes		R Changes		NR Changes	
Division of Prisons									
16 Post Secondary College Funding									
Supplements Pell Grant funding to assist incarcerated individuals in completing higher education degree programs. Evidence shows that obtaining a degree reduces recidivism and improves overall outcomes for individuals reentering communities. The recidivism rate for individuals with a bachelor's degree is under 6% nationally, compared to 82% overall according to the United States Department of Justice. The department shall use a portion of these funds to evaluate the impact of higher education on recidivism and post-release outcomes.	Req \$	2,500,000	\$	-	\$	2,500,000	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	2,500,000	\$	-	\$	2,500,000	\$	-	
	FTE	0.000		0.000		0.000		0.000	
17 Cameras for Transportation									
Provides funds to install cameras and recording technology in the 650 highest-security department transport buses and vans. Cameras reduce the risk of escape during transport and provide important documentation in the event of an incident. This will improve safety for the public, department staff, and incarcerated individuals.	Req \$	158,400	\$	1,060,288	\$	158,400	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	158,400	\$	1,060,288	\$	158,400	\$	-	
	FTE	0.000		0.000		0.000		0.000	
18 Food Service Equipment									
Establishes a replacement cycle for end of life and non-repairable food service equipment to ensure kitchens remain operational at all correctional institutions. Functional food service equipment to ensure food can be prepared and stored properly is vital to the department’s operations. On average, 191 pieces of equipment are expected to reach end-of-life each year. DAC provides three meals per day to over 30,000 incarcerated individuals.	Req \$	500,000	\$	-	\$	500,000	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	500,000	\$	-	\$	500,000	\$	-	
	FTE	0.000		0.000		0.000		0.000	
Division of Community Supervision									
19 Body Cameras for Probation and Parole Officers									
Purchases body cameras for all 2,200 Probation and Parole Offers (PPOs). PPOs provide post-release community supervision and often travel to residences. Body cameras provide crucial evidence in investigations by more accurately documenting interactions. These funds also cover the storage and transcription costs of camera footage. This approach will enhance accountability, transparency, and public trust.	Req \$	3,272,785	\$	-	\$	3,272,785	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	3,272,785	\$	-	\$	3,272,785	\$	-	
	FTE	0.000		0.000		0.000		0.000	
Reentry Programs									
20 Recurring Funding for Local Reentry Councils									
Expands local reentry councils and supportive services, including housing, transportation, educational training, and other basic needs assistance. These services support justice involved people returning to their communities and reentering the economy after incarceration, and work to reduce the recidivism rate amongst these individuals. The department shall use a portion of these funds to evaluate the impact of local reentry councils on recidivism and reentry outcomes.	Req \$	3,100,000	\$	-	\$	3,100,000	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	3,100,000	\$	-	\$	3,100,000	\$	-	
	FTE	0.000		0.000		0.000		0.000	
Total Change to Requirements		\$	106,315,731	\$	31,271,570	\$	117,740,690	\$	-
Total Change to Receipts		\$	-	\$	-	\$	-	\$	-
Total Change to Net Appropriations		\$	106,315,731	\$	31,271,570	\$	117,740,690	\$	-
Total Change to Full-Time Equivalent (FTE)			0.000		0.000		0.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$			137,587,301	\$			117,740,690
Total Change to Full-Time Equivalent (FTE)					0.000				0.000

Mission

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

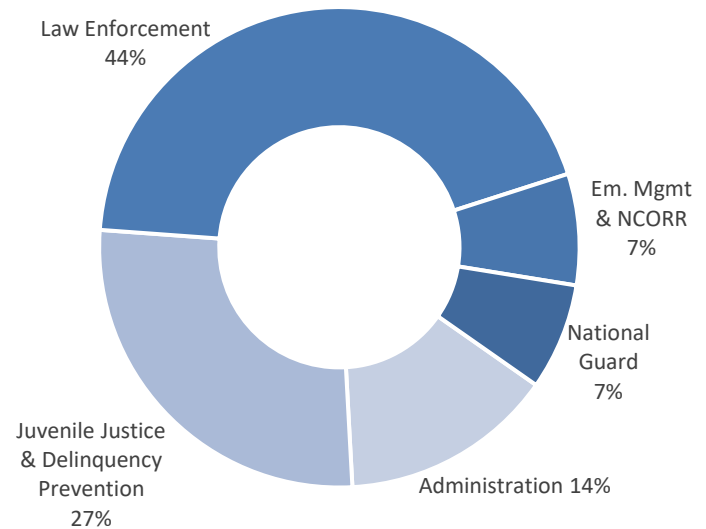
Goals

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

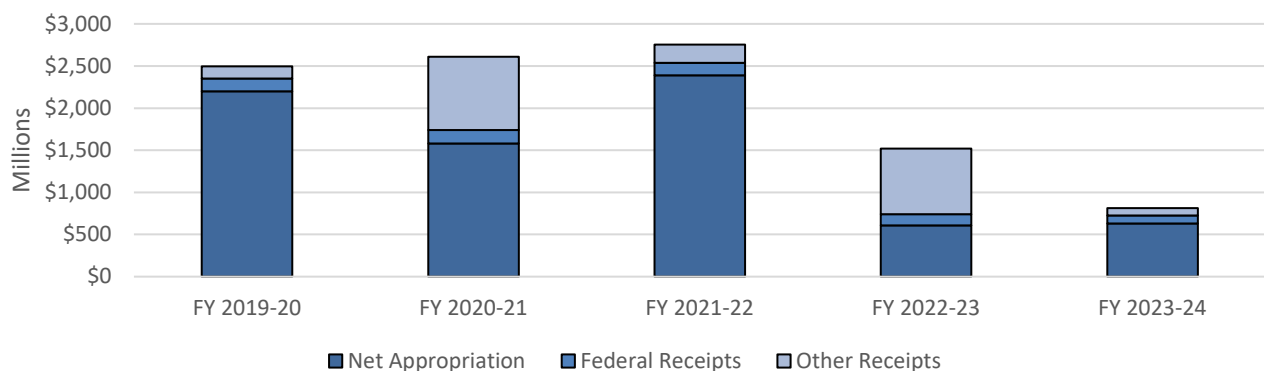
Agency Profile

- Serves as the state's chief protector and defender of the public and is the statewide public safety and homeland security agency.
- Provides through the Division of Juvenile Justice and Delinquency Prevention care, custody, and supervision to juvenile offenders as well as interventions for court-involved youth ages 10 to 17.
- Makes the state's highways as safe as possible, provides security for the state government complex, and enforces state laws through the Law Enforcement Divisions.
- Dedicates Emergency Management and North Carolina Office of Recovery and Resiliency (NCORR) personnel to plan for and recover from man-made or natural disasters.
- Deploys the North Carolina National Guard (NCNG) for military capabilities to support state and/or national authorities, to protect citizens' lives and properties, and to defend the state and nation.
- Provides basic, in-service, and advanced training at the Samarcand training facility for DPS, and state, local, and federal law enforcement agencies and is partnering with the Center for Safer Schools to create a comprehensive school safety training facility.

FY 2023-24 Actual Expenditures



5-Year Historical Expenditures*



Charts include General Fund budget codes only. SL 2021-180 created the Department of Adult Correction (DAC) as a Type I transfer effective Jan. 1, 2023. SL 2023-134 created the State Bureau of Investigation (SBI) as a Type I transfer effective Dec. 1, 2023. Charts depict expenditures inclusive of all DAC divisions transferred under the session law through Dec. 31, 2022, and inclusive of SBI through Dec. 1, 2023.

*Federal receipts include funding for Victims of Crime Act, emergency management, and NCNG programs.

Public Safety - General Fund (14550)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 839,711,970	\$ 54,691,081	\$ 21,662,347	\$ 76,353,428	\$ 916,065,398	9.1 %
Receipts	\$ 194,619,487	\$ 16,818,804	\$ 1,850,365	\$ 18,669,169	\$ 213,288,656	9.6 %
Net Appropriation	\$ 645,092,483	\$ 37,872,277	\$ 19,811,982	\$ 57,684,259	\$ 702,776,742	8.9 %
Positions (FTE)	5,208.424	25.000	-	25.000	5,233.424	0.5 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 839,941,191	\$ 61,372,813	\$ -	\$ 61,372,813	\$ 901,314,004	7.3 %
Receipts	\$ 194,619,487	\$ 20,138,464	\$ -	\$ 20,138,464	\$ 214,757,951	10.4 %
Net Appropriation	\$ 645,321,704	\$ 41,234,349	\$ -	\$ 41,234,349	\$ 686,556,053	6.4 %
Positions (FTE)	5,208.424	25.000	-	25.000	5,233.424	0.5 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve							
Increases all state-funded employee salaries by 2%.		Req \$	8,158,000	\$ -	\$ 8,158,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	8,158,000	\$ -	\$ 8,158,000	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
2 State Employee Bonus							
Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.		Req \$	-	\$ 5,055,000	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 5,055,000	\$ -	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
3 Labor Market Retention and Adjustment Reserve							
Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.		Req \$	4,103,000	\$ -	\$ 4,103,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	4,103,000	\$ -	\$ 4,103,000	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
4 Retirement and Retiree Health Contributions							
Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.		Req \$	1,029,832	\$ -	\$ 2,111,163	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	1,029,832	\$ -	\$ 2,111,163	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
5 Retiree Cost-of-Living Adjustment							
Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.		Req \$	-	\$ 1,624,179	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 1,624,179	\$ -	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
6 State Health Plan							
Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.		Req \$	1,781,663	\$ -	\$ 3,652,415	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	1,781,663	\$ -	\$ 3,652,415	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
7 State Agency Teachers							
Funds a salary increase for State agency teachers in accordance with the statewide teacher salary schedules.		Req \$	170,000	\$ -	\$ 291,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	170,000	\$ -	\$ 291,000	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000

		R Changes		NR Changes		R Changes		NR Changes
Reserve for Salaries and Benefits								
8 Nurse Salary Increases								
Provides funding for an additional 1% salary increase for nurses. This increase adds to the 2% statewide compensation increase, resulting in a total 3% across-the-board increase for nurses.	Req \$	15,000	\$	-	\$	15,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	15,000	\$	-	\$	15,000	\$	-
	FTE	0.000		0.000		0.000		0.000
9 Youth Counselor Salary Increase								
Increases salaries for Youth Counselor Technicians, Youth Behavioral Specialists, and Youth Counselors by an additional 4.5% above the 2% compensation increase provided statewide. This results in a total salary increase of 6.5% for these employees and brings starting pay to over \$40,000.	Req \$	1,091,000	\$	-	\$	1,091,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	1,091,000	\$	-	\$	1,091,000	\$	-
	FTE	0.000		0.000		0.000		0.000
10 Juvenile Court Counselor Salary Increase								
Increases salaries for Juvenile Court Counselors by an additional 1% above the 2% compensation increase provided statewide, resulting in a total 3% salary increase.	Req \$	468,000	\$	-	\$	468,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	468,000	\$	-	\$	468,000	\$	-
	FTE	0.000		0.000		0.000		0.000
11 Law Enforcement Officer Salary Increase								
Provides an additional 1% increase above the 2% statewide compensation increase, for law enforcement officers paid on the State Law Enforcement and State Highway Patrol salary schedules, for a total increase of 3%.	Req \$	1,316,000	\$	-	\$	1,316,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	1,316,000	\$	-	\$	1,316,000	\$	-
	FTE	0.000		0.000		0.000		0.000
12 State Capitol Police								
Provides funds to pay officers of the State Capitol Police in accordance with the State Law Enforcement salary schedule.	Req \$	1,750,000	\$	-	\$	1,750,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	1,750,000	\$	-	\$	1,750,000	\$	-
	FTE	0.000		0.000		0.000		0.000
Department-wide								
13 Motor Fleet Management Rate Increase								
Provides funds to cover the increase in Motor Fleet Management rates effective July 1, 2025, for Juvenile Justice and Emergency Management. Rates have not been updated since January 1, 2018.	Req \$	959,711	\$	-	\$	959,711	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	959,711	\$	-	\$	959,711	\$	-
	FTE	0.000		0.000		0.000		0.000
Administration								
14 Core Supportive Services								
Increases capacity for core departmental responsibilities, such as central engineering, controller, and purchasing sections. The recent deconsolidation from the Department of Adult Correction transferred necessary staff out of the agency and caused workload levels to exceed acceptable levels. The additional central staff will support both department-wide and division-specific initiatives. One position will focus on shaping and implementing public safety policy and initiatives. These positions will improve the agency's operations and ability to manage state and federal funds and capital projects, maximizing their resources.	Req \$	1,471,494	\$	-	\$	1,471,494	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	1,471,494	\$	-	\$	1,471,494	\$	-
	FTE	13.000		0.000		13.000		0.000
15 Basic Law Enforcement Training								
Provides funding to administer a Basic Law Enforcement Training (BLET) program at Samarcand Training Academy in the Department of Public Safety. The Wildlife Resources Commission (WRC) and Samarcand partnered on the development of the facility and program. WRC will utilize approximately one-third of the program capacity for BLET for future wildlife law enforcement officers and will cover their relative portion of the program and facility operating expenses. This funding covers housekeepers and utility costs for the building and coordinator and instructor positions for Samarcand to provide BLET for WRC and other state agencies.	Req \$	650,760	\$	36,748	\$	650,760	\$	-
	Rec \$	216,920	\$	12,249	\$	216,920	\$	-
	App \$	433,840	\$	24,499	\$	433,840	\$	-
	FTE	5.000		0.000		5.000		0.000

		R Changes		NR Changes		R Changes		NR Changes
Governor's Crime Commission								
16 Criminal Justice Analysis Center Staff								
Fundshifts Criminal Justice Analysis Center (CJAC) positions from federal Victims of Crime Act (VOCA) receipts to net appropriation. VOCA funding for operations has decreased from over \$5 million in 2018 to \$1.2M in 2024. This state funding will allow CJAC to continue maintaining the Justice Data Portal and regularly reporting on current criminal justice trends. The Justice Data Portal provides state and local government agencies and nonprofit partners with criminal justice data, such as National Incident-Based Reporting System data, offense and offender information, and victim profiles, to inform decision-making. For example, CJAC's analysis of traffic stop data highlighted disparities that led multiple local law enforcement agencies to change policies.	Req \$	696,468	\$	-	\$	696,468	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	696,468	\$	-	\$	696,468	\$	-
	FTE	0.000		0.000		0.000		0.000
17 Violence Prevention Grants								
Establishes a competitive grant program through the Governor's Crime Commission to develop and sustain local violence prevention programming. Violence is a safety and public health issue impacting both urban and rural communities across the state. The Office of Violence Prevention works to reduce violence, the resulting harms, and firearm misuse by supporting localities in implementing a public health approach that identifies problems, accounts for factors that make violence more or less likely, and develops strategies to address specific situations. This program would distribute at least five grants to support community efforts.	Req \$	250,000	\$	-	\$	250,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	250,000	\$	-	\$	250,000	\$	-
	FTE	0.000		0.000		0.000		0.000
Alcohol Law Enforcement								
18 Body Cameras								
Provides funding for body cameras for all division law enforcement officers (LEOs) and for an FTE to manage the department body cameras, including supporting video footage review, records requests, and training and equipment management. Body cameras create crucial evidence in investigations by more accurately documenting interactions. Footage will enable situation-based training drawing from officers' previous encounters. Currently, 111 LEOs at the division do not have body cameras. Use of body cameras enhances accountability, transparency, and public trust.	Req \$	265,860	\$	242,304	\$	265,860	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	265,860	\$	242,304	\$	265,860	\$	-
	FTE	1.000		0.000		1.000		0.000
State Capitol Police								
19 Operating Budget								
Invests in State Capitol Police's (SCP's) operational needs. SCP is the second-largest state capitol police agency in the nation but has a non-personnel operating budget of less than \$500,000. Similarly sized surrounding police departments have operating budgets about four times larger than SCP. This funding will strengthen SCP's ability to cover vehicle, computer, and radio costs, reducing their reliance on lapsed salary.	Req \$	500,000	\$	-	\$	500,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	500,000	\$	-	\$	500,000	\$	-
	FTE	0.000		0.000		0.000		0.000
20 Body Cameras								
Provides funding for body cameras for all agency LEOs. Body cameras create crucial evidence in investigations by more accurately documenting interactions. Footage will enable situation-based training based on officers' previous encounters. Currently 91 LEOs at the division do not have body cameras. Use of body cameras enhances accountability, transparency, and public trust.	Req \$	111,384	\$	-	\$	111,384	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	111,384	\$	-	\$	111,384	\$	-
	FTE	0.000		0.000		0.000		0.000
21 Budget Analyst								
Establishes a Budget Analyst position to manage site contracts, grants, and eProcurement purchases. SCP is the only division in the department that does not have a full-time budget or business analyst position, so other staff must manage financial assignments on top of their assigned duties. This specialization will improve the division's fiscal management and allow current staff to focus on their main duties.	Req \$	99,117	\$	-	\$	99,117	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	99,117	\$	-	\$	99,117	\$	-
	FTE	1.000		0.000		1.000		0.000

		R Changes		NR Changes		R Changes		NR Changes
State Highway Patrol								
22 Voice Interoperability Plan for Emergency Responders Network Sustainment								
Budgets receipts from the State Capital and Infrastructure Fund (SCIF) to support the operations and maintenance of the Voice Interoperability Plan for Emergency Responders (VIPER) network. This statewide radio network enables over 200,000 state and local first responders and other emergency response partners to communicate. Despite annual growth in users that exceeds 5%, VIPER has not received an operating budget increase since 2006. VIPER may use up to \$2 million of these funds to establish up to ten positions. This funding and added capacity will allow VIPER to meet maintenance and user support needs on an on-going basis.	Req \$	17,101,884	\$	-	\$	20,000,000	\$	-
	Rec \$	17,101,884	\$	-	\$	20,000,000	\$	-
	App \$	-	\$	-	\$	-	\$	-
	FTE	0.000		0.000		0.000		0.000
23 Body Cameras								
Provides funding for body cameras for all State Highway Patrol (SHP) newly hired Troopers and supervisors. Body cameras provide crucial evidence in investigations by more accurately documenting interactions. Footage will enable situation-based training based on officers' previous encounters. This year SHP began purchasing body cameras for Troopers, but the original purchase could not cover all positions. This funding for 250 cameras ensures all sworn SHP officers have a body camera. Use of body cameras enhances accountability, transparency, and public trust.	Req \$	766,650	\$	3,900,000	\$	766,650	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	766,650	\$	3,900,000	\$	766,650	\$	-
	FTE	0.000		0.000		0.000		0.000
24 Operating Budget								
Funds operational needs to maintain SHP's operational readiness. This funding will close budget shortfalls related to the cost of fuel, vehicles, and other expenses incurred in protecting the nation's second longest road network. SHP exhausts their fuel budget by January, and the standard vehicle price has increased 70%. SHP must keep positions unfilled to create lapsed salary for these foundational costs.	Req \$	2,733,350	\$	-	\$	2,733,350	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	2,733,350	\$	-	\$	2,733,350	\$	-
	FTE	0.000		0.000		0.000		0.000
25 Data Center Equipment								
Supports the opening of the Technical Services Unit (TSU)/ VIPER building in Raleigh with funding for servers and network equipment. The TSU/VIPER facility will house a new data center that needs to be operational before decommissioning the current equipment. This support will ensure the facility is operationally ready for its planned opening in January 2026.	Req \$	-	\$	3,000,000	\$	-	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	-	\$	3,000,000	\$	-	\$	-
	FTE	0.000		0.000		0.000		0.000
Juvenile Justice								
26 Juvenile Remediation Programming								
Supports the full implementation of juvenile capacity restoration across the state. This program helps juveniles understand trial proceedings, assist in their own defense, and move forward in the justice system. Juvenile capacity restoration is statutorily required as of January 1, 2025. This investment will support a program coordinator, training for service providers, and contracts for behavioral health, education, and basic needs.	Req \$	637,461	\$	300,000	\$	926,450	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	637,461	\$	300,000	\$	926,450	\$	-
	FTE	1.000		0.000		1.000		0.000
27 Violence Prevention Programming								
Continues the critical community safety program NC Secure All Firearms Effectively (NC SAFE). Firearm fatalities are the leading cause of injury death for children and teens in North Carolina, and safe firearm storage is proven to reduce incidents. The NC SAFE initiative is a campaign to reduce accidental casualties through responsible firearm storage. The initiative also provides locks and safes to firearm owners, safeguarding young lives and preventing tragedies and theft.	Req \$	2,261,442	\$	-	\$	2,261,442	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	2,261,442	\$	-	\$	2,261,442	\$	-
	FTE	1.000		0.000		1.000		0.000

		R Changes		NR Changes		R Changes		NR Changes
Juvenile Justice								
28 Capacity of Residential Contractual Services								
Allows for the continuation of residential juvenile services at the Western Area Multipurpose (WAMP) Crisis and Assessment Center. The WAMP Crisis and Assessment Center utilizes the Value-Based Therapeutic Environment model, which is proven effective in reducing juvenile recidivism. These funds will allow the center's nine beds to remain open to serve approximately 240 juveniles per year who need out-of-home placements to stabilize behaviors.	Req \$	801,630	\$	-	\$	801,630	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	801,630	\$	-	\$	801,630	\$	-
	FTE	0.000		0.000		0.000		0.000
Emergency Management								
29 Emergency Response Personnel and Systems								
Fundshifts emergency management personnel and systems, such as the 24-Hour Watch, an information sharing hub for incident information, and WebEOC, the state's crisis management system, from federal receipts to net appropriation. The division relies on three federal grants to sustain personnel and system costs, but these grants also support local emergency management divisions. Increasing costs and reduced federal grants have already forced the division to cut grants to local governments. The funding constraints threaten foundational IT systems for emergency response and the ability of 108 division employees, who these grants at least partially fund, to support state hazard mitigation and recovery efforts. This fundshift will allow the division to use remaining federal funds to support local communities' preparation for and response to natural disasters. This funding also supports a new position to manage the search and rescue tool.	Req \$	3,393,750	\$	-	\$	3,393,750	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	3,393,750	\$	-	\$	3,393,750	\$	-
	FTE	1.000		0.000		1.000		0.000
30 Warehouse Lease and Capacity								
Provides funding for lease payments and creates positions at the Central Branch warehouse. The Central Branch warehouse, located in Burlington, is used for storage and quick mobilization before and during disasters, but it currently lacks complete staffing. The federal grant supporting the lease payment for the warehouse expired, and the warehouse needs staff on site to receive deliveries both during and between disasters. The funding will ensure the warehouse has full capacity, which will lead to quicker delivery and improved management of supplies for disaster response.	Req \$	186,081	\$	-	\$	186,081	\$	-
	Rec \$	(500,000)	\$	-	\$	(500,000)	\$	-
	App \$	686,081	\$	-	\$	686,081	\$	-
	FTE	2.000		0.000		2.000		0.000
NC National Guard								
31 Referral and Retention Bonuses								
Boosts recruitment and retention efforts with bonuses for referrals and extensions of service. The NC National Guard (NCNG) experienced a reduction of 35% in new member recruitment from 2012 to 2023. The retention rate has also dropped, from 85-86% historically to below 70% at the end of 2024. Fewer NCNG members threaten the Guard's ability to support emergency response and federal missions. This funding will provide bonuses to NCNG members who either refer enlistments or extend their service. Other states, such as Alabama and Minnesota, have used both types of programs to help them meet their recruitment and retention goals.	Req \$	1,500,000	\$	-	\$	1,500,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	1,500,000	\$	-	\$	1,500,000	\$	-
	FTE	0.000		0.000		0.000		0.000
32 Building Reserves for McLeansville Regional Readiness Center								
Supports the opening of McLeansville Regional Readiness Center with funding for furniture, fixtures, and equipment. Soldiers who use the facility need these supplies for their training to ensure their readiness for emergency response and federal missions. Federal funds will support half of operating costs beginning in FY 2026-27. This support will ensure the facility is operationally ready for its planned opening in January 2026.	Req \$	421,544	\$	5,266,000	\$	843,088	\$	-
	Rec \$	-	\$	-	\$	421,544	\$	-
	App \$	421,544	\$	5,266,000	\$	421,544	\$	-
	FTE	0.000		0.000		0.000		0.000

	R Changes		NR Changes		R Changes		NR Changes		
NC National Guard									
33 Building Reserves for North Wilkesboro Readiness Center									
Supports the opening of North Wilkesboro Readiness Center with funding for furniture, fixtures, and equipment. Soldiers who use the facility need these supplies for their training to ensure their readiness for emergency response and federal missions. This support will ensure the expansion is operationally ready after its planned completion in June 2025.	Req \$	-	\$	400,000	\$	-	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	-	\$	400,000	\$	-	\$	-	
	FTE	0.000		0.000		0.000		0.000	
34 VIPER Radios									
Budgets receipts from the SCIF to replace radios that connect to the VIPER network. The current radios will not operate on the VIPER network beginning July 1, 2025. NCNG relies on these radios to communicate with local and state first responders on emergency response missions. This funding will provide NCNG with radios in compliance with updated VIPER standards that will securely and reliably connect them to partners.	Req \$	-	\$	1,838,116	\$	-	\$	-	
	Rec \$	-	\$	1,838,116	\$	-	\$	-	
	App \$	-	\$	-	\$	-	\$	-	
	FTE	0.000		0.000		0.000		0.000	
Total Change to Requirements		\$	54,691,081	\$	21,662,347	\$	61,372,813	\$	-
Total Change to Receipts		\$	16,818,804	\$	1,850,365	\$	20,138,464	\$	-
Total Change to Net Appropriations		\$	37,872,277	\$	19,811,982	\$	41,234,349	\$	-
Total Change to Full-Time Equivalent (FTE)			25.000		0.000		25.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$			57,684,259	\$			41,234,349
Total Change to Full-Time Equivalent (FTE)					25.000				25.000

Public Safety - Disasters after July 1, 2006 (24552)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 628,335,527	\$ 114,000,000	\$ -	\$ 114,000,000	\$ 742,335,527	18.1 %
Receipts	\$ 628,136,649	\$ 114,000,000	\$ -	\$ 114,000,000	\$ 742,136,649	18.2 %
Chg in Fund Balance	\$ (198,878)	\$ -	\$ -	\$ -	\$ (198,878)	0.0 %
Positions (FTE)	389.702	-	-	-	389.702	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 628,335,527	\$ -	\$ -	\$ -	\$ 628,335,527	0.0 %
Receipts	\$ 628,136,649	\$ -	\$ -	\$ -	\$ 628,136,649	0.0 %
Chg in Fund Balance	\$ (198,878)	\$ -	\$ -	\$ -	\$ (198,878)	0.0 %
Positions (FTE)	389.702	-	-	-	389.702	0.0 %

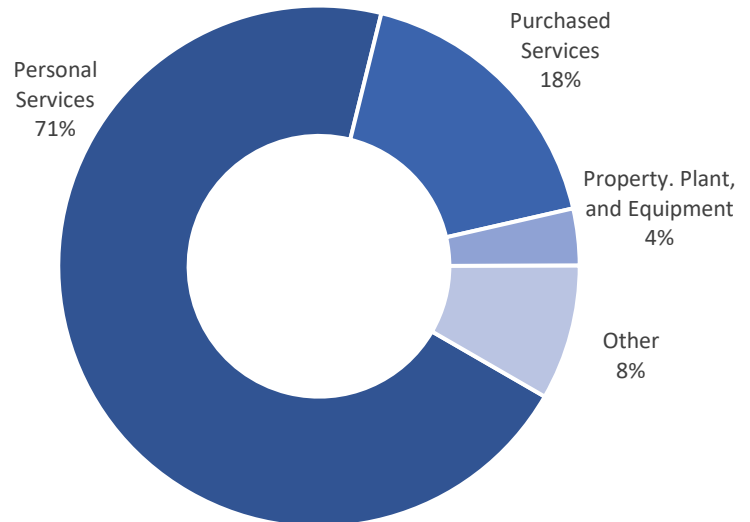
	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes
Emergency Management				
1 Prior Disaster State Match				
Budgets receipts from the State Emergency Response and Disaster Relief Fund (SERDRF) to NC Emergency Management to meet federal match requirements. The state must pay its non-federal share to draw down the remaining funds from Federal Emergency Management Agency (FEMA) disaster assistance programs such as Individual Assistance, Public Assistance, and the Hazard Mitigation Grant Program. This funding will leverage roughly \$300 million in FEMA funds for disasters that occurred prior to 2024, such as Hurricanes Florence and Matthew and the pandemic.	Req \$ 114,000,000	\$ -	\$ -	\$ -
	Rec \$ 114,000,000	\$ -	\$ -	\$ -
	CFB \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
Total Change to Requirements	\$ 114,000,000	\$ -	\$ -	\$ -
Total Change to Receipts	\$ 114,000,000	\$ -	\$ -	\$ -
Total Change to Fund Balance	\$ -	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$ -	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)		0.000		0.000

Mission

To serve sheriffs, police chiefs, and district attorneys as well as state and federal partners, by investigating crimes and providing technical assistance to increase public safety for the citizens of North Carolina.

Goals

1. Develop internal programs that support and enhance the services provided by the SBI.
2. Strengthen the quality and effectiveness of services the SBI provides to the criminal justice community.
3. Initiate new services and utilize the latest technology and the best practices available.
4. Ensure that all SBI employees have the resources and facilities to do their jobs, and that resources are used effectively.
5. Ensure North Carolina's citizens are represented and served by well-qualified, highly trained, educated, and ethical staff.

FY 2023-24 Actual Expenditures**Agency Profile**

- Conducts criminal investigations of allegations in areas of jurisdiction: narcotics, arson, election laws, misuse of state property, environmental crimes, human trafficking, child sexual abuse in day care centers, and threats made against public officials.
- Provides support to local agencies related to Computer Crime investigations, Use of Force investigations, deaths in custody, crime scenes, financial crimes, missing and endangered persons, public corruption, cold cases, K9, special response team, bomb squad, and air wing.
- Serves as North Carolina's repository of information on criminal history records, fingerprint identification, expungements, sex offender registry, and concealed handgun permits.
- Manages the North Carolina Information Sharing and Analysis Center (ISAAC), which develops actionable intelligence on immediate and emerging threats and shares it with federal, state, local, and tribal partners. ISAAC is the fusion center for the state of North Carolina.
- Assesses and manages threats of mass violence through the Behavioral Threat Assessment Unit.

Budget Note

The State Bureau of Investigation was established as an independent agency on December 1, 2023; therefore, historical figures are not available.

FY 2024-25 Certified Budget, as of July 1, 2024

Total Expenditures	\$	71,017,565
Revenue	\$	21,057,226
Net Appropriation	\$	49,960,339

Chart includes General Fund budget codes only.

State Bureau of Investigation General Fund (15020)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 111,570,533	\$ (26,783,180)	\$ 12,909,270	\$ (13,873,910)	\$ 97,696,623	(12.4) %
Receipts	\$ 21,167,968	\$ -	\$ 1,060,000	\$ 1,060,000	\$ 22,227,968	5.0 %
Net Appropriation	\$ 90,402,565	\$ (26,783,180)	\$ 11,849,270	\$ (14,933,910)	\$ 75,468,655	(16.5) %
Positions (FTE)	489.000	23.000	-	23.000	512.000	4.7 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 111,570,533	\$ (26,015,231)	\$ 426,968	\$ (25,588,263)	\$ 85,982,270	(22.9) %
Receipts	\$ 21,167,968	\$ -	\$ -	\$ -	\$ 21,167,968	0.0 %
Net Appropriation	\$ 90,402,565	\$ (26,015,231)	\$ 426,968	\$ (25,588,263)	\$ 64,814,302	(28.3) %
Positions (FTE)	489.000	25.000	-	25.000	514.000	5.1 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve

Increases all state-funded employee salaries by 2%.

Req \$	891,000	\$ -	\$ 891,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	891,000	\$ -	\$ 891,000	\$ -
FTE	0.000	0.000	0.000	0.000

2 State Employee Bonus

Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ 489,000	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 489,000	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

3 Labor Market Retention and Adjustment Reserve

Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.

Req \$	891,000	\$ -	\$ 891,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	891,000	\$ -	\$ 891,000	\$ -
FTE	0.000	0.000	0.000	0.000

4 Retirement and Retiree Health Contributions

Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.

Req \$	112,581	\$ -	\$ 230,791	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	112,581	\$ -	\$ 230,791	\$ -
FTE	0.000	0.000	0.000	0.000

5 Retiree Cost-of-Living Adjustment

Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.

Req \$	-	\$ 381,683	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 381,683	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

6 State Health Plan

Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.

Req \$	174,196	\$ -	\$ 357,103	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	174,196	\$ -	\$ 357,103	\$ -
FTE	0.000	0.000	0.000	0.000

7 Law Enforcement Officer Salary Increase

Provides an additional 1% increase above the 2% statewide compensation increase, for law enforcement officers paid on the State Law Enforcement salary schedule, for a total increase of 3%.

Req \$	181,000	\$ -	\$ 181,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	181,000	\$ -	\$ 181,000	\$ -
FTE	0.000	0.000	0.000	0.000

		R Changes		NR Changes		R Changes		NR Changes
Administration								
8 Independent Agency Operational Positions								
Creates new positions, including two internal auditors, to support the transition to an independent agency. The State Bureau of Investigation (SBI) relied on the Department of Public Safety for administrative functions before deconsolidation, effective December 1, 2023. Current agency staff is fulfilling responsibilities of multiple positions, which hurts productivity and increases turnover risk. These additional positions will ensure the bureau expends funds properly and has sufficient operational capacity to function efficiently.	Req \$	970,934	\$	94,388	\$	970,934	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	970,934	\$	94,388	\$	970,934	\$	-
	FTE	7.000		0.000		7.000		0.000
9 Lease Funding								
Secures leased space for the fusion center and other offices. The fusion center, which compiles intelligence on threats and shares it securely with local, state, and federal partners, will need to temporarily relocate due to construction. The agency also has five expiring leases and needs additional funding to stay in the same offices at the new rates. This funding allows the bureau to meet these needs, maintaining operational continuity across the bureau.	Req \$	602,522	\$	400,000	\$	602,522	\$	400,000
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	602,522	\$	400,000	\$	602,522	\$	400,000
	FTE	0.000		0.000		0.000		0.000
Field Operations								
10 Fentanyl Control Unit								
Provides funding for four drug agents and three financial crimes investigators to strengthen drug-related investigations and enforcement efforts across the state. In the last two years, SBI's drug unit seized more than 139 kilograms of fentanyl, 62,000 fentanyl tablets, and 3,100 bricks of heroin. The agents will also help manage the state wiretap program and SBI's Clandestine Laboratory Response Program to address illegal drug labs, including methamphetamine labs. The financial crimes investigators will investigate drug traffickers to follow their assets and revenue for criminal cases. Together, this Fentanyl Control Unit will enhance SBI's capacity to disrupt drug trafficking networks and protect communities.	Req \$	972,481	\$	362,843	\$	972,481	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	972,481	\$	362,843	\$	972,481	\$	-
	FTE	7.000		0.000		7.000		0.000
11 Pilots								
Creates new pilot positions to maximize resources and agency assistance to partners. SBI currently has two planes, one of which requires a second pilot for missions beyond state borders or that involve flying through busy airspace or adverse weather. Current staffing levels have forced SBI to decline roughly one-third of requests to support law enforcement partner missions. The additional pilot positions will provide the necessary staffing to allow the bureau to complete longer mission-critical flights and utilize both planes simultaneously.	Req \$	382,284	\$	26,968	\$	382,284	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	382,284	\$	26,968	\$	382,284	\$	-
	FTE	2.000		0.000		2.000		0.000
12 Sexual Assault Cold Case Team								
Provides funds to start a permanent sexual assault cold case unit at SBI. There were over 2,800 reported sexual assault cases in North Carolina in 2023. SBI has no full-time positions dedicated to solely investigating unresolved sexual assault cases. These positions will build the department's capacity to assist law enforcement working on these cases. They will also train local law enforcement agencies to have a more prepared and trauma-informed response to sexual assault cases. This funding will bring more criminals to justice, making communities safer and preventing future crimes.	Req \$	240,634	\$	26,968	\$	240,634	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	240,634	\$	26,968	\$	240,634	\$	-
	FTE	2.000		0.000		2.000		0.000

		R Changes		NR Changes		R Changes		NR Changes
Field Operations								
13 Behavioral Threat Assessment Unit Social Workers								
Creates new social worker positions within the Behavioral Threat Assessment (BeTA) Unit. One social worker currently manages more than 100 cases each year, including conducting initial interviews, gathering documentation, developing individualized management and mitigation plans, and following up for three months to evaluate the plans' effectiveness. One of the new positions will focus on juveniles, who are involved in 54% of BeTA cases. The other position will be based in western NC, which has a significant resource gap and needs a dedicated effort to connect individuals to necessary support systems. This funding will bolster BeTA's case management and service delivery to improve violence prevention.	Req \$	232,316	\$	26,968	\$	232,316	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	232,316	\$	26,968	\$	232,316	\$	-
	FTE	2.000		0.000		2.000		0.000
14 VIPER Radios								
Budgets receipts from the State Capital and Infrastructure Fund (SCIF) to replace radios that connect to the Voice Interoperability Plan for Emergency Responders (VIPER) network. The current radios will not operate on the VIPER network beginning July 1, 2025. SBI relies on these radios to communicate with local and state first responders on emergency response missions. This funding will provide SBI with radios in compliance with updated VIPER standards that will securely and reliably connect them to partners. Currently, there are more than 200,000 VIPER users in the state.	Req \$	-	\$	1,060,000	\$	-	\$	-
	Rec \$	-	\$	1,060,000	\$	-	\$	-
	App \$	-	\$	-	\$	-	\$	-
	FTE	0.000		0.000		0.000		0.000
IT Services								
15 IT Capacity								
Creates new IT positions to support high-priority projects and applications. SBI lacks the capacity to securely manage and improve its specialized IT functions, such as the state's criminal information network, which links state and local law enforcement to the Federal Bureau of Investigation's criminal database. These systems require dedicated staff with specific subject matter expertise. The additional resources will better support SBI and external users, as well as enable future strategic system upgrades.	Req \$	565,872	\$	40,452	\$	1,032,704	\$	26,968
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	565,872	\$	40,452	\$	1,032,704	\$	26,968
	FTE	3.000		0.000		5.000		0.000
16 Headquarters Data Center								
Invests funds from the IT Reserve to replace hardware, including the server, storage, and network, for a new data center. The current equipment is outdated and does not meet agency needs. The new equipment will also allow the data center to remain operational during the transition to a new building. The data center is critical in disseminating criminal justice data to partner agencies, supporting not just agency staff but about 26,000 users in law enforcement agencies across the state.	Req \$	-	\$	-	\$	-	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	-	\$	-	\$	-	\$	-
	FTE	0.000		0.000		0.000		0.000
17 Investigative Case Management System								
Invests funds from the IT Reserve to update the bureau's case record management system. Agents cannot quickly pull current records and spend up to eight hours each week manually completing reports. The new system will link data from investigations across the state, store digital evidence, and share real-time information with partners. The new system will improve SBI's intelligence capabilities by allowing for more streamlined analysis, effectively utilizing staff time, and accelerating information sharing.	Req \$	-	\$	-	\$	-	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	-	\$	-	\$	-	\$	-
	FTE	0.000		0.000		0.000		0.000

		R Changes		NR Changes		R Changes		NR Changes	
Center for Safer Schools									
18 School Resource Officer Grants Transfer									
Transfers funds for School Resource Officer (SRO) Grants from SBI to the Department of Public Instruction (DPI) to distribute through a newly created School Safety Allotment. Distributing funds through DPI's existing allotment system will reduce administrative effort and help more schools participate in this program. A corresponding item in the DPI section reflects the transfer in, plus additional funds for elementary and middle school SROs.	Req \$	(33,000,000)	\$	-	\$	(33,000,000)	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	(33,000,000)	\$	-	\$	(33,000,000)	\$	-	
	FTE	0.000		0.000		0.000		0.000	
19 School Safety Grants									
Provides grant funding to local education agencies (LEAs) for equipment including cameras, exterior locks and fences, and metal detectors. The Institute of Education Sciences reported that the national percentage of schools using security cameras increased from 61% in the 2009-10 school year to 91% in 2019-20. The grants will allow LEAs to prioritize the most urgent improvements based on their district's needs. These measures will strengthen school security, protecting students, teachers, and other school staff.	Req \$	-	\$	10,000,000	\$	-	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	-	\$	10,000,000	\$	-	\$	-	
	FTE	0.000		0.000		0.000		0.000	
Total Change to Requirements		\$	(26,783,180)	\$	12,909,270	\$	(26,015,231)	\$	426,968
Total Change to Receipts		\$	-	\$	1,060,000	\$	-	\$	-
Total Change to Net Appropriations		\$	(26,783,180)	\$	11,849,270	\$	(26,015,231)	\$	426,968
Total Change to Full-Time Equivalent (FTE)			23.000		0.000		25.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$			(14,933,910)	\$			(25,588,263)
Total Change to Full-Time Equivalent (FTE)					23.000				25.000

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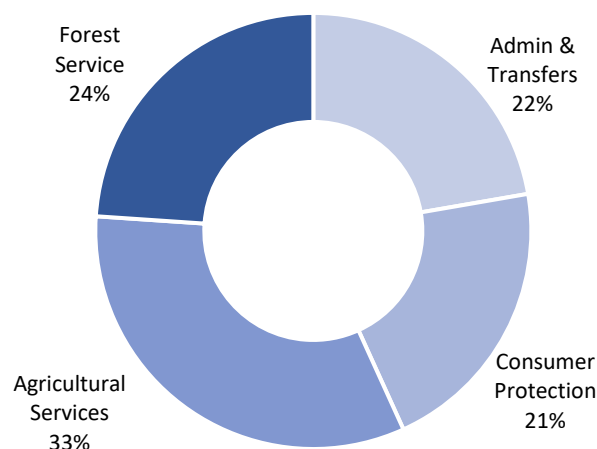
Mission

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

Goals

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

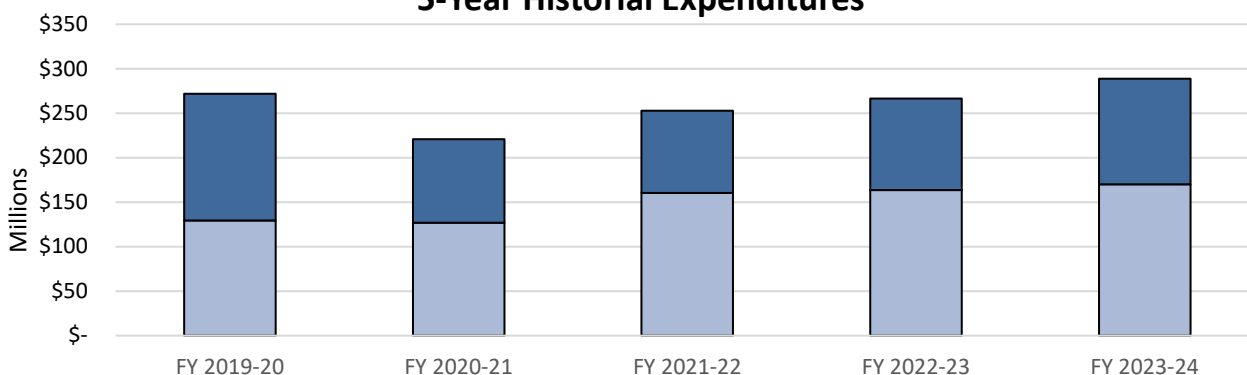
FY 2023-24 Actual Expenditures*



Agency Profile

- Markets and promotes North Carolina agriculture within the state, domestically, and abroad.
- Provides regulatory oversight for areas such as animal health; weights and measures; gas and oil inspection; food, drug and cosmetic testing for purity; seed and fertilizer; structural pest control; and pesticides.
- Distributed 2,993,902 cases of food to schools, food banks, and other partners totaling over 78 million pounds in FY 2023-24.
- Responded to and suppressed 5,766 wildfires on 28,160 acres in the state.
- The Agricultural Development and Farmland Preservation Trust Fund has preserved over 37,000 acres of farmland and forestland across the state through conservation easements.

5-Year Historical Expenditures*



*Charts include General Fund budget code only

■ Net Appropriation ■ Receipts

Agriculture and Consumer Services - General Fund (13700)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 265,579,628	\$ 14,404,467	\$ 30,848,927	\$ 45,253,394	\$ 310,833,022	17.0 %
Receipts	\$ 93,169,654	\$ -	\$ 5,000,000	\$ 5,000,000	\$ 98,169,654	5.4 %
Net Appropriation	\$ 172,409,974	\$ 14,404,467	\$ 25,848,927	\$ 40,253,394	\$ 212,663,368	23.4 %
Positions (FTE)	1,816.021	8.000	-	8.000	1,824.021	0.4 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 265,579,628	\$ 15,235,991	\$ -	\$ 15,235,991	\$ 280,815,619	5.7 %
Receipts	\$ 93,169,654	\$ -	\$ -	\$ -	\$ 93,169,654	0.0 %
Net Appropriation	\$ 172,409,974	\$ 15,235,991	\$ -	\$ 15,235,991	\$ 187,645,965	8.8 %
Positions (FTE)	1,816.021	8.000	-	8.000	1,824.021	0.4 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve							
Increases all state-funded employee salaries by 2%.		Req \$	2,097,000	\$ -	\$ 2,097,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	2,097,000	\$ -	\$ 2,097,000	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
2 State Employee Bonus							
Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.		Req \$	-	\$ 1,816,000	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 1,816,000	\$ -	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
3 Labor Market Retention and Adjustment Reserve							
Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.		Req \$	2,097,000	\$ -	\$ 2,097,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	2,097,000	\$ -	\$ 2,097,000	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
4 Retirement and Retiree Health Contributions							
Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.		Req \$	264,732	\$ -	\$ 542,702	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	264,732	\$ -	\$ 542,702	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
5 Retiree Cost-of-Living Adjustment							
Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.		Req \$	-	\$ 897,523	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 897,523	\$ -	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
6 State Health Plan							
Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.		Req \$	527,193	\$ -	\$ 1,080,747	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	527,193	\$ -	\$ 1,080,747	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000

		R Changes		NR Changes		R Changes		NR Changes
Department-wide								
7 Motor Fleet Management Rate Increase								
Provides funds to cover the increase in Motor Fleet Management rates effective July 1, 2025. Rates have not been updated since January 1, 2018.	Req \$	370,150	\$	-	\$	370,150	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	370,150	\$	-	\$	370,150	\$	-
	FTE	0.000		0.000		0.000		0.000
8 IT and Cybersecurity Solutions								
Addresses the department's cybersecurity and IT funding shortfall. These funds will offset the rising cost of IT solutions that have caused a deficit in the department's IT budget in recent years.	Req \$	414,213	\$	-	\$	414,213	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	414,213	\$	-	\$	414,213	\$	-
	FTE	0.000		0.000		0.000		0.000
Administration								
9 Internal Audit Data Analyst								
Funds a Data Analyst for the department's Internal Audit program. This position will provide expert input on audit engagements and create custom analytics for the department. The department estimates that this position will complete at least 29 data analysis projects annually that will improve the quality of audit engagements, enhance fraud detection, and address operational efficiencies.	Req \$	120,253	\$	-	\$	120,253	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	120,253	\$	-	\$	120,253	\$	-
	FTE	1.000		0.000		1.000		0.000
10 Accounting Technician								
Funds an Accounting Technician to support the Department of Agriculture and Consumer Services' (DACs) accounting work. DACs estimates that they have experienced a 65% increase in accounting workload within the past fiscal year. The department is currently relying on temporary employees and providing supplemental pay to certain division office managers to keep us with departmental accounting needs. This position will improve invoice processing to allow for timely vendor payments.	Req \$	68,342	\$	-	\$	68,342	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	68,342	\$	-	\$	68,342	\$	-
	FTE	1.000		0.000		1.000		0.000
Food Distribution Division								
11 Emergency Food Assistance Grants								
Provides funds for the department to distribute emergency food assistance grants to improve access to food for individuals and families experiencing food insecurity. Eligible recipients include food banks and nonprofits, such as Reinvestment Partners, that provide emergency food assistance. One in seven North Carolinians are food insecure, including over 660,000 children. These funds will expand access to food and strengthen programs that combat hunger.	Req \$	-	\$	20,000,000	\$	-	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	-	\$	20,000,000	\$	-	\$	-
	FTE	0.000		0.000		0.000		0.000
12 Food Distribution Equipment								
Funds the purchase of tractor trailers to support the increasing volume of food and food assistance deliveries. In the past seven years, the Commodity Supplemental Food Program has had a 93% increase in recipients and the Emergency Feeding Assistance Program has grown from approximately \$20 million to \$40 million in food value annually. The department expects a \$9 million increase in USDA entitlement funds for the National School Lunch Program next year, which will mean more food that Food Distribution Division will receive and deliver.	Req \$	-	\$	500,000	\$	-	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	-	\$	500,000	\$	-	\$	-
	FTE	0.000		0.000		0.000		0.000
Meat and Poultry Inspection Division								
13 State Meat Inspection Program								
Addresses increases in expenses associated with conducting inspections, training, and enforcement at animal processing facilities. The Meat Inspection Program inspects 43 state establishments and 119 Talmadge-Aiken federal establishments. By federal and state law, inspectors must be on-site for some processing establishments and all slaughter establishments to operate each day.	Req \$	237,879	\$	-	\$	237,879	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	237,879	\$	-	\$	237,879	\$	-
	FTE	0.000		0.000		0.000		0.000

		R Changes		NR Changes		R Changes		NR Changes
North Carolina Forest Service								
14 NCFS Emergency Response Equipment Replacement Backlog								
Provides funds for new and replacement equipment for the North Carolina Forest Service (NCFS) to enable it to effectively conduct prescribed fires and contain wildfires. NCFS maintains a fleet of over 750 wildland fire engines, bulldozers, and other wildfire suppression equipment. These funds will support the existing backlog and ongoing equipment replacement needs for aging equipment. In 2024, there were 4,588 wildfires causing damage to 15,706 acres of land. These investments will reduce the likelihood of catastrophic wildfires.	Req \$	1,000,000	\$	2,500,000	\$	1,000,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	1,000,000	\$	2,500,000	\$	1,000,000	\$	-
	FTE	0.000		0.000		0.000		0.000
15 North Carolina Forest Service Overtime/On-Call								
Provides funds to pay NCFS staff for overtime and on-call hours required for emergency response efforts. In FY 2023-24, NCFS permanent employees worked 100,637 hours of overtime and were on call for more than 329,662 hours related to wildfire suppression at a cost of \$2,024,007. As of February 2024, NCFS has already paid out \$1,873,165 in overtime and on-call pay this fiscal year.	Req \$	500,000	\$	-	\$	500,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	500,000	\$	-	\$	500,000	\$	-
	FTE	0.000		0.000		0.000		0.000
16 Aviation Operating Costs								
Provides operational support for the NCFS aviation fleet. Funding supports increased expenses for the division's fleet of 22 forest management aircraft, including aircraft insurance, fuel, repairs, and fire suppressant tools. Aerial support for ground firefighters is critical for faster containment of fires and protecting land and homes. In FY 2023-24, there were 4,588 wildfires causing damage to 15,706 acres of land.	Req \$	450,000	\$	-	\$	450,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	450,000	\$	-	\$	450,000	\$	-
	FTE	0.000		0.000		0.000		0.000
17 Body Cameras								
Provides funding for body cameras for all agency law enforcement officers (LEOs). Body cameras create crucial evidence in investigations by more accurately documenting interactions. Footage will enable situation-based training based on officers' previous encounters. Currently 18 LEOs at the agency do not have body cameras. Use of body cameras enhances accountability, transparency, and public trust.	Req \$	22,032	\$	-	\$	22,032	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	22,032	\$	-	\$	22,032	\$	-
	FTE	0.000		0.000		0.000		0.000
Soil and Water Conservation Division								
18 Technical Training Staff								
Invests in positions to provide training to Soil and Water Conservation District (SWCD) staff and partners who support cost share programs within local districts. Approximately 43% of local SWCD staff have less than three years of experience. This position will provide a regional distribution of training staff and support the growing demand for technical training to improve statewide soil and water conservation goals.	Req \$	102,108	\$	-	\$	102,108	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	102,108	\$	-	\$	102,108	\$	-
	FTE	1.000		0.000		1.000		0.000
Standards Division								
19 Electric Vehicle Charging Station Testing								
Funds the purchase of charging station testing equipment to ensure users of public electric vehicle charging stations receive the correct amount of charge purchased. There are currently more than 100,000 registered electric vehicles and over 4,400 public charging stations in North Carolina. This program is modeled after DACS' work testing gas pumps to ensure accuracy.	Req \$	-	\$	135,404	\$	-	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	-	\$	135,404	\$	-	\$	-
	FTE	0.000		0.000		0.000		0.000
Veterinary Division								
20 Veterinary Laboratory Staffing and Operating Costs								
Funds positions and operating support for the Veterinary Division labs to maintain current regulatory and outbreak disease testing and surveillance. Additional lab staff will support the labs' ability to perform an additional 25,492 tests annually and new staff will provide critical oversight to help the state identify and respond to emerging threats, including bird flu. Operating expenses include lab supplies and maintenance agreements that support operations.	Req \$	1,133,565	\$	-	\$	1,133,565	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	1,133,565	\$	-	\$	1,133,565	\$	-
	FTE	5.000		0.000		5.000		0.000

		R Changes		NR Changes		R Changes		NR Changes	
Farmland Preservation									
21 Farmland Preservation									
Invests in the Agricultural Development and Farmland Preservation Trust Fund (ADFPTF) to help the state preserve farmland. Demand for ADFPTF assistance has increased 49% since the last grant cycle. According to the American Farmland Trust, North Carolina ranks second in potential agricultural land lost by 2040. With these funds, ADFPTF's recurring appropriations will be \$10 million. These funds will be transferred to Budget Code 63701.	Req \$	5,000,000	\$	-	\$	5,000,000	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	5,000,000	\$	-	\$	5,000,000	\$	-	
	FTE	0.000		0.000		0.000		0.000	
22 Military Buffer Conservation Easements									
Supports agricultural conservation easement agreements with military partners, providing the opportunity to conserve up to 2,971 more acres of military buffer zones. Agricultural conservation in military buffer zones conserves natural resources in those areas while also strengthening military strategic missions. These funds will leverage \$5 million in federal funds that expire at the end of FY 2025-26. These funds will come from the Federal Infrastructure Match Reserve and be transferred to Budget Code 63701.	Req \$	-	\$	5,000,000	\$	-	\$	-	
	Rec \$	-	\$	5,000,000	\$	-	\$	-	
	App \$	-	\$	-	\$	-	\$	-	
	FTE	0.000		0.000		0.000		0.000	
Total Change to Requirements		\$	14,404,467	\$	30,848,927	\$	15,235,991	\$	-
Total Change to Receipts		\$	-	\$	5,000,000	\$	-	\$	-
Total Change to Net Appropriations		\$	14,404,467	\$	25,848,927	\$	15,235,991	\$	-
Total Change to Full-Time Equivalent (FTE)			8.000		0.000		8.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$			40,253,394	\$			15,235,991
Total Change to Full-Time Equivalent (FTE)					8.000				8.000

Agriculture and Consumer Services - Land Preservation and Trust Investment (63701)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 5,061,995	\$ 5,000,000	\$ 5,000,000	\$ 10,000,000	\$ 15,061,995	197.6 %
Receipts	\$ 5,047,750	\$ 5,000,000	\$ 5,000,000	\$ 10,000,000	\$ 15,047,750	198.1 %
Chg in Fund Balance	\$ (14,245)	\$ -	\$ -	\$ -	\$ (14,245)	0.0 %
Positions (FTE)	5.000	-	-	-	5.000	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 5,061,995	\$ 5,000,000	\$ -	\$ 5,000,000	\$ 10,061,995	98.8 %
Receipts	\$ 5,047,750	\$ 5,000,000	\$ -	\$ 5,000,000	\$ 10,047,750	99.0 %
Chg in Fund Balance	\$ (14,245)	\$ -	\$ -	\$ -	\$ (14,245)	0.0 %
Positions (FTE)	5.000	-	-	-	5.000	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes
Farmland Preservation				
1 Transfer - Farmland Preservation Trust Fund				
Budgets the transfer from Budget Code 13700 for the Farmland Preservation Trust Fund.	Req \$	5,000,000	\$ -	\$ 5,000,000
	Rec \$	5,000,000	\$ -	\$ 5,000,000
	CFB \$	-	\$ -	\$ -
	FTE	0.000	0.000	0.000
2 Transfer - Military Buffer Conservation Easements				
Budgets the transfer from Budget Code 13700 for Military Buffer Conservation Easements.	Req \$	-	\$ 5,000,000	\$ -
	Rec \$	-	\$ 5,000,000	\$ -
	CFB \$	-	\$ -	\$ -
	FTE	0.000	0.000	0.000
Total Change to Requirements	\$	5,000,000	\$	5,000,000
Total Change to Receipts	\$	5,000,000	\$	5,000,000
Total Change to Fund Balance	\$	-	\$	-
Total Change to Full-Time Equivalent (FTE)		0.000		0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$		\$	
Total Change to Full-Time Equivalent (FTE)				

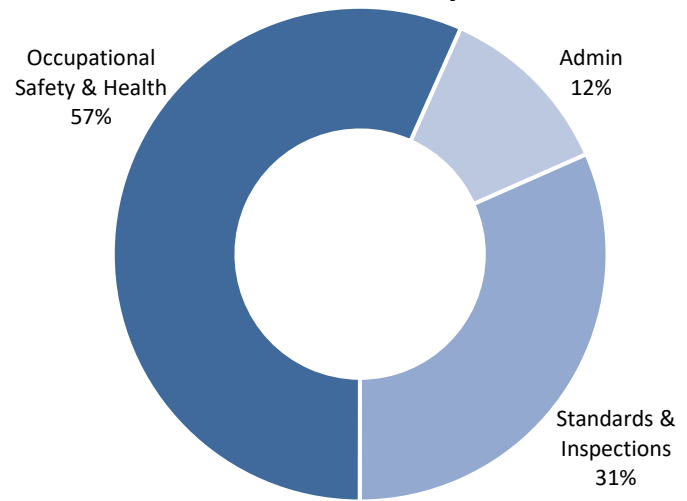
Mission

To foster a safe, healthy, fair and productive North Carolina by providing responsive, effective and efficient services; providing and encouraging quality education and training; administering consistently and fairly all regulatory mandates; and enhancing public confidence in the Department of Labor.

Goals

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

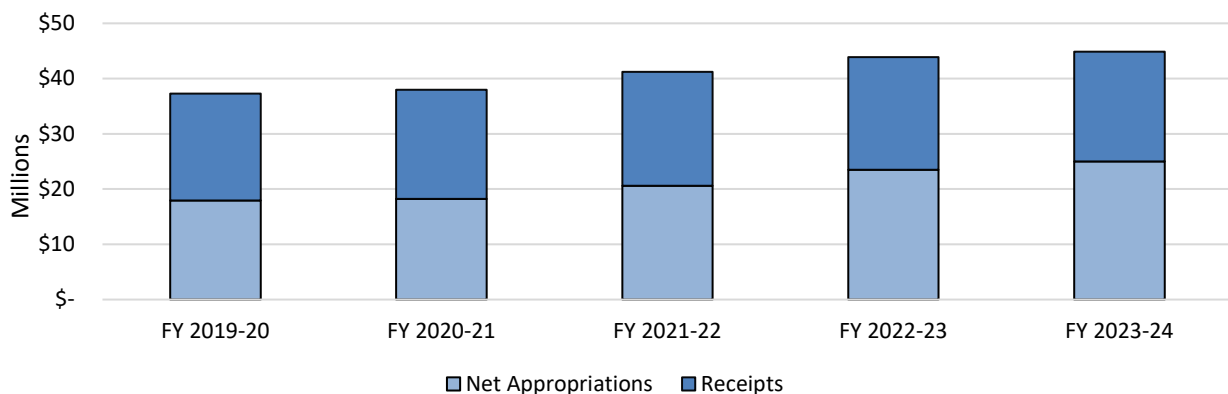
FY 2023-24 Actual Expenditures



Agency Profile

- Works to ensure the safety of employees and employers through administration of the Occupational Safety and Health (OSH) Act as well as providing education, consultation, and training opportunities.
- Sets standards and provides inspections through five bureaus: Boiler Safety; Elevator and Amusement Device; Retaliatory Employment Discrimination; Mine and Quarry; and Wage and Hour.
- Houses the Occupational Safety and Health Review Commission, which hears contested OSH cases and is an independent body within the department.

5-Year Historical Expenditures



Charts include General Fund budget code only.

Labor - General Fund (13800)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 44,749,287	\$ 1,663,189	\$ 631,324	\$ 2,294,513	\$ 47,043,800	5.1 %
Receipts	\$ 19,106,870	\$ (184,927)	\$ -	\$ (184,927)	\$ 18,921,943	(1.0) %
Net Appropriation	\$ 25,642,417	\$ 1,848,116	\$ 631,324	\$ 2,479,440	\$ 28,121,857	9.7 %
Positions (FTE)	370.670	4.000	-	4.000	374.670	1.1 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 44,756,628	\$ 1,812,390	\$ -	\$ 1,812,390	\$ 46,569,018	4.0 %
Receipts	\$ 19,106,870	\$ (184,927)	\$ -	\$ (184,927)	\$ 18,921,943	(1.0) %
Net Appropriation	\$ 25,649,758	\$ 1,997,317	\$ -	\$ 1,997,317	\$ 27,647,075	7.8 %
Positions (FTE)	370.670	4.000	-	4.000	374.670	1.1 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve							
Increases all state-funded employee salaries by 2%.		Req \$	432,000	\$ -	\$ 432,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	432,000	\$ -	\$ 432,000	\$ -	-
		FTE	0.000	0.000	0.000		0.000
2 State Employee Bonus							
Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.		Req \$	-	\$ 371,000	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 371,000	\$ -	\$ -	-
		FTE	0.000	0.000	0.000		0.000
3 Labor Market Retention and Adjustment Reserve							
Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.		Req \$	432,000	\$ -	\$ 432,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	432,000	\$ -	\$ 432,000	\$ -	-
		FTE	0.000	0.000	0.000		0.000
4 Retirement and Retiree Health Contributions							
Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.		Req \$	54,569	\$ -	\$ 111,867	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	54,569	\$ -	\$ 111,867	\$ -	-
		FTE	0.000	0.000	0.000		0.000
5 Retiree Cost-of-Living Adjustment							
Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.		Req \$	-	\$ 185,006	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 185,006	\$ -	\$ -	-
		FTE	0.000	0.000	0.000		0.000
6 State Health Plan							
Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.		Req \$	87,526	\$ -	\$ 179,429	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	87,526	\$ -	\$ 179,429	\$ -	-
		FTE	0.000	0.000	0.000		0.000

		R Changes		NR Changes		R Changes		NR Changes
Department-wide								
7 Information Technology Rates								
Funds the expected increase in IT rate charges resulting from the FY 2025-26 approved increase in the Department of Information Technology's subscription and service delivery rates.	Req \$	65,335	\$	-	\$	65,335	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	65,335	\$	-	\$	65,335	\$	-
	FTE	0.000		0.000		0.000		0.000
8 Motor Fleet Management Rates								
Provides funds to cover the increase in Motor Fleet Management rates effective July 1, 2025. Rates have not been updated since January 1, 2018.	Req \$	67,203	\$	-	\$	67,203	\$	-
	Rec \$	15,073	\$	-	\$	15,073	\$	-
	App \$	52,130	\$	-	\$	52,130	\$	-
	FTE	0.000		0.000		0.000		0.000
Occupational Safety and Health								
9 Occupational Safety and Health Consultative Services Positions								
Creates new Health Consultant and Safety Consultant positions in the Occupational Safety and Health (OSH) Consultative Services Bureau. These employees will assist employers in identifying and addressing workplace hazards. Additional staff are needed to reduce the current 90 day wait times for employers seeking consultations to create safer workplaces.	Req \$	524,556	\$	75,318	\$	524,556	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	524,556	\$	75,318	\$	524,556	\$	-
	FTE	4.000		0.000		4.000		0.000
10 Replace Federal Grant Funding with State Appropriation								
Reduces receipts to reflect a decrease in federal grant funding for state labor consultation programs. These funds support staff in OSH's Consultative Services Bureau who assist employers with creating safer workplaces. In fiscal year 2024, the Bureau completed 1,897 on-site visits.	Req \$	-	\$	-	\$	-	\$	-
	Rec \$	(200,000)	\$	-	\$	(200,000)	\$	-
	App \$	200,000	\$	-	\$	200,000	\$	-
	FTE	0.000		0.000		0.000		0.000
<hr/>								
Total Change to Requirements	\$	1,663,189	\$	631,324	\$	1,812,390	\$	-
Total Change to Receipts	\$	(184,927)	\$	-	\$	(184,927)	\$	-
Total Change to Net Appropriations	\$	1,848,116	\$	631,324	\$	1,997,317	\$	-
Total Change to Full-Time Equivalent (FTE)		4.000		0.000		4.000		0.000
<hr/>								
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$			2,479,440	\$			1,997,317
Total Change to Full-Time Equivalent (FTE)				4.000				4.000

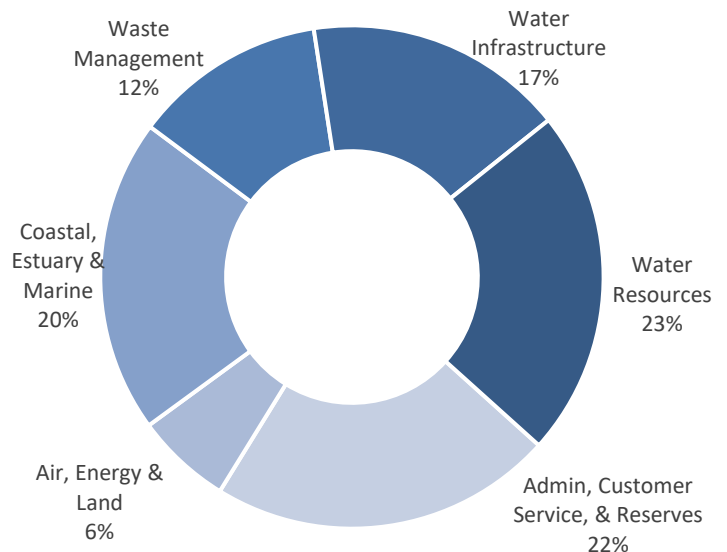
Mission

To provide science-based environmental stewardship for the health and prosperity of North Carolinians.

Goals

1. Promote and ensure environmental stewardship and provide technical, compliance, permit and financial assistance to meet or exceed regulatory requirements and prevent pollution.
2. Create a working environment where employees are empowered to develop science-based solutions to protect public health and the environment.
3. Modernize and streamline internal processes and foster innovation to enhance public service, increase transparency, and strengthen partnerships to serve the people and businesses of North Carolina.
4. Ensure fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income with respect to the development, implementation, and enforcement of laws, regulations, and policies.
5. Address climate change impacts through equitable and just engagement, accounting, mitigation efforts, and resiliency strategies.
6. Protect North Carolinians from exposures to emerging compounds using transparent and science-based decision-making.
7. Strengthen North Carolina's infrastructure through thoughtful and strategic investments.

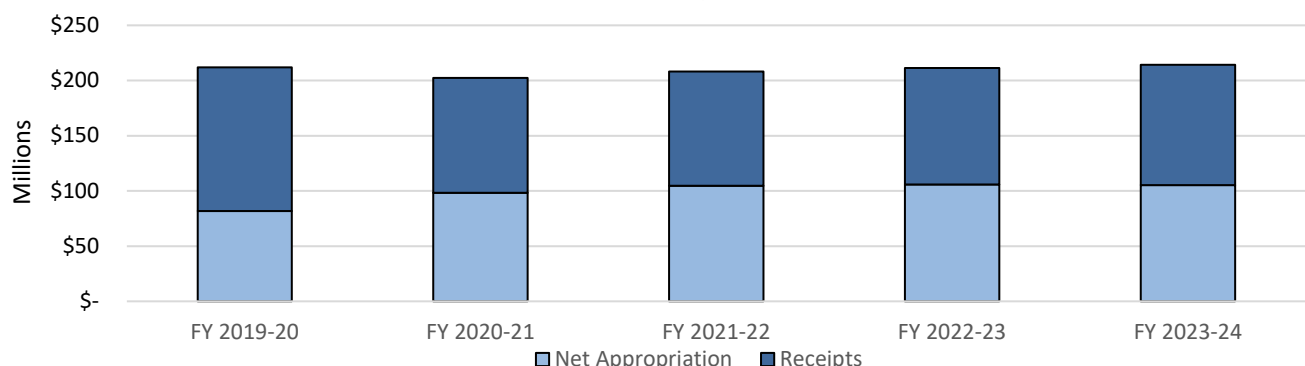
FY2023-24 Actual Expenditures*



Agency Profile

- Protects, conserves, manages, and restores North Carolina's environmental resources through planning, permitting, education, law enforcement, and research.
- Provides grants and technical assistance to local communities to improve air, land, and water quality and support energy efficiency through natural and built infrastructure investments.

5-Year Historical Expenditures*



*Charts include General Fund budget codes only.

Department of Environmental Quality - General Fund (14300)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 317,953,982	\$ 5,801,175	\$ 47,158,492	\$ 52,959,667	\$ 370,913,649	16.7 %
Receipts	\$ 208,577,988	\$ (959,330)	\$ 22,614,100	\$ 21,654,770	\$ 230,232,758	10.4 %
Net Appropriation	\$ 109,375,994	\$ 6,760,505	\$ 24,544,392	\$ 31,304,897	\$ 140,680,891	28.6 %
Positions (FTE)	1,164.522	5.000	-	5.000	1,169.522	0.4 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 317,938,352	\$ 6,166,225	\$ 12,000,000	\$ 18,166,225	\$ 336,104,577	5.7 %
Receipts	\$ 208,581,093	\$ (959,330)	\$ -	\$ (959,330)	\$ 207,621,763	(0.5) %
Net Appropriation	\$ 109,357,259	\$ 7,125,555	\$ 12,000,000	\$ 19,125,555	\$ 128,482,814	17.5 %
Positions (FTE)	1,164.522	5.000	-	5.000	1,169.522	0.4 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve							
Increases all state-funded employee salaries by 2%.		Req \$	1,029,000	\$ -	\$ 1,029,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	1,029,000	\$ -	\$ 1,029,000	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
2 State Employee Bonus							
Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.		Req \$	-	\$ 1,104,000	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 1,104,000	\$ -	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
3 Labor Market Retention and Adjustment Reserve							
Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.		Req \$	1,029,000	\$ -	\$ 1,029,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	1,029,000	\$ -	\$ 1,029,000	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
4 Retirement and Retiree Health Contributions							
Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.		Req \$	129,897	\$ -	\$ 266,290	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	129,897	\$ -	\$ 266,290	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
5 Retiree Cost-of-Living Adjustment							
Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.		Req \$	-	\$ 440,392	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 440,392	\$ -	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
6 State Health Plan							
Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.		Req \$	217,767	\$ -	\$ 446,424	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	217,767	\$ -	\$ 446,424	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
Department-wide					
7 Permit Transformation Program Completion					
Provides funding from the IT Reserve to complete the Permit Transformation Program (PTP). This is a statewide effort by the Department of Environmental Quality (DEQ) to facilitate and modernize its permitting. The PTP helps applicants apply for, track, and pay for permits, licenses, and certificates online. This enhances transparency, improves public access to permit information, and ensures consistency across DEQ's regulatory divisions. When fully implemented, PTP is expected to handle over 6,000 permit applications annually. These additional funds are needed to incorporate the last permit processes and necessary federal reporting requirements into PTP.	Req \$	-	\$	-	\$
	Rec \$	-	\$	-	\$
	App \$	-	\$	-	\$
	FTE	0.000		0.000	
8 Emerging Compounds Lab and Operations					
Provides funds to the Division of Waste Management to maintain lab operations and add capacity to collect and test samples for Per- and Polyfluoroalkyl Substances (PFAS). The lab offers testing services for public water systems, well owners, other water sources, and landfills. This funding will help the lab handle new testing protocols and an expected increase in testing demand as new standards are implemented over the next two years. It will also enable the division to perform required PFAS monitoring of 280 landfills across the state, protecting communities by identifying, reducing, and remediating PFAS pollution.	Req \$	1,557,110	\$	-	\$
	Rec \$	-	\$	-	\$
	App \$	1,557,110	\$	-	\$
	FTE	3.000		0.000	
9 Information Technology Rates					
Funds the expected increase in IT rate charges resulting from the FY 2025-26 approved increase in the Department of Information Technology's subscription and service delivery rates.	Req \$	315,188	\$	-	\$
	Rec \$	-	\$	-	\$
	App \$	315,188	\$	-	\$
	FTE	0.000		0.000	
10 Motor Fleet Management Rate Increase					
Provides funds to cover the increase in Motor Fleet Management rates effective July 1, 2025. Rates have not been updated since January 1, 2018.	Req \$	585,000	\$	-	\$
	Rec \$	-	\$	-	\$
	App \$	585,000	\$	-	\$
	FTE	0.000		0.000	
Division of Air Quality					
11 Air Quality Support					
Fundshifts 6.5 Division of Air Quality FTEs and operations to net appropriation. The department keeps North Carolina's air clean through permitting, monitoring, compliance, and educational activities. The division is over 97% receipt supported and is projecting a 12% decrease in receipts by end of FY 2025-26. Additionally, federal categorical grant funding to help states comply with federal environmental laws, such as the Clean Air Act, has not increased in 15 years.	Req \$	-	\$	-	\$
	Rec \$	(959,330)	\$	-	\$
	App \$	959,330	\$	-	\$
	FTE	0.000		0.000	
Division of Coastal Management					
12 NC Resilient Coastal Communities Program					
Converts one time-limited position in the Resilient Coastal Communities Program (RCCP) to permanent to continue services for local governments in the state's 20 coastal counties. RCCP provides financial and technical assistance, including engineering and construction support, on preparing for and responding to flooding, storm surge, and erosion. The additional nonrecurring funding will enable RCCP to increase the number of local governments receiving assistance to 89 by 2027.	Req \$	101,108	\$	2,000,000	\$
	Rec \$	-	\$	-	\$
	App \$	101,108	\$	2,000,000	\$
	FTE	1.000		0.000	

		R Changes		NR Changes		R Changes		NR Changes	
Division of Energy, Mineral, and Land Resources									
13 Dam Safety Maps and Data									
Funds a web-based tool to enable DEQ to share Dam Safety Program maps and data with dam owners and the public and to aid in creating Emergency Action Plans (EAP) and risk planning. The division estimates that 750 of the 1,500 high hazard dams lack an EAP required by the NC Dam Safety Law. These funds will also allow DEQ to develop the required inundation maps for EAPs showing the area that would be impacted should a dam fail. The cost to prepare EAPs ranges from \$10,000 to \$30,000 depending on the complexity of the site. The new online tool and DEQ support will significantly reduce this cost.	Req \$	122,537	\$	1,000,000	\$	122,537	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	122,537	\$	1,000,000	\$	122,537	\$	-	
	FTE	1.000		0.000		1.000		0.000	
Division of Marine Fisheries									
14 Body Cameras									
Provides funding for body cameras for all agency law enforcement officers (LEOs). Body cameras create crucial evidence in investigations by more accurately documenting interactions. Footage will enable situation-based training based on officers’ previous encounters. Currently 58 LEOs at the agency do not have body cameras. Use of body cameras enhances accountability, transparency, and public trust.	Req \$	70,992	\$	-	\$	70,992	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	70,992	\$	-	\$	70,992	\$	-	
	FTE	0.000		0.000		0.000		0.000	
Division of Mitigation Services									
15 Blueprint Flood Resiliency Core Capacity									
Stabilizes the Flood Resiliency Blueprint’s (Blueprint) core capacity by enabling the program to convert six time-limited positions to permanent. These positions will ultimately increase communities’ safety and prevent future property damage by assisting in the completion of river basin action strategies to address flooding and help local communities plan, fund, and implement these action strategies.	Req \$	643,576	\$	-	\$	643,576	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	643,576	\$	-	\$	643,576	\$	-	
	FTE	0.000		0.000		0.000		0.000	
Division of Water Infrastructure									
16 Drinking Water State Revolving Loan and Clean Water State Revolving Loan Match									
Provides the needed 20% matching funds for the Drinking Water State Revolving Loan and Clean Water State Revolving Loan programs from the Federal Infrastructure Match Reserve for the biennium. The state match will bring over \$113 million in federal funds for drinking water and wastewater projects for local governments and utilities across the state. These funds will be transferred to Budget Code 64320.	Req \$	-	\$	22,614,100	\$	-	\$	-	
	Rec \$	-	\$	22,614,100	\$	-	\$	-	
	App \$	-	\$	-	\$	-	\$	-	
	FTE	0.000		0.000		0.000		0.000	
17 Local Assistance for Stormwater Infrastructure Grants									
Funds grants to local governments for projects to manage and improve stormwater infrastructure, which is vital to minimizing the risk of flooding during storm events. All current LASII funds have been allocated to local governments, and demand for the program continues to exceed available funding. In FY 2024-25, the department was only able to fund 5 of 28 eligible applications.	Req \$	-	\$	10,000,000	\$	-	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	-	\$	10,000,000	\$	-	\$	-	
	FTE	0.000		0.000		0.000		0.000	
18 Viable Utility Reserve Grant Funding									
Provides grants for water and wastewater systems designated as distressed by the State Water Infrastructure Authority and Local Government Commission. All the funds currently appropriated to the Viable Utility Reserve will be obligated by February 2025, leaving no funding to assist the 150 local governments designated as “distressed” and required to bring their utilities into viability pursuant to G.S. 159G-45(b).	Req \$	-	\$	10,000,000	\$	-	\$	10,000,000	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	-	\$	10,000,000	\$	-	\$	10,000,000	
	FTE	0.000		0.000		0.000		0.000	
Total Change to Requirements		\$	5,801,175	\$	47,158,492	\$	6,166,225	\$	12,000,000
Total Change to Receipts		\$	(959,330)	\$	22,614,100	\$	(959,330)	\$	-
Total Change to Net Appropriations		\$	6,760,505	\$	24,544,392	\$	7,125,555	\$	12,000,000
Total Change to Full-Time Equivalent (FTE)			5.000		0.000		5.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$			31,304,897	\$			19,125,555
Total Change to Full-Time Equivalent (FTE)					5.000				5.000

Department of Environmental Quality - Drinking Water SRF (64320)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 121,796,977	\$ -	\$ 22,614,100	\$ 22,614,100	\$ 144,411,077	18.6 %
Receipts	\$ 107,503,556	\$ -	\$ 22,614,100	\$ 22,614,100	\$ 130,117,656	21.0 %
Chg in Fund Balance	\$ (14,293,421)	\$ -	\$ -	\$ -	\$ (14,293,421)	0.0 %
Positions (FTE)	77.980	-	-	-	77.980	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 121,796,977	\$ -	\$ -	\$ -	\$ 121,796,977	0.0 %
Receipts	\$ 107,503,556	\$ -	\$ -	\$ -	\$ 107,503,556	0.0 %
Chg in Fund Balance	\$ (14,293,421)	\$ -	\$ -	\$ -	\$ (14,293,421)	0.0 %
Positions (FTE)	77.980	-	-	-	77.980	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes
Division of Water Infrastructure				
1 Transfer-Drinking Water State and Clean Water State Revolving Loan Match				
Budgets the transfer from Budget Code 14300 for the Drinking Water State Revolving Loan and Clean Water State Revolving Loan.	Req \$	- \$ 22,614,100	\$ -	\$ -
	Rec \$	- \$ 22,614,100	\$ -	\$ -
	CFB \$	- \$ -	\$ -	\$ -
	FTE	0.000 0.000	0.000	0.000
Total Change to Requirements	\$ -	\$ 22,614,100	\$ -	\$ -
Total Change to Receipts	\$ -	\$ 22,614,100	\$ -	\$ -
Total Change to Fund Balance	\$ -	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)		0.000 0.000	0.000	0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$	-	\$	-
Total Change to Full-Time Equivalent (FTE)		0.000		0.000

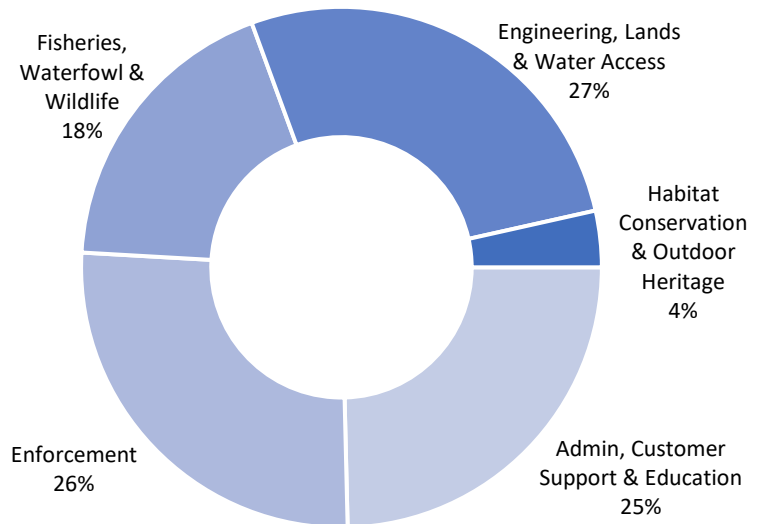
Mission

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

Goals

1. Ensure all North Carolina citizens have the opportunity for safe and readily available participation in hunting, fishing, boating and other wildlife-related activities.
2. Expand the constituency base by providing and promoting opportunities for everyone to experience the state's wildlife resources.
3. Conserve and enhance the abundance and diversity of North Carolina's fish and wildlife.
4. Be recognized as a leader in sustaining working lands, conserving wildlife habitats and diversity, and maintaining the hunting and fishing heritage of North Carolina.
5. Communicate, educate, and market wildlife conservation and management.

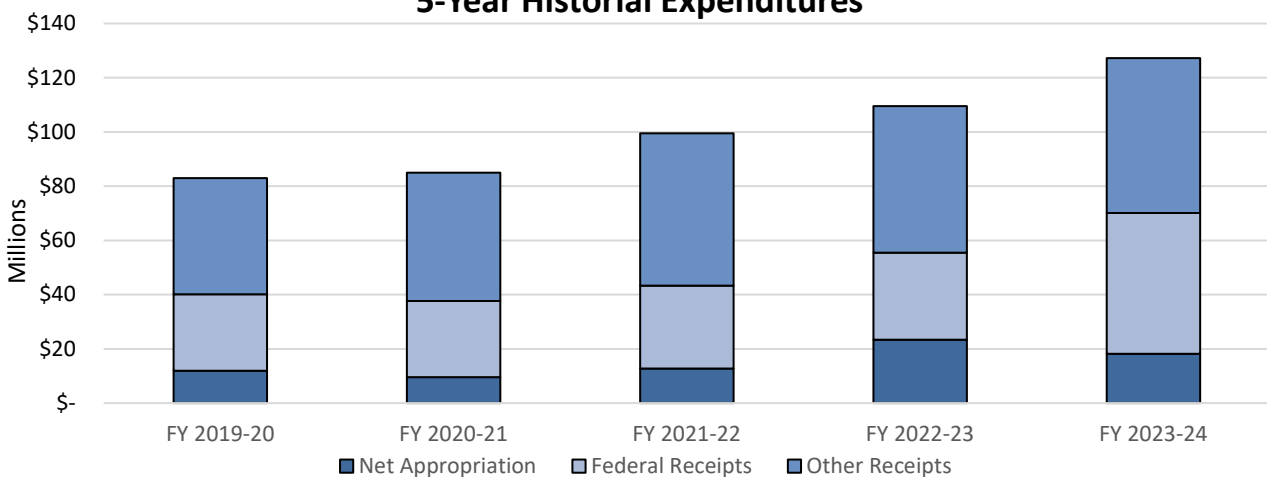
FY 2023-24 Actual Expenditures



Agency Profile

- Conserves and sustains the state's fish and wildlife resources through research, scientific management, wise use, and public input.
- Administers and enforces North Carolina fishing, hunting, trapping, and boating laws.
- Owns and operates 72 game lands of over 540,000 acres and manages an additional 1.6 million acres through cooperative agreements for wildlife management and conservation.
- Manages over 250 boating access areas, 260 public fishing areas, nine shooting ranges and six fish hatcheries to provide opportunity and access to the public.

5-Year Historical Expenditures



*Charts include General Fund budget code only.

Wildlife Resources Commission - General Fund (14350)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 102,060,301	\$ 889,042	\$ 831,627	\$ 1,720,669	\$ 103,780,970	1.7 %
Receipts	\$ 85,200,340	\$ 216,920	\$ 12,249	\$ 229,169	\$ 85,429,509	0.3 %
Net Appropriation	\$ 16,859,961	\$ 672,122	\$ 819,378	\$ 1,491,500	\$ 18,351,461	8.8 %
Positions (FTE)	699.000	-	-	-	699.000	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 102,060,301	\$ 989,970	\$ -	\$ 989,970	\$ 103,050,271	1.0 %
Receipts	\$ 85,200,340	\$ 216,920	\$ -	\$ 216,920	\$ 85,417,260	0.2 %
Net Appropriation	\$ 16,859,961	\$ 773,050	\$ -	\$ 773,050	\$ 17,633,011	4.6 %
Positions (FTE)	699.000	-	-	-	699.000	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve

Increases all state-funded employee salaries by 2%.

Req \$	288,000	\$ -	\$ 288,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	288,000	\$ -	\$ 288,000	\$ -
FTE	0.000	0.000	0.000	0.000

2 State Employee Bonus

Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ 696,000	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 696,000	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

3 Labor Market Retention and Adjustment Reserve

Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.

Req \$	288,000	\$ -	\$ 288,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	288,000	\$ -	\$ 288,000	\$ -
FTE	0.000	0.000	0.000	0.000

4 Retirement and Retiree Health Contributions

Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.

Req \$	36,392	\$ -	\$ 74,603	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	36,392	\$ -	\$ 74,603	\$ -
FTE	0.000	0.000	0.000	0.000

5 Retiree Cost-of-Living Adjustment

Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.

Req \$	-	\$ 123,378	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 123,378	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

6 State Health Plan

Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.

Req \$	59,730	\$ -	\$ 122,447	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	59,730	\$ -	\$ 122,447	\$ -
FTE	0.000	0.000	0.000	0.000

		R Changes		NR Changes		R Changes		NR Changes
Department-wide								
7 BLET Training at Samarcand								
Budgets receipts to partially fund the Basic Law Enforcement Training (BLET) program at Samarcand Training Academy in the Department of Public Safety. The Wildlife Resources Commission (WRC) invested in a dormitory on Samarcand’s campus, and a part of this funding covers WRC’s relative portion of housekeepers and utility costs for the building as well as the new program coordinator and instructor positions that Samarcand needs to manage BLET and to provide training to future wildlife law enforcement officers.	Req	\$	216,920	\$	12,249	\$	216,920	\$ -
	Rec	\$	216,920	\$	12,249	\$	216,920	\$ -
	App	\$	-	\$	-	\$	-	\$ -
	FTE		0.000		0.000		0.000	0.000
<hr/>								
Total Change to Requirements		\$	889,042	\$	831,627	\$	989,970	\$ -
Total Change to Receipts		\$	216,920	\$	12,249	\$	216,920	\$ -
Total Change to Net Appropriations		\$	672,122	\$	819,378	\$	773,050	\$ -
Total Change to Full-Time Equivalent (FTE)			0.000		0.000		0.000	0.000
<hr/>								
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$			1,491,500	\$		773,050
Total Change to Full-Time Equivalent (FTE)					0.000			0.000

Mission

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

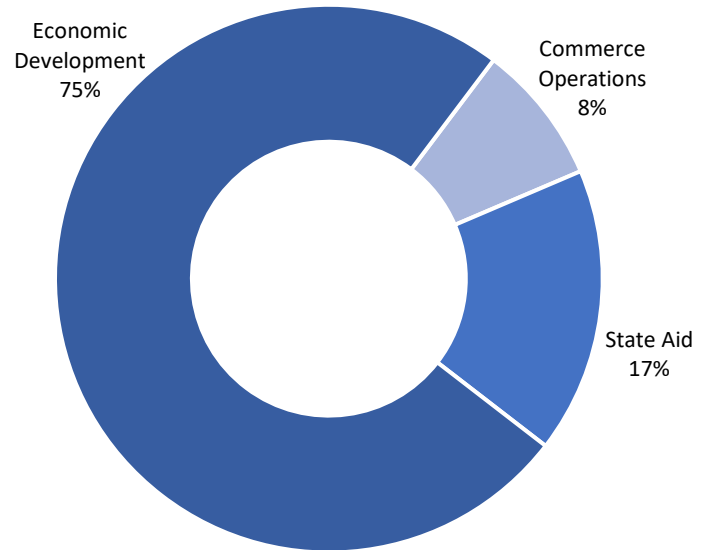
Goals

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

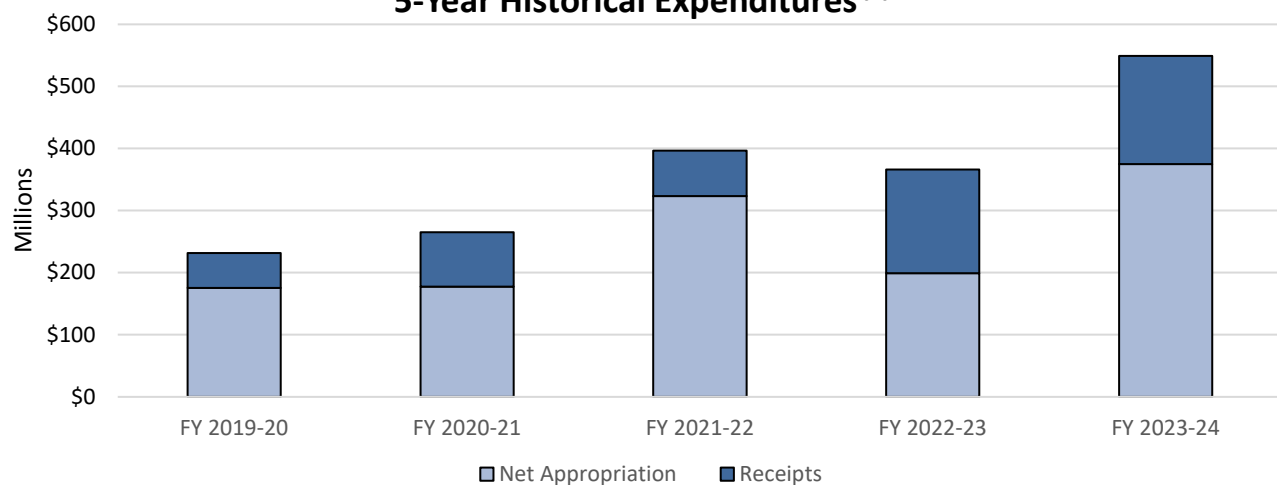
Agency Profile

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

FY 2023-24 Actual Expenditures*



5-Year Historical Expenditures**



*Charts include General Fund budget codes only and State Fiscal Recovery Funds across three areas.

**FY 2021-22 recorded substantial investment in Economic Development projects.

Commerce - General (14600)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 83,537,340	\$ 3,573,972	\$ 19,270,724	\$ 22,844,696	\$ 106,382,036	27.4 %
Receipts	\$ 63,272,887	\$ -	\$ 10,500,000	\$ 10,500,000	\$ 73,772,887	16.6 %
Net Appropriation	\$ 20,264,453	\$ 3,573,972	\$ 8,770,724	\$ 12,344,696	\$ 32,609,149	60.9 %
Positions (FTE)	180.234	9.000	-	9.000	189.234	5.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 83,537,340	\$ 3,651,552	\$ 8,500,000	\$ 12,151,552	\$ 95,688,892	14.6 %
Receipts	\$ 63,272,887	\$ -	\$ -	\$ -	\$ 63,272,887	0.0 %
Net Appropriation	\$ 20,264,453	\$ 3,651,552	\$ 8,500,000	\$ 12,151,552	\$ 32,416,005	60.0 %
Positions (FTE)	180.234	9.000	-	9.000	189.234	5.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve							
Increases all state-funded employee salaries by 2%.		Req \$	223,000	\$ -	\$ 223,000	\$ -	
		Rec \$	-	\$ -	\$ -	\$ -	
		App \$	223,000	\$ -	\$ 223,000	\$ -	
		FTE	0.000	0.000	0.000	0.000	
2 State Employee Bonus							
Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.		Req \$	-	\$ 175,000	\$ -	\$ -	
		Rec \$	-	\$ -	\$ -	\$ -	
		App \$	-	\$ 175,000	\$ -	\$ -	
		FTE	0.000	0.000	0.000	0.000	
3 Labor Market Retention and Adjustment Reserve							
Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.		Req \$	223,000	\$ -	\$ 223,000	\$ -	
		Rec \$	-	\$ -	\$ -	\$ -	
		App \$	223,000	\$ -	\$ 223,000	\$ -	
		FTE	0.000	0.000	0.000	0.000	
4 Retirement and Retiree Health Contributions							
Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.		Req \$	28,235	\$ -	\$ 57,881	\$ -	
		Rec \$	-	\$ -	\$ -	\$ -	
		App \$	28,235	\$ -	\$ 57,881	\$ -	
		FTE	0.000	0.000	0.000	0.000	
5 Retiree Cost-of-Living Adjustment							
Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.		Req \$	-	\$ 95,724	\$ -	\$ -	
		Rec \$	-	\$ -	\$ -	\$ -	
		App \$	-	\$ 95,724	\$ -	\$ -	
		FTE	0.000	0.000	0.000	0.000	
6 State Health Plan							
Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.		Req \$	45,652	\$ -	\$ 93,586	\$ -	
		Rec \$	-	\$ -	\$ -	\$ -	
		App \$	45,652	\$ -	\$ 93,586	\$ -	
		FTE	0.000	0.000	0.000	0.000	

		R Changes		NR Changes		R Changes		NR Changes
Administration								
7 NC Certified Sites Due Diligence								
Provides grant funds to local governments for the due diligence assessment expenses needed to certify smaller industrial sites as part of the NC Certified Sites Program in areas without Megasite or Selectsite properties. The current average cost to have a 100-acre site certified is \$100,000. Sites in this program undergo a rigorous pre-qualification process, providing businesses with greater confidence in a site's readiness for development, minimizing potential risks during construction, and saving companies at least half a year in the site selection and development process. Since 2021, 14 companies located on NC Certified Sites, leading to a total investment of \$10.7 billion and the creation of nearly 12,500 jobs.	Req \$	-	\$	2,000,000	\$	-	\$	2,000,000
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	-	\$	2,000,000	\$	-	\$	2,000,000
	FTE	0.000		0.000		0.000		0.000
8 Information Technology Rates								
Funds the expected increase in IT rate charges resulting from the FY 2025-26 approved increase in the Department of Information Technology's subscription and service delivery rates.	Req \$	421,381	\$	-	\$	421,381	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	421,381	\$	-	\$	421,381	\$	-
	FTE	0.000		0.000		0.000		0.000
Community Revitalization								
9 Homelessness Prevention Program								
Provides funds to the Division of Community Revitalization for homelessness prevention, including supportive services, rapid rehousing, and permanent supportive housing. The US Department of Housing and Urban Development (HUD) January 2024 point-in-time count found 11,626 unhoused individuals in NC. Net appropriation support ensures a stable source of matching funds to draw down \$3.2 million of HUD Continuum-of-Care grants to address household needs that are ineligible expenses for the federal funding.	Req \$	1,765,093	\$	-	\$	1,765,093	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	1,765,093	\$	-	\$	1,765,093	\$	-
	FTE	4.000		0.000		4.000		0.000
Office of Science and Technology								
10 NC Coalition Strategic Support Fund								
Provides funds from the Federal Infrastructure Match Reserve to help the Office of Science, Technology, and Innovation (OSTI) leverage federal funding and grow the semiconductor and chip industries in the state. OSTI will build coalitions of nonprofits, foundations, industry, and government that can jointly apply for federal funding. Coalitions form the foundational elements for an industry cluster, which increases the economic viability of a region. This funding will provide needed matching funds and support strategic planning and performance tracking that further the competitiveness of these coalitions. These funds will be transferred to Budget Code 24609.	Req \$	-	\$	10,500,000	\$	-	\$	-
	Rec \$	-	\$	10,500,000	\$	-	\$	-
	App \$	-	\$	-	\$	-	\$	-
	FTE	0.000		0.000		0.000		0.000
11 Defense Innovation Support								
Funds a position in OSTI to facilitate collaboration that will catalyze economic growth and leverage federal funding for North Carolina's Defense Science, Technology, and Innovation sectors. Lack of resources and personnel impedes OSTI's ability to educate, inform, and execute strategic initiatives that promote defense innovation funding and activity. North Carolina ranks 25th in receiving defense research and development contracts, despite being fourth in terms of defense-related personnel.	Req \$	184,611	\$	-	\$	184,611	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	184,611	\$	-	\$	184,611	\$	-
	FTE	1.000		0.000		1.000		0.000
Rural Economic Development								
12 Southeastern Crescent Regional Commission Matching Funds								
Provides matching funds needed to cover the state's share for the Southeast Crescent Regional Commission (SCRC), which serves 69 North Carolina counties. The Commission is one of seven federal regional commissions and authorities created to address instances of major economic distress and provide grants for economic, workforce, and infrastructure development with the goal of creating jobs and improving the lives of residents. If funding is not provided, the state will lose about \$3.6 million per year in federal funding.	Req \$	250,000	\$	-	\$	250,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	250,000	\$	-	\$	250,000	\$	-
	FTE	0.000		0.000		0.000		0.000

	R Changes		NR Changes		R Changes		NR Changes		
Workforce Development									
13 Work-Based Learning Grants for Small Businesses									
Increases funding to the Department of Commerce’s Division of Workforce Solutions (DWS) to expand work-based learning grants to small businesses. These grants connect small businesses to students, providing them with the opportunity to gain work experience and skills to help with their transition from high school to post-secondary education and careers. With this funding, the program will expand beyond working only with employers with fewer than 25 employees to serve businesses with fewer than 50 employees. Approximately 5,000 students participate in this program annually.	Req \$	-	\$	2,500,000	\$	-	\$	2,500,000	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	-	\$	2,500,000	\$	-	\$	2,500,000	
	FTE	0.000		0.000		0.000		0.000	
14 Whole System Apprenticeships Model									
Invests in the development of a ‘whole system’ model of apprenticeships from high school through higher education, leveraging funds provided by the Workforce Innovation and Opportunity Act (WIOA), as well as other sources. This investment will strengthen the State’s talent pipeline by funding one position at the department to work with ApprenticeshipNC and the Department of Public Instruction to better prepare and connect North Carolinians to high-demand workforce opportunities.	Req \$	133,000	\$	-	\$	133,000	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	133,000	\$	-	\$	133,000	\$	-	
	FTE	1.000		0.000		1.000		0.000	
15 NC Career Launch									
Provides funding to the North Carolina Business Committee for Education to develop and scale youth apprenticeship programs for high school students that lead to Registered Apprenticeship Programs in critical, high-demand fields. These programs will provide a seamless pathway to post-secondary education and a career with family-sustaining wages. After two years, local communities will be expected to take responsibility for the continued funding of these programs. A portion of these funds shall be used for continuing evaluation of the program’s impact on youth job outcomes.	Req \$	-	\$	4,000,000	\$	-	\$	4,000,000	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	-	\$	4,000,000	\$	-	\$	4,000,000	
	FTE	0.000		0.000		0.000		0.000	
16 Nccareers.org Information System									
Allocates funding from the IT Reserve to the department to modernize NCcareers.org and keep up with rising demand. NCcareers.org is a resource for people exploring careers and for those reentering the workforce. The site provides tools to identify skills, explore different occupations and their credentialing requirements, perform job searches, prepare resumes and cover letters, and practice interviewing. Usage of the platform for the August 2024 to January 2025 period increased by 23.7% relative to the same period the prior fiscal year.	Req \$	-	\$	-	\$	-	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	-	\$	-	\$	-	\$	-	
	FTE	0.000		0.000		0.000		0.000	
17 Workforce Monitoring and Evaluation Capacity									
Creates positions within DWS to enhance oversight and evaluation of the state’s 20 workforce boards. These positions will track activities as required under the federal Workforce Innovation and Opportunity Act (WIOA) to ensure accurate implementation. The division will review Workforce WIOA Training Programs to ensure trainers possess the proper credentials, as mandated by federal law, and are in compliance with federally required quality standards.	Req \$	300,000	\$	-	\$	300,000	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	300,000	\$	-	\$	300,000	\$	-	
	FTE	3.000		0.000		3.000		0.000	
Total Change to Requirements		\$	3,573,972	\$	19,270,724	\$	3,651,552	\$	8,500,000
Total Change to Receipts		\$	-	\$	10,500,000	\$	-	\$	-
Total Change to Net Appropriations		\$	3,573,972	\$	8,770,724	\$	3,651,552	\$	8,500,000
Total Change to Full-Time Equivalent (FTE)			9.000		0.000		9.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$			12,344,696	\$			12,151,552
Total Change to Full-Time Equivalent (FTE)					9.000				9.000

Commerce - Economic Development (14602)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 158,468,245	\$ 2,900,000	\$ 5,000,000	\$ 7,900,000	\$ 166,368,245	5.0 %
Receipts	\$ 120,000	\$ -	\$ -	\$ -	\$ 120,000	0.0 %
Net Appropriation	\$ 158,348,245	\$ 2,900,000	\$ 5,000,000	\$ 7,900,000	\$ 166,248,245	5.0 %
Positions (FTE)	-	-	-	-	-	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 158,468,245	\$ 2,900,000	\$ -	\$ 2,900,000	\$ 161,368,245	1.8 %
Receipts	\$ 120,000	\$ -	\$ -	\$ -	\$ 120,000	0.0 %
Net Appropriation	\$ 158,348,245	\$ 2,900,000	\$ -	\$ 2,900,000	\$ 161,248,245	1.8 %
Positions (FTE)	-	-	-	-	-	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Office of Science and Technology

1 One NC Small Business Program Provides more grant funding for the One North Carolina Small Business Program. These grants support small businesses applying for the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs, which provide critical funding to bridge the gap between innovation and market readiness. This funding will ultimately drive job creation, economic diversification, and technological advancement within the state. The grant program trains applicants, reimburses applications costs, and provides matching funds to SBIR or STTR recipients.	Req \$	-	\$ 5,000,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 5,000,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000

Rural Economic Development

2 Rural Transformation Grants Increases the recurring appropriation for the Rural Transformation Grants program to \$15 million. This program supports local governments through grants and expert guidance on how to improve economic vitality and overcome unique challenges many rural communities face. In FY 2023-24, demand for the program exceeded current funding with only 136 of 356 eligible applications receiving awards.	Req \$	2,900,000	\$ -	\$ 2,900,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	2,900,000	\$ -	\$ 2,900,000	\$ -
	FTE	0.000	0.000	0.000	0.000

Total Change to Requirements	\$ 2,900,000	\$ 5,000,000	\$ 2,900,000	\$ -
Total Change to Receipts	\$ -	\$ -	\$ -	\$ -
Total Change to Net Appropriations	\$ 2,900,000	\$ 5,000,000	\$ 2,900,000	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000

Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$ 7,900,000	\$ 2,900,000
Total Change to Full-Time Equivalent (FTE)	0.000	0.000

Commerce - Special - General Fund (24609)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 176,159,938	\$ -	\$ 10,500,000	\$ 10,500,000	\$ 186,659,938	6.0 %
Receipts	\$ 174,450,454	\$ -	\$ 10,500,000	\$ 10,500,000	\$ 184,950,454	6.0 %
Chg in Fund Balance	\$ (1,709,484)	\$ -	\$ -	\$ -	\$ (1,709,484)	0.0 %
Positions (FTE)	9.693	-	-	-	9.693	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 176,159,938	\$ -	\$ -	\$ -	\$ 176,159,938	0.0 %
Receipts	\$ 174,450,454	\$ -	\$ -	\$ -	\$ 174,450,454	0.0 %
Chg in Fund Balance	\$ (1,709,484)	\$ -	\$ -	\$ -	\$ (1,709,484)	0.0 %
Positions (FTE)	9.693	-	-	-	9.693	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes
Office of Science and Technology				
1 Transfer-NC Coalition Strategic Support Fund				
Budget the transfer from Budget Code 14600 for the NC Coalition Strategic Support Fund.	Req \$	- \$ 10,500,000	\$ -	\$ -
	Rec \$	- \$ 10,500,000	\$ -	\$ -
	CFB \$	- \$ -	\$ -	\$ -
	FTE	0.000 0.000	0.000	0.000
Total Change to Requirements	\$ -	\$ 10,500,000	\$ -	\$ -
Total Change to Receipts	\$ -	\$ 10,500,000	\$ -	\$ -
Total Change to Fund Balance	\$ -	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$ -	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)		0.000		0.000

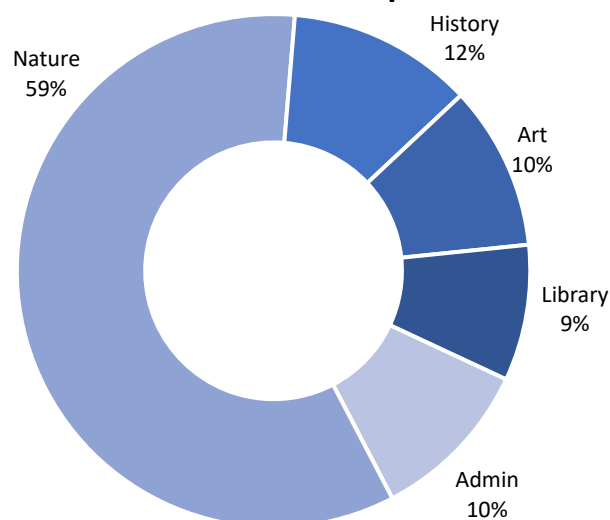
Mission

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

Goals

1. Expand educational opportunities for children and families by increasing access to the state's innovative, interactive, and inspirational natural and cultural sites, programs, and services.
2. Boost economic growth through initiatives to support rural communities, and other efforts.
3. Preserve, enhance, and expand North Carolina's natural and cultural resources in an effective, efficient, collaborative, and customer-friendly manner.
4. Promote accessibility and inclusion in departmental programs, recruitment, administration, and community engagement.
5. Evaluate the impact of climate change and integrate climate change mitigation, adaption, education, and resiliency practices into DNCR programs and operations.

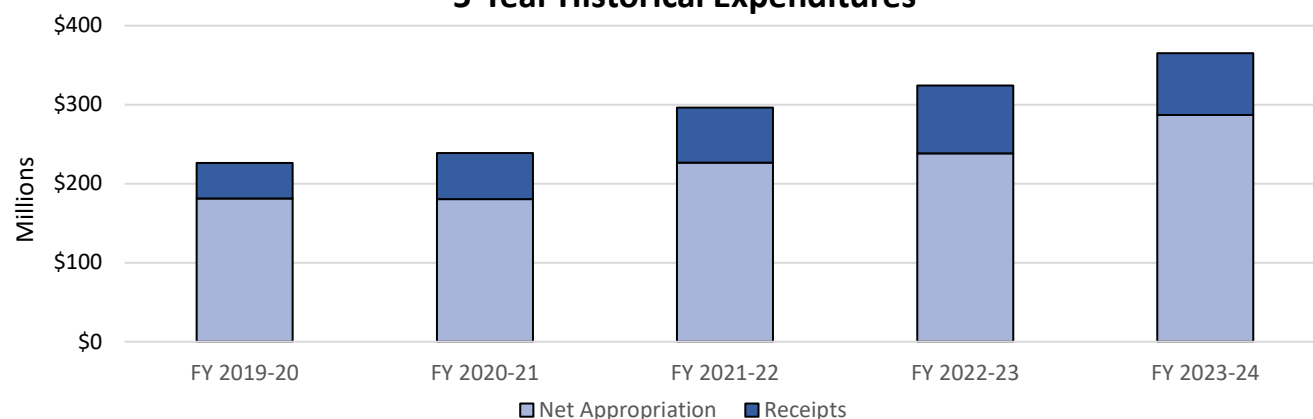
FY 2023-24 Actual Expenditures*



Agency Profile

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

5-Year Historical Expenditures*



*Charts include General Fund budget code only.

Department of Natural and Cultural Resources - General Fund (14800)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 334,739,213	\$ 18,771,213	\$ 10,182,700	\$ 28,953,913	\$ 363,693,126	8.6 %
Receipts	\$ 56,396,562	\$ -	\$ -	\$ -	\$ 56,396,562	0.0 %
Net Appropriation	\$ 278,342,651	\$ 18,771,213	\$ 10,182,700	\$ 28,953,913	\$ 307,296,564	10.4 %
Positions (FTE)	2,112.949	104.000	-	104.000	2,216.949	4.9 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 334,804,632	\$ 19,918,599	\$ 2,250,000	\$ 22,168,599	\$ 356,973,231	6.6 %
Receipts	\$ 56,396,562	\$ -	\$ -	\$ -	\$ 56,396,562	0.0 %
Net Appropriation	\$ 278,408,070	\$ 19,918,599	\$ 2,250,000	\$ 22,168,599	\$ 300,576,669	8.0 %
Positions (FTE)	2,112.949	104.000	-	104.000	2,216.949	4.9 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve							
Increases all state-funded employee salaries by 2%.		Req \$	2,770,000	\$ -	\$ 2,770,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	2,770,000	\$ -	\$ 2,770,000	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
2 State Employee Bonus							
Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.		Req \$	-	\$ 2,107,000	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 2,107,000	\$ -	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
3 Labor Market Retention and Adjustment Reserve							
Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.		Req \$	2,770,000	\$ -	\$ 2,770,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	2,770,000	\$ -	\$ 2,770,000	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
4 Retirement and Retiree Health Contributions							
Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.		Req \$	349,688	\$ -	\$ 716,863	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	349,688	\$ -	\$ 716,863	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
5 Retiree Cost-of-Living Adjustment							
Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.		Req \$	-	\$ 1,185,550	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 1,185,550	\$ -	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
6 State Health Plan							
Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.		Req \$	743,056	\$ -	\$ 1,523,267	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	743,056	\$ -	\$ 1,523,267	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000

		R Changes		NR Changes		R Changes		NR Changes
Department-wide								
7 Information Technology Rates								
Funds the expected increase in IT rate charges resulting from the FY 2025-26 approved increase in the Department of Information Technology's subscription and service delivery rates.	Req \$	1,203,427	\$	-	\$	1,203,427	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	1,203,427	\$	-	\$	1,203,427	\$	-
	FTE	0.000		0.000		0.000		0.000
8 Motor Fleet Management Rate Increase								
Provides funds to cover the increase in Motor Fleet Management rates effective July 1, 2025. Rates have not been updated since January 1, 2018.	Req \$	444,000	\$	-	\$	444,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	444,000	\$	-	\$	444,000	\$	-
	FTE	0.000		0.000		0.000		0.000
Administration								
9 Budget and Finance Positions								
Addresses the department's increasing financial responsibilities resulting from a 78% increase in its combined operating and capital budgets since FY 2018-19. These additional budget and accounting staff will enhance the Budget and Finance Office's ability to oversee divisions and vendors, meet deadlines, and respond to oversight agencies.	Req \$	249,256	\$	-	\$	249,256	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	249,256	\$	-	\$	249,256	\$	-
	FTE	2.000		0.000		2.000		0.000
10 HR Positions								
Provides additional staff to support the increased HR workload associated with the 19% increase in the department's staff since FY 2018-19. This growth has increased the HR workload causing inefficiencies that negatively impact service delivery. Additional staff will help to improve the recruitment process and reduce time to hire for the department.	Req \$	169,182	\$	-	\$	169,182	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	169,182	\$	-	\$	169,182	\$	-
	FTE	2.000		0.000		2.000		0.000
History								
11 Archives and Records Management Positions								
Provides funding for five positions currently supported by the department's portion of the real estate transaction fee. Archives and Records Management (ARM) collects 25% from each real estate transaction fee, \$1.55 of the \$6.20 fee, in its special fund. The decreasing number of real estate transactions across the state has resulted in a decline in annual collections of 28% since FY 2020-21. Thus, ARM collections can no longer support the positions and division operating expenses. This funding will help the division continue to provide essential services. These funds will be transferred to Budget Code 24811.	Req \$	404,708	\$	-	\$	404,708	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	404,708	\$	-	\$	404,708	\$	-
	FTE	0.000		0.000		0.000		0.000
12 Fort Fisher State Historic Site Operating Reserve								
Provides additional staff and operating funds for the new visitor center at Fort Fisher State Historic Site. In October 2024, the new 23,000 square foot visitor center replaced the 6,400 square foot facility. Additional staff and operating funds are required to operate the site and to provide its over 1 million annual visitors a high-quality experience.	Req \$	225,000	\$	-	\$	225,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	225,000	\$	-	\$	225,000	\$	-
	FTE	2.000		0.000		2.000		0.000
13 North Carolina Transportation Museum Operating Reserve								
Increases staffing and operating support for the North Carolina Transportation Museum (NCTM). NCTM has two structures undergoing renovation that will become operational in July 2025, adding over 39,000 square feet of visitor accessible space. The renovated Powerhouse and Car Repair Shed will be used for exhibits, events, and rail car storage and repairs. NCTM visitation has increased 30% in the past two years, and the additions will spur further growth with new exhibits, flexible meeting space, and expanded capacity for events.	Req \$	162,611	\$	-	\$	162,611	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	162,611	\$	-	\$	162,611	\$	-
	FTE	2.000		0.000		2.000		0.000

		R Changes		NR Changes		R Changes		NR Changes	
Nature									
14 Zoo Asia Operating Reserve									
Creates positions to support the new Asia complex at the North Carolina Zoo, which is expected to open in June 2026. The Asia complex is a 12.5-acre facility featuring new exhibits and animals, including a 300-seat restaurant and an educational exploration center. New staff will support essential operations associated with the opening, including marketing, special events, and maintenance. The Zoo estimates that the new Asia complex will increase annual visits by 42% and grow the economic impact of the Zoo to almost \$300 million annually.	Req \$	5,792,398	\$	-	\$	5,792,398	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	5,792,398	\$	-	\$	5,792,398	\$	-	
	FTE	69.000		0.000		69.000		0.000	
15 Parks Operating Reserve									
Establishes new positions and provides on-going and start-up operational funds for state parks, recreational areas, natural areas, and trails added or improved through Connect NC Bonds and Parks and Recreational Trust Fund (PARTF) awards. Since 2019, state park system has grown by almost 18,000 acres and had over 430 miles of state trails designated.	Req \$	1,290,803	\$	640,150	\$	1,290,803	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	1,290,803	\$	640,150	\$	1,290,803	\$	-	
	FTE	12.000		0.000		12.000		0.000	
16 Fort Fisher Aquarium Operating Reserve									
Funds positions and operations to support the North Carolina Aquarium at Fort Fisher (NCAFF) expansion. NCAFF is anticipating a 30-month construction closure from fall 2025 to spring 2028. The facility is currently 92,000 square feet and the expansion will add over 50,000 square feet, more than doubling the volume of water and animals housed within the aquarium. Nonrecurring funds will help offset loss of revenues from NCAFF.	Req \$	1,146,585	\$	2,250,000	\$	1,146,585	\$	2,250,000	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	1,146,585	\$	2,250,000	\$	1,146,585	\$	2,250,000	
	FTE	13.000		0.000		13.000		0.000	
17 Park Ranger Body Cameras									
Provides funding for body cameras for all agency law enforcement officers (LEOs) and for FTE to manage the department body cameras, including supporting video footage review, records requests, and training and equipment management. Body cameras create crucial evidence in investigations by more accurately documenting interactions. Footage will enable situation-based training drawing from officers’ previous encounters. Currently, 264 LEOs at the agency do not have body cameras. Use of body cameras enhances accountability, transparency, and public trust.	Req \$	1,050,499	\$	-	\$	1,050,499	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	1,050,499	\$	-	\$	1,050,499	\$	-	
	FTE	2.000		0.000		2.000		0.000	
18 North Carolina Parks and Recreation Trust Fund									
Provides additional funds to the Parks and Recreation Trust Fund (PARTF) for grants to support projects in state parks, develop and renovate local parks, and maintain beach access. In FY 2023-24, demand for local parks grants exceeded available funding by 58%. This funding increases the support for PARTF to \$30 million in FY 2025-26. These funds will be transferred to Budget Code 24820.	Req \$	-	\$	2,000,000	\$	-	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	-	\$	2,000,000	\$	-	\$	-	
	FTE	0.000		0.000		0.000		0.000	
19 North Carolina Land and Water Fund									
Provides additional funds to the North Carolina Land and Water Fund (NCLWF) for grants to support projects that protect and restore the state's land and water resources, preserve military buffers, restore degraded streams, and develop and improve stormwater treatment. In FY 2023-24, demand for NCLWF grants exceeded available funding by 40%. This funding increases the support for NCLWF to \$30 million in FY 2025-26. These funds will be transferred to Budget Code 24818.	Req \$	-	\$	2,000,000	\$	-	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	-	\$	2,000,000	\$	-	\$	-	
	FTE	0.000		0.000		0.000		0.000	
Total Change to Requirements		\$	18,771,213	\$	10,182,700	\$	19,918,599	\$	2,250,000
Total Change to Receipts		\$	-	\$	-	\$	-	\$	-
Total Change to Net Appropriations		\$	18,771,213	\$	10,182,700	\$	19,918,599	\$	2,250,000
Total Change to Full-Time Equivalent (FTE)			104.000		0.000		104.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$			28,953,913	\$			22,168,599
Total Change to Full-Time Equivalent (FTE)					104.000				104.000

Department of Natural and Cultural Resources - Interest Earning - Special Revenue (24811)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 2,184,570	\$ -	\$ -	\$ -	\$ 2,184,570	0.0 %
Receipts	\$ 2,184,570	\$ -	\$ -	\$ -	\$ 2,184,570	0.0 %
Chg in Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	0.0 %
Positions (FTE)	24.237	-	-	-	24.237	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 2,184,570	\$ -	\$ -	\$ -	\$ 2,184,570	0.0 %
Receipts	\$ 2,184,570	\$ -	\$ -	\$ -	\$ 2,184,570	0.0 %
Chg in Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	0.0 %
Positions (FTE)	24.237	-	-	-	24.237	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes
Archives and Records Management Fund				
1 Transfer - ARM Fund Receipts				
Budgets the transfer from Budget Code 14800 to compensate for the reduction of real estate collections in the ARM Fund.	Req \$ -	\$ -	\$ -	\$ -
	Rec \$ 404,708	\$ -	\$ 404,708	\$ -
	CFB \$ 404,708	\$ -	\$ 404,708	\$ -
	FTE 0.000	0.000	0.000	0.000
2 ARM Fund Receipt Reduction				
Budgets a reduction in receipts from the real estate transaction fee collections in the ARM Fund.	Req \$ -	\$ -	\$ -	\$ -
	Rec \$ (404,708)	\$ -	\$ (404,708)	\$ -
	CFB \$ (404,708)	\$ -	\$ (404,708)	\$ -
	FTE 0.000	0.000	0.000	0.000
Total Change to Requirements	\$ -	\$ -	\$ -	\$ -
Total Change to Receipts	\$ -	\$ -	\$ -	\$ -
Total Change to Fund Balance	\$ -	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$ -	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)		0.000		0.000

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

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 33,460,882	\$ -	\$ 2,000,000	\$ 2,000,000	\$ 35,460,882	6.0 %
Receipts	\$ 33,446,949	\$ -	\$ 2,000,000	\$ 2,000,000	\$ 35,446,949	6.0 %
Chg in Fund Balance	\$ (13,933)	\$ -	\$ -	\$ -	\$ (13,933)	0.0 %
Positions (FTE)	2.700	-	-	-	2.700	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 33,460,882	\$ -	\$ -	\$ -	\$ 33,460,882	0.0 %
Receipts	\$ 33,446,949	\$ -	\$ -	\$ -	\$ 33,446,949	0.0 %
Chg in Fund Balance	\$ (13,933)	\$ -	\$ -	\$ -	\$ (13,933)	0.0 %
Positions (FTE)	2.700	-	-	-	2.700	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes
North Carolina Land and Water Fund				
1 Transfer - North Carolina Land and Water Fund				
Budgets the transfer from Budget Code 14800 for the Land and Water Fund.	Req \$	- \$ 2,000,000	\$ -	\$ -
	Rec \$	- \$ 2,000,000	\$ -	\$ -
	CFB \$	- \$ -	\$ -	\$ -
	FTE	0.000 0.000	0.000	0.000
Total Change to Requirements	\$ -	\$ 2,000,000	\$ -	\$ -
Total Change to Receipts	\$ -	\$ 2,000,000	\$ -	\$ -
Total Change to Fund Balance	\$ -	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$ -	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)		0.000		0.000

Department of Natural and Cultural Resources - DPR-PARTF (PARKS & RECREATION TRUST FUND) (24820)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 30,568,474	\$ -	\$ 2,000,000	\$ 2,000,000	\$ 32,568,474	6.5 %
Receipts	\$ 30,788,325	\$ -	\$ 2,000,000	\$ 2,000,000	\$ 32,788,325	6.5 %
Chg in Fund Balance	\$ 219,851	\$ -	\$ -	\$ -	\$ 219,851	0.0 %
Positions (FTE)	3.000	-	-	-	3.000	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 30,568,474	\$ -	\$ -	\$ -	\$ 30,568,474	0.0 %
Receipts	\$ 30,788,325	\$ -	\$ -	\$ -	\$ 30,788,325	0.0 %
Chg in Fund Balance	\$ 219,851	\$ -	\$ -	\$ -	\$ 219,851	0.0 %
Positions (FTE)	3.000	-	-	-	3.000	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes
Parks and Recreation Trust Fund				
1 Transfer - Parks and Recreation Trust Fund				
Budgets the transfer from Budget Code 14800 for the Parks and Recreation Trust Fund.	Req \$ -	\$ 2,000,000	\$ -	\$ -
	Rec \$ -	\$ 2,000,000	\$ -	\$ -
	CFB \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
Total Change to Requirements	\$ -	\$ 2,000,000	\$ -	\$ -
Total Change to Receipts	\$ -	\$ 2,000,000	\$ -	\$ -
Total Change to Fund Balance	\$ -	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$ -	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)		0.000		0.000

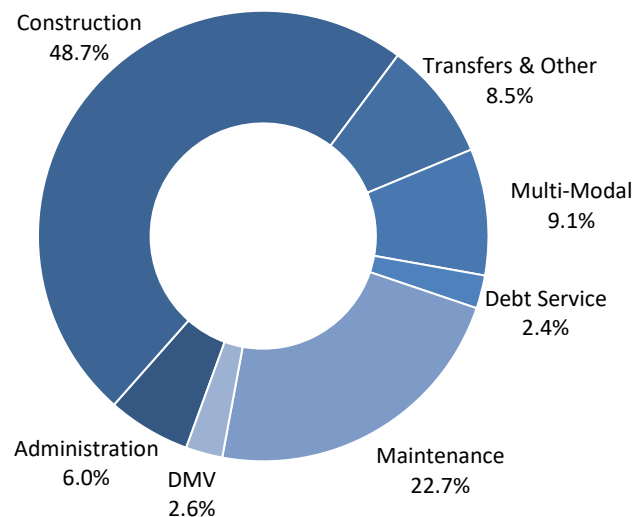
Mission

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

Goals

1. Make transportation safer / Vision Zero.
2. Improve the reliability and connectivity of the transportation system.
3. Deliver and maintain our infrastructure efficiently and effectively.
4. Provide GREAT customer service.
5. Be a great place to work.
6. Be a transparent and accountable organization.
7. Enhance the diversity of our workforce and partnerships.
8. Embrace modernization and new ideas.

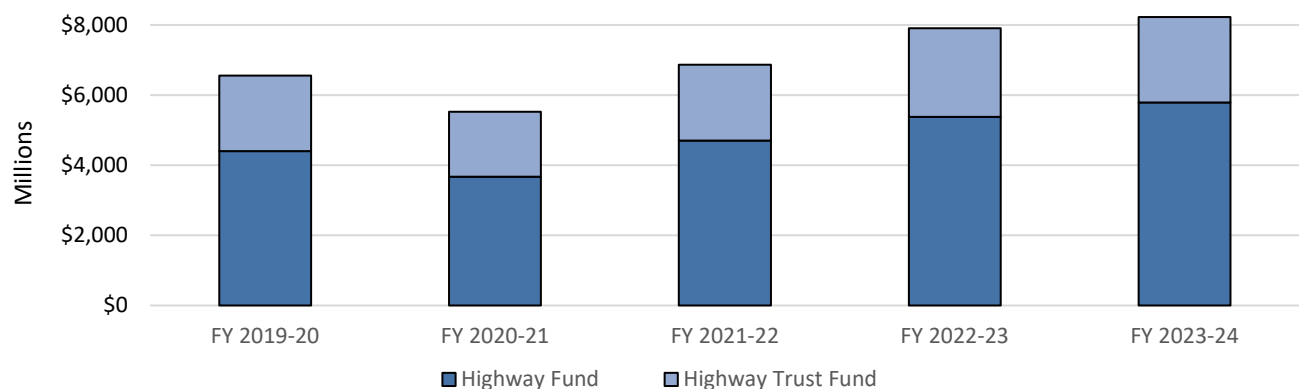
FY 2023-24 Actual Expenditures



Agency Profile

- Responsible for highways and other modes of transportation in North Carolina, including programs to support rail, aviation, ferries, public transit, and bicycle and pedestrian transportation.
- Maintains one of the largest state-maintained highway systems in the nation with over 80,000 miles of roadway and more than 18,000 bridges and culverts.
- More than 56 million passengers and 1.3 million tons of cargo pass through state airports annually.
- Serves roughly 2 million passengers on the 2nd largest state-operated ferry system in the country.
- Provides more than 41 million passenger trips on 98 transit systems serving all 100 NC counties.

5-Year Historical Expenditures



Charts excludes project spend funded by debt issues, including GARVEE.

Transportation - Highway Fund (84210)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 5,064,670,583	\$ 108,221,236	\$ 50,076,049	\$ 158,297,285	\$ 5,222,967,868	3.1 %
Receipts	\$ 1,915,485,978	\$ 250,000	\$ 1,831,890	\$ 2,081,890	\$ 1,917,567,868	0.1 %
Net Appropriation	\$ 3,149,184,605	\$ 107,971,236	\$ 48,244,159	\$ 156,215,395	\$ 3,305,400,000	5.0 %
Positions (FTE)	11,139.000	60.000	-	60.000	11,199.000	0.5 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 4,917,294,644	\$ 134,583,942	\$ 59,243,273	\$ 193,827,215	\$ 5,111,121,859	3.9 %
Receipts	\$ 1,766,671,859	\$ 250,000	\$ -	\$ 250,000	\$ 1,766,921,859	0.0 %
Net Appropriation	\$ 3,150,622,785	\$ 134,333,942	\$ 59,243,273	\$ 193,577,215	\$ 3,344,200,000	6.1 %
Positions (FTE)	11,139.000	89.000	-	89.000	11,228.000	0.8 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve							
Increases all state-funded employee salaries by 2%.		Req \$	18,388,000	\$ -	\$ 18,388,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	18,388,000	\$ -	\$ 18,388,000	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
2 State Employee Bonus							
Provides a \$1,000 bonus for all state employees regardless of funding source. This bonus is in addition to the recurring salary increase.		Req \$	-	\$ 10,780,000	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 10,780,000	\$ -	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
3 Labor Market Retention and Adjustment Reserve							
Addresses retention and other labor market needs by providing a reserve equal to 2% of payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.		Req \$	18,388,000	\$ -	\$ 18,388,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	18,388,000	\$ -	\$ 18,388,000	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
4 Retirement and Retiree Health Contributions							
Increases funding for the State's contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.		Req \$	1,293,000	\$ -	\$ 2,650,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	1,293,000	\$ -	\$ 2,650,000	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
5 Retiree Cost-of-Living Adjustment							
Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.		Req \$	-	\$ 2,219,000	\$ -	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	-	\$ 2,219,000	\$ -	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000
6 State Health Plan							
Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.		Req \$	4,511,000	\$ -	\$ 9,249,000	\$ -	-
		Rec \$	-	\$ -	\$ -	\$ -	-
		App \$	4,511,000	\$ -	\$ 9,249,000	\$ -	-
		FTE	0.000	0.000	0.000	0.000	0.000

		R Changes		NR Changes		R Changes		NR Changes
Highway Maintenance								
7 General Maintenance Reserve								
Increases funds available for the statewide maintenance program, which supports maintenance across all local highway divisions. The revised total funding for the General Maintenance Reserve is \$976 million in FY 2025-26 and \$994 million in FY 2026-27.	Req \$	41,733,976	\$	-	\$	59,358,937	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	41,733,976	\$	-	\$	59,358,937	\$	-
	FTE	0.000		0.000		0.000		0.000
Department-Wide								
8 Governor's Highway Safety Program - Traffic Safety Expansion								
Establishes positions to expand the traffic safety program within the Governor's Highway Safety Program. The Traffic Safety Program seeks to address the 15% increase in traffic fatalities and almost 25% increase in alcohol-related fatalities in North Carolina since 2018. The new staff includes community outreach specialists to oversee and conduct community planning and outreach activities and budget specialists to oversee federal funds. Additional staffing will maximize the benefits of the more than 30% increase in federal grant funds received over the past three years for the program.	Req \$	500,000	\$	-	\$	500,000	\$	-
	Rec \$	250,000	\$	-	\$	250,000	\$	-
	App \$	250,000	\$	-	\$	250,000	\$	-
	FTE	4.000		0.000		4.000		0.000
9 Hardware Refresh Expansion								
Increases the department's computer refresh budget to enable DOT to replace employee laptops every four years, which is the replacement schedule consistent with the State's security policies.	Req \$	1,750,000	\$	-	\$	1,750,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	1,750,000	\$	-	\$	1,750,000	\$	-
	FTE	0.000		0.000		0.000		0.000
10 Contractor Recruitment								
Provides additional funding to the Office of Civil Rights Purchasing Unit for additional outreach to contractors. Increased transportation repair needs due to Hurricane Helene have exacerbated an existing shortage of contractors to complete planned and necessary road maintenance and construction. The office will use these funds to identify potential contractors; to provide education on opportunities to work with the Department of Transportation (DOT); and to conduct workshops.	Req \$	125,000	\$	75,000	\$	125,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	125,000	\$	75,000	\$	125,000	\$	-
	FTE	0.000		0.000		0.000		0.000
Division of Motor Vehicles								
11 Driver License Examiner Positions								
Funds additional Driver License Examiner positions at the Division of Motor Vehicles (DMV). The division will combine these new funds with \$2.2 million of existing funding for temporary positions to add 61 FTE positions by the end of the biennium. This will ensure full utilization of workstations at DMV offices across the state, expanding capacity to help reduce wait times and improve customer service.	Req \$	800,000	\$	-	\$	1,848,976	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	800,000	\$	-	\$	1,848,976	\$	-
	FTE	40.000		0.000		61.000		0.000
12 Additional Driver License Offices and Terminals								
Provides funding to establish new DMV offices in Brunswick and Cabarrus Counties, as well as to expand the Durham South location. This is expected to address 25% of DMV's current capacity deficit, reducing average waits by 25% and boosting transaction efficiency by 15%.	Req \$	1,153,026	\$	8,603,975	\$	1,729,539	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	1,153,026	\$	8,603,975	\$	1,729,539	\$	-
	FTE	16.000		0.000		24.000		0.000
13 Identity Vetting System								
Funds a new identity verification system for the DMV mobile / web application. This will enhance secure access to DMV services for 1.72 million annual transactions, streamline identity verification for customers, and reduce reliance on manual checks by DMV staff by an anticipated 20%.	Req \$	1,282,365	\$	-	\$	1,282,365	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	1,282,365	\$	-	\$	1,282,365	\$	-
	FTE	0.000		0.000		0.000		0.000

		R Changes		NR Changes		R Changes		NR Changes
Division of Motor Vehicles								
14 Automated Hearings - Operations and Maintenance								
Funds operations and maintenance for the automated hearings solution implemented in FY 2024-25. The system will remove up to 90% of the manual work needed to perform administrative hearings by automating collections, payments, correspondence, scheduling, the recording of hearing notes, and waivers. This solution increases DMV efficiency and speed in conducting approximately 15,000 hearings each year, including for driver licenses, safety issues, and Ignition Interlock devices.	Req \$	523,500	\$	-	\$	523,500	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	523,500	\$	-	\$	523,500	\$	-
	FTE	0.000		0.000		0.000		0.000
15 License Plate Funding Expansion								
Provides additional funds to meet both an increased demand for license plates and an increase in materials and production costs, which have grown by 25% to 40%. This funding will also enable DMV to re-establish an appropriate stock of license plates. The existing stock has been reduced to help address budgetary constraints. Bolstering the stock will ensure timely and efficient product fulfillment.	Req \$	1,253,516	\$	-	\$	1,253,516	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	1,253,516	\$	-	\$	1,253,516	\$	-
	FTE	0.000		0.000		0.000		0.000
16 TRaCS Licensing Fees								
Meets increased licensing costs for TRaCS software. Law enforcement agencies use this software to submit crash reports electronically. All law enforcement agencies in the state are expected to use TRaCS by 2026, as it reduces paperwork, increases report accuracy by 5%, and improves report timeliness by 10%.	Req \$	105,000	\$	-	\$	110,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	105,000	\$	-	\$	110,000	\$	-
	FTE	0.000		0.000		0.000		0.000
17 Body Cameras								
Provides funding for body cameras for all agency law enforcement officers (LEOs). Body cameras create crucial evidence in investigations by more accurately documenting interactions. Footage will enable situation-based training based on officers' previous encounters. Currently 195 LEOs at the agency do not have body cameras. Use of body cameras enhances accountability, transparency, and public trust	Req \$	238,680	\$	-	\$	238,680	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	238,680	\$	-	\$	238,680	\$	-
	FTE	0.000		0.000		0.000		0.000
Integrated Mobility								
18 Paved Trails, Sidewalks and Multimodal Facilities								
Continues funding for work started in SL 2021-180 on paved trail feasibility studies and expands this work to include sidewalks. These funds may also be used to implement the Great Trails State Plan and plans developed through the Division of Integrated Mobility's Multimodal Planning Grant program. This funding fills a gap in the project development process between planning and design/acquisition, thus reducing current barriers to identifying shovel-ready projects.	Req \$	1,000,000	\$	-	\$	1,000,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	1,000,000	\$	-	\$	1,000,000	\$	-
	FTE	0.000		0.000		0.000		0.000
Ferry Division								
19 Manns Harbor Shipyard Critical Electrical Upgrades								
Provides funds to replace the electrical distribution infrastructure at Manns Harbor Shipyard. A 2024 electrical inspection rated the overall condition of this infrastructure as 'poor', with some components rated as 'serious'. This phase of work will address the most immediate threats to life and safety and the continued functionality of the shipyard. The shipyard is critical for the maintenance of 22 ferries and ten support vessels.	Req \$	-	\$	2,500,000	\$	-	\$	2,500,000
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	-	\$	2,500,000	\$	-	\$	2,500,000
	FTE	0.000		0.000		0.000		0.000
20 Manns Harbor Shipyard - Compressed Air System Replacement								
Funds the replacement of a compressed air system at the Manns Harbor Shipyard, which is crucial to vessel maintenance and repairs. The current system is outdated and over 25 years old, making it hard to obtain parts or service, and creating failure risks, which would have long-lasting negative impacts on ferry services.	Req \$	-	\$	1,620,000	\$	-	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	-	\$	1,620,000	\$	-	\$	-
	FTE	0.000		0.000		0.000		0.000

		R Changes	NR Changes	R Changes	NR Changes
Ferry Division					
21 Manns Harbor Shipyard Water Infrastructure Overhaul					
Addresses life and safety issues with the water infrastructure at Manns Harbor Shipyard. This project will replace an unsafe water tower and failing water treatment system, as well as fire systems that do not meet code or do not operate properly. Completing this work will also provide cost savings by reducing operating and emergency maintenance expenses and avoiding civil penalties.	Req \$	-	\$ 5,500,000	\$ -	\$ 5,500,000
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 5,500,000	\$ -	\$ 5,500,000
	FTE	0.000	0.000	0.000	0.000
22 Manns Harbor Shipyard Stormwater Drainage System					
Provides funding to reroute three stormwater catch basins to an infiltration basin, preventing polluted water discharge into Pamlico Sound. Without this funding, the shipyard would exceed permit limits under National Pollutant Discharge Elimination System (NPDES) rules, resulting in fines and sanctions.	Req \$	-	\$ 310,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 310,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
23 Manns Harbor Shipyard Paint Booth Door Replacement					
Funds the replacement of the paint booth bay doors at Manns Harbor Shipyard. The Ferry Division has had to open and close the current doors manually with forklift trucks since 2015. Replacing the doors with automatic ones, which are resistant to damage from coastal weather conditions, will lead to a safer working environment and increased productivity.	Req \$	-	\$ 1,000,000	\$ -	\$ 2,500,000
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 1,000,000	\$ -	\$ 2,500,000
	FTE	0.000	0.000	0.000	0.000
24 Manns Harbor Shipyard Railway Cars					
Funds additional railway cars for the Manns Harbor Shipyard to increase efficiency and allow for a more routine maintenance schedule on the existing railway cars. The additional capacity will also allow the shipyard to haul out additional vessels in the event of extreme weather, improving resilience.	Req \$	-	\$ 750,000	\$ -	\$ 750,000
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 750,000	\$ -	\$ 750,000
	FTE	0.000	0.000	0.000	0.000
25 Awarded Grant Match Funding					
Provides the required 20% state match and budgets the receipts for a series of federal grants awarded to the Ferry Division. These grants include funding to: modernize the Manns Harbor Shipyard paint facility, addressing critical safety issues; conduct a study for a new depot maintenance facility at the Cherry Branch Ferry Terminal; and train and certify employees in additional vessel repair disciplines to enhance their skills and productivity.	Req \$	-	\$ 2,305,335	\$ -	\$ -
	Rec \$	-	\$ 1,831,890	\$ -	\$ -
	App \$	-	\$ 473,445	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
26 Ramp and Gantry Crane Rehabilitation and Maintenance					
Funds a contracted rehabilitation and maintenance program for the 24 ramps and gantry cranes throughout the ferry system network to ensure safety for both employees and the public and to improve the reliability of ferry departure schedules. Of the 24 ramps and gantries, six need critical rehabilitation work, a further 10 need to be addressed soon, and the remaining need regular maintenance. Providing funding on a recurring basis will ensure maintenance is performed on a timely basis, improving reliability and maximizing the lifespan of these assets.	Req \$	3,000,000	\$ -	\$ 3,000,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	3,000,000	\$ -	\$ 3,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
27 Additional Funds for External Credit Dry Docks					
Provides funds for vessel drydocks and to purchase equipment needed for maintenance and repairs to meet US Coast Guard requirements. These funds will help the Ferry Division manage maintenance needs resulting from the increasing age of its fleet - nine of its 22 vessels are past their 30-year expected life.	Req \$	8,000,000	\$ -	\$ 8,000,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	8,000,000	\$ -	\$ 8,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
Ferry Division					
28 Reducing Ferry Down Time					
Funds two spare propulsion units for the division's river class vessels, which serve four of the seven ferry routes that carry vehicles. Having a complete set of spare propulsion units will significantly reduce down-time on river class vessels when groundings or damage occur to the propulsion systems. Currently, the vessels are out of service for between two weeks and six months while the units are waiting to be repaired. Having replacement units readily available will reduce the time to repair to three days and ensure regular ferry service.	Req \$	-	\$ 2,350,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 2,350,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
29 Currituck Contract Dredge Project					
Provides funding to dredge the Currituck ferry basin. The dredging is needed to deepen the channel to ensure vessel access, provide a tie up slip area for vessels in the time of storms or other events, and to address shoaling issues.	Req \$	-	\$ 1,500,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 1,500,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
30 Fort Fisher Dredge Material Disposal Area Cleanout					
Provides funding to clear the Fort Fisher disposal area to ensure there is room for future dredging projects, which are vital to keeping the Fort Fisher channel and basin open. The disposal area is reaching maximum capacity for dredging materials. Clearing it out will create capacity for the next five to eight years.	Req \$	-	\$ 2,500,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 2,500,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
31 Water and Wastewater Treatment Systems - Engineer Evaluation					
Funds an engineering assessment of the Division's 11 on-site water and wastewater treatment systems. The assessment will determine condition, expected lifespan, and whether the appropriate system is installed for each location. Resulting recommendations and subsequent improvements will save on repair and maintenance costs and reduce the risk of regulatory violations and fines.	Req \$	-	\$ 250,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 250,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
32 Stormwater Pollution Prevention Plan / Training					
Provides funding to assess spill preparedness, develop customized documentation and maps, establish inspection procedures, and provide site-specific training at each of the Ferry Division's 13 terminals and shipyard. This will improve the division's capacity for effective spill response.	Req \$	-	\$ 150,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 150,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
33 Motor Vessel Gov. J. B. Hunt Jr. Switchboard Replacement					
Replaces the M/V Hunt's antiquated emergency generator switchboard, for which parts are no longer available. The vessel and the original switchboards have been in operation for 41 years. If the current switchboard fails, as has happened three times in the past six years, the vessel will be out of service for up to a year while a replacement is found.	Req \$	-	\$ 750,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 750,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
Aviation Division					
34 Administration Lease Increase					
Provides additional funds for the Aviation Division's lease at the Raleigh-Durham Airport (RDU). RDU has a contractual requirement with the Federal Aviation Authority to charge a fair market rent. This increase, the first since 2000, reflects that requirement.	Req \$	176,173	\$ -	\$ 188,429	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	176,173	\$ -	\$ 188,429	\$ -
	FTE	0.000	0.000	0.000	0.000

R Changes NR Changes R Changes NR Changes

Aviation Division

35 Aviation Fellows Program

Provides grants to North Carolina airports for two-year, paid fellowships for recent aviation science graduates. The Aviation Division will award the fellowships on a competitive basis to two students per year, for two years, and will evaluate the impact by monitoring the fellows' career progression for five years. North Carolina's airports have identified a talent pipeline gap in recruiting qualified airport professionals. The division and the North Carolina Airports Association have worked with Elizabeth City State University to refine its curriculum to both develop qualified candidates and identify practical, hands-on skills that will be developed through this two-year fellowship program.

Req \$	-	\$	200,000	\$	-	\$	200,000
Rec \$	-	\$	-	\$	-	\$	-
App \$	-	\$	200,000	\$	-	\$	200,000
FTE	0.000		0.000		0.000		0.000

Rail Division

36 NC By Train Operational Funding

Increases support for NC By Train operations including fuel, train maintenance, customer service, and public awareness of the services. This will maintain a high-quality service while meeting the significant increase in demand that NCDOT expects to continue. NC By Train services have carried over 700,000 riders in the last 12 months, a 53% increase over 2019 levels.

Req \$	4,000,000	\$	-	\$	5,000,000	\$	-
Rec \$	-	\$	-	\$	-	\$	-
App \$	4,000,000	\$	-	\$	5,000,000	\$	-
FTE	0.000		0.000		0.000		0.000

Capital Improvements

37 Highway Division 2 - Jones County Maintenance Yard

Provides funding to build a new maintenance yard in Jones County. The previous yard was in a flood plain and was destroyed during Hurricane Florence. Highway Division 2 employees have since been working out of a converted bus, which lacks the facilities necessary for a permanent maintenance yard. The total cost for this project is \$28.4 million. An additional \$6.65 million will be needed in FY 2027-28 to complete the project.

Req \$	-	\$	3,143,356	\$	-	\$	18,541,168
Rec \$	-	\$	-	\$	-	\$	-
App \$	-	\$	3,143,356	\$	-	\$	18,541,168
FTE	0.000		0.000		0.000		0.000

38 Highway Division 5 - Wake County Maintenance Yard

Funds the construction of a new maintenance yard in Wake County. In 2019, the current yard was transferred to the Department of Agriculture and Consumer Services (DACS) to support maintenance activities at the State Fairground, and DOT needs to vacate the property to enable DACS' plan to proceed. The total cost for this project is \$47.0 million. An additional \$14.1 million will be needed in FY 2027-28 to complete the project.

Req \$	-	\$	3,569,383	\$	-	\$	29,252,105
Rec \$	-	\$	-	\$	-	\$	-
App \$	-	\$	3,569,383	\$	-	\$	29,252,105
FTE	0.000		0.000		0.000		0.000

Total Change to Requirements	\$	108,221,236	\$	50,076,049	\$	134,583,942	\$	59,243,273
Total Change to Receipts	\$	250,000	\$	1,831,890	\$	250,000	\$	-
Total Change to Net Appropriations	\$	107,971,236	\$	48,244,159	\$	134,333,942	\$	59,243,273
Total Change to Full-Time Equivalent (FTE)		60.000		0.000		89.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$			156,215,395	\$			193,577,215
Total Change to Full-Time Equivalent (FTE)				60.000				89.000

Transportation - Highway Trust Fund (84290)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 2,445,746,000	\$ 43,754,000	\$ -	\$ 43,754,000	\$ 2,489,500,000	1.8 %
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0 %
Net Appropriation	\$ 2,445,746,000	\$ 43,754,000	\$ -	\$ 43,754,000	\$ 2,489,500,000	1.8 %
Positions (FTE)	-	-	-	-	-	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 2,445,746,000	\$ 102,254,000	\$ -	\$ 102,254,000	\$ 2,548,000,000	4.2 %
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0 %
Net Appropriation	\$ 2,445,746,000	\$ 102,254,000	\$ -	\$ 102,254,000	\$ 2,548,000,000	4.2 %
Positions (FTE)	-	-	-	-	-	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Highway Trust Fund

1 Strategic Transportation Investments Prioritization						
Increases the budget for the Strategic Transportation Investments Prioritization (STIP) program to match the revenues available to the Highway Trust Fund. The revised total funding for Strategic Transportation Investments is \$2.22 billion in FY 2025-26 and \$2.28 billion in FY 2026-27.	Req \$	43,754,000	\$ -	\$ 101,883,000	\$ -	-
	Rec \$	-	\$ -	\$ -	\$ -	-
	App \$	43,754,000	\$ -	\$ 101,883,000	\$ -	-
	FTE	0.000	0.000	0.000	0.000	0.000
2 Fuel Tracking System Increased Maintenance and Support Costs						
Funds increased maintenance and support costs at the Department of Revenue (DOR) for upgraded software and functionality of the Fuel Tracking System (FTS), which is used to collect over \$2 billion in taxes annually. These updates will reduce paperwork for both taxpayers and DOR employees.	Req \$	-	\$ -	\$ 371,000	\$ -	-
	Rec \$	-	\$ -	\$ -	\$ -	-
	App \$	-	\$ -	\$ 371,000	\$ -	-
	FTE	0.000	0.000	0.000	0.000	0.000
Total Change to Requirements		\$ 43,754,000	\$ -	\$ 102,254,000	\$ -	-
Total Change to Receipts		\$ -	\$ -	\$ -	\$ -	-
Total Change to Net Appropriations		\$ 43,754,000	\$ -	\$ 102,254,000	\$ -	-
Total Change to Full-Time Equivalent (FTE)		0.000	0.000	0.000	0.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$	43,754,000	\$	102,254,000	
Total Change to Full-Time Equivalent (FTE)			0.000		0.000	

State Budget and Management - State Capital and Infrastructure Fund (24001)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 701,263,088	\$ 20,637,397	\$ 924,900,833	\$ 945,538,230	\$ 1,646,801,318	134.8 %
Receipts	\$ 1,461,370,807	\$ -	\$ 1,259,628,128	\$ 1,259,628,128	\$ 2,720,998,935	86.2 %
Chg in Fund Balance	\$ 760,107,719	\$ (20,637,397)	\$ 334,727,295	\$ 314,089,898	\$ 1,074,197,617	41.3 %
Positions (FTE)	-	5.000	-	5.000	5.000	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 701,263,088	\$ 20,637,397	\$ 703,078,821	\$ 723,716,218	\$ 1,424,979,306	103.2 %
Receipts	\$ 1,461,370,807	\$ -	\$ 870,298,281	\$ 870,298,281	\$ 2,331,669,088	59.6 %
Chg in Fund Balance	\$ 760,107,719	\$ (20,637,397)	\$ 167,219,460	\$ 146,582,063	\$ 906,689,782	19.3 %
Positions (FTE)	-	5.000	-	5.000	5.000	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

SCIF Availability

1 Beginning of Year Transfer Budgets receipts for the statutorily required transfer per 143C-43.1(b)(2), less the funding for recurring items (debt service, GREAT program, SCIF-funded positions) in the Base Budget.	Req \$	-	\$ -	\$ -	\$ -	-
	Rec \$	-	\$ 720,843,518	\$ -	\$ -	789,617,276
	CFB \$	-	\$ 720,843,518	\$ -	\$ -	789,617,276
	FTE	0.000	0.000	0.000	0.000	0.000
2 Unspent Funds from Prior Years Re-purposes reversions and unused debt service payoff from FY 2024-25.	Req \$	-	\$ -	\$ -	\$ -	-
	Rec \$	-	\$ 156,893,837	\$ -	\$ -	-
	CFB \$	-	\$ 156,893,837	\$ -	\$ -	-
	FTE	0.000	0.000	0.000	0.000	0.000
3 SCIF Interest Income Appropriates interest earned on the SCIF fund balance. Interest income between July 2024 and January 2025 was \$112,122,489, and is estimated as an additional \$61.3 million for the remaining months of FY 2025. The estimated SCIF interest for FY 2026-27 is \$80.7 million.	Req \$	-	\$ -	\$ -	\$ -	-
	Rec \$	-	\$ 173,390,773	\$ -	\$ -	80,681,005
	CFB \$	-	\$ 173,390,773	\$ -	\$ -	80,681,005
	FTE	0.000	0.000	0.000	0.000	0.000

Repairs and Renovations

4 Repairs and Renovations - State Agencies Provides funding for repairs and renovations of State-owned facilities of State agencies, excluding UNC.	Req \$	-	\$ 210,000,000	\$ -	\$ 200,000,000	
	Rec \$	-	\$ -	\$ -	\$ -	-
	CFB \$	-	\$ (210,000,000)	\$ -	\$ (200,000,000)	
	FTE	0.000	0.000	0.000	0.000	0.000
5 Repairs and Renovations - UNC Provides funding for repairs and renovations of State-owned university facilities.	Req \$	-	\$ 210,000,000	\$ -	\$ 200,000,000	
	Rec \$	-	\$ -	\$ -	\$ -	-
	CFB \$	-	\$ (210,000,000)	\$ -	\$ (200,000,000)	
	FTE	0.000	0.000	0.000	0.000	0.000

State Capital Improvements

6 OSBM - Flexibility Funds Provides funding that the Office of State Budget and Management (OSBM) may allocate to supplement funds allocated to other State agency projects up to 10% of the authorized amount for those projects.	Req \$	-	\$ -	\$ -	\$ 30,000,000	
	Rec \$	-	\$ -	\$ -	\$ -	-
	CFB \$	-	\$ -	\$ -	\$ (30,000,000)	
	FTE	0.000	0.000	0.000	0.000	0.000
7 Personnel Increase Provides funding for salary adjustments for SCIF personnel.	Req \$	154,914	\$ -	\$ 154,914	\$ -	-
	Rec \$	-	\$ -	\$ -	\$ -	-
	CFB \$	(154,914)	\$ -	\$ (154,914)	\$ -	-
	FTE	0.000	0.000	0.000	0.000	0.000

		R Changes		NR Changes		R Changes		NR Changes
Office of State Budget and Management								
8 Grants Management Capacity								
Provides funding for positions for OSBM's grants management team, including internal audit staff and grants administrators. Currently, a team of just one grant manager and four grant administrators is responsible for monitoring nearly 1,600 grants totaling over \$3.8 billion. Additional staff will strengthen grant reporting and auditing, ensuring proper stewardship of taxpayer dollars and reducing the risk of waste, fraud, and abuse.	Req \$	482,483	\$	-	\$	482,483	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	CFB \$	(482,483)	\$	-	\$	(482,483)	\$	-
	FTE	5.000		0.000		5.000		0.000
Department of Agriculture and Consumer Services								
9 Cherokee County NC Forest Service Office								
Provides funds for a new NC Forest Service Cherokee County Office to replace the current aging facility. The Cherokee Office serves multiple counties in western North Carolina.	Req \$	-	\$	1,500,000	\$	-	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	CFB \$	-	\$	(1,500,000)	\$	-	\$	-
	FTE	0.000		0.000		0.000		0.000
10 State Fair Midway Center								
Provides supplemental funds to address a budget shortfall for this project due to inflation. Funding would complete the facility, adding permanent upgraded food and vendor space at the fairgrounds.	Req \$	-	\$	2,000,000	\$	-	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	CFB \$	-	\$	(2,000,000)	\$	-	\$	-
	FTE	0.000		0.000		0.000		0.000
11 Western NC Agricultural Center Barn								
Provides supplemental funds to complete the construction of a new 15,000 square foot covered arena and barn, improving the environment for livestock and owners.	Req \$	-	\$	1,000,000	\$	-	\$	1,250,000
	Rec \$	-	\$	-	\$	-	\$	-
	CFB \$	-	\$	(1,000,000)	\$	-	\$	(1,250,000)
	FTE	0.000		0.000		0.000		0.000
12 Charlotte Farmer's Market Upgrades								
Provides funding to construct a new 15,000 square foot restaurant space for lease at the Charlotte Farmer's Market. This project includes indoor and outdoor dining spaces, retail baked goods area, and utility and ventilation infrastructure to support vendor provided kitchen equipment.	Req \$	-	\$	2,000,000	\$	-	\$	6,000,000
	Rec \$	-	\$	-	\$	-	\$	-
	CFB \$	-	\$	(2,000,000)	\$	-	\$	(6,000,000)
	FTE	0.000		0.000		0.000		0.000
13 Western NC Farmer's Market Upgrade								
Allocates funds to upgrade wholesale buildings to meet current cold chain requirements at the Western NC Farmer's Market, ensuring food safety.	Req \$	-	\$	-	\$	-	\$	750,000
	Rec \$	-	\$	-	\$	-	\$	-
	CFB \$	-	\$	-	\$	-	\$	(750,000)
	FTE	0.000		0.000		0.000		0.000
Department of Environmental Quality								
14 Reedy Creek Lab Campus Expansion & Renovation								
Provides the funding to complete the expansion of the Reedy Creek Lab facility to include lab space, office space, and equipment at the site. Funding will provide the necessary space for the relocation of DEQ staff, currently located in the Archdale Building.	Req \$	-	\$	5,000,000	\$	-	\$	15,000,000
	Rec \$	-	\$	-	\$	-	\$	-
	CFB \$	-	\$	(5,000,000)	\$	-	\$	(15,000,000)
	FTE	0.000		0.000		0.000		0.000
15 Tar-Pamlico Flood Mitigation Study, Design, and Construction								
Provides state matching funds for the planning, engineering, and design of the Tar-Pamlico flood mitigation study. The plan includes elevating 35 residential structures, flood venting eight residential structures, elevating and flood venting 18 residential structures, and dry flood proofing 94 non-residential structures.	Req \$	-	\$	4,000,000	\$	-	\$	4,000,000
	Rec \$	-	\$	-	\$	-	\$	-
	CFB \$	-	\$	(4,000,000)	\$	-	\$	(4,000,000)
	FTE	0.000		0.000		0.000		0.000
16 Carolina Beach Coastal Storm Risk Management								
Provides state matching funds for coastal storm risk management at Carolina Beach.	Req \$	-	\$	-	\$	-	\$	3,070,250
	Rec \$	-	\$	-	\$	-	\$	-
	CFB \$	-	\$	-	\$	-	\$	(3,070,250)
	FTE	0.000		0.000		0.000		0.000

		R Changes	NR Changes	R Changes	NR Changes
Department of Environmental Quality					
17 Kure Beach Coastal Storm Risk Management					
Provides the state matching funds for the beach renourishment project at Kure Beach.	Req \$	-	\$ -	\$ -	\$ 2,878,615
	Rec \$	-	\$ -	\$ -	\$ -
	CFB \$	-	\$ -	\$ -	\$ (2,878,615)
	FTE	0.000	0.000	0.000	0.000
18 Wrightsville Beach Coastal Storm Risk Management					
Provides state matching funds for coastal storm risk management at Wrightsville Beach.	Req \$	-	\$ -	\$ -	\$ 1,889,462
	Rec \$	-	\$ -	\$ -	\$ -
	CFB \$	-	\$ -	\$ -	\$ (1,889,462)
	FTE	0.000	0.000	0.000	0.000
19 Ocean Isle Coastal Storm Risk Management					
Provides state matching funds for coastal storm risk management at Ocean Isle.	Req \$	-	\$ -	\$ -	\$ 1,976,154
	Rec \$	-	\$ -	\$ -	\$ -
	CFB \$	-	\$ -	\$ -	\$ (1,976,154)
	FTE	0.000	0.000	0.000	0.000
20 B. Everette Jordan Reservoir Water Supply					
Provides funds to meet the State's requirement to pay operation and maintenance costs at the B. Everette Jordan water storage facility as part of a contract with the federal government.	Req \$	-	\$ 437,994	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	CFB \$	-	\$ (437,994)	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
21 Holden Beach Coastal Storm Damage Reduction					
Provides matching funds for the completion of the feasibility study to re-initiate the Holden Beach Coastal Storm Damage Reduction project.	Req \$	-	\$ -	\$ -	\$ 125,000
	Rec \$	-	\$ -	\$ -	\$ -
	CFB \$	-	\$ -	\$ -	\$ (125,000)
	FTE	0.000	0.000	0.000	0.000
22 Oak Island Coastal Storm Damage Reduction					
Provides matching funds for the Coastal Storm Damage Reduction project at Oak Island. The funding is needed to match \$400,000 in local funds and \$800,000 in federal funds.	Req \$	-	\$ -	\$ -	\$ 400,000
	Rec \$	-	\$ -	\$ -	\$ -
	CFB \$	-	\$ -	\$ -	\$ (400,000)
	FTE	0.000	0.000	0.000	0.000
Department of Administration					
23 DOA Services Campus					
Provides funds for a phased process to move Motor Fleet Management facilities, and also for shared services for State Surplus, Mail Service Center, and Facilities Management Division Warehouse.	Req \$	-	\$ 1,500,000	\$ -	\$ 16,122,000
	Rec \$	-	\$ -	\$ -	\$ -
	CFB \$	-	\$ (1,500,000)	\$ -	\$ (16,122,000)
	FTE	0.000	0.000	0.000	0.000
24 Bicentennial Mall Replacement					
Provides funding for improvements to the Bicentennial Mall located between the North Carolina History Museum and the North Carolina Museum of Natural Sciences. Renovations include the removal and replacement of broken pavement and surfaces as well as new lighting, seating, and drainage improvements to make a more usable space.	Req \$	-	\$ 8,746,960	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	CFB \$	-	\$ (8,746,960)	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
25 Administration Building Planning Funds					
Provides funds for advanced planning for a new Administration Building to replace the recently demolished structure. The new building would house the displaced Cabinet agencies and include a Council of State Meeting Room.	Req \$	-	\$ 1,400,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	CFB \$	-	\$ (1,400,000)	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
26 Secure Records Project					
Funds the construction of a new Secure Records and Technology Center. The Center will serve as the cornerstone of a multi-phased project that will begin as swing office space for agencies displaced during state building renovations, and it will include the secure storage vaults needed to house secure records. The facility will eventually house classroom space to serve as the Personnel Training Center.	Req \$	-	\$ 12,000,000	\$ -	\$ 30,000,000
	Rec \$	-	\$ -	\$ -	\$ -
	CFB \$	-	\$ (12,000,000)	\$ -	\$ (30,000,000)
	FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
Department of Administration					
27 State Buildings Child Care Facilities					
Provides funds to renovate up to five state buildings to serve as licensed child care centers. A corresponding provision in the Department of Administration section directs that upon completion of this renovation, the state shall contract with child care providers to use the spaces to provide affordable child care to state employees.	Req \$	-	\$ 1,000,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	CFB \$	-	\$ (1,000,000)	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
Department of Public Safety					
28 Richmond Juvenile Detention Center Renovation					
Provides supplemental funding for the renovation of the Richmond Regional Juvenile Detention Center. Funding will allow the completion of new fencing, as well as renovations to the recreation and vocational buildings.	Req \$	-	\$ 2,802,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	CFB \$	-	\$ (2,802,000)	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
29 Safer Schools Training Facility Renovation					
Provides supplemental funding for the renovation of the East Montgomery County High School, which has been purchased for a new Safer Schools Training program. Renovations include replacing outdated utility systems, removal of temporary trailers, removal and replacement of fencing, and renovating sidewalks and pavement across the campus.	Req \$	-	\$ 27,100,000	\$ -	\$ 9,120,000
	Rec \$	-	\$ -	\$ -	\$ -
	CFB \$	-	\$ (27,100,000)	\$ -	\$ (9,120,000)
	FTE	0.000	0.000	0.000	0.000
30 National Guard Matching Funds					
Provides funds to match federal funding for the construction and expansion of armories and regional readiness centers around the state. This funding will help ensure the National Guard continues to be responsive to emergencies.	Req \$	-	\$ 10,000,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	CFB \$	-	\$ (10,000,000)	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
31 Morganton Readiness Center					
Provides funding to construct the Morganton Readiness Center in Burke County. This site will expand the State's capacity to respond to natural disasters and other crises across the western region.	Req \$	-	\$ 600,000	\$ -	\$ 6,000,000
	Rec \$	-	\$ -	\$ -	\$ -
	CFB \$	-	\$ (600,000)	\$ -	\$ (6,000,000)
	FTE	0.000	0.000	0.000	0.000
32 VIPER Network Sustainment					
Provides recurring funds to the Department of Public Safety to support the operations and maintenance of the Voice Interoperability Plan for Emergency Responders (VIPER) network. This statewide radio network enables over 200,000 state and local first responders and other emergency response partners to communicate. Despite annual growth in users that exceeds 5%, VIPER has not received an operating budget increase since 2006. VIPER may use up to \$2 million of these funds to establish up to ten positions. This funding and added capacity will allow VIPER to meet maintenance and user support needs on an on-going basis.	Req \$	20,000,000	\$ -	\$ 20,000,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	CFB \$	(20,000,000)	\$ -	\$ (20,000,000)	\$ -
	FTE	0.000	0.000	0.000	0.000
State Bureau of Investigation					
33 Garner Road Logistics Building					
Provides funding to construct a new building on the Garner Road campus that will consolidate SBI Logistics and the Special Services Section. The new facility will expand functional business and office space, allow for the demolition of the current gymnasium that is beyond its useful life, and replace the current leased space.	Req \$	-	\$ 3,623,000	\$ -	\$ 10,212,500
	Rec \$	-	\$ -	\$ -	\$ -
	CFB \$	-	\$ (3,623,000)	\$ -	\$ (10,212,500)
	FTE	0.000	0.000	0.000	0.000
34 State Highway Patrol Maintenance Building					
Provides funds for the construction of a new building to serve as the shop, office, and storage building for campus maintenance at the Garner Road facility. The project would also include an improved road connection to the State Highway Patrol portion of the campus.	Req \$	-	\$ 1,070,000	\$ -	\$ 2,984,500
	Rec \$	-	\$ -	\$ -	\$ -
	CFB \$	-	\$ (1,070,000)	\$ -	\$ (2,984,500)
	FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
Department of Health and Human Services					
35 O'Berry Neuro-Medical Treatment Center Upgrades					
Provides funds for a major renovation of the ELC-3 building to upgrade patient care. Funds will be used to replace the existing floor system, upgrade all building systems, and install new windows for better energy efficiency.	Req \$	-	\$ 10,000,000	\$ -	\$ 10,000,000
	Rec \$	-	\$ -	\$ -	\$ -
	CFB \$	-	\$ (10,000,000)	\$ -	\$ (10,000,000)
	FTE	0.000	0.000	0.000	0.000
36 Julian F Keith Alcohol & Drug Abuse Treatment Center Upgrades					
Funds a major renovation of the dining facility at the Julian F. Keith Alcohol Drug and Abuse Treatment Center, including replacement of electrical and plumbing systems, and the replacement of existing windows for better energy efficiency.	Req \$	-	\$ 4,668,701	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	CFB \$	-	\$ (4,668,701)	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
37 Medical Examiners Office Expansion					
Provides funds for an expansion of the Chief Medical Examiner facility in Raleigh. The expansion will add 20,000 needed square feet, including lab space and evidence storage, as well as additional office space for pathology, toxicology, and other functions that help improve public health and public safety.	Req \$	-	\$ 17,630,460	\$ -	\$ 17,630,460
	Rec \$	-	\$ -	\$ -	\$ -
	CFB \$	-	\$ (17,630,460)	\$ -	\$ (17,630,460)
	FTE	0.000	0.000	0.000	0.000
Department of Natural and Cultural Resources					
38 Fort Fisher Aquarium Expansion and Renovations					
Provides additional funds for several new exhibits at the aquarium, including a major new tank exhibit, live animal exhibits, and interactive stations. Funds will also be utilized to update lighting and media locations, and upgrade major building systems.	Req \$	-	\$ 20,000,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	CFB \$	-	\$ (20,000,000)	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
39 Stone Mountain State Park Visitor Center					
Provides funds to create a visitor center and office space at Stone Mountain State Park. Funds will allow for the demolition of the current park office, replacing it with a facility that can serve as a regional headquarters with meeting space, retail space, and exhibit areas.	Req \$	-	\$ -	\$ -	\$ 10,662,000
	Rec \$	-	\$ -	\$ -	\$ -
	CFB \$	-	\$ -	\$ -	\$ (10,662,000)
	FTE	0.000	0.000	0.000	0.000
40 Historic Site Maintenance Facilities and Regional Craft Services Facility					
Provides funding that will be used to replace the maintenance shops at nine historic sites across the state. Funding will also be used to construct a craft services facility at the Charlotte Hawkins Brown State Historic Site to serve as a hub for providing maintenance and materials to historic sites in western North Carolina.	Req \$	-	\$ 1,650,000	\$ -	\$ 7,500,000
	Rec \$	-	\$ -	\$ -	\$ -
	CFB \$	-	\$ (1,650,000)	\$ -	\$ (7,500,000)
	FTE	0.000	0.000	0.000	0.000
41 Museum of Art Winston-Salem Upgrades					
Provides funds for accessibility and safety improvements at the Hanes House structure, art galleries, and surrounding grounds. Improvements will include new accessible entry and pathways, fire suppression system, and heating and air conditioning system upgrades.	Req \$	-	\$ 4,400,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	CFB \$	-	\$ (4,400,000)	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
42 NC Zoo Asia Expansion Staff Offices					
Provides funds for office space for additional staff associated with the 12.5-acre Asia Continent expansion, due to open June 2026. Funding will provide for the construction of modular units for offices, storage, and meeting space, as well as the connection to utilities.	Req \$	-	\$ 1,000,000	\$ -	\$ 4,800,000
	Rec \$	-	\$ -	\$ -	\$ -
	CFB \$	-	\$ (1,000,000)	\$ -	\$ (4,800,000)
	FTE	0.000	0.000	0.000	0.000
43 African American Monument at the State Capitol					
Provides funds to complete the planning, design, and construction of the African American Monument, led by the African American Heritage Commission. The monument would be constructed on the southeast corner of the State Capitol grounds.	Req \$	-	\$ 5,000,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	CFB \$	-	\$ (5,000,000)	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
Department of Natural and Cultural Resources					
44 Increase Access to State Parks					
Provides funding to enhance access at multiple state parks across the state, including Chimney Rock State Park, Elk Knob State Natural Area, Bob's Creek State Natural Area, Baker's Lake State Natural Area, Salmon Creek State Natural Area, and Mayo River State Park. Projects will include parking lot repairs, picnic area improvements, restroom facilities, and trail and road improvements.	Req \$	-	\$ 2,630,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	CFB \$	-	\$ (2,630,000)	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
45 NC Zoo Park Security & Safety					
Provides funds to enhance security at the North Carolina Zoo. Funds will be used to upgrade perimeter gates, implement a weapons detection system at each entrance, and add cameras and intercoms across the campus.	Req \$	-	\$ 1,600,000	\$ -	\$ 6,000,000
	Rec \$	-	\$ -	\$ -	\$ -
	CFB \$	-	\$ (1,600,000)	\$ -	\$ (6,000,000)
	FTE	0.000	0.000	0.000	0.000
Department of Adult Corrections					
46 Roof Systems Repairs and Replacements					
Provides funding to address roofs at multiple facilities that are approaching the end of their useful life. Funding will be used to repair leaks, failing flashings, and other damage to prevent water intrusion into mechanical rooms, electrical rooms, and other interior spaces.	Req \$	-	\$ 5,000,000	\$ -	\$ 5,000,000
	Rec \$	-	\$ -	\$ -	\$ -
	CFB \$	-	\$ (5,000,000)	\$ -	\$ (5,000,000)
	FTE	0.000	0.000	0.000	0.000
47 Perimeter Security Upgrades					
Provides funding to install security netting and fencing along the perimeters of multiple facilities. Perimeter security upgrades will help prevent the passage of contraband into the facilities and make the environment safer for the staff and the incarcerated population.	Req \$	-	\$ 5,000,000	\$ -	\$ 5,000,000
	Rec \$	-	\$ -	\$ -	\$ -
	CFB \$	-	\$ (5,000,000)	\$ -	\$ (5,000,000)
	FTE	0.000	0.000	0.000	0.000
48 Safety and Security Upgrades					
Provides funding to replace aging fire alarms and fire systems and install new ones where needed, and upgrade other interior life safety and security systems at facilities across the department.	Req \$	-	\$ 50,000,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	CFB \$	-	\$ (50,000,000)	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
49 HVAC Project Repairs and Renovations					
Provides funds for the repair, replacement, and installation of air conditioning at facilities across the department that lack HVAC.	Req \$	-	\$ 12,480,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	CFB \$	-	\$ (12,480,000)	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
Department of Military & Veterans Affairs					
50 Fayetteville State Veterans Home					
Provides funding for the Fayetteville State Veterans Home to ensure veterans receive high quality care.	Req \$	-	\$ 10,000,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	CFB \$	-	\$ (10,000,000)	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
Department of Insurance					
51 Statewide Building Evaluations					
Provides funding to complete a comprehensive evaluation of state buildings that are currently valued at \$10 million or more. The Office of the State Fire Marshal will contract with experts to physically inspect more than 18,000 state-owned buildings and develop estimates. As a result of this work, insurers that participate in the North Carolina Insurance Portfolio will have more precise values and the state will have an accurate picture of the Portfolio.	Req \$	-	\$ 7,500,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	CFB \$	-	\$ (7,500,000)	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
General Assembly					
52 Education Complex					
Provides funding to renovate and upgrade the chilled water system for the downtown education complex.	Req \$	-	\$ 11,300,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	CFB \$	-	\$ (11,300,000)	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
University of North Carolina (UNC)					
53 East Carolina University - Brody School of Medicine					
Provides an increase in funding for renovation and exterior repairs to the Brody School of Medicine at East Carolina University.	Req \$	-	\$ 1,250,000	\$ -	\$ 8,750,000
	Rec \$	-	\$ -	\$ -	\$ -
	CFB \$	-	\$ (1,250,000)	\$ -	\$ (8,750,000)
	FTE	0.000	0.000	0.000	0.000
54 East Carolina University - UNC Coastal Studies Institute Housing					
Provides funds to begin construction of UNC Coastal Studies Institute Housing at East Carolina University. The total authorization for the project is \$15 million.	Req \$	-	\$ 1,500,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	CFB \$	-	\$ (1,500,000)	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
55 Elizabeth City State University - Sky Bridge					
Provides an increase in funding to complete the construction of the Sky Bridge at Elizabeth City State University.	Req \$	-	\$ -	\$ -	\$ 5,000,000
	Rec \$	-	\$ -	\$ -	\$ -
	CFB \$	-	\$ -	\$ -	\$ (5,000,000)
	FTE	0.000	0.000	0.000	0.000
56 NC State University - Poe Hall					
Provides funds for major renovation or replacement of Poe Hall at North Carolina State University.	Req \$	-	\$ 25,048,753	\$ -	\$ 74,957,880
	Rec \$	-	\$ -	\$ -	\$ -
	CFB \$	-	\$ (25,048,753)	\$ -	\$ (74,957,880)
	FTE	0.000	0.000	0.000	0.000
57 UNC Chapel Hill - Wilson Library					
Provides planning and design funds to begin the full renovation of the Wilson Library at the University of North Carolina at Chapel Hill.	Req \$	-	\$ -	\$ -	\$ 2,000,000
	Rec \$	-	\$ -	\$ -	\$ -
	CFB \$	-	\$ -	\$ -	\$ (2,000,000)
	FTE	0.000	0.000	0.000	0.000
58 UNC Chapel Hill - Carolina North Infrastructure					
Provides funding to begin replacement and construction of new infrastructure at the Carolina North campus at the University of North Carolina at Chapel Hill. The total authorization for this project is \$94.1 million.	Req \$	-	\$ -	\$ -	\$ 4,000,000
	Rec \$	-	\$ -	\$ -	\$ -
	CFB \$	-	\$ -	\$ -	\$ (4,000,000)
	FTE	0.000	0.000	0.000	0.000
59 Winston-Salem State University - Dining Hall					
Provides funding to plan and begin construction on a new dining hall facility at Winston-Salem State University.	Req \$	-	\$ 2,462,965	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	CFB \$	-	\$ (2,462,965)	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
60 Winston-Salem University - Heating Plant					
Provides funding for a new heating plant on the West Campus of Winston-Salem State University. The total project cost is \$14 million.	Req \$	-	\$ 1,000,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	CFB \$	-	\$ (1,000,000)	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
61 Winston-Salem State University - Parking Deck					
Provides funding for a new 300-space parking deck at Winston-Salem State University. The total project authorization is \$25 million.	Req \$	-	\$ 1,500,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	CFB \$	-	\$ (1,500,000)	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
62 Children's Hospital					
Provides funding to the UNC Board of Governors for UNC Health to construct, on behalf of the State of North Carolina, a new Children's Hospital in the Triangle area. The hospital will include a children's behavioral health hospital. Budgets receipts transferred from the ARPA Temporary Savings Fund. The total amount authorized for the project is \$319.7 million.	Req \$	-	\$ 103,500,000	\$ -	\$ -
	Rec \$	-	\$ 103,500,000	\$ -	\$ -
	CFB \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
University of North Carolina (UNC)					
63 NC Care Health Clinics					
Budgets receipts transferred from the ARPA Temporary Savings Fund to the UNC Board of Governors for the construction of three rural care centers as part of the NC Care Initiative. The total amount authorized for the project is \$210 million.	Req \$	-	\$ 105,000,000	\$ -	\$ -
	Rec \$	-	\$ 105,000,000	\$ -	\$ -
	CFB \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
North Carolina Independent Colleges and Universities					
64 Campus Infrastructure					
Provides funding for major campus repairs and renovation projects at the eight historically minority-serving institutions that are members of the North Carolina Independent Colleges and Universities (NCICU).	Req \$	-	\$ 8,000,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	CFB \$	-	\$ (8,000,000)	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
Total Change to Requirements	\$	20,637,397	\$ 924,900,833	\$ 20,637,397	\$ 703,078,821
Total Change to Receipts	\$	-	\$ 1,259,628,128	\$ -	\$ 870,298,281
Total Change to Fund Balance	\$	(20,637,397)	\$ 334,727,295	\$ (20,637,397)	\$ 167,219,460
Total Change to Full-Time Equivalent (FTE)		5.000	0.000	5.000	0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$		\$ 314,089,898	\$	\$ 146,582,063
Total Change to Full-Time Equivalent (FTE)			5.000		5.000

Statewide Reserves (19XXX)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 42,206,909	\$ (42,206,909)	\$ 117,895,590	\$ 75,688,681	\$ 117,895,590	0.0 %
Receipts	\$ -	\$ -	\$ 117,895,590	\$ 117,895,590	\$ 117,895,590	0.0 %
Net Appropriation	\$ 42,606,909	\$ (42,206,909)	\$ -	\$ (42,206,909)	\$ -	0.0 %
Positions (FTE)	-	-	-	-	-	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 42,206,909	\$ (42,206,909)	\$ -	\$ (42,206,909)	\$ -	0.0 %
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0 %
Net Appropriation	\$ 42,206,909	\$ (42,206,909)	\$ -	\$ (42,206,909)	\$ -	0.0 %
Positions (FTE)	-	-	-	-	-	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Statewide

1 Building Reserve Funding

Eliminates the building reserve set aside. Building reserve items are funded through General Fund net appropriations as needed to support the new buildings coming online in the 2025-27 fiscal biennium.

Req \$	(42,206,909)	\$ -	\$ (42,206,909)	\$ -
Req \$	-	\$ -	\$ -	\$ -
App \$	(42,206,909)	\$ -	\$ (42,206,909)	\$ -
FTE	0.000	0.000	0.000	0.000

Investments from Reserves

2 Information Technology Reserve

Provides funds for critical IT investments. OSBM will hold and disburse these funds as needed for the following projects:

- The Office of State Budget and Management (OSBM) to replace the integrated budget information system (IBIS),
- The Department of Information Technology for cybersecurity tools continuation of protection offerings, a constituent portal, and citizen identity software,
- The Department of Adult Correction for rounds tracking software,
- The Office of the State Auditor for modernizing audit IT infrastructure,
- The Department of Public Instruction for PSU school business system modernization,
- The Office of State Human Resources for human capital management (HCM) vendor integration and HARP data analytics (GDAC),
- The Department of Revenue for DataPower end of life replacement, datacenter hardware replacement, and to replace OFP and RCA desktop clients,
- The State Board of Elections for election modernization,
- The State Bureau of Investigation for its headquarters data center and investigative case management system,
- The Office of Administrative Hearings for a database development system,
- The Department of Commerce for a new career information system,
- The Department of Environmental Quality to complete the permit transformation project,
- The Department of Health and Human Services, Division of State Operated Health Facilities for electronic health records,
- The Department of Health and Human Services, Division of Health benefits for a Medicaid enterprise system and other technology, and
- The Department of Justice for a legal case management system.

Req \$	-	\$ 117,895,590	\$ -	\$ -
Rec \$	-	\$ 117,895,590	\$ -	\$ -
App \$	-	\$ -	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

Total Change to Requirements	\$ (42,206,909)	\$ 117,895,590	\$ (42,206,909)	\$ -
Total Change to Receipts	\$ -	\$ 117,895,590	\$ -	\$ -
Total Change to Net Appropriations	\$ (42,206,909)	\$ -	\$ (42,206,909)	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$	(42,206,909)	\$	(42,206,909)
Total Change to Full-Time Equivalent (FTE)		0.000		0.000

NC Education Lottery Proceeds (54641)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 4,411,160,499	\$ 190,300,000	\$ -	\$ 190,300,000	\$ 4,601,460,499	4.3 %
Receipts	\$ 4,411,160,499	\$ 190,300,000	\$ -	\$ 190,300,000	\$ 4,601,460,499	4.3 %
Chg in Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	0.0 %
Positions (FTE)	-	-	-	-	-	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 4,411,160,499	\$ 196,700,000	\$ -	\$ 196,700,000	\$ 4,607,860,499	4.5 %
Receipts	\$ 4,411,160,499	\$ 196,700,000	\$ -	\$ 196,700,000	\$ 4,607,860,499	4.5 %
Chg in Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	0.0 %
Positions (FTE)	-	-	-	-	-	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes
Revenues				
1 Additional Lottery Proceeds				
Increases budgeted lottery receipts consistent with the revenue forecast and increases the budgeted transfer to the Education Lottery Fund.	Req \$ 190,300,000	\$ -	\$ 196,700,000	\$ -
	Rec \$ 190,300,000	\$ -	\$ 196,700,000	\$ -
	CFB \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
Total Change to Requirements	\$ 190,300,000	\$ -	\$ 196,700,000	\$ -
Total Change to Receipts	\$ 190,300,000	\$ -	\$ 196,700,000	\$ -
Total Change to Fund Balance	\$ -	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$ -	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)		0.000		0.000

Governor's Office - State Budget and Management - Education Lottery Fund (23003)

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 935,000,000	\$ 190,300,000	\$ -	\$ 190,300,000	\$ 1,125,300,000	20.4 %
Receipts	\$ 935,000,000	\$ 190,300,000	\$ -	\$ 190,300,000	\$ 1,125,300,000	20.4 %
Chg in Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	0.0 %
Positions (FTE)	-	-	-	-	-	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 935,000,000	\$ 196,700,000	\$ -	\$ 196,700,000	\$ 1,131,700,000	21.0 %
Receipts	\$ 935,000,000	\$ 196,700,000	\$ -	\$ 196,700,000	\$ 1,131,700,000	21.0 %
Chg in Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	0.0 %
Positions (FTE)	-	-	-	-	-	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Lottery Revenues

1 Educational Lottery Fund – Additional Receipts

Budgets additional projected receipts from the State Lottery Fund.

Req \$	-	\$ -	\$ -	\$ -
Rec \$	190,300,000	\$ -	\$ 196,700,000	\$ -
CFB \$	190,300,000	\$ -	\$ 196,700,000	\$ -
FTE	0.000	0.000	0.000	0.000

Education Investments

2 Educational Lottery Fund – NC Pre-K

Transfers funds to the Department of Health and Human Services to raise NC Pre-K slot reimbursement rates in all settings by 20%, raise the administrative rate to 8%, and add 1,000 new slots over the biennium. Additional details are provided in the Department of Health and Human Services section of this document.

Req \$	26,750,000	\$ -	\$ 33,150,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
CFB \$	(26,750,000)	\$ -	\$ (33,150,000)	\$ -
FTE	0.000	0.000	0.000	0.000

3 NC Pre-K Wrap-Around Summer Child Care

Transfers funds to the Department of Health and Human Services to fund grants to over 300 NC Pre-K Summer Learning Programs. The funding will provide essential child care coverage for parents, ensuring they do not miss work, and enriching learning opportunities for children in the gap summer months after the children complete NC Pre-K but before they begin kindergarten. Additional details are provided in the Department of Health and Human Services section of this document.

Req \$	10,000,000	\$ -	\$ 10,000,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
CFB \$	(10,000,000)	\$ -	\$ (10,000,000)	\$ -
FTE	0.000	0.000	0.000	0.000

4 Education Lottery Fund – Devices for Students

Transfers funds to the Department of Public Instruction to enable public schools to continue providing every student with a laptop, a policy adopted during the pandemic and previously supported with federal COVID relief funds. Additional details are provided in the Department of Public Instruction section of this document.

Req \$	68,250,000	\$ -	\$ 68,250,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
CFB \$	(68,250,000)	\$ -	\$ (68,250,000)	\$ -
FTE	0.000	0.000	0.000	0.000

5 Educational Lottery Fund – Universal School Breakfast at No Cost to Students

Transfers funds to the Department of Public Instruction to provide funding for public schools to offer breakfast at no cost to all students. Additional details are provided in the Department of Public Instruction section of this document.

Req \$	85,300,000	\$ -	\$ 85,300,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
CFB \$	(85,300,000)	\$ -	\$ (85,300,000)	\$ -
FTE	0.000	0.000	0.000	0.000

Total Change to Requirements	\$ 190,300,000	\$ -	\$ 196,700,000	\$ -
Total Change to Receipts	\$ 190,300,000	\$ -	\$ 196,700,000	\$ -
Total Change to Fund Balance	\$ -	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$ -	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)		0.000		0.000

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