

Mission

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

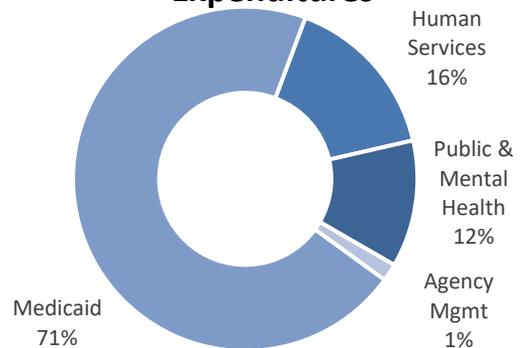
Goals

1. Advance health equity by reducing disparities in opportunity and outcomes for historically marginalized populations within DHHS and across the state.
2. Help North Carolinians end the pandemic, control the spread of COVID-19, recover stronger, and be prepared for future public health crises with an emphasis on initiatives serving those communities most impacted.
3. Build an innovative, coordinated, and whole-person — physical, mental, and social health — centered system that addresses both medical and non-medical drivers of health.
4. Turn the tide on North Carolina’s opioid and substance use crisis.
5. Improve child and family well-being so all children can develop to their full potential and thrive.
6. Support individuals with disabilities and older adults in leading safe, healthy, and fulfilling lives.
7. Achieve operational excellence by living our values — belonging, joy, people-focused, proactive communication, stewardship, teamwork, and transparency.

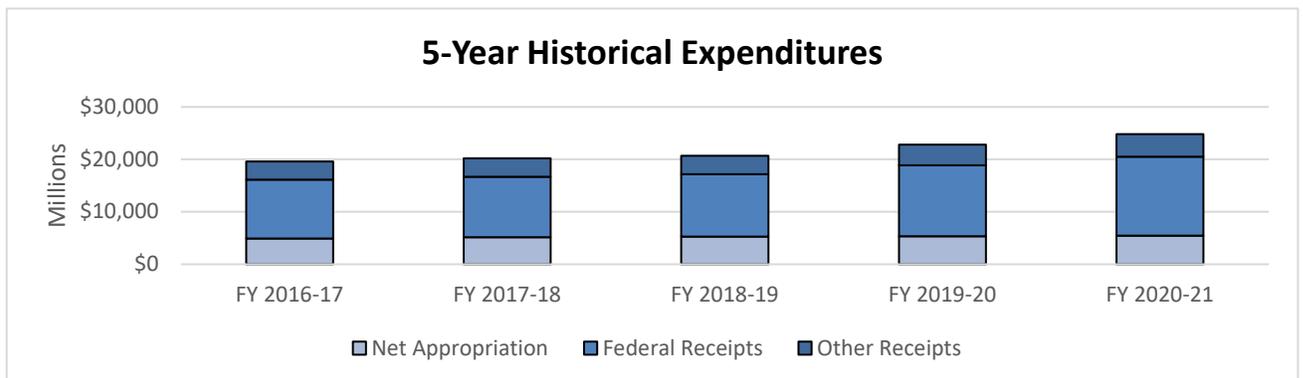
Agency Profile

- 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.

FY 2021-22 Authorized Expenditures



5-Year Historical Expenditures



Charts include General Fund budget codes only. Increased expenditures in FY2020-21 are due to federal COVID-19 funding.

Division of Central Management and Support (14410)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	561,101,415	429,345,578	361,027,599	33,468,442	23,386,644	56,855,086	417,882,685
Receipts	435,100,819	237,165,932	180,445,000	1,622,750	-	1,622,750	182,067,750
Net Appropriation	126,000,596	192,179,646	180,582,599	31,845,692	23,386,644	55,232,336	235,814,935
Positions (FTE)	0.000	989.000	989.000			60.000	1,049.000

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments

Compensation and Benefits Reserves

1 Compensation Increase Reserve

Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.

Req \$	7,170,400	\$	-	\$	7,170,400
Rec \$	-	\$	-	\$	-
App \$	7,170,400	\$	-	\$	7,170,400
FTE					0.000

2 Retention Bonus

Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.

Req \$	-	\$	3,461,000	\$	3,461,000
Rec \$	-	\$	-	\$	-
App \$	-	\$	3,461,000	\$	3,461,000
FTE					0.000

3 Labor Market Retention and Adjustment Fund

Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.

Req \$	1,260,000	\$	-	\$	1,260,000
Rec \$	-	\$	-	\$	-
App \$	1,260,000	\$	-	\$	1,260,000
FTE					0.000

4 Retiree Cost of Living Increases

Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.

Req \$	196,000	\$	144,700	\$	340,700
Rec \$	-	\$	-	\$	-
App \$	196,000	\$	144,700	\$	340,700
FTE					0.000

Division-wide

5 Health Equity Portfolio

Supports the transition of the Office of Minority Health and Health Disparities to the Office of Health Equity and expands the work of the Office of Diversity and Inclusion. Funding will support six positions within the Office of Health Equity and five positions within the Office of Diversity and Inclusion. Positions will support critical functions, including developing and measuring health equity objectives across the Department of Health and Human Services (DHHS), providing technical assistance to small and emerging non-profits led by and serving historically marginalized populations, coordinating and monitoring diversity, equity, and inclusion efforts across the department, and expanding the use of historically underutilized businesses.

Req \$	1,744,250	\$	368,600	\$	2,112,850
Rec \$	-	\$	-	\$	-
App \$	1,744,250	\$	368,600	\$	2,112,850
FTE					11.000

		R Changes		NR Changes		Adjustments
6 Medicaid Information Management						
Brings oversight and management support functions in-house to improve efficiency, reduce costs, and ensure better continuity of operations for critical Medicaid managed care health plans. Eighteen FTE will manage Medicaid applications that process all encounters received from Prepaid Health Plans (PHPs), oversee Medicaid Managed Care contracts and deliverables, and maintain the CMS-mandated statistical information system.	Req \$	2,422,000	\$	-	\$	2,422,000
	Rec \$	1,622,750	\$	-	\$	1,622,750
	App \$	799,250	\$	-	\$	799,250
	FTE					18.000
7 IT Infrastructure for New DHHS Campus						
Provides funds for initial IT needs of the new DHHS campus, including funding for the design and installation of IT systems for the new building.	Req \$	-	\$	3,900,000	\$	3,900,000
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	3,900,000	\$	3,900,000
	FTE					0.000
8 Enterprise Data Hub Development						
Invests in the modernization of DHHS data capabilities through an Enterprise Data Hub (EDH), which will enable the department to centrally expand data linkages of strategically necessary whole-person data sets and run advanced analytics on the integrated data.	Req \$	1,931,000	\$	2,858,667	\$	4,789,667
	Rec \$	-	\$	-	\$	-
	App \$	1,931,000	\$	2,858,667	\$	4,789,667
	FTE					0.000
9 Tech Support of Whole Person						
Provides funds for DHHS to catalog and improve accessibility of its digital landscape and provide professional services support to move the department toward innovative, comprehensive, effective, and sustainable whole-person system of care.	Req \$	100,000	\$	1,042,400	\$	1,142,400
	Rec \$	-	\$	-	\$	-
	App \$	100,000	\$	1,042,400	\$	1,142,400
	FTE					0.000
10 Support for Critical Operations, Maintenance, & Infrastructure						
Provides funds for program operations to ensure that critical DHHS IT systems and hardware remain functional. These funds will be used to increase efficiency, respond to security vulnerabilities, and address maintenance needs of legacy applications critical to current operations.	Req \$	5,166,042	\$	11,211,277	\$	16,377,319
	Rec \$	-	\$	-	\$	-
	App \$	5,166,042	\$	11,211,277	\$	16,377,319
	FTE					24.000
11 Infrastructure and Energy Efficiency Staff and Software						
Creates three positions for Infrastructure Engineers, Energy Efficiency, or Facilities Maintenance staff. These positions will enhance the department's capital planning, ensure more timely building maintenance and repairs, and improve energy efficiency in state buildings. Funds will also be used for utility monitoring software, enabling the department to conserve energy, reduce consumption and cost, and support the state's energy efficiency goals.	Req \$	353,750	\$	-	\$	353,750
	Rec \$	-	\$	-	\$	-
	App \$	353,750	\$	-	\$	353,750
	FTE					3.000
Division of Child and Family Well-Being						
12 Early Intervention						
Increases funding for individualized early intervention services and supports to families with children up to age three with developmental delays and established medical conditions who are currently eligible for the NC Infant Toddler Program (Early Intervention). Funding will support increases in state and local staffing, establish a centralized provider network system, fund cost and infrastructure readiness studies to expand eligibility, and provide professional development focused on infant health and development. Funds may be used to establish positions as needed.	Req \$	10,250,000	\$	250,000	\$	10,500,000
	Rec \$	-	\$	-	\$	-
	App \$	10,250,000	\$	250,000	\$	10,500,000
	FTE					0.000
Division of Child and Family Well-Being - Child Welfare and Family Well-Being Action Plan						
13 High Fidelity Wraparound Services						
Expands high-fidelity wraparound services for children with mental health issues. This is an evidence-based care management program which has been shown to keep children in their homes, reducing the use of facility-based or residential care, entry into the child protection and juvenile justice systems, and use of the emergency department. This investment represents an initial effort toward statewide expansion of the service and will support ten additional teams.	Req \$	2,600,000	\$	-	\$	2,600,000
	Rec \$	-	\$	-	\$	-
	App \$	2,600,000	\$	-	\$	2,600,000
	FTE					1.000

		R Changes		NR Changes		Adjustments
14 Rapid Response Team						
Provides funding for additional staff needed to respond to increased referrals to the Rapid Response Team (RRT), a multi-disciplinary team of child welfare and behavioral health experts that help local DSSs, LME-MCOs, and providers reduce the number of children housed in inappropriate settings and provide more timely access to services and supports for children. Positions are effective October 1, 2022. Funds will also support the development of a data system to monitor the children served by RRT and their outcomes.	Req \$	275,000	\$	150,000	\$	425,000
	Rec \$	-	\$	-	\$	-
	App \$	275,000	\$	150,000	\$	425,000
	FTE					3.000
Total Change to Requirements	\$	33,468,442	\$	23,386,644	\$	56,855,086
Total Change to Receipts	\$	1,622,750	\$	-	\$	1,622,750
Total Change to Net Appropriation	\$	31,845,692	\$	23,386,644	\$	55,232,336
Total Change to Full-Time Equivalent (FTE)						60.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$			55,232,336		
Recommended Total FTE Changes						60.000

Division of Aging and Adult Services (14411)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	139,181,102	181,643,877	131,690,170	4,444,700	179,400	4,624,100	136,314,270
Receipts	95,951,683	131,163,407	79,269,184	-	-	-	79,269,184
Net Appropriation	43,229,419	50,480,470	52,420,986	4,444,700	179,400	4,624,100	57,045,086
Positions (FTE)	0.000	77.000	77.000			0.000	77.000

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments

Compensation and Benefits Reserves

1 Compensation Increase Reserve

Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.

Req \$	101,000	\$	-	\$	101,000
Rec \$	-	\$	-	\$	-
App \$	101,000	\$	-	\$	101,000
FTE					0.000

2 Retention Bonus

Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.

Req \$	-	\$	170,000	\$	170,000
Rec \$	-	\$	-	\$	-
App \$	-	\$	170,000	\$	170,000
FTE					0.000

3 Labor Market Retention and Adjustment Fund

Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.

Req \$	81,000	\$	-	\$	81,000
Rec \$	-	\$	-	\$	-
App \$	81,000	\$	-	\$	81,000
FTE					0.000

4 Retiree Cost of Living Increases

Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.

Req \$	12,700	\$	9,400	\$	22,100
Rec \$	-	\$	-	\$	-
App \$	12,700	\$	9,400	\$	22,100
FTE					0.000

Division-wide

5 Key Rental Assistance

Provides additional funding for Key Rental Assistance, a partnership between the Division of Aging and Adult Services and the NC Housing Finance Agency. The program provides supportive housing programs for people who are very low income and/or disabled and in need of affordable housing. Currently about 2,200 households are supported by Key Rental Assistance. This item would provide funding to sustain the current caseload.

Req \$	4,250,000	\$	-	\$	4,250,000
Rec \$	-	\$	-	\$	-
App \$	4,250,000	\$	-	\$	4,250,000
FTE					0.000

Total Change to Requirements	\$	4,444,700	\$	179,400	\$	4,624,100
Total Change to Receipts	\$	-	\$	-	\$	-
Total Change to Net Appropriation	\$	4,444,700	\$	179,400	\$	4,624,100
Total Change to Full-Time Equivalent (FTE)						0.000

Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$	4,624,100
Recommended Total FTE Changes		0.000

Division of Child Development and Early Education (14420)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	1,015,963,862	1,345,527,124	819,937,762	97,765,600	768,600	98,534,200	918,471,962
Receipts	787,344,667	1,102,861,297	577,099,101	51,900,000	-	51,900,000	628,999,101
Net Appropriation	228,619,194	242,665,827	242,838,661	45,865,600	768,600	46,634,200	289,472,861
Positions (FTE)	0.000	332.000	332.000			0.000	332.000

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments

Compensation and Benefits Reserves

1 Compensation Increase Reserve

Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.

Req \$	60,000	\$	-	\$	60,000
Rec \$	-	\$	-	\$	-
App \$	60,000	\$	-	\$	60,000
FTE					0.000

2 Retention Bonus

Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.

Req \$	-	\$	763,000	\$	763,000
Rec \$	-	\$	-	\$	-
App \$	-	\$	763,000	\$	763,000
FTE					0.000

3 Labor Market Retention and Adjustment Fund

Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.

Req \$	48,000	\$	-	\$	48,000
Rec \$	-	\$	-	\$	-
App \$	48,000	\$	-	\$	48,000
FTE					0.000

4 Retiree Cost of Living Increases

Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.

Req \$	7,600	\$	5,600	\$	13,200
Rec \$	-	\$	-	\$	-
App \$	7,600	\$	5,600	\$	13,200
FTE					0.000

Division-wide

5 Child Care WAGE\$ Statewide Expansion

Provides \$26 million additional funding for the Child Care WAGE\$ program. This program provides educational attainment-based salary supplements for early childhood educators to better attract and retain highly-qualified staff for essential early childhood programs. These funds will allow this successful program to be expanded statewide and will provide wage supplements to teachers in all 100 counties.

Req \$	26,000,000	\$	-	\$	26,000,000
Rec \$	-	\$	-	\$	-
App \$	26,000,000	\$	-	\$	26,000,000
FTE					0.000

6 NC Pre-K Rates Increase

Increases the NC Pre-K slot reimbursement rates and raises the administrative rate to 10% by investing \$41.9 million in Lottery receipts. The fundamental barrier to expanding NC Pre-K, a nationally recognized model for outstanding early childhood education, is inadequate resources to cover costs including rising operating costs, recruiting and retaining qualified teachers, expanding facilities, and providing transportation.

Req \$	41,900,000	\$	-	\$	41,900,000
Rec \$	41,900,000	\$	-	\$	41,900,000
App \$	-	\$	-	\$	-
FTE					0.000

		R Changes		NR Changes		Adjustments
7 Smart Start						
Invests \$10 million in Lottery receipts to Smart Start to expand access statewide to high-quality early childhood education and a continuum of evidence-based services for young children and families, especially those in under resourced communities.	Req \$	10,000,000	\$	-	\$	10,000,000
	Rec \$	10,000,000	\$	-	\$	10,000,000
	App \$	-	\$	-	\$	-
	FTE					0.000
8 Child Care Subsidy Rate Floor						
Increases child care rates in rural and lower wealth communities by investing \$18.5 million to create a statewide rate floor. The increase will raise child care subsidy rates in rural and lower wealth counties closer to those given to high wealth counties, benefitting approximately 50,000 children per year.	Req \$	18,500,000	\$	-	\$	18,500,000
	Rec \$	-	\$	-	\$	-
	App \$	18,500,000	\$	-	\$	18,500,000
	FTE					0.000
9 Early Childhood Educator Pipeline Program						
Raises the quality of the early childhood educator pipeline by increasing funding for professional development and to scale innovative strategies in the Educator Workforce Program. The program will advance pathways to higher education and employment in early education for 1,000 new early educators in the first two years.	Req \$	1,250,000	\$	-	\$	1,250,000
	Rec \$	-	\$	-	\$	-
	App \$	1,250,000	\$	-	\$	1,250,000
	FTE					0.000
Total Change to Requirements		\$ 97,765,600		\$ 768,600		\$ 98,534,200
Total Change to Receipts		\$ 51,900,000		\$ -		\$ 51,900,000
Total Change to Net Appropriation		\$ 45,865,600		\$ 768,600		\$ 46,634,200
Total Change to Full-Time Equivalent (FTE)						0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$		46,634,200		
Recommended Total FTE Changes				0.000		

Division of Public Health (14430)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	798,187,952	1,399,715,419	985,744,986	15,816,941	57,155,200	72,972,141	1,058,717,127
Receipts	660,137,229	1,231,231,383	814,352,013	(280,000)	50,000,000	49,720,000	864,072,013
Net Appropriation	138,050,722	168,484,036	171,392,973	16,096,941	7,155,200	23,252,141	194,645,114
Positions (FTE)	0.000	1,968.960	1,968.960			17.000	1,985.960

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Compensation and Benefits Reserves			
1 Compensation Increase Reserve			
Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.	Req \$ 1,265,000	\$ -	\$ 1,265,000
	Rec \$ -	\$ -	\$ -
	App \$ 1,265,000	\$ -	\$ 1,265,000
	FTE		0.000
2 Retention Bonus			
Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.	Req \$ -	\$ 4,019,000	\$ 4,019,000
	Rec \$ -	\$ -	\$ -
	App \$ -	\$ 4,019,000	\$ 4,019,000
	FTE		0.000
3 Labor Market Retention and Adjustment Fund			
Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.	Req \$ 1,012,000	\$ -	\$ 1,012,000
	Rec \$ -	\$ -	\$ -
	App \$ 1,012,000	\$ -	\$ 1,012,000
	FTE		0.000
4 Retiree Cost of Living Increases			
Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.	Req \$ 157,400	\$ 116,200	\$ 273,600
	Rec \$ -	\$ -	\$ -
	App \$ 157,400	\$ 116,200	\$ 273,600
	FTE		0.000
Division-wide			
5 PFAS Biomonitoring Project			
Establishes four positions focused on measuring exposure to PFAS and provides funding for equipment necessary for this monitoring. These positions will support the collection and analysis of biospecimens in 1,000 adults and 300 children from the Cape Fear Region and provide test results and health education.	Req \$ 622,541	\$ 320,000	\$ 942,541
	Rec \$ -	\$ -	\$ -
	App \$ 622,541	\$ 320,000	\$ 942,541
	FTE		4.000
6 Invest in Stronger Public Health Infrastructure			
Provides supplemental funding to Local Health Departments (LHDs) to enhance their ability to deliver essential services to North Carolinians. Each LHD will receive a base amount, and the remaining funds will be allocated based on population size and social vulnerability index.	Req \$ 10,000,000	\$ -	\$ 10,000,000
	Rec \$ -	\$ -	\$ -
	App \$ 10,000,000	\$ -	\$ 10,000,000
	FTE		0.000

		R Changes		NR Changes		Adjustments
7 Office of the Chief Medical Examiner						
Creates seven Forensic Pathologist positions, effective October 1, 2022, to improve the state's ability to perform autopsies. Positions will support increased caseloads and address backlogs within the Office of the Chief Medical Examiner. Funds will also be used to increase the base rate the division pays to decedent transportation providers, effective January 1, 2023.	Req \$	2,250,000	\$	-	\$	2,250,000
	Rec \$	-	\$	-	\$	-
	App \$	2,250,000	\$	-	\$	2,250,000
	FTE					7.000
8 Modernize Vital Records						
Provides funds to modernize North Carolina's paper-based vital records system and increase equitable access to vital records. The division will use nonrecurring funds to begin the process of digitizing vital records and recurring funds to provide vital records to low- and no-income individuals at no charge.	Req \$	-	\$	2,700,000	\$	2,700,000
	Rec \$	(280,000)	\$	-	\$	(280,000)
	App \$	280,000	\$	2,700,000	\$	2,980,000
	FTE					0.000
9 On-Site Water Protection Training Team						
Establishes a water protection training team to improve and perform on-site accreditation, reviews, and training, which will increase support to local health departments.	Req \$	510,000	\$	-	\$	510,000
	Rec \$	-	\$	-	\$	-
	App \$	510,000	\$	-	\$	510,000
	FTE					6.000
Investments from Reserves						
10 Funding for Continuation of Critical COVID-19 Services						
Provides funds from the State Emergency Response and Disaster Relief Fund for ongoing COVID response and recovery efforts once the Federal Public Health Emergency declaration has ended. Funds will allow North Carolinians to continue to have access to critical testing, vaccination, and other COVID-related services no longer funded by the Federal government.	Req \$	-	\$	50,000,000	\$	50,000,000
	Rec \$	-	\$	50,000,000	\$	50,000,000
	App \$	-	\$	-	\$	-
	FTE					0.000
Total Change to Requirements		\$ 15,816,941		\$ 57,155,200		\$ 72,972,141
Total Change to Receipts		\$ (280,000)		\$ 50,000,000		\$ 49,720,000
Total Change to Net Appropriation		\$ 16,096,941		\$ 7,155,200		\$ 23,252,141
Total Change to Full-Time Equivalent (FTE)						17.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$		23,252,141		
Recommended Total FTE Changes						17.000

Division of Social Services (14440)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	2,072,842,891	2,162,227,509	1,998,027,899	30,539,277	4,439,300	34,978,577	2,033,006,476
Receipts	1,906,454,133	1,942,569,721	1,781,352,490	6,876,252	-	6,876,252	1,788,228,742
Net Appropriation	166,388,758	219,657,788	216,675,409	23,663,025	4,439,300	28,102,325	244,777,734
Positions (FTE)	0.000	402.000	402.000			0.000	402.000

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments

Compensation and Benefits Reserves

1 Compensation Increase Reserve

Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.

Req \$	318,000	\$	-	\$	318,000
Rec \$	-	\$	-	\$	-
App \$	318,000	\$	-	\$	318,000
FTE					0.000

2 Retention Bonus

Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.

Req \$	-	\$	810,000	\$	810,000
Rec \$	-	\$	-	\$	-
App \$	-	\$	810,000	\$	810,000
FTE					0.000

3 Labor Market Retention and Adjustment Fund

Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.

Req \$	255,000	\$	-	\$	255,000
Rec \$	-	\$	-	\$	-
App \$	255,000	\$	-	\$	255,000
FTE					0.000

4 Retiree Cost of Living Increases

Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.

Req \$	39,700	\$	29,300	\$	69,000
Rec \$	-	\$	-	\$	-
App \$	39,700	\$	29,300	\$	69,000
FTE					0.000

Division-wide

5 State-County Special Assistance

Expands access to In-Home Special Assistance (SA In-Home) by lifting the cap on the number of recipients and providing parity between SA In-Home and Adult Care Home facility rates. These funds will also support the additional case managers that counties will need to accommodate the increased caseload resulting from these changes.

Req \$	7,725,000	\$	-	\$	7,725,000
Rec \$	-	\$	-	\$	-
App \$	7,725,000	\$	-	\$	7,725,000
FTE					0.000

6 APS/CPS Workforce

Invests in local social services workforces for Adult Protective Services (APS) and Child Protective Services (CPS) to address critical staffing shortages. APS and CPS workers provide services to adults and children who are, or who are suspected of being, abused, neglected, or exploited. Funds will be used to create more than 100 full-time county positions and be allocated statewide based on a formula that accounts for current staffing levels and need by county.

Req \$	7,500,000	\$	-	\$	7,500,000
Rec \$	-	\$	-	\$	-
App \$	7,500,000	\$	-	\$	7,500,000
FTE					0.000

		R Changes		NR Changes		Adjustments
7 County Reimbursement System Replacement						
Provides funds to replace the aging County Reimbursement System. This system is used to determine the cost allocation of federal administration funding for all local Division of Social Services units. Replacement of this system will reduce the amount of time and resources counties expend on reporting efforts.	Req \$	7,876,252	\$	3,600,000	\$	11,476,252
	Rec \$	6,876,252	\$	-	\$	6,876,252
	App \$	1,000,000	\$	3,600,000	\$	4,600,000
	FTE					0.000
Child Welfare and Family Well-Being Action Plan						
8 Placement First Pilots						
Provides funds to establish Placement First pilot programs for youth with a history of complex trauma who may be at-risk for sleeping in inappropriate settings. These funds will support foster or kinship homes or small group homes which have high caregiver-to-youth ratios, intensive support services, and follow-up support for 18-24 months.	Req \$	4,825,325	\$	-	\$	4,825,325
	Rec \$	-	\$	-	\$	-
	App \$	4,825,325	\$	-	\$	4,825,325
	FTE					0.000
9 Professional Foster Parenting Program						
Funds a new strategy, Professional Foster Parenting, to fill the gap between residential-based services and existing foster care options. Professional foster parents are provided additional training and resources to support children with higher needs, including wrap-around support services, trauma-based training, targeted skill development, and intensive permanence-based interventions.	Req \$	2,000,000	\$	-	\$	2,000,000
	Rec \$	-	\$	-	\$	-
	App \$	2,000,000	\$	-	\$	2,000,000
	FTE					0.000
Investments from Reserves						
10 Low-Income Household Energy Assistance Program Supplement (LIHEAP)						
Provides \$25 million nonrecurring for a state supplement to the federal LIHEAP, which helps low-income households cover the cost of heating and cooling bills, reducing energy burden and the likelihood of service disconnection. This item is funded in the Affordable Housing Reserve in the Reserves Section of the budget.	Req \$	-	\$	-	\$	-
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	-	\$	-
	FTE					0.000
11 Low-Income Household Water Assistance Program Supplement						
Provides \$10 million nonrecurring for a state supplement to the federal Low-income Household Water Assistance Program, which helps low-income households cover the cost of drinking water and wastewater bills, reducing the likelihood of service disconnection. This item is funded in the Affordable Housing Reserve in the Reserves Section of the budget.	Req \$	-	\$	-	\$	-
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	-	\$	-
	FTE					0.000
Total Change to Requirements	\$	30,539,277	\$	4,439,300	\$	34,978,577
Total Change to Receipts	\$	6,876,252	\$	-	\$	6,876,252
Total Change to Net Appropriation	\$	23,663,025	\$	4,439,300	\$	28,102,325
Total Change to Full-Time Equivalent (FTE)						0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$				28,102,325
Recommended Total FTE Changes						0.000

Division of Health Benefits (14445)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	18,137,967,652	20,103,850,258	18,820,750,486	954,423,236	1,550,517,315	2,504,940,551	21,325,691,037
Receipts	14,209,058,918	16,126,513,963	14,295,834,219	756,240,725	1,378,049,600	2,134,290,325	16,430,124,544
Net Appropriation	3,928,908,734	3,977,336,295	4,524,916,267	198,182,511	172,467,715	370,650,226	4,895,566,493
Positions (FTE)	0.000	469.000	469.000			2.000	471.000

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments

Compensation and Benefits Reserves

1 Compensation Increase Reserve

Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increases for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.

Req \$	509,000	\$	-	\$	509,000
Rec \$	-	\$	-	\$	-
App \$	509,000	\$	-	\$	509,000
FTE					0.000

2 Retention Bonus

Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.

Req \$	-	\$	868,000	\$	868,000
Rec \$	-	\$	-	\$	-
App \$	-	\$	868,000	\$	868,000
FTE					0.000

3 Labor Market Retention and Adjustment Fund

Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.

Req \$	407,000	\$	-	\$	407,000
Rec \$	-	\$	-	\$	-
App \$	407,000	\$	-	\$	407,000
FTE					0.000

4 Retiree Cost of Living Increases

Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.

Req \$	63,500	\$	46,800	\$	110,300
Rec \$	-	\$	-	\$	-
App \$	63,500	\$	46,800	\$	110,300
FTE					0.000

Division-wide

5 Medicaid Coverage Gap

Supports expanding Medicaid eligibility beginning September 1, 2022, to provide healthcare access for more than 600,000 North Carolinians, help prevent rural hospitals from closing, reduce the number of uninsured veterans, help fight the opioid epidemic, and secure North Carolina's share of federal resources that will inject over \$5 billion in direct investment into the state. An additional \$1.5 billion in federal funds over two years, which can be used for additional policy priorities, are available as part of the American Rescue Plan Act of 2021. The non-federal share of the expansion costs will be covered by a combination of collections resulting from increased insurance premiums from pre-paid health plans for the new eligibility group, increased collections from hospital assessments and intergovernmental transfers resulting from the new eligibility group, and a new Coverage Gap Assessment on hospitals. Hospital assessments under G.S. 108A-145 will also be increased to support enhanced hospital reimbursements under managed care to promote increased access to care.

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

		R Changes	NR Changes	Adjustments
6 Medicaid Rebase				
Provides funds to reflect changes in the federal medical assistance percentage (FMAP), as well as changes in enrollment, utilization, costs, capitation rates, and services associated with the Medicaid program for the upcoming fiscal year. Tailored Plans in managed care will begin December 1, 2022.	Req \$	649,267,125	\$ 1,288,641,183	\$ 1,937,908,308
	Rec \$	553,018,342	\$ 1,117,088,268	\$ 1,670,106,610
	App \$	96,248,783	\$ 171,552,915	\$ 267,801,698
	FTE			0.000
7 Transformation Projects and Programs				
Provides funds to support the transition to Medicaid Managed Care and the Healthy Opportunities pilot program. Recurring funding allows for the transition of up to 20 positions from time-limited to permanent. The State share of nonrecurring costs, \$110.4 million, will be transferred from the Medicaid Transformation Fund.	Req \$	26,810,318	\$ 260,961,332	\$ 287,771,650
	Rec \$	13,405,159	\$ 260,961,332	\$ 274,366,491
	App \$	13,405,159	\$ -	\$ 13,405,159
	FTE			0.000
8 Nursing Home Rate Increase				
Provides funding to increase the reimbursement rate paid to Skilled Nursing Facilities, making a portion of temporary COVID increases permanent. A minimum of 80% of the funding should be used to increase the rate of pay to direct care workers.	Req \$	190,000,000	\$ -	\$ 190,000,000
	Rec \$	130,000,000	\$ -	\$ 130,000,000
	App \$	60,000,000	\$ -	\$ 60,000,000
	FTE			0.000
9 Medicaid Information Technology Structure				
Funds increased contractual costs for NC Tracks and NC Analytics operations and maintenance.	Req \$	43,994,198	\$ -	\$ 43,994,198
	Rec \$	32,995,649	\$ -	\$ 32,995,649
	App \$	10,998,549	\$ -	\$ 10,998,549
	FTE			0.000
10 Consolidated Independent Assessment Entity				
Provides funding for additional independent assessment services for approximately 4,000 individuals served through the Community Alternatives Program for Children and approximately 12,000 individuals served through the Community Alternatives Program for Disabled Adults. This funding is necessary for the state to be in compliance with federal regulations for the two 1915c Waivers and to maintain requirements for State Plan Personal Care services.	Req \$	8,500,000	\$ -	\$ 8,500,000
	Rec \$	4,250,000	\$ -	\$ 4,250,000
	App \$	4,250,000	\$ -	\$ 4,250,000
	FTE			0.000
11 Medicaid Eligibility Determination				
Funds increased contractual costs for income and employment verification to comply with required Medicaid eligibility determinations.	Req \$	2,915,000	\$ -	\$ 2,915,000
	Rec \$	-	\$ -	\$ -
	App \$	2,915,000	\$ -	\$ 2,915,000
	FTE			0.000
12 Maternal Morbidity and Mortality Reduction Package				
Provides funding to implement evidence-based Medicaid policy and funding strategies to reduce maternal mortality and morbidity and address disparities for Medicaid recipients. Policies include: increasing payments for certain types of prenatal care; developing and implementing a doula service package; and providing incentives to providers who increase participation in group prenatal care.	Req \$	11,600,000	\$ -	\$ 11,600,000
	Rec \$	8,800,000	\$ -	\$ 8,800,000
	App \$	2,800,000	\$ -	\$ 2,800,000
	FTE			0.000
13 Developmental Disability Innovations Waiver Program				
Provides funding for an additional 100 slots for the NC Innovations Waiver effective July 1, 2022. This waiver provides individualized services in the home and community for individuals who qualify for institutional level care due to intellectual or developmental disabilities.	Req \$	8,037,095	\$ -	\$ 8,037,095
	Rec \$	5,437,095	\$ -	\$ 5,437,095
	App \$	2,600,000	\$ -	\$ 2,600,000
	FTE			0.000
14 Transitions to Community Living				
Increases funding for the Transitions to Community Living Initiative, which supports the transition of eligible adults with mental illness from institutions to community care settings. This funding will provide additional housing and tenancy support and wraparound mental health services following the US Department of Justice Olmstead Settlement.	Req \$	12,320,000	\$ -	\$ 12,320,000
	Rec \$	8,334,480	\$ -	\$ 8,334,480
	App \$	3,985,520	\$ -	\$ 3,985,520
	FTE			2.000

	R Changes	NR Changes	Adjustments
Total Change to Requirements	\$ 954,423,236	\$ 1,550,517,315	\$ 2,504,940,551
Total Change to Receipts	\$ 756,240,725	\$ 1,378,049,600	\$ 2,134,290,325
Total Change to Net Appropriation	\$ 198,182,511	\$ 172,467,715	\$ 370,650,226
Total Change to Full-Time Equivalent (FTE)			2.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$	370,650,226	
Recommended Total FTE Changes			2.000

Medicaid Transformation (24447)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	-	292,219,588	184,331,523	-	97,842,438	97,842,438	282,173,961
Receipts	-	430,820,000	46,000,000	-	97,842,438	97,842,438	143,842,438
Δ in Fund Balance	-	138,600,412	(138,331,523)	-	-	-	(138,331,523)
Positions (FTE)	0.000	0.000	0.000			0.000	0.000

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Investments from Reserves			
1 Medicaid Transformation Expenses			
Budgets receipts from the Medication Transformation Reserve. These funds will be transferred to the Division of Health Benefits to support the nonrecurring State share of Medicaid transformation costs approved as qualifying needs. The division has the authority to spend \$12,530,656 of the remaining fund balance for these purposes.	Req \$	- \$	97,842,438 \$
	Rec \$	- \$	97,842,438 \$
	CFB \$	- \$	- \$
	FTE		0.000
Total Change to Requirements	\$	- \$	97,842,438 \$
Total Change to Receipts	\$	- \$	97,842,438 \$
Total Change to Net Appropriation	\$	- \$	- \$
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$		-
Recommended Total FTE Changes			0.000

Division of Services for the Blind, Deaf and Hard of Hearing (14450)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	36,286,921	43,481,862	43,122,761	215,600	720,900	936,500	44,059,261
Receipts	29,142,208	34,533,038	34,037,306	-	-	-	34,037,306
Net Appropriation	7,144,713	8,948,824	9,085,455	215,600	720,900	936,500	10,021,955
Positions (FTE)	0.000	336.510	336.510			0.000	336.510

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Compensation and Benefits Reserves			
1 Compensation Increase Reserve			
Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.	Req \$	117,200	\$ - \$ 117,200
	Rec \$	-	\$ - \$ -
	App \$	117,200	\$ - \$ 117,200
	FTE		0.000
2 Retention Bonus			
Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.	Req \$	-	\$ 711,000 \$ 711,000
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 711,000 \$ 711,000
	FTE		0.000
3 Labor Market Retention and Adjustment Fund			
Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.	Req \$	85,000	\$ - \$ 85,000
	Rec \$	-	\$ - \$ -
	App \$	85,000	\$ - \$ 85,000
	FTE		0.000
4 Retiree Cost of Living Increases			
Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.	Req \$	13,400	\$ 9,900 \$ 23,300
	Rec \$	-	\$ - \$ -
	App \$	13,400	\$ 9,900 \$ 23,300
	FTE		0.000
Total Change to Requirements	\$	215,600	\$ 720,900 \$ 936,500
Total Change to Receipts	\$	-	\$ - \$ -
Total Change to Net Appropriation	\$	215,600	\$ 720,900 \$ 936,500
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		936,500
Recommended Total FTE Changes			0.000

Division of Mental Health/Developmental Disabilities/Substance Abuse Services (14460)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	1,847,112,774	1,866,645,398	1,707,121,244	41,828,163	59,410,300	101,238,463	1,808,359,707
Receipts	1,103,147,148	1,023,516,021	848,124,105	3,143,963	-	3,143,963	851,268,068
Net Appropriation	743,965,626	843,129,377	858,997,139	38,684,200	59,410,300	98,094,500	957,091,639
Positions (FTE)	0.000	11,274.100	11,274.100			1.000	11,275.100

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments

Compensation and Benefits Reserves

1 Compensation Increase Reserve

Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.

Req \$	7,531,500	\$	-	\$	7,531,500
Rec \$	-	\$	-	\$	-
App \$	7,531,500	\$	-	\$	7,531,500
FTE					0.000

2 Retention Bonus

Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.

Req \$	-	\$	22,730,000	\$	22,730,000
Rec \$	-	\$	-	\$	-
App \$	-	\$	22,730,000	\$	22,730,000
FTE					0.000

3 Labor Market Retention and Adjustment Fund

Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.

Req \$	5,931,000	\$	-	\$	5,931,000
Rec \$	-	\$	-	\$	-
App \$	5,931,000	\$	-	\$	5,931,000
FTE					0.000

4 Retiree Cost of Living Increases

Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.

Req \$	921,700	\$	680,300	\$	1,602,000
Rec \$	-	\$	-	\$	-
App \$	921,700	\$	680,300	\$	1,602,000
FTE					0.000

Division-wide

5 Competitive Integrated Employment

Funds vocational rehabilitation services, day supports, and community services for individuals with intellectual and developmental disabilities. This funding aligns with requirements of the settlement agreement between Disability Rights North Carolina and the department, and will promote competitive integrated employment.

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

6 Expand Statewide Crisis System

Expands statewide crisis services in preparation for increased call volume expected from implementation of the 988 Crisis Helpline in July 2022. Funds will be used to expand care available to North Carolinians experiencing a mental health or substance use crisis, including additional mobile crisis teams expected to support up to 12,000 individuals.

Req \$	10,500,000	\$	5,000,000	\$	15,500,000
Rec \$	-	\$	-	\$	-
App \$	10,500,000	\$	5,000,000	\$	15,500,000
FTE					0.000

		R Changes		NR Changes		Adjustments
7 Justice-Involved Pilot Programs						
Invests in two pilot programs to address the intersection of individuals with mental and substance use disorders with the criminal justice system. Programs will provide services across the justice continuum, including community-based capacity restoration, early diversion, treatment during incarceration, and re-entry services.	Req \$	-	\$	8,000,000	\$	8,000,000
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	8,000,000	\$	8,000,000
	FTE					0.000
8 CCBH Expansion Pilot						
Establishes a pilot program based on the Certified Community Behavioral Health Clinic model that aims to improve outcomes for 2,000 individuals with critical needs, including serious mental illness. The pilot will provide integrated physical and behavioral health services as well as crisis services.	Req \$	-	\$	10,000,000	\$	10,000,000
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	10,000,000	\$	10,000,000
	FTE					0.000
9 DSOHF School Materials and Supplies Funding						
Provides funding for new textbooks and learning software for schools operated under the Division of State Operated Healthcare Facilities' authority.	Req \$	-	\$	3,000,000	\$	3,000,000
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	3,000,000	\$	3,000,000
	FTE					0.000
Child Welfare and Family Well-Being Action Plan						
10 988 Crisis Helpline						
Supports additional 988 Crisis Helpline call center staff to meet the increased call volume anticipated when the helpline is implemented in July 2022.	Req \$	1,300,000	\$	-	\$	1,300,000
	Rec \$	-	\$	-	\$	-
	App \$	1,300,000	\$	-	\$	1,300,000
	FTE					0.000
11 Emergency Respite Pilot						
Supports the establishment of emergency respite programs, with a focus on in-home respite. Emergency respite programs will keep more children in their homes and reduce the risk of abuse and neglect by providing relief to caregivers. These funds will support the first phase of implementation, serving more than 200 children.	Req \$	4,643,963	\$	-	\$	4,643,963
	Rec \$	3,143,963	\$	-	\$	3,143,963
	App \$	1,500,000	\$	-	\$	1,500,000
	FTE					1.000
12 MORES Mobile Crisis Intervention						
Provides funding to expand Mobile Outreach, Response, Engagement, and Stabilization (MORES) teams to provide in-person and virtual mobile crisis services for children and adolescents. MORES teams have been shown to keep children out of restrictive residential settings, prevent the need for law enforcement involvement in children's mental health crises, and connect families more rapidly to community-based services.	Req \$	10,000,000	\$	-	\$	10,000,000
	Rec \$	-	\$	-	\$	-
	App \$	10,000,000	\$	-	\$	10,000,000
	FTE					0.000
13 Bed Tracking System						
Provides funding for a statewide crisis, inpatient, and residential bed tracking and crisis referral system. The system will allow for more timely matching of children to treatment and reduce the number of children housed in inappropriate settings.	Req \$	1,000,000	\$	-	\$	1,000,000
	Rec \$	-	\$	-	\$	-
	App \$	1,000,000	\$	-	\$	1,000,000
	FTE					0.000
Total Change to Requirements	\$	41,828,163	\$	59,410,300	\$	101,238,463
Total Change to Receipts	\$	3,143,963	\$	-	\$	3,143,963
Total Change to Net Appropriation	\$	38,684,200	\$	59,410,300	\$	98,094,500
Total Change to Full-Time Equivalent (FTE)						1.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$		98,094,500		
Recommended Total FTE Changes				1.000		

Opioid Abatement Fund (24491)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	-	15,735,496	812,250	-	14,781,203	14,781,203	15,593,453
Receipts	-	15,735,496	812,250	-	14,781,203	14,781,203	15,593,453
Δ in Fund Balance	-	-	-	-	-	-	-
Positions (FTE)	0.000	0.000	0.000			0.000	0.000

			FY 2022-23 Recommended		
			R Changes	NR Changes	Adjustments

1 Opioid Settlement Funds

Provides funds from the multi-state opioid settlements with Johnson & Johnson, McKinsey, and opioid distributors to the department to be allocated within the allowable uses of the Opioid Abatement Fund. This funding is in addition to what was provided in SL 2021-180 from the opioid settlement with McKinsey.

Req	\$	-	\$	14,781,203	\$	14,781,203
Rec	\$	-	\$	14,781,203	\$	14,781,203
CFB	\$	-	\$	-	\$	-
FTE						0.000

Total Change to Requirements	\$	-	\$	14,781,203	\$	14,781,203
Total Change to Receipts	\$	-	\$	14,781,203	\$	14,781,203
Total Change to Net Appropriation	\$	-	\$	-	\$	-
Total Change to Full-Time Equivalent (FTE)						0.000

Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$	-
Recommended Total FTE Changes		0.000

Division of Health Services Regulation (14470)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	72,362,277	81,425,934	78,387,487	5,318,172	1,434,929	6,753,101	85,140,588
Receipts	51,960,007	56,415,057	55,603,140	1,055,968	31,200	1,087,168	56,690,308
Net Appropriation	20,402,270	25,010,877	22,784,347	4,262,204	1,403,729	5,665,933	28,450,280
Positions (FTE)	0.000	578.500	578.500			38.000	616.500

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Compensation and Benefits Reserves			
1 Compensation Increase Reserve			
Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.	Req \$	631,000	\$ - \$ 631,000
	Rec \$	-	\$ - \$ -
	App \$	631,000	\$ - \$ 631,000
	FTE		0.000
2 Retention Bonus			
Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.	Req \$	-	\$ 1,259,000 \$ 1,259,000
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 1,259,000 \$ 1,259,000
	FTE		0.000
3 Labor Market Retention and Adjustment Fund			
Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.	Req \$	504,000	\$ - \$ 504,000
	Rec \$	-	\$ - \$ -
	App \$	504,000	\$ - \$ 504,000
	FTE		0.000
4 Retiree Cost of Living Increases			
Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.	Req \$	78,500	\$ 58,000 \$ 136,500
	Rec \$	-	\$ - \$ -
	App \$	78,500	\$ 58,000 \$ 136,500
	FTE		0.000
Division-wide			
5 HSR Workforce Augmentation			
Establishes new complaint intake, nursing home licensure, adult care licensure, acute and home care licensure, and mental health licensure positions to meet demand for increased health and safety inspections of long-term care facilities.	Req \$	3,931,600	\$ 117,929 \$ 4,049,529
	Rec \$	1,055,968	\$ 31,200 \$ 1,087,168
	App \$	2,875,632	\$ 86,729 \$ 2,962,361
	FTE		36.000
Child Welfare and Family Well-Being Action Plan			
6 Administrative Flexibilities to Create New Placement and Service Options for Children			
Provides funds for two positions, effective October 1, 2022, to streamline the licensure process for mental health treatment facilities and ensure compliance with Michelle's Law, SL 2021-77, and G.S. 122C-23.1, which governs the licensure of residential treatment facilities.	Req \$	173,072	\$ - \$ 173,072
	Rec \$	-	\$ - \$ -
	App \$	173,072	\$ - \$ 173,072
	FTE		2.000

		R Changes		NR Changes		Adjustments
Total Change to Requirements	\$	5,318,172	\$	1,434,929	\$	6,753,101
Total Change to Receipts	\$	1,055,968	\$	31,200	\$	1,087,168
Total Change to Net Appropriation	\$	4,262,204	\$	1,403,729	\$	5,665,933
Total Change to Full-Time Equivalent (FTE)						38.000
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Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$			5,665,933		
Recommended Total FTE Changes				38.000		

Division of Vocational Rehabilitation (14480)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	127,204,805	159,234,735	157,729,471	791,300	3,080,900	3,872,200	161,601,671
Receipts	95,150,062	117,518,882	115,719,592	-	-	-	115,719,592
Net Appropriation	32,054,743	41,715,853	42,009,879	791,300	3,080,900	3,872,200	45,882,079
Positions (FTE)	0.000	989.250	989.250			0.000	989.250

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Compensation and Benefits Reserves			
1 Compensation Increase Reserve			
Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.	Req \$	411,000	\$ - \$ 411,000
	Rec \$	-	\$ - \$ -
	App \$	411,000	\$ - \$ 411,000
	FTE		0.000
2 Retention Bonus			
Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.	Req \$	-	\$ 2,043,000 \$ 2,043,000
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 2,043,000 \$ 2,043,000
	FTE		0.000
3 Labor Market Retention and Adjustment Fund			
Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.	Req \$	329,000	\$ - \$ 329,000
	Rec \$	-	\$ - \$ -
	App \$	329,000	\$ - \$ 329,000
	FTE		0.000
4 Retiree Cost of Living Increases			
Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.	Req \$	51,300	\$ 37,900 \$ 89,200
	Rec \$	-	\$ - \$ -
	App \$	51,300	\$ 37,900 \$ 89,200
	FTE		0.000
Division-wide			
5 Assistive Technologies			
Invests state funding to establish a robust supply of state-of-the-art adaptive equipment and assistive technologies available to people with disabilities to enable them to live, work, and be educated in their communities.	Req \$	-	\$ 1,000,000 \$ 1,000,000
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 1,000,000 \$ 1,000,000
	FTE		0.000
Total Change to Requirements	\$	791,300	\$ 3,080,900 \$ 3,872,200
Total Change to Receipts	\$	-	\$ - \$ -
Total Change to Net Appropriation	\$	791,300	\$ 3,080,900 \$ 3,872,200
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		3,872,200
Recommended Total FTE Changes			0.000