



Appropriations Act 101:

How to Understand and Use the Budget

Integrity

Innovation

Teamwork

Excellence

Curiosity

Agenda

- **What is “the budget” and how is it established?**
- **Sections of the Budget Bill**
- **Reading the Committee Report**
- **Items in Bill Text but Not in the Committee Report**
- **Continuing Resolutions**
- **Where we are now?**

What is the budget, and how is it established?



About the Budget

Article III, Section 5 of NC Constitution

The Governor shall recommend a comprehensive budget of anticipated revenues and proposed expenditures and administer the budget enacted by the General Assembly.

State Budget Act (GS 143C)

The Governor is Director of the budget; The budget must clearly distinguish program base budget, reductions, eliminations, expansions, and new programs; Only certain budget adjustments are allowed.

Budget Manual

Provides interpretations of statutes and guidance on budget execution, budget development, and fiscal policies including travel; Also provides links to the Constitution, statutes, budget instructions, and budget glossary.



Long Session vs. Short Session

Long Session

- Begins in January of **odd** years
- Session Laws adopted apply to both years of the biennium
- More substantive policy changes are typically considered in long session

Short Session

- Begins in May of **even** years
- Budget changes amend the Long Session certified budget (including new adds)
- Policy changes are often – but not always - more technical in nature

Budget Development Process

Long Session

Early March

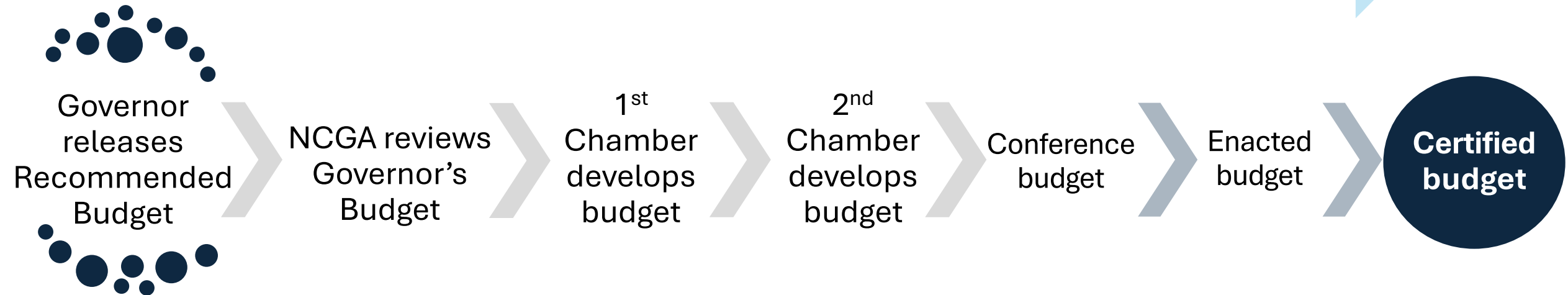
April

Early May

Early June

Before July 1

August



Short Session

Early May

May

Late May/June

June

Before July 1

August

About the Budget: Budget Components

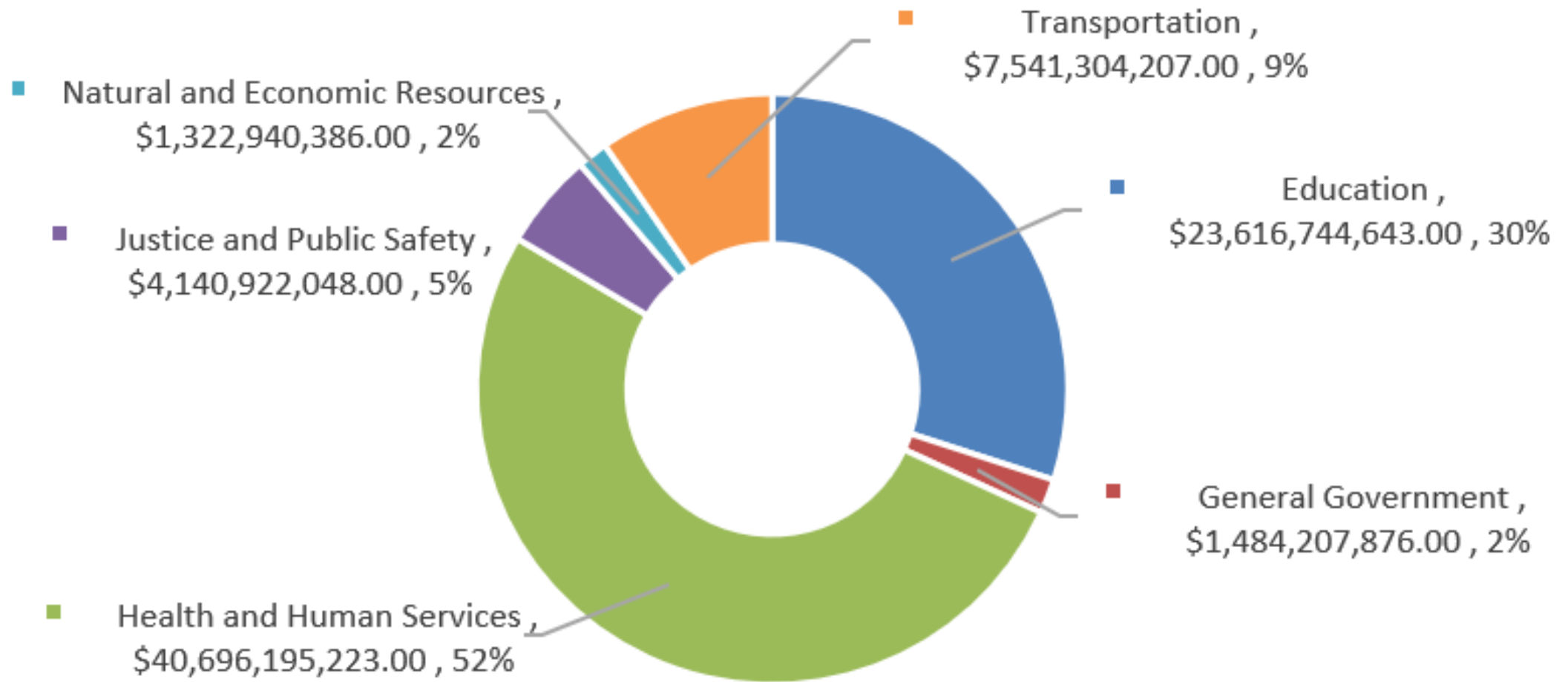
State Budget Components G.S. 143C-3-5

Base Budget

**Change
Budget**

*** General Assembly defines Base Budget in GS 143C-1-1(d)(1c)**

FY 26 Certified Total Requirements by Subcommittee (1- and 8-type Budget Codes)



Sections of the Budget Bill

What is the State Budget?

Budget Bill

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

SESSION LAW 2018-5
SENATE BILL 99

AN ACT TO MODIFY THE CURRENT OPERATIONS APPROPRIATIONS ACT OF 2017
AND TO MAKE OTHER CHANGES IN THE BUDGET OPERATIONS OF THE STATE.

The General Assembly of North Carolina enacts:

PART I. INTRODUCTION AND TITLE OF ACT

TITLE OF ACT

SECTION 1.1. This act shall be known as the "Current Operations Appropriations Act of 2018."

INTRODUCTION

SECTION 1.2. The appropriations made in this act are for maximum amounts necessary to provide the services and accomplish the purposes described in the budget in accordance with the State Budget Act. Savings shall be effected where the total amounts appropriated are not required to perform these services and accomplish these purposes, and the savings shall revert to the appropriate fund at the end of each fiscal year, except as otherwise provided by law.

PART II. CURRENT OPERATIONS AND EXPANSION GENERAL FUND

CURRENT OPERATIONS AND EXPANSION/GENERAL FUND

SECTION 2.1. Appropriations from the General Fund of the State for the maintenance of the State departments, institutions, and agencies, and for other purposes as enumerated, are adjusted for the fiscal year ending June 30, 2019, according to the schedule that follows. Amounts set out in parentheses are reductions from General Fund appropriations for the 2018-2019 fiscal year:

Current Operations – General Fund FY 2018-2019

EDUCATION

Community Colleges System Office	\$ 43,724,296
Department of Public Instruction	59,847,276
Appalachian State University	0
East Carolina University	0
Academic Affairs	(1,100,000)
Health Affairs	0
Elizabeth City State University	0
Fayetteville State University	0



Committee Report

THE JOINT CONFERENCE COMMITTEE REPORT ON THE BASE AND EXPANSION BUDGET

Senate Bill 99

North Carolina General Assembly

May 28, 2018

Key Things to Know

- Appropriates all allowable spending for the relevant year/biennium
- Provides all details on how to implement programs
- Organized by Subcommittee, Agency, then Budget Code
- Other sections of general interest
 - General Provisions (Bill)
 - Capital (Bill & Committee Report)
 - Salaries & Benefits (Bill)

Structure of the Budget Bill

GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2021

SESSION LAW 2021-180 SENATE BILL 105

AN ACT TO MAKE BASE BUDGET APPROPRIATIONS FOR CURRENT OPERATIONS
OF STATE AGENCIES, DEPARTMENTS, AND INSTITUTIONS AND FOR OTHER
PURPOSES.

The General Assembly of North Carolina enacts:

PART I. TITLE AND INTRODUCTION

TITLE OF ACT

SECTION 1.1. This act shall be known as the "Current Operations Appropriations Act of 2021."

INTRODUCTION

SECTION 1.2. The appropriations made in this act are for maximum amounts necessary to provide the services and accomplish the purposes described in the budget in accordance with the State Budget Act. Savings shall be effected where the total amounts appropriated are not required to perform these services and accomplish these purposes, and the savings shall revert to the appropriate fund at the end of each fiscal year, except as otherwise provided by law.

PART II. CURRENT OPERATIONS AND EXPANSION/GENERAL FUND

GENERAL FUND APPROPRIATIONS

SECTION 2.1.(a) Appropriations from the General Fund for the budgets of the State departments, institutions, and agencies, and for other purposes as enumerated, are made for each year of the 2021-2023 fiscal biennium, according to the following schedule:

Part

Section
(or Special
Provision)

Subsection



Agency Sections: Organized by Legislative Subcommittee

- **Education:** Sections 6.1 – 8A. (*NCCCS, DPI, UNC*)
- **HHS:** Sections 9A – 9M. (*Many Divisions of DHHS*)
- **NER:** Sections 10 – 15. (*DEQ, DACS, DOC, DNCR, WRC, DOL*)
- **JPS:** Sections 16-19. (*IDS, DOJ, DPS, DAC, AOC*)
- **GenGov:** Sections 20 – 38. (*DOA, OAH, OSA, OSBM, OSC, SBE, NCGA, Gov, HFA, DOI, NCIC, LtGov, DMVA, DOR, SOS, Treasurer, Misc, DIT*)

Note: Section numbers may vary from bill to bill and are almost certain to be different in a mini-budget. These are for the previous long session's Appropriations Act, SL 2023-134.

Front of the Bill

Rules, restrictions, and total appropriations:

- **Section 1.2** Appropriations are maximums. Unexpended funds revert.
- **Section 2.1** Total agency appropriations.
- **Section 4.1.(a):** Base budget appropriated
- **Section 4.1.(c):** Funds expended only for the specified programs, purposes, objects, and line items
- **Section 4.2:** Parameters for spending new grant awards
- **Section 5:** General Provisions

Front of the Bill

Agency-specific appropriations:

- **Section 2.2.(b-s)** Transfers to reserves, including the IT Reserve, SERDRF, etc.
- **Sections 4.3-4.5:** State receipts including Lottery, Indian Gaming

Tip: Ctrl+F entire bill for key terms like agency name

Back of the Bill / Statewide Sections:

Rules, restrictions, and total appropriations:

- **Section 39** Salary and Benefits
- **Section 40** Capital
- **Section 42** Finance
- **Section 43** Miscellaneous

The Budget Bill

Made up of individual “special provisions” that:

- Amend Statute or Session Law
 - Add definitions, make technical changes, make policy changes, repeal, etc.
- Specify details or direct a funds that cannot be explained in “snappy”
- Create New or Pilot Programs, Reporting and Study Requirements
- Notwithstanding existing Statute or session law to allow certain actions

General Statute vs. Session Law

General Statute

- For programs and policies that are intended to be long-lived and ongoing
- Statute does not expire; lasts longer than the current Session of the General Assembly

Session Law

- Expires at the end of the Session of the General Assembly, generally
- Items that are generally intended to be one-time
- Items that change every session
- Often amends Statutes – continues past the biennium if so



Types of Special Provisions

- Boilerplate
- Policy
- Follows the Money
- Policy with Fiscal Impact
- Report

- May v Shall: "May" allows; "shall" requires

- Duration: Provisions that don't amend statute are only in force during that biennium, unless otherwise specified

Special Provision Examples

- Boilerplate:

ESTABLISHING OR INCREASING FEES

SECTION 5.2.(a) Notwithstanding G.S. 12-3.1, an agency is not required to consult with the Joint Legislative Commission on Governmental Operations prior to establishing or increasing a fee to the level authorized or anticipated in this act.

Special Provision Examples

- Policy:

INCREASE CAPACITY/FAMILY CHILD CARE HOMES

SECTION 9D.10.(a) G.S. 110-86(3) reads as rewritten:

- "(3) Child care facility. – Includes child care centers, family child care homes, and any other child care arrangement not excluded by G.S. 110-86(2), that provides child care, regardless of the time of day, wherever operated, and whether or not operated for profit.
- a. A child care center is an arrangement where, at any one time, there are three or more preschool-age children or nine or more school-age children receiving child care.
 - b. A family child care home is a child care arrangement located in a residence where, at any one time, more than two children, but less than ~~nine~~ 10 children, receive child ~~care~~ care, provided the arrangement is in accordance with G.S. 110-91(7)b."

- Follows the Money:

TRI-SHARE CHILD CARE PILOT PROGRAM

SECTION 9D.9.(a) Of the funds appropriated in this act to the Department of Health and Human Services, Division of Child Development and Early Education, to be allocated to the North Carolina Partnership for Children, Inc., the sum of nine hundred thousand dollars (\$900,000) in nonrecurring funds for each year of the 2023-2025 fiscal biennium shall be used to provide the State portion of funding for the Tri-Share Child Care pilot program established by this section. Funds provided under this section shall be divided evenly in each fiscal year among the regional facilitator hubs, as described in subsection (c) of this section, selected to participate in the pilot program. Upon completion of the pilot program, any unexpended funds shall revert to the General Fund.

Special Provision Examples

- Policy with Fiscal Impact:

CAP STATE-FUNDED PORTION OF NONPROFIT SALARIES

SECTION 5.4. No more than one hundred forty thousand dollars (\$140,000) in State funds, including any interest earnings accruing from those funds, may be used for the annual salary of any individual employee of a nonprofit organization.

- Report:

"**SECTION 6.8.(d)** The North Carolina Retail Merchants Association and the Retail Consumer Alliance Federation shall submit an initial report by December 1, 2024, and a final report by December 1, 2025, to the Joint Legislative Education Oversight Committee on the results of implementing the RISE Up credentialing program in the 2023-2025 fiscal biennium, including at least the following information:



How to Spot Changes

“Reads as rewritten” provisions show changes with underline or strikeout:

SECTION 21.2.(j) G.S. 120-30.9H reads as rewritten:

"§ 120-30.9H. Decision letters of U. S. Attorney General published in North Carolina Register.

All letters and other documents received by the authorities required by this Article to submit any "changes affecting voting" from the Attorney General of the United States in which a final decision is made concerning a submitted "change affecting voting" shall be filed with the ~~Director of the Office of Administrative Hearings. The Director~~ Codifier of Rules. The Codifier shall publish the letters and other documents in the North Carolina Register."

The Conference Committee Report



How to find a Committee Report

H258

House Bill 259 / SL 2023-134

H260

2023 Appropriations Act.
2023-2024 Session

VIEW BILL DIGEST	
VIEW AVAILABLE BILL SUMMARIES	
EDITION	FISCAL NOTE
Filed	
Edition 1	
Edition 2	Actuarial Retirement Incarceration Fiscal Note Fiscal Note Rev.
Edition 3	
Edition 4	Fiscal Note Actuarial Health Actuarial Retirement Incarceration
Edition 5	
Ratified	Actuarial Retirement Actuarial Health Incarceration
SL 2023-134	

Last Action:	Ch. SL 2023-134 on 10/3/2023
Sponsors:	Lambeth; Saine; Arp (Primary) Adams; Brisson; Clampitt; Faircloth; K. Hall; Humphrey; Strickland; Ward; Willis
Attributes:	Public; Contains Appropriations; Contains Local Appropriations; Text has changed; Roll Call; Requests Study

HISTORY				
DATE	CHAMBER	ACTION	DOCUMENTS	VOTES
10/3/2023		Ch. SL 2023-134		
10/3/2023	House	Became Law W/o Signature		
9/22/2023		Pres. To Gov. 9/22/2023		
9/22/2023		Ratified		
9/22/2023	House	Ordered Enrolled		
9/22/2023	Senate	Conf Report Adopted 3rd	CCS: PCCS50044-MHxr-6 CR: Conference Report BD: Miscellaneous Bill Document	PASS: 26-17
9/22/2023	House	Conf Report Adopted 3rd	CCS: PCCS50044-MHxr-6 CR: Conference Report BD: Miscellaneous Bill Document BD: Miscellaneous Bill Document BD: Miscellaneous Bill Document BD: Miscellaneous Bill Document	PASS: 70-40

Conference Committee Report

Net General Fund Availability

	<u>FY 2023-24</u>	<u>FY 2024-25</u>
1 Unappropriated Balance Remaining FY 2022-23	818,331,123	1,564,437,931
2 Actual/Anticipated Reversions	1,021,600,829	300,000,000
3 Actual FY 2022-23 Overcollections	3,025,504,013	-
4 S.L. 2023-11, 2022 Budget Technical Corrections	(26,207,523)	-
5 Tech. Adj., FY 2022-23 Unfunded Liability Solvency Reserve	<u>10,000,000</u>	<u>-</u>
6 Total, Prior Year-End Fund Balance	4,849,228,442	1,864,437,931
7		
8 Revised Consensus Revenue Forecast		
9 Tax Revenue	32,115,800,000	32,395,200,000
10 Non-Tax Revenue	<u>1,723,100,000</u>	<u>1,480,100,000</u>
11 Total, Tax and Non-Tax Revenue	33,838,900,000	33,875,300,000
12		
13 Revenue Adjustments		
14 Adjustments to Tax Revenue	(193,077,000)	(606,540,000)
15 Adjustments to Non-Tax Revenue	(3,379,984)	(1,931,189)
16 S.L. 2023-7, Access to Healthcare Options	79,775,000	67,674,000
17 S.L. 2023-42, Sport Wagering/Horse Racing Wagering	8,500,000	36,100,000
18 S.L. 2023-93, Treasury Administrative Changes Act	<u>(5,056,718)</u>	<u>(5,056,718)</u>
19 Total, Revenue Adjustments	(113,238,702)	(509,753,907)
20		
21 Reservations of Revenue, Statutory* and Discretionary		
22 State Capital and Infrastructure Fund (SCIF)*	(1,412,592,500)	(1,461,333,238)
23 Additional Transfer to SCIF	(1,050,000,000)	(700,000,000)
24 Savings Reserve	-	(125,000,000)
25 Clean Water and Drinking Water Reserve	(1,000,000,000)	(1,000,000,000)
26 Regional Economic Development Reserve	(1,250,000,000)	-
27 Economic Development Project Reserve	(630,000,000)	(100,000,000)
28 Medicaid Contingency Reserve	(400,000,000)	(250,000,000)
29 Medicaid Transformation Reserve	(5,000,000)	-
30 State Emergency Response and Disaster Relief Fund	(75,000,000)	(75,000,000)
31 Information Technology Reserve	(450,000,000)	-
32 Federal Infrastructure Match Reserve	(50,000,000)	-
33 Housing Reserve	(45,000,000)	(45,000,000)
34 Retiree Supplement Reserve	(145,600,000)	-
35 Transportation Reserve	(450,000,000)	(100,000,000)
36 NCInnovation Reserve	(250,000,000)	(250,000,000)
37 Tech. Adj., Unfunded Liability Solvency Reserve	<u>(10,000,000)</u>	<u>-</u>
38 Total, All Reservations of Revenue	(7,223,192,500)	(4,106,333,238)
39		
40 Revised Total General Fund Availability	31,351,697,240	31,123,650,786
41		
42 General Fund Net Appropriations		
43 S.L. 2023-14, Care for Women, Children, and Families Act	(80,136,285)	(79,336,285)
44 H.B. 259, 2023 Appropriations Act	<u>(29,707,123,024)</u>	<u>(30,823,313,998)</u>
45 Total, General Fund Net Appropriations	(29,787,259,309)	(30,902,650,283)
46		
47 Unappropriated Balance Remaining	1,564,437,931	221,000,503

Summary of General Fund Appropriations 2023 Legislative Session Fiscal Year 2023-24

	Base Budget			Legislative Changes			Revised Budget		
	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
Education:									
North Carolina Community College System	1,689,563,818	346,872,514	1,342,691,304	188,362,142	56,812,839	131,549,303	1,877,925,960	403,685,353	1,474,240,607
Department of Public Instruction	12,862,113,777	1,708,398,621	11,153,715,156	630,206,764	219,361,994	410,844,770	13,492,320,541	1,927,760,615	11,564,559,926
The University of North Carolina	5,858,533,326	2,052,814,735	3,805,718,591	632,144,938	172,720,285	459,424,653	6,490,678,264	2,225,535,020	4,265,143,244
Total Education	\$20,410,210,921	\$4,108,085,870	\$16,302,125,051	\$1,450,713,844	\$448,895,118	\$1,001,818,726	\$21,860,924,765	\$4,556,980,988	\$17,303,943,777
Health and Human Services:									
Aging and Adult Services	162,811,870	110,379,526	52,432,344	1,090,429	8,223	1,082,206	163,902,299	110,387,749	53,514,550
Central Management and Support	369,173,742	173,779,697	195,394,045	86,662,747	63,549,971	23,112,776	455,836,489	237,329,668	218,506,821
Child and Family Well-Being	572,936,467	514,976,713	57,959,754	25,298,942	23,520,618	1,778,324	598,235,409	538,497,331	59,738,078
Child Development and Early Education	829,893,524	578,614,479	251,279,045	65,413,101	62,367,352	3,045,749	895,306,625	640,981,831	254,324,794
Emp. & Indep. for People with Disabilities	186,310,635	144,233,185	42,077,450	94,435	(1,350,480)	1,444,915	186,405,070	142,882,705	43,522,365
Health Benefits	18,703,196,456	13,964,240,150	4,738,956,306	10,034,280,863	9,304,979,225	729,301,638	28,737,477,319	23,269,219,375	5,468,257,944
Health Services Regulation	79,220,241	56,399,591	22,820,650	2,545,495	454,419	2,091,076	81,765,736	56,854,010	24,911,726
Mental Hlth./Dev. Disabl./Subs. Use Serv.	1,754,310,803	952,476,965	801,833,838	159,187,831	118,359,286	40,828,545	1,913,498,634	1,070,836,251	842,662,383
Public Health	476,682,236	363,183,803	113,498,433	13,892,748	(2,133,391)	16,026,139	490,574,984	361,050,412	129,524,572
Services for the Blind/Deaf/Hard of Hearing	45,204,538	36,108,781	9,095,757	146,620	(96,673)	243,293	45,351,158	36,012,108	9,339,050
Social Services	2,110,968,620	1,899,595,249	211,373,371	94,458,354	84,256,152	10,202,202	2,205,426,974	1,983,851,401	221,575,573
Total Health and Human Services	\$25,290,709,132	\$18,793,988,139	\$6,496,720,993	\$10,483,071,565	\$9,653,914,702	\$829,156,863	\$35,773,780,697	\$28,447,902,841	\$7,325,877,856
Agriculture, Natural, and Economic Resources									
Agriculture and Consumer Services	230,607,635	76,050,056	154,557,579	46,378,003	20,008,716	26,369,287	276,985,638	96,058,772	180,926,866
Commerce	254,077,318	63,643,455	190,433,863	290,826,324	306,978,945	(16,152,621)	544,903,642	370,622,400	174,281,242
Environmental Quality	289,041,532	191,798,072	97,243,460	23,444,617	11,986,302	11,458,315	312,486,149	203,784,374	108,701,775
Labor	41,612,064	18,605,412	23,006,652	2,290,565	(313,761)	2,604,326	43,902,629	18,291,651	25,610,978
Natural and Cultural Resources	285,304,197	54,842,950	230,461,247	66,643,346	8,286,732	58,356,614	351,947,543	63,129,682	288,817,861
Wildlife Resources Commission	104,365,794	90,592,483	13,773,311	10,349,527	5,909,569	4,439,958	114,715,321	96,502,052	18,213,269
Total Agriculture, Natural, and Economic R	\$1,205,008,540	\$495,532,428	\$709,476,112	\$439,932,382	\$352,856,503	\$87,075,879	\$1,644,940,922	\$848,388,931	\$796,551,991

Conference Committee Report

- General Fund Budget Codes
 - Summary Page
 - Summary Tables (Dollars and FTE)
 - Line-Item Changes
- Special (non-capital) Budget Codes
 - Line-Item Changes

Budget and Management Budget Code 13005

General Fund Budget		
	<u>FY 2023-24</u>	<u>FY 2024-25</u>
Base Budget		
Requirements	\$11,658,787	\$11,658,787
Receipts	\$1,036,517	\$1,036,517
Net Appropriation	\$10,622,270	\$10,622,270
Legislative Changes		
Requirements	\$10,694,841	\$908,833
Receipts	\$10,074,191	-
Net Appropriation	\$620,650	\$908,833
Revised Budget		
Requirements	\$22,353,628	\$12,567,620
Receipts	\$11,110,708	\$1,036,517
Net Appropriation	\$11,242,920	\$11,531,103
General Fund FTE		
Base Budget	73.000	73.000
Legislative Changes	1.000	1.000
Revised Budget	74.000	74.000

The Committee Report

Each legislative change made by the Appropriations Act is delineated in the Committee Report in individual line items.

- Each line includes a title and short description, “snappies,” to provide additional context for the purpose of the appropriation
- Specifies:
 - Expenditure amount
 - Recurring vs. Non-recurring
 - Source of funds
 - Number of new FTE (if any)

1 Compensation Increase Reserve

Provides funding for an across-the-board salary increase of 2.5% in FY 2021-22, and an additional across-the-board salary increase of 2.5% in FY 2022-23.

Requirements	\$	625,356R	\$	1,250,712R
Less: Receipts	\$	-	\$	-
Net Appropriation	\$	625,356	\$	1,250,712
FTE		-		-

2 State Retirement Contributions

Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund to fund the actuarially determined contribution and retiree medical premiums, and to provide one-time cost-of-living supplements to retirees of 2% in FY 2021-22 and 3% in FY 2022-23.

Requirements	\$	110,246R 123,785NR	\$	243,702R 179,875NR
Less: Receipts	\$	-	\$	-
Net Appropriation	\$	234,031	\$	423,577
FTE		-		-

22 State Construction Office Staff Increase Fund Code: 1411

Provides funds from the State Capital and Infrastructure Fund (SCIF) for new positions and salary adjustment for existing positions.

Requirements	\$	1,000,000R	\$	1,000,000R
Less: Receipts	\$	1,000,000R	\$	1,000,000R
Net Appropriation	\$	-	\$	-
FTE		-		-

25 Contract Monitoring Positions Fund Code: 1511

Provides funds for Contract Specialist positions.

Requirements	\$	186,120R	\$	186,120R
Less: Receipts	\$	-	\$	-
Net Appropriation	\$	186,120	\$	186,120
FTE		2.000		2.000

Long Session Committee Report

- The amounts in each year represent an adjustment to the base budget
- First and second year amounts do not have an additive impact on an agency's budget

1 Compensation Increase Reserve

Provides funding for an across-the-board salary increase of 2.5% in FY 2021-22, and an additional across-the-board salary increase of 2.5% in FY 2022-23.

Requirements	\$	625,356R	\$	1,250,712R
Less: Receipts	\$	-	\$	-
Net Appropriation	\$	625,356	\$	1,250,712
FTE		-		-

22 State Construction Office Staff Increase
Fund Code: 1411

Provides funds from the State Capital and Infrastructure Fund (SCIF) for new positions and salary adjustment for existing positions.

Requirements	\$	1,000,000R	\$	1,000,000R
Less: Receipts	\$	1,000,000R	\$	1,000,000R
Net Appropriation	\$	-	\$	-
FTE		-		-



Short Session Committee Report

SL 2021-180

Conference Report on the Base, Capital and Expansion Budget

Child Care- Rated License Revised Budget

	FY 2021-22		FY 2022-23	
Requirements	\$	2,870,615	\$	2,870,615
Less: Receipts	\$	2,870,615	\$	2,870,615
Net Appropriation	\$	0	\$	0
FTE		-		-

Pre-Kindergarten Program Fund Code: 1330

Requirements	\$	182,182,185	\$	182,182,185
Less: Receipts	\$	147,287,725	\$	147,287,725
Net Appropriation	\$	34,894,460	\$	34,894,460
FTE		8.000		8.000

94 NC Pre-K Child Care Center Rate Increase Fund Code: 1330

Provides funding to increase NC Pre-K rates for child care centers by 2% in FY 2021-22 and by an additional 2% in FY 2022-23.

Requirements	\$	1,700,000R	\$	3,500,000R
Less: Receipts	\$	-	\$	-
Net Appropriation	\$	1,700,000	\$	3,500,000
FTE		-		-

95 Technical Correction - NC Education Lottery Receipts Fund Code: 1330

Corrects an adjustment included in the base budget for receipts budgeted to the NC Pre-K program from the Education Lottery Fund. The total amount of receipts transferred from the Education Lottery Fund to the NC Pre-K program is \$78,252,110 in each year of the biennium.

Requirements	\$	(23,253)R	\$	(23,253)R
Less: Receipts	\$	(23,253)R	\$	(23,253)R
Net Appropriation	\$	-	\$	-
FTE		-		-

Pre-Kindergarten Program Revised Budget

Requirements	\$	183,858,932	\$	185,658,932
Less: Receipts	\$	147,264,472	\$	147,264,472
Net Appropriation	\$	36,594,460	\$	38,394,460
FTE		8.000		8.000

SL 2022-74

Pre-Kindergarten Program Fund Code: 1330

Requirements	\$	185,658,932
Less: Receipts	\$	147,264,472
Net Appropriation	\$	38,394,460
FTE		8.000

39 NC Pre-K Rate Increase Fund Code: 1330

Provides funding to increase NC Pre-K reimbursement rates for all providers by 5% over the planned FY 2022-23 rates. Combined with funding already appropriated in the 2021 Appropriations Act for increased rates, child care centers will receive a 9% increase over rates from the prior fiscal biennium while public schools and Head Start providers will receive a 5% increase.

Requirements	\$	9,000,000 R
Less: Receipts	\$	-
Net Appropriation	\$	9,000,000
FTE		-

Pre-Kindergarten Program Revised Budget

Requirements	\$	194,658,932
Less: Receipts	\$	147,264,472
Net Appropriation	\$	47,394,460
FTE		8.000

UNC Committee Report (S.L. 2023-134 Examples)

16011 - UNC Board of Governors Institutional Programs

Conference Report on the Base, Capital and Expansion Budget

16011-UNC BOG - Institutional Programs

Recommended Base Budget	FY 2023-24	FY 2024-25
Requirements	\$ 53,808,791	\$ 53,808,791
Less: Receipts	\$ -	\$ -
Net Appropriation	\$ 53,808,791	\$ 53,808,791
FTE	-	-

Legislative Changes

Reserve for Salaries and Benefits

117 Compensation Increase Reserve	Requirements	\$ 139,371,162R	\$ 241,897,638R
Provides funding for an across-the-board salary increase of 4% in FY 2023-24 for most employees, or a 5.5% salary increase if the employee is paid on an experience-based salary schedule, and an additional across-the-board salary increase of 3% in FY 2024-25.	Less: Receipts	\$ -	\$ -
	Net Appropriation	\$ 139,371,162	\$ 241,897,638
	FTE	-	-
118 Nursing Faculty - Salary Adjustments	Requirements	\$ 8,511,549R	\$ 8,511,549R
Provides funding for additional salary adjustments to nursing faculty in addition to the across-the-board salary increases. Nursing faculty starting pay shall be increased by an additional 10% and other nursing faculty may receive salary increases up to an additional 15%.	Less: Receipts	\$ -	\$ -
	Net Appropriation	\$ 8,511,549	\$ 8,511,549
	FTE	-	-
119 Faculty Retention Fund	Requirements	\$ 15,000,000R	\$ 15,000,000R
Provides additional funding to the UNC faculty recruitment and retention fund.	Less: Receipts	\$ -	\$ -
	Net Appropriation	\$ 15,000,000	\$ 15,000,000
	FTE	-	-
120 State Retirement Contributions - TSERS Members	Requirements	\$ 12,236,616R	\$ 15,295,770R
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund to fund the actuarially determined contribution and retiree medical premiums. Also provides a one-time cost-of-living supplement to retirees of 4% in FY 2023-24 using receipts from the Retiree Supplement Reserve.	16,686,295NR		
	Less: Receipts	\$ 16,686,295NR	\$ -
	Net Appropriation	\$ 12,236,616	\$ 15,295,770
	FTE	-	-
121 State Retirement Contributions - ORP Members	Requirements	\$ 5,500,400R	\$ 5,500,400R
Increases the State's contribution for members of the Optional Retirement Program (ORP) supported by the General Fund to fund retiree medical premiums.	1,787,630NR		
	Less: Receipts	\$ -	\$ -
	Net Appropriation	\$ 7,288,030	\$ 5,500,400
	FTE	-	-
122 State Health Plan	Requirements	\$ 5,569,488R	\$ 24,296,891R
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2023-25 fiscal biennium.	Less: Receipts	\$ -	\$ -
	Net Appropriation	\$ 5,569,488	\$ 24,296,891
	FTE	-	-

16055 - UNC at Asheville (Example Individual Campus Budget Code)

Conference Report on the Base, Capital and Expansion Budget

16055-UNC at Asheville

Recommended Base Budget	FY 2023-24	FY 2024-25
Requirements	\$ 72,301,113	\$ 72,301,113
Less: Receipts	\$ 21,876,242	\$ 21,876,242
Net Appropriation	\$ 50,424,871	\$ 50,424,871
FTE	604.141	604.141

Legislative Changes

180 Athletic Department Support from Sports and Horse Wagering Receipts	Requirements	\$ -	\$ 1,164,615R
Budgets anticipated receipts from S.L. 2023-42, Sports Wagering/Horse Racing Wagering, to support the collegiate athletic department.	Less: Receipts	\$ -	\$ 1,164,615R
	Net Appropriation	\$ -	\$ -
	FTE	-	-

Total Legislative Changes

Requirements	\$ -	\$ 1,164,615
Less: Receipts	\$ -	\$ 1,164,615
Net Appropriation	\$ -	\$ -
FTE	-	-
Recurring	\$ -	\$ -
Nonrecurring	\$ -	\$ -
Net Appropriation	\$ -	\$ -
FTE	-	-

Revised Budget

Revised Requirements	\$ 72,301,113	\$ 73,465,728
Revised Receipts	\$ 21,876,242	\$ 23,040,857
Revised Net Appropriation	\$ 50,424,871	\$ 50,424,871
Revised FTE	604.141	604.141



Special Fund

- Committee Report shows “*Net Appropriation from (increase to) Fund Balance*” instead of “*Change in Fund Balance*” agencies would see on their BD701 report and other budget reports in IBIS
- “Net Appropriation from (Increase to) Fund Balance” = Requirements minus Receipts
- “Change in Fund Balance” = Receipts minus Requirements

Conference Report on the Base, Capital and Expansion Budget

23005-State Budget and Management - Fines and Penalties

		FY 2022-23
<u>Total Budget Enacted 2021 Session</u>		
Requirements	\$	192,435,408
Receipts	\$	192,435,408
Net Appropriation from (Increase to) Fund Balance	\$	-
FTE		-
<u>Legislative Changes</u>		
Civil Penalty and Forfeiture		
Fund Code: 2301		
64 Transfer to Department of Public Instruction	Requirements	\$ 2,800,000 R
Fund Code: 2301		39,800,000 NR
Increases the transfer of civil fines, penalties and assessment fees to the Department of Public Instruction to increase funding for the driver's education program and the Public School Fund.	Less: Receipts	\$ -
	Net Change	\$ 42,600,000
	FTE	-
<u>Total Legislative Changes</u>		
	Requirements	\$ 42,600,000
	Less: Receipts	\$ -
	Net Change	\$ 42,600,000
	FTE	-
<u>Revised Budget</u>		
Revised Requirements	\$	235,035,408
Revised Receipts	\$	192,435,408
Revised Net Appropriation from (Increase to) Fund Balance	\$	42,600,000
Revised FTE		-
<u>Fund Balance Availability Statement</u>		
Estimated Beginning Fund Balance		63,156,224
Less: Net Appropriation from (Increase to) Fund Balance	\$	42,600,000
Estimated Year-End Fund Balance	\$	20,556,224

What if the bill text and Committee Report do not match?

§ 143C-5-5. Committee report used to construe intent of budget acts.

A committee report incorporated by reference in the Current Operations Appropriations Act and distributed on the floor of the House of Representatives and of the Senate as part of the explanation of the act is to be construed with the appropriate act in interpreting its intent. If a report conflicts with the act, the act prevails. The Director of the Fiscal Research Division of the Legislative Services Commission shall send a copy of the reports to the Director. (2006-203, s. 3; 2017-57, s. 6.6(e).)

Technical Corrections

- Agencies should be aware of bills moving through the General Assembly that may impact their agency, including proposed versions of Appropriations Acts
 - If an agency has technical or other concerns about language included in a bill, they should notify their OSBM analysts
 - There are opportunities to make technical adjustments in the legislative process via amendment before an Appropriations Act becomes law or in a standalone technical corrections bill passed after

Appropriations Act as a Guide for Agencies

- Special Provisions are relevant for the biennium for which the Act is passed, unless otherwise stated
- Provides details on how to implement programs and other information relevant to agency operations
- May provide certain carry forward authority

Other Bills may Appropriate Money

- An Appropriation Act is not the only way the General Assembly may appropriate money
- Several bills have appropriated funds for this fiscal year:
 - SL 2025-26
 - SL 2025-89
 - SL 2025-91
 - SL 2025-92

Continuing Resolutions



Biennial Budget – Continuing Resolution

If the General Assembly does not approve a Current Operating Appropriations Act by July 1 of odd-numbered years, the State will operate under a ***continuing resolution***, as stipulated in GS 143C-5-4(b)

- State departments, institutions, and agencies may expend funds at the level at which operations were **certified on a recurring basis for the previous fiscal year**. The statute does not allow for increases included in the recommended base budget (statutory appropriations, lease increases, position and program annualizations, receipt adjustments, etc).
- Vacant positions subject to be eliminated in either the House, Senate, or Proposed Conference Committee Substitute versions of the Appropriations Act shall not be filled after June 30.
- State employees, including those exempt from the classification and compensation rules established by the State Human Resources Commission, shall not receive salary increases, including automatic step increases, annual, performance, merit, bonuses, or other increments until authorized by the General Assembly.

Where are we now?

Current FY26 Budget Execution

- Salary adjustments must comply with the requirements of SL 2025-89, Section 3.4
- GS 143C-5-4(b)(9) provides authority related to new grant funds. Generally, this language is very similar to boiler plate language typically

ALLOW IMPLEMENTATION OF SALARY ADJUSTMENTS

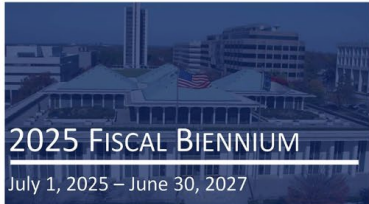
SECTION 3.4. Notwithstanding G.S. 143C-5-4(b)(5), a State agency may implement salary adjustments during the period of continuing budget authority that begins July 1, 2025, within its authorized recurring personal services appropriations if all of the following requirements are met:

- (1) Total personal services expenditures do not exceed the agency's authorized personal services appropriation for the most recent completed fiscal year.
- (2) Any salary increases are funded through position vacancies, turnover savings, or reallocation within the personal services budget.
- (3) The salary increases do not include scheduled salary increases based on experience-based salary schedules.

Resources

Fiscal Research Budget Information & Summaries

Budget Information: Legislation & Analysis



LEGISLATIVE BUDGET DOCUMENTS

Fiscal Research Division staff publish supporting documents for budget legislation each year. Those documents, along with appropriations

2023 Biennium (July 2023 – June 2025)

Budget Legislation

2024

- [2023 Appropriations Act Changes, S.L. 2024-39 \(S.B. 332\)](#)
- [Adjustments to the 2023 Appropriations Act, S.L. 2024-40 \(S.B. 357\)](#)
- [The Disaster Recovery Act of 2024, S.L. 2024-51 \(H.B. 149\)](#)
- [The Disaster Recovery Act of 2024 – Part II, S.L. 2024-53 \(S.B. 743\)](#)
- [Joint Conference Committee Report on the Disaster Recovery Act of 2024 – Part II](#)
- [Require ICE Cooperation and Budget Adjustments, S.L. 2024-55 \(H.B. 10\)](#)
- [Disaster Relief-3/Budget/Various Law Changes, S.L. 2024-57 \(S.B. 382\)](#)

2023

- [Current Operations Appropriations Act of 2023, S.L. 2023-134 \(H.B. 259\)](#)
- [Joint Conference Committee Report on the Current Operations Appropriations Act of 2023](#)
- [Technical, Clarifying, and Other Amendatory Modifications to the Current Operations Appropriations Act of 2023 and to Other Legislation](#)

Summaries and Analysis

2024

- [2024 Budget and Fiscal Policy Highlights](#)

2023

- [Annotated Conference Committee Report on the Current Operations Act of 2023, 2nd edition \(Updated June 2025\)](#)
- [2023 Budget and Fiscal Policy Highlights](#)

[Education](#) | [Health and Human Services](#) | [Agriculture and Natural and Economic Resources](#) | [Justice and Public Safety](#) | [General Government](#)
[Information Technology](#) | [Capital](#) | [Transportation](#) | [Finance](#) | [Salaries and Benefits](#)

Presentations

2023

- [February 2023: General Fund and Transportation Revenue Forecast Presentation](#)
- [February 2023: State General Fund Budget Overview and Outlook](#)



Resources

- Fiscal Research Division
 - [Budget Information: Legislation & Analysis](#)
 - [Glossary of Budget Terms](#)
- Office of State Budget and Management
 - [Governor's Budget Recommendations | NC OSBM](#) - Base Budget documents included at the bottom of this page
 - [Certified Budget | NC OSBM](#)
 - [Continuing Resolution Information | NC OSBM](#)
 - [Budget Memos | NC OSBM](#)
 - [Budget Manual | NC OSBM](#)
- General Statute
 - [Chapter 143C - State Budget Act](#)



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