Investing in North Carolina's Future

Supports investing $4.5 billion in North Carolina, including up to $3.9 billion in General Obligation Bonds for construction and renovation of public schools, North Carolina Community College campuses, University of North Carolina campuses, Natural and Cultural Resources attractions, and local communities' water and sewer infrastructure.

Savings from Closing the Medicaid Coverage Gap

Reflects reduced state appropriations required to maintain the current level of service in the Division of Mental Health, the Division of Health Benefits, the Department of Public Safety, and the State Health Plan due to closing the coverage gap by expanding Medicaid.

Supporting State Employees

To attract and retain a strong state workforce, the budget includes $20 million for the Salary Adjustment Fund. These funds will help implement the new market-based classification and compensation system by raising salaries for positions that are hard to staff, have high turnover rates, and/or are paid below market rates. It will also help address gender equity disparities in pay and other salary adjustments identified through analysis using human resources best practices.

Improving State Agency Public Safety

Enhances the security and safety of state facilities by providing $7.5 million for communication system upgrades, equipment purchases, audio-visual security monitoring systems, panic alarms, improved doors, and other security features to prevent and respond to threats.

Using Data to Drive Decision Making

Builds capacity across state government to more effectively manage state resources and programs by hiring analysts with advanced quantitative and research skills. These skills are needed to inform evidence-based, data-driven decision making for agency budgets and programs.

2020 Census Preparation to Make NC Count

Provides $1.5 million to get North Carolinians ready for the 2020 Census. The Census determines federal funding and programs across North Carolina and the next census will also determine if North Carolina gets an additional representative in Congress. Robust census data is also vital for planning, delivery of services, and economic development for every North Carolina county, municipality, and community.

Reserves, Debt Service, and Other Adjustments (19xxx)

Year 1 FY 2019-20	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	$ 738,785,734	$ (2,305,362)	$ 11,000,000	$ 8,694,638	$ 747,480,372	1.2%
Receipts	$ 18,653,595	$ -	$ -	$ -	$ 18,653,595	0.0%
Net Appropriation	$ 720,132,139	$ (2,305,362)	$ 11,000,000	$ 8,694,638	$ 728,826,777	1.2%
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.0%

Year 2 FY 2020-21	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	$ 738,785,734	$ (22,525,690)	$ -	$ (22,525,690)	$ 716,260,044	-3.0%
Receipts	$ 18,653,595	$ -	$ -	$ -	$ 18,653,595	0.0%
Net Appropriation	$ 720,132,139	$ (22,525,690)	$ -	$ (22,525,690)	$ 697,606,449	-3.1%
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.0%

		FY 2019-20		FY 2020-21	
		R Changes	NR Changes	R Changes	NR Changes
1 Invest NC Bond					
Supports the authorization, subject to a favorable vote of the people, of up to $3.9 billion in General Obligation Bonds for construction and renovation of public schools, community college campuses, University of North Carolina campuses, Natural and Cultural Resources educational attractions, and water and sewer infrastructure. It is anticipated that the first issuance of Invest NC would occur in FY 2020-21 with no debt service impacts in FY 2019-21 biennium. The issuance of public school bonds should not result in a situation where debt service exceeds four percent of General Fund revenues on an annual basis and will leave enough debt capacity for the state to address other capital needs.	Req $	-	$ -	$ -	$ -
	Rec $	-	$ -	$ -	$ -
	App $	-	$ -	$ -	$ -
	FTE	0.000	0.000	0.000	0.000
2 Debt Service - Limited Obligation Bonds					
Adjusts the amount budgeted for debt service payments to accurately reflect the principal and interest required to support the recommended $288 million in limited obligation bonds.	Req $	830,700	$ -	$ 1,788,100	$ -
	Rec $	-	$ -	$ -	$ -
	App $	830,700	$ -	$ 1,788,100	$ -
	FTE	0.000	0.000	0.000	0.000
3 Debt Service - Connect NC Bonds					
Adjusts the amount budgeted for debt service payments to accurately reflect the principal and interest due based on the current repayment schedule. Adjustments are due to the projected issuance of Connect NC Bonds during the biennium.	Req $	3,563,938	$ -	$ 20,986,210	$ -
	Rec $	-	$ -	$ -	$ -
	App $	3,563,938	$ -	$ 20,986,210	$ -
	FTE	0.000	0.000	0.000	0.000
4 State Agencies - Public Safety Reserve					
Provides $7.5 million dollars for State Agencies to be used for safety improvements to facilities, purchase of safety and security equipment, improvements in communication and data systems, training, and the development of security master plans. The funds will be administered by the Office of State Budget and Management.	Req $	-	$ 7,500,000	$ -	$ -
	Rec $	-	$ -	$ -	$ -
	App $	-	$ 7,500,000	$ -	$ -
	FTE	0.000	0.000	0.000	0.000
5 Medicaid Coverage Gap Savings					
Reflects reduced state appropriations requirements needed to maintain current levels of service in the Division of Mental Health, the Division of Health Benefits, the Department of Public Safety, and the State Health Plan due to closing the coverage gap.	Req $	(30,700,000)	$ -	$ (69,300,000)	$ -
	Rec $	-	$ -	$ -	$ -
	App $	(30,700,000)	$ -	$ (69,300,000)	$ -
	FTE	0.000	0.000	0.000	0.000
6 Contingency and Emergency Fund					
Provides funding to restore the Emergency and Contingency Fund based on a 10-year average of historical expenditures from fiscal years 2007 through 2017.	Req $	2,000,000	$ -	$ 2,000,000	$ -
	Rec $	-	$ -	$ -	$ -
	App $	2,000,000	$ -	$ 2,000,000	$ -
	FTE	0.000	0.000	0.000	0.000
7 State Agency Insurance Coverage					
Provides funding to state agencies for required coverage in the State's Property Insurance Fund.	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 Advanced Analytics and Data Interpretation

Builds capacity across state government to more effectively manage state resources and programs and utilize evidence-based, data-driven decision making by hiring analysts with advanced quantitative and research skills. Positions will be located within the agency's central office and will provide department-wide analytical support. State agency allocations are based on the size of the agency's appropriated budget. Agencies under a billion dollars in state appropriations receive one position and agencies over a billion dollars receive two positions. Three oversight agencies, State Controller, State Treasurer, and the Office of State Budget and Management, each receive two positions. The positions will provide statewide analysis which cross all state agencies or assist on specific issues that have a significant state impact. Funding can be found within each agency's individual budget.

Req	$ -	$ -	$ -	$ -
Rec	$ -	$ -	$ -	$ -
App	$ -	$ -	$ -	$ -
FTE	0.000	0.000	0.000	0.000

9 2020 Census Preparation

Funds materials and outreach to promote participation in the 2020 Census across the state. High participation is crucial as decennial census counts are used to apportion seats in the US Congress and distribute over $1,600 per person in federal funds in the state. The 2020 Census count will also be the foundation of certified state population estimates for the next decade. The certified estimates are used to distribute state resources to local governments. Census data is vital for planning, delivery of services, and economic development.

Req	$ -	$ 1,500,000	$ -	$ -
Rec	$ -	$ -	$ -	$ -
App	$ -	$ 1,500,000	$ -	$ -
FTE	0.000	0.000	0.000	0.000

10 Salary Adjustment Fund

Provides $20 million for the Salary Adjustment Fund. These funds will be used to further the implementation of the new market-based classification and compensation system through adjustments targeting hard-to-staff, high turnover positions, salaries below market rates, gender equity, and other salary adjustments identified through analysis using HR best practices.

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

11 Workers' Compensation Settlement Reserve

Provides nonrecurring funding for the Office of State Human Resources to close pending workers' compensation claims.

Req	$ -	$ 2,000,000	$ -	$ -
Rec	$ -	$ -	$ -	$ -
App	$ -	$ 2,000,000	$ -	$ -
FTE	0.000	0.000	0.000	0.000

Total Change to Requirements	$ (2,305,362)	$ 11,000,000	$ (22,525,690)	$ -
Total Change to Receipts	$ -	$ -	$ -	$ -
Total Change to Net Appropriation	$ (2,305,362)	$ 11,000,000	$ (22,525,690)	$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000

Recommended Net Appropriation Changes (Recurring + Nonrecurring)	$ 8,694,638	$ (22,525,690)
Recommended Total FTE Changes	0.000	0.000