

Mission

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

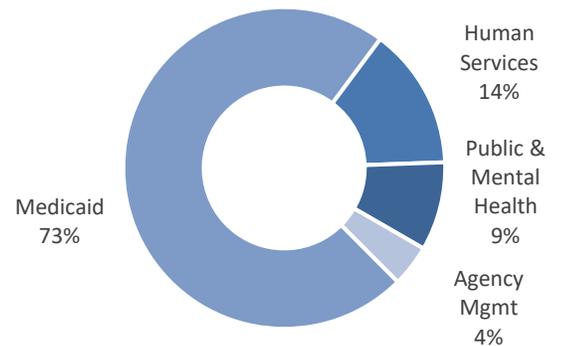
Goals

1. Advance health equity by reducing disparities in opportunity for individuals with social risk factors for poor health outcomes and limited access to care including those from rural communities who experience higher death rates and a greater disease burden.
2. Help North Carolinians continue to recover stronger from the COVID-19 pandemic, remain healthy, and prepare for future public health crises with an emphasis on serving 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.

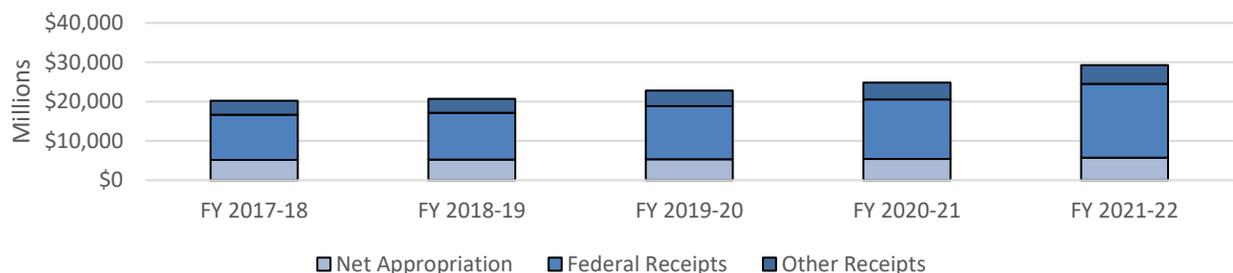
Agency Profile

- 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 2022-23 Authorized Expenditures



5-Year Historical Expenditures



Charts include General Fund budget codes only. Increased expenditures in FY2020-21 and FY2021-22 are due to federal COVID-19 funding.

Division of Child and Family Well Being (14435)

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
FY 2023-24						
Requirements	\$ 572,936,467	\$ 16,611,187	\$ 103,100,000	\$ 119,711,187	\$ 692,647,654	20.9%
Receipts	\$ 514,976,713	\$ -	\$ 100,000,000	\$ 100,000,000	\$ 614,976,713	19.4%
Net Appropriation	\$ 57,959,754	\$ 16,611,187	\$ 3,100,000	\$ 19,711,187	\$ 77,670,941	34.0%
Positions (FTE)	868.725	0.000	0.000	0.000	868.725	0.0%
Year 2	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
FY 2024-25						
Requirements	\$ 572,963,586	\$ 12,485,154	\$ 67,050,000	\$ 79,535,154	\$ 652,498,740	13.9%
Receipts	\$ 514,976,713	\$ -	\$ 54,200,000	\$ 54,200,000	\$ 569,176,713	10.5%
Net Appropriation	\$ 57,986,873	\$ 12,485,154	\$ 12,850,000	\$ 25,335,154	\$ 83,322,027	43.7%
Positions (FTE)	868.725	0.000	0.000	0.000	868.725	0.0%

	FY 2023-24		FY 2024-25	
	R Changes	NR Changes	R Changes	NR Changes

Constitutional Mandate

1 Baseline Education Investments

Provides all North Carolina children with greater access to a sound basic education by fully funding year 3 actions of the Comprehensive Remedial Plan as ordered by the North Carolina Supreme Court.

Req	\$ 10,250,000	\$ -	\$ 10,250,000	\$ -
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 10,250,000	\$ -	\$ 10,250,000	\$ -
FTE	0.000	0.000	0.000	0.000

Reserve for Salaries and Benefits

2 Compensation Increase Reserve

Provides funds for an across-the-board salary increase of 5% in FY 2023-24, plus an additional 1.5% increase for employees paid on an experience-based salary schedule or with a salary set in law, as well as a 3% across-the-board salary increase in FY 2024-25. State agency teacher salaries are increased in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.

Req	\$ 1,032,000	\$ -	\$ 1,682,000	\$ -
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 1,032,000	\$ -	\$ 1,682,000	\$ -
FTE	0.000	0.000	0.000	0.000

3 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 provides a 2% cost-of-living increase for retirees in FY 2023-24. A 2% one-time retiree supplement in FY 2023-24 and 1% supplement in FY 2024-25 is funded by direct transfer to the retirement system for all funding sources. Retirees have not had a recurring cost-of-living adjustment since 2017.

Req	\$ 271,781	\$ -	\$ 357,877	\$ -
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 271,781	\$ -	\$ 357,877	\$ -
FTE	0.000	0.000	0.000	0.000

4 State Health Plan

Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General fund for the 2023-25 fiscal biennium.

Req	\$ 57,406	\$ -	\$ 195,277	\$ -
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 57,406	\$ -	\$ 195,277	\$ -
FTE	0.000	0.000	0.000	0.000

Sound Basic Education Item/Medicaid Expansion Bonus Investments

5 Early Intervention

Invests funding in 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, and provide professional development focused on infant health and development. Funds also scale up early intervention services for children birth to age three who meet expanded eligibility criteria. Funds may be used to establish positions as needed (FY 2023-25 amounts are in addition to \$10.25M funded in the Baseline Education Investments item). This item is funded from the Improving Health Outcomes for People Everywhere (IHOPE) Fund.

Req	\$ 5,000,000	\$ -	\$ -	\$ 64,250,000
Rec	\$ -	\$ -	\$ -	\$ 54,200,000
App	\$ 5,000,000	\$ -	\$ -	\$ 10,050,000
FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
Division-wide					
6 School Behavioral Health Package					
Invests funds to expand evidence-based behavioral health supports and services for children in schools, including telehealth resources and sustaining Project AWARE/ACTIVATE. Funds will be used to pilot telehealth technology in schools across the state, and sustain NC Project AWARE/ACTIVATE, increasing access to mental health care services and ensuring that high-risk youth receive the treatment they need.	Req	\$ -	\$ 3,100,000	\$ -	\$ 2,800,000
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ 3,100,000	\$ -	\$ 2,800,000
	FTE	0.000	0.000	0.000	0.000
Medicaid Expansion Bonus Investments					
7 Child Welfare and Family Well-Being Transformation Package					
Transforms care for children with behavioral health needs who are involved with the child welfare system. Funding will expand behavioral health assessment and treatment services, and support to families in recovery to keep children at home. Funding will also create respite services for kids with complex needs, and safer placement options for children with complex needs. This item is funded from the Improving Health Outcomes for People Everywhere (IHOPE) Fund.	Req	\$ -	\$ 100,000,000	\$ -	\$ -
	Rec	\$ -	\$ 100,000,000	\$ -	\$ -
	App	\$ -	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
Total Change to Requirements		\$ 16,611,187	\$ 103,100,000	\$ 12,485,154	\$ 67,050,000
Total Change to Receipts		\$ -	\$ 100,000,000	\$ -	\$ 54,200,000
Total Change to Net Appropriation		\$ 16,611,187	\$ 3,100,000	\$ 12,485,154	\$ 12,850,000
Total Change to Full-Time Equivalent (FTE)		0.000	0.000	0.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$	19,711,187	\$	25,335,154
Recommended Total FTE Changes			0.000		0.000

Division of Aging and Adult Services (14411)

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
FY 2023-24						
Requirements	\$ 162,811,870	\$ 1,558,448	\$ 34,800,000	\$ 36,358,448	\$ 199,170,318	22.3%
Receipts	\$ 110,379,526	\$ -	\$ 34,800,000	\$ 34,800,000	\$ 145,179,526	31.5%
Net Appropriation	\$ 52,432,344	\$ 1,558,448	\$ -	\$ 1,558,448	\$ 53,990,792	3.0%
Positions (FTE)	79.000	0.000	0.000	0.000	79.000	0.0%
Year 2	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
FY 2024-25						
Requirements	\$ 162,811,870	\$ 1,685,428	\$ -	\$ 1,685,428	\$ 164,497,298	1.0%
Receipts	\$ 110,379,526	\$ -	\$ -	\$ -	\$ 110,379,526	0.0%
Net Appropriation	\$ 52,432,344	\$ 1,685,428	\$ -	\$ 1,685,428	\$ 54,117,772	3.2%
Positions (FTE)	79.000	0.000	0.000	0.000	79.000	0.0%

	FY 2023-24		FY 2024-25		
	R Changes	NR Changes	R Changes	NR Changes	
Reserve for Salaries and Benefits					
1 Compensation Increase Reserve					
Provides funds for an across-the-board salary increase of 5% in FY 2023-24, plus an additional 1.5% increase for employees paid on an experience-based salary schedule or with a salary set in law, as well as a 3% across-the-board salary increase in FY 2024-25. State agency teacher salaries are increased in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.	Req \$	152,000	\$ -	\$ 248,000	
	Rec \$	-	\$ -	\$ -	
	App \$	152,000	\$ -	\$ 248,000	
	FTE	0.000	0.000	0.000	
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 provides a 2% cost-of-living increase for retirees in FY 2023-24. A 2% one-time retiree supplement in FY 2023-24 and 1% supplement in FY 2024-25 is funded by direct transfer to the retirement system for all funding sources. Retirees have not had a recurring cost-of-living adjustment since 2017.	Req \$	40,172	\$ -	\$ 52,898	
	Rec \$	-	\$ -	\$ -	
	App \$	40,172	\$ -	\$ 52,898	
	FTE	0.000	0.000	0.000	
3 State Health Plan					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General fund for the 2023-25 fiscal biennium.	Req \$	7,600	\$ -	\$ 25,854	
	Rec \$	-	\$ -	\$ -	
	App \$	7,600	\$ -	\$ 25,854	
	FTE	0.000	0.000	0.000	
Division-wide					
4 Corporate Guardianship Rate Increase					
Provides funding to adjust the Corporate Guardianship rates for Social Security cost-of-living increases. This funding will enable the division to retain guardianship providers, ensuring that older North Carolinians can access basic needs.	Req \$	1,358,676	\$ -	\$ 1,358,676	
	Rec \$	-	\$ -	\$ -	
	App \$	1,358,676	\$ -	\$ 1,358,676	
	FTE	0.000	0.000	0.000	
Medicaid Expansion Bonus Investments					
5 Rural Aging in Place					
Supports household improvements and upfitting to support older North Carolinians in rural communities preventing unnecessary institutionalization. This item is funded from the Improving Health Outcomes for People Everywhere (IHOPE) Fund.	Req \$	-	\$ 34,800,000	\$ -	
	Rec \$	-	\$ 34,800,000	\$ -	
	App \$	-	\$ -	\$ -	
	FTE	0.000	0.000	0.000	
Total Change to Requirements	\$	1,558,448	\$ 34,800,000	\$ 1,685,428	\$ -
Total Change to Receipts	\$	-	\$ 34,800,000	\$ -	\$ -
Total Change to Net Appropriation	\$	1,558,448	\$ -	\$ 1,685,428	\$ -
Total Change to Full-Time Equivalent (FTE)		0.000	0.000	0.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$	1,558,448	\$	1,685,428	
Recommended Total FTE Changes		0.000		0.000	

Division of Social Services (14440)

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
FY 2023-24						
Requirements	\$ 2,110,968,620	\$ 15,903,806	\$ 100,000,000	\$ 115,903,806	\$ 2,226,872,426	5.5%
Receipts	\$ 1,899,595,249	\$ 1,771,732	\$ 100,000,000	\$ 101,771,732	\$ 2,001,366,981	5.4%
Net Appropriation	\$ 211,373,371	\$ 14,132,074	\$ -	\$ 14,132,074	\$ 225,505,445	6.7%
Positions (FTE)	367.000	8.000	0.000	8.000	375.000	2.2%
Year 2	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
FY 2024-25						
Requirements	\$ 2,110,971,533	\$ 18,855,856	\$ -	\$ 18,855,856	\$ 2,129,827,389	0.9%
Receipts	\$ 1,899,597,572	\$ 2,592,827	\$ -	\$ 2,592,827	\$ 1,902,190,399	0.1%
Net Appropriation	\$ 211,373,961	\$ 16,263,029	\$ -	\$ 16,263,029	\$ 227,636,990	7.7%
Positions (FTE)	367.000	8.000	0.000	8.000	375.000	2.2%

	FY 2023-24		FY 2024-25	
	R Changes	NR Changes	R Changes	NR Changes
Reserve for Salaries and Benefits				
1 Compensation Increase Reserve				
Provides funds for an across-the-board salary increase of 5% in FY 2023-24, plus an additional 1.5% increase for employees paid on an experience-based salary schedule or with a salary set in law, as well as a 3% across-the-board salary increase in FY 2024-25. State agency teacher salaries are increased in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.	Req \$	652,000	\$ -	\$ 1,063,000
	Rec \$	-	\$ -	\$ -
	App \$	652,000	\$ -	\$ 1,063,000
	FTE	0.000	0.000	0.000
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 provides a 2% cost-of-living increase for retirees in FY 2023-24. A 2% one-time retiree supplement in FY 2023-24 and 1% supplement in FY 2024-25 is funded by direct transfer to the retirement system for all funding sources. Retirees have not had a recurring cost-of-living adjustment since 2017.	Req \$	171,859	\$ -	\$ 226,301
	Rec \$	-	\$ -	\$ -
	App \$	171,859	\$ -	\$ 226,301
	FTE	0.000	0.000	0.000
3 State Health Plan				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General fund for the 2023-25 fiscal biennium.	Req \$	36,061	\$ -	\$ 122,669
	Rec \$	-	\$ -	\$ -
	App \$	36,061	\$ -	\$ 122,669
	FTE	0.000	0.000	0.000
Division-wide				
4 Board Payment to Kinship Parents				
Creates a subsidy program for kinship care parents, incentivizing kinship care families to receive a specific foster parent license, and increasing the number of children living with family. This funding will also establish positions to ensure county child welfare agencies can participate and comply with program requirements.	Req \$	10,202,152	\$ -	\$ 10,202,152
	Rec \$	-	\$ -	\$ -
	App \$	10,202,152	\$ -	\$ 10,202,152
	FTE	2.000	0.000	2.000
5 State-County Special Assistance Rate Cost-of Living Increases				
Adjusts State-County Special Assistance Rate to accommodate the cost-of-living increase provided under GS 108A-42.1.	Req \$	1,700,000	\$ -	\$ 1,700,000
	Rec \$	-	\$ -	\$ -
	App \$	1,700,000	\$ -	\$ 1,700,000
	FTE	0.000	0.000	0.000
6 Directors of Regional Departments of Social Services				
Establishes regional director positions to implement the state's Regional Support model and ensure compliance with Rylan's Law, SL 2017-41. These positions will provide supervision and technical assistance to county Division of Social Services offices, supporting county offices, and ensuring the state can meet federal performance requirements.	Req \$	935,852	\$ -	\$ 935,852
	Rec \$	315,850	\$ -	\$ 315,850
	App \$	620,002	\$ -	\$ 620,002
	FTE	6.000	0.000	6.000

		R Changes	NR Changes	R Changes	NR Changes
7 County Reimbursement System Replacement					
Fully funds the replacement of the aging County Reimbursement System (CARS). 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 and ensure compatibility with the state's new financial system. Non-recurring funding is provided for this project from the Information Technology Reserve in a corresponding Special Provision.	Req	\$ -	\$ -	\$ 2,400,000	\$ -
	Rec	\$ -	\$ -	\$ 821,095	\$ -
	App	\$ -	\$ -	\$ 1,578,905	\$ -
	FTE	0.000	0.000	0.000	0.000
8 Child Support Services Technology System Replacement					
Fully funds the replacement of the current Child Support Services (CSS) technology system with a new cloud-based platform. Funding supports the procurement and implementation of a future state system compatible with modern coding language, advanced analytics, and future state enhancements. Non-recurring funding is provided for this project from the Information Technology Reserve in a corresponding Special Provision.	Req	\$ 2,205,882	\$ -	\$ 2,205,882	\$ -
	Rec	\$ 1,455,882	\$ -	\$ 1,455,882	\$ -
	App	\$ 750,000	\$ -	\$ 750,000	\$ -
	FTE	0.000	0.000	0.000	0.000
Medicaid Expansion Bonus Investments					
9 Support to All NC Counties					
Supports all 100 counties in unwinding the continuous coverage requirements implemented in response to the federal Public Health Emergency. This item is funded from the Improving Health Outcomes for People Everywhere (IHOPE) Fund.	Req	\$ -	\$ 100,000,000	\$ -	\$ -
	Rec	\$ -	\$ 100,000,000	\$ -	\$ -
	App	\$ -	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
Total Change to Requirements		\$ 15,903,806	\$ 100,000,000	\$ 18,855,856	\$ -
Total Change to Receipts		\$ 1,771,732	\$ 100,000,000	\$ 2,592,827	\$ -
Total Change to Net Appropriation		\$ 14,132,074	\$ -	\$ 16,263,029	\$ -
Total Change to Full-Time Equivalent (FTE)		8.000	0.000	8.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$	\$ 14,132,074	\$	\$ 16,263,029
Recommended Total FTE Changes			8.000		8.000

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

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
FY 2023-24						
Requirements	\$ 45,204,538	\$ 283,861	\$ -	\$ 283,861	\$ 45,488,399	0.6%
Receipts	\$ 36,108,781	\$ -	\$ -	\$ -	\$ 36,108,781	0.0%
Net Appropriation	\$ 9,095,757	\$ 283,861	\$ -	\$ 283,861	\$ 9,379,618	3.1%
Positions (FTE)	336.500	0.000	0.000	0.000	336.500	0.0%
Year 2	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
FY 2024-25						
Requirements	\$ 45,208,625	\$ 464,402	\$ -	\$ 464,402	\$ 45,673,027	1.0%
Receipts	\$ 36,112,207	\$ -	\$ -	\$ -	\$ 36,112,207	0.0%
Net Appropriation	\$ 9,096,418	\$ 464,402	\$ -	\$ 464,402	\$ 9,560,820	5.1%
Positions (FTE)	336.500	0.000	0.000	0.000	336.500	0.0%

	FY 2023-24		FY 2024-25	
	R Changes	NR Changes	R Changes	NR Changes
Reserve for Salaries and Benefits				
1 Compensation Increase Reserve				
Provides funds for an across-the-board salary increase of 5% in FY 2023-24, plus an additional 1.5% increase for employees paid on an experience-based salary schedule or with a salary set in law, as well as a 3% across-the-board salary increase in FY 2024-25. State agency teacher salaries are increased in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.	Req \$	208,000	\$ -	\$ 340,000
	Rec \$	-	\$ -	\$ -
	App \$	208,000	\$ -	\$ 340,000
	FTE	0.000	0.000	0.000
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 provides a 2% cost-of-living increase for retirees in FY 2023-24. A 2% one-time retiree supplement in FY 2023-24 and 1% supplement in FY 2024-25 is funded by direct transfer to the retirement system for all funding sources. Retirees have not had a recurring cost-of-living adjustment since 2017.	Req \$	64,106	\$ -	\$ 84,414
	Rec \$	-	\$ -	\$ -
	App \$	64,106	\$ -	\$ 84,414
	FTE	0.000	0.000	0.000
3 State Health Plan				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General fund for the 2023-25 fiscal biennium.	Req \$	11,755	\$ -	\$ 39,988
	Rec \$	-	\$ -	\$ -
	App \$	11,755	\$ -	\$ 39,988
	FTE	0.000	0.000	0.000
Total Change to Requirements	\$	283,861	\$ -	\$ 464,402
Total Change to Receipts	\$	-	\$ -	\$ -
Total Change to Net Appropriation	\$	283,861	\$ -	\$ 464,402
Total Change to Full-Time Equivalent (FTE)		0.000	0.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$	283,861	\$	464,402
Recommended Total FTE Changes		0.000		0.000

Division of Vocational Rehabilitation (14480)

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
FY 2023-24						
Requirements	\$ 186,310,635	\$ 1,147,991	\$ -	\$ 1,147,991	\$ 187,458,626	0.6%
Receipts	\$ 144,233,185	\$ -	\$ -	\$ -	\$ 144,233,185	0.0%
Net Appropriation	\$ 42,077,450	\$ 1,147,991	\$ -	\$ 1,147,991	\$ 43,225,441	2.7%
Positions (FTE)	1001.750	0.000	0.000	0.000	1001.750	0.0%
Year 2	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
FY 2024-25						
Requirements	\$ 186,357,702	\$ 1,879,217	\$ -	\$ 1,879,217	\$ 188,236,919	1.0%
Receipts	\$ 144,276,372	\$ -	\$ -	\$ -	\$ 144,276,372	0.0%
Net Appropriation	\$ 42,081,330	\$ 1,879,217	\$ -	\$ 1,879,217	\$ 43,960,547	4.5%
Positions (FTE)	1001.750	0.000	0.000	0.000	1001.750	0.0%

	FY 2023-24		FY 2024-25	
	R Changes	NR Changes	R Changes	NR Changes
Reserve for Salaries and Benefits				
1 Compensation Increase Reserve				
Provides funds for an across-the-board salary increase of 5% in FY 2023-24, plus an additional 1.5% increase for employees paid on an experience-based salary schedule or with a salary set in law, as well as a 3% across-the-board salary increase in FY 2024-25. State agency teacher salaries are increased in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.	Req \$	814,000	\$ -	\$ 1,327,000
	Rec \$	-	\$ -	\$ -
	App \$	814,000	\$ -	\$ 1,327,000
	FTE	0.000	0.000	0.000
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 provides a 2% cost-of-living increase for retirees in FY 2023-24. A 2% one-time retiree supplement in FY 2023-24 and 1% supplement in FY 2024-25 is funded by direct transfer to the retirement system for all funding sources. Retirees have not had a recurring cost-of-living adjustment since 2017.	Req \$	280,068	\$ -	\$ 368,789
	Rec \$	-	\$ -	\$ -
	App \$	280,068	\$ -	\$ 368,789
	FTE	0.000	0.000	0.000
3 State Health Plan				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General fund for the 2023-25 fiscal biennium.	Req \$	53,923	\$ -	\$ 183,428
	Rec \$	-	\$ -	\$ -
	App \$	53,923	\$ -	\$ 183,428
	FTE	0.000	0.000	0.000
Total Change to Requirements	\$	1,147,991	\$ -	\$ 1,879,217
Total Change to Receipts	\$	-	\$ -	\$ -
Total Change to Net Appropriation	\$	1,147,991	\$ -	\$ 1,879,217
Total Change to Full-Time Equivalent (FTE)		0.000	0.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$	1,147,991	\$	1,879,217
Recommended Total FTE Changes		0.000		0.000

Division of Central Management and Support (14410)

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
FY 2023-24						
Requirements	\$ 369,173,742	\$ 72,598,398	\$ 131,560,025	\$ 204,158,423	\$ 573,332,165	55.3%
Receipts	\$ 173,779,697	\$ 1,861,786	\$ 100,058,562	\$ 101,920,348	\$ 275,700,045	58.6%
Net Appropriation	\$ 195,394,045	\$ 70,736,612	\$ 31,501,463	\$ 102,238,075	\$ 297,632,120	52.3%
Positions (FTE)	1052.500	11.000	0.000	11.000	1063.500	1.0%
Year 2	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
FY 2024-25						
Requirements	\$ 369,176,929	\$ 80,993,176	\$ -	\$ 80,993,176	\$ 450,170,105	21.9%
Receipts	\$ 173,782,566	\$ 1,861,786	\$ -	\$ 1,861,786	\$ 175,644,352	1.1%
Net Appropriation	\$ 195,394,363	\$ 79,131,390	\$ -	\$ 79,131,390	\$ 274,525,753	40.5%
Positions (FTE)	1052.500	11.000	0.000	11.000	1063.500	1.0%

	FY 2023-24		FY 2024-25		
	R Changes	NR Changes	R Changes	NR Changes	
Reserve for Salaries and Benefits					
1 Compensation Increase Reserve					
Provides funds for an across-the-board salary increase of 5% in FY 2023-24, plus an additional 1.5% increase for employees paid on an experience-based salary schedule or with a salary set in law, as well as a 3% across-the-board salary increase in FY 2024-25. State agency teacher salaries are increased in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.	Req \$	3,213,000	\$ -	\$ 5,237,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	3,213,000	\$ -	\$ 5,237,000	\$ -
	FTE	0.000	0.000	0.000	0.000
2 Receipt-Supported Cost-of-Living Adjustment Reserve					
Provides funds equivalent to 5% of total receipt-supported General Fund payroll in FY 2023-24 and 3% in FY 2024-25. Funds may be used to fundshift a limited number of positions from receipts to net appropriation support.	Req \$	9,145,000	\$ -	\$ 14,906,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	9,145,000	\$ -	\$ 14,906,000	\$ -
	FTE	0.000	0.000	0.000	0.000
3 Retention Bonus					
Provides a \$1,000 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees with an annual salary of less than \$75,000. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2023 and half in April 2024. A corresponding special provision provides additional details on the retention bonus.	Req \$	-	\$ 28,273,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 28,273,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
4 Enhanced Labor Market Retention and Adjustment Reserve					
Provides 3% of General Fund net appropriation-supported and receipt-supported 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. A corresponding special provision provides additional details on these compensation increases.	Req \$	37,495,000	\$ -	\$ 37,495,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	37,495,000	\$ -	\$ 37,495,000	\$ -
	FTE	0.000	0.000	0.000	0.000
5 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 provides a 2% cost-of-living increase for retirees in FY 2023-24. A 2% one-time retiree supplement in FY 2023-24 and 1% supplement in FY 2024-25 is funded by direct transfer to the retirement system for all funding sources. Retirees have not had a recurring cost-of-living adjustment since 2017.	Req \$	845,779	\$ -	\$ 1,113,706	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	845,779	\$ -	\$ 1,113,706	\$ -
	FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
6 State Health Plan					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General fund for the 2023-25 fiscal biennium.	Req \$	142,339	\$ -	\$ 484,190	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	142,339	\$ -	\$ 484,190	\$ -
	FTE	0.000	0.000	0.000	0.000
Olmstead					
7 Transitions to Community Living Initiative					
Invests funding in 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 \$	17,080,000	\$ -	\$ 17,080,000	\$ -
	Rec \$	1,469,250	\$ -	\$ 1,469,250	\$ -
	App \$	15,610,750	\$ -	\$ 15,610,750	\$ -
	FTE	4.000	0.000	4.000	0.000
Department-wide					
8 Expanded Capacity to Improve Health Outcomes					
Supports changes to DHHS policy and programming to improve health outcomes and create wellbeing for all North Carolinians. Funding will support the development of new positions which will work with community organizations to build capacity and improve health outcomes for North Carolinians living in rural, low-income, and Tribal lands.	Req \$	440,899	\$ 79,650	\$ 440,899	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	440,899	\$ 79,650	\$ 440,899	\$ -
	FTE	3.000	0.000	3.000	0.000
9 Cyber and Information Security					
Provides recurring funds for intrusion and risk management tools and resources, ensuring the critical infrastructure that reinforce the State's public health and human services systems is safe and secure. Funding will also support positions responsible for configuring and monitoring the intrusion tools, addressing threat alerts, and mediating risks.	Req \$	1,390,000	\$ 207,375	\$ 1,390,000	\$ -
	Rec \$	392,536	\$ 58,562	\$ 392,536	\$ -
	App \$	997,464	\$ 148,813	\$ 997,464	\$ -
	FTE	3.000	0.000	3.000	0.000
10 Operations, Maintenance, and Infrastructure					
Provides nonrecurring funding for the Information Technology Division (ITD) to modernize and improve efficiency and strengthen the Department's ability to deliver services focused on whole-person health. Funding will also support additional contract staff and system upgrades and maintenance.	Req \$	-	\$ 3,000,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 3,000,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
11 Information Technology Rates					
Adjusts funding based on the FY 2023-24 approved Department of Information Technology rates. This amount reflects the net impact of the change in subscription and service delivery rates.	Req \$	2,715,381	\$ -	\$ 2,715,381	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	2,715,381	\$ -	\$ 2,715,381	\$ -
	FTE	0.000	0.000	0.000	0.000
12 Energy Manager					
Creates an Energy Manager position to improve energy efficiency in state buildings. This will enable the department to reduce water consumption, save energy, and reduce utility costs.	Req \$	131,000	\$ -	\$ 131,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	131,000	\$ -	\$ 131,000	\$ -
	FTE	1.000	0.000	1.000	0.000
Office of Rural Health/Medicaid Expansion Bonus Investments					
13 Data and Technology for Health Outcomes					
Invests funds for innovative technology to improve health outcomes and support data-driven decision making. Funds will cover provider start-up costs to launch telehealth programs, improving access to care for adults and children in rural communities. Funds will also enable under-resourced providers to transition to electronic health records and streamline the department's online centralized behavioral health bed registry, ensuring that individuals receive timely and appropriate care. This item is funded from the Improving Health Outcomes for People Everywhere (IHOPE) Fund.	Req \$	-	\$ 50,000,000	\$ -	\$ -
	Rec \$	-	\$ 50,000,000	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
14 Rural Hospital Rescue Fund					
Provides grants or loans to hospitals in rural communities to bridge operations when hospitals are at risk. Funds will be used to stabilize hospitals over the next five years, while the benefits of Medicaid Expansion and Healthcare Access and Stabilization Program are fully realized, and while other policy changes take effect. This item is funded from the IHOPE Fund.	Req	\$ -	\$ 50,000,000	\$ -	\$ -
	Rec	\$ -	\$ 50,000,000	\$ -	\$ -
	App	\$ -	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
Total Change to Requirements		\$ 72,598,398	\$ 131,560,025	\$ 80,993,176	\$ -
Total Change to Receipts		\$ 1,861,786	\$ 100,058,562	\$ 1,861,786	\$ -
Total Change to Net Appropriation		\$ 70,736,612	\$ 31,501,463	\$ 79,131,390	\$ -
Total Change to Full-Time Equivalent (FTE)		11.000	0.000	11.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)			\$ 102,238,075		\$ 79,131,390
Recommended Total FTE Changes			11.000		11.000

DHHS - Central Management - Special Fund (24410)

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
FY 2023-24						
Requirements	\$ 4,292,000	\$ -	\$ 1,055,000,000	\$ 1,055,000,000	\$ 1,059,292,000	24580.6%
Receipts	\$ 4,292,000	\$ -	\$ 1,055,000,000	\$ 1,055,000,000	\$ 1,059,292,000	24580.6%
Δ in Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Positions (FTE)	35.000	0.000	0.000	0.000	35.000	0.0%

Year 2	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
FY 2024-25						
Requirements	\$ 4,292,000	\$ -	\$ 195,000,000	\$ 195,000,000	\$ 199,292,000	4543.3%
Receipts	\$ 4,292,000	\$ -	\$ 195,000,000	\$ 195,000,000	\$ 199,292,000	4543.3%
Δ in Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Positions (FTE)	35.000	0.000	0.000	0.000	35.000	0.0%

	FY 2023-24		FY 2024-25	
	R Changes	NR Changes	R Changes	NR Changes

1 Improving Health Outcomes for People Everywhere Fund

Invests funds from the American Rescue Plan Act (ARPA) Medicaid expansion bonus to create the Improving Health Outcomes for People Everywhere (IHOPE) fund. The IHOPE fund will support various departmental programs and services that improve the health and well-being of all North Carolinians.	Req	\$ -	\$ 1,055,000,000	\$ -	\$ 195,000,000
	Rec	\$ -	\$ 1,055,000,000	\$ -	\$ 195,000,000
	CFB	\$ -	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000

Total Change to Requirements	\$ -	\$ 1,055,000,000	\$ -	\$ 195,000,000
Total Change to Receipts	\$ -	\$ 1,055,000,000	\$ -	\$ 195,000,000
Total Change to Fund Balance	\$ -	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000

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

Division of Child Development and Early Education (14420)

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
FY 2023-24						
Requirements	\$ 829,893,524	\$ 318,094,508	\$ 200,750,000	\$ 518,844,508	\$ 1,348,738,032	62.5%
Receipts	\$ 578,614,479	\$ 108,300,000	\$ -	\$ 108,300,000	\$ 686,914,479	18.7%
Net Appropriation	\$ 251,279,045	\$ 209,794,508	\$ 200,750,000	\$ 410,544,508	\$ 661,823,553	163.4%
Positions (FTE)	331.000	0.000	0.000	0.000	331.000	0.0%
Year 2	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
FY 2024-25						
Requirements	\$ 829,893,524	\$ 536,924,916	\$ 300,250,000	\$ 837,174,916	\$ 1,667,068,440	100.9%
Receipts	\$ 578,614,479	\$ 199,500,000	\$ -	\$ 199,500,000	\$ 778,114,479	34.5%
Net Appropriation	\$ 251,279,045	\$ 337,424,916	\$ 300,250,000	\$ 637,674,916	\$ 888,953,961	253.8%
Positions (FTE)	331.000	0.000	0.000	0.000	331.000	0.0%

	FY 2023-24		FY 2024-25	
	R Changes	NR Changes	R Changes	NR Changes
Constitutional Mandate				
1 Baseline Education Investments				
Provides all North Carolina children with greater access to a sound basic education by fully funding year 3 actions of the Comprehensive Remedial Plan as ordered by the North Carolina Supreme Court. NC Pre-K investments supported by Lottery receipts.	Req \$ 80,650,000	\$ -	\$ 80,650,000	\$ -
	Rec \$ 32,900,000	\$ -	\$ 32,900,000	\$ -
	App \$ 47,750,000	\$ -	\$ 47,750,000	\$ -
	FTE 0.000	0.000	0.000	0.000
Reserve for Salaries and Benefits				
2 Compensation Increase Reserve				
Provides funds for an across-the-board salary increase of 5% in FY 2023-24, plus an additional 1.5% increase for employees paid on an experience-based salary schedule or with a salary set in law, as well as a 3% across-the-board salary increase in FY 2024-25. State agency teacher salaries are increased in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.	Req \$ 94,000	\$ -	\$ 153,000	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 94,000	\$ -	\$ 153,000	\$ -
	FTE 0.000	0.000	0.000	0.000
3 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 provides a 2% cost-of-living increase for retirees in FY 2023-24. A 2% one-time retiree supplement in FY 2023-24 and 1% supplement in FY 2024-25 is funded by direct transfer to the retirement system for all funding sources. Retirees have not had a recurring cost-of-living adjustment since 2017.	Req \$ 24,875	\$ -	\$ 32,754	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 24,875	\$ -	\$ 32,754	\$ -
	FTE 0.000	0.000	0.000	0.000
4 State Health Plan				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General fund for the 2023-25 fiscal biennium.	Req \$ 5,633	\$ -	\$ 19,162	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 5,633	\$ -	\$ 19,162	\$ -
	FTE 0.000	0.000	0.000	0.000
Sound Basic Education Investments				
5 NC Pre-K Rate and Slot Increases				
Invests Lottery receipts to raise NC Pre-K slot reimbursement rates, raise the administrative rate to 10%, provide startup grants, and increase NC Pre-K slots. 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 (FY 2023-25 amounts are in addition to \$32.9M funded in the Baseline Education Investments item).	Req \$ 75,100,000	\$ -	\$ 150,200,000	\$ -
	Rec \$ 75,100,000	\$ -	\$ 150,200,000	\$ -
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
6 NC Pre-K Technical Support					
Invests Lottery receipts to increase state-level staffing to provide more technical support to NC Pre-K providers.	Req \$	300,000	\$ -	\$ 300,000	\$ -
	Rec \$	300,000	\$ -	\$ 300,000	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
7 NC Pre-K Transportation					
Invests Lottery receipts to provide transportation for NC Pre-K enrollees.	Req \$	-	\$ -	\$ 16,100,000	\$ -
	Rec \$	-	\$ -	\$ 16,100,000	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
8 Birth - Age 3 Early Learning Pilot					
Funds a pilot early learning program for eligible children ages birth through age three and an evaluation of the pilot. An NC Infant and Toddler Program Quality and Policy Study is currently underway to inform the pilot program.	Req \$	24,300,000	\$ 250,000	\$ 20,000,000	\$ 250,000
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	24,300,000	\$ 250,000	\$ 20,000,000	\$ 250,000
	FTE	0.000	0.000	0.000	0.000
9 Child Care Subsidy Rate Floor					
Increases child care subsidy rates in rural and lower wealth communities by creating a statewide rate floor. The increase would provide child care subsidy rates to providers in rural and lower wealth counties closer to those given to high wealth counties, benefitting approximately 50,000 children per year (\$10.0M funded in the Baseline Education Investments item to replace nonrecurring funds with net appropriations when federal funds expire).	Req \$	-	\$ -	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
10 Smart Start and Child Care Subsidy Rate Floor					
Invests in 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. DCDEE shall set aside \$90 million each year to increase child care subsidy rates in rural and lower wealth communities by creating a statewide rate floor. This set-aside expires at the end of this fiscal biennium to support Smart Start's essential and ongoing work providing localized services for North Carolina's children and families (FY 2023-25 amounts are in addition to \$10.0M funded in the Baseline Education Investments item).	Req \$	102,400,000	\$ -	\$ 204,800,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	102,400,000	\$ -	\$ 204,800,000	\$ -
	FTE	0.000	0.000	0.000	0.000
11 Family Connects Expansion					
Expands the Family Connects universal home visiting model to serve more children across the state.	Req \$	26,200,000	\$ -	\$ 52,400,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	26,200,000	\$ -	\$ 52,400,000	\$ -
	FTE	0.000	0.000	0.000	0.000
12 Child Care WAGE\$ Statewide Expansion					
Invests funding in the Child Care WAGE\$ program to provide educational attainment-based salary supplements for early childhood educators, to better attract and retain highly qualified staff to essential early childhood programs. These funds will allow this successful program to expand statewide and will provide wage supplements to 4,000 additional teachers in all 100 counties (FY 2023-25 amounts are in addition to \$26.0M funded in the Baseline Education Investments item).	Req \$	1,500,000	\$ -	\$ 3,000,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	1,500,000	\$ -	\$ 3,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
13 Child Care Workforce Recruitment					
Grows and trains North Carolina's child care workforce by implementing recruitment strategies and professional development (FY 2023-25 amounts are in addition to \$1.25M funded in the Baseline Education Investments item).	Req \$	1,550,000	\$ -	\$ 3,050,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	1,550,000	\$ -	\$ 3,050,000	\$ -
	FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
14 Pre-K to K Transitions					
Incrementally scales up the Pre-K to K Transitions program with the goal to serve all districts.	Req \$	5,000,000	\$ -	\$ 5,000,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	5,000,000	\$ -	\$ 5,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
15 Collaborative Family Engagement Plans					
Provides funds to support technical assistance for local collaborative family engagement plans for birth through third grade.	Req \$	320,000	\$ -	\$ 320,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	320,000	\$ -	\$ 320,000	\$ -
	FTE	0.000	0.000	0.000	0.000
16 Early Childhood Workforce Data System					
Supports ongoing operations and maintenance for the real-time early childhood workforce data system. This item is fully funded within the Essential Sound Basic Education Investments item (\$500K funded in the Baseline Education Investments item to replace nonrecurring funds with net appropriations when federal funds expire).	Req \$	-	\$ -	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
17 Childhood Data and Technical Assistance					
Expands and improves the NC Early Childhood Integrated Data System and connects to the NC Longitudinal Data System (\$500K/\$500K). Provides technical assistance to build local capacity to use quality early childhood data. (\$150K/\$150K). Implements a real-time data collection and sharing process to identify children eligible for early childhood programs (\$500K NR/\$250K R).	Req \$	650,000	\$ 500,000	\$ 900,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	650,000	\$ 500,000	\$ 900,000	\$ -
	FTE	0.000	0.000	0.000	0.000
Essential Child Care Support					
18 Child Care Stabilization Grants					
Stabilizes and sustains North Carolina's child care centers that help children learn and grow and allow parents to work by continuing critical stabilization grants when federal support expires. Grant uses may include compensation, bonuses, and start-up support to open additional child care centers.	Req \$	-	\$ 200,000,000	\$ -	\$ 300,000,000
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 200,000,000	\$ -	\$ 300,000,000
	FTE	0.000	0.000	0.000	0.000
Total Change to Requirements		\$ 318,094,508	\$ 200,750,000	\$ 536,924,916	\$ 300,250,000
Total Change to Receipts		\$ 108,300,000	\$ -	\$ 199,500,000	\$ -
Total Change to Net Appropriation		\$ 209,794,508	\$ 200,750,000	\$ 337,424,916	\$ 300,250,000
Total Change to Full-Time Equivalent (FTE)		0.000	0.000	0.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$	410,544,508	\$	637,674,916
Recommended Total FTE Changes			0.000		0.000

Division of Public Health (14430)

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
FY 2023-24						
Requirements	\$ 476,682,236	\$ 2,250,942	\$ 7,351,879	\$ 9,602,821	\$ 486,285,057	2.0%
Receipts	\$ 363,183,803	\$ (280,000)	\$ -	\$ (280,000)	\$ 362,903,803	-0.1%
Net Appropriation	\$ 113,498,433	\$ 2,530,942	\$ 7,351,879	\$ 9,882,821	\$ 123,381,254	8.7%
Positions (FTE)	1195.285	0.000	0.000	0.000	1195.285	0.0%
Year 2	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
FY 2024-25						
Requirements	\$ 476,743,480	\$ 10,989,874	\$ -	\$ 10,989,874	\$ 487,733,354	2.3%
Receipts	\$ 363,208,810	\$ (280,000)	\$ -	\$ (280,000)	\$ 362,928,810	-0.1%
Net Appropriation	\$ 113,534,670	\$ 11,269,874	\$ -	\$ 11,269,874	\$ 124,804,544	9.9%
Positions (FTE)	1195.285	0.000	0.000	0.000	1195.285	0.0%

	FY 2023-24		FY 2024-25	
	R Changes	NR Changes	R Changes	NR Changes
Reserve for Salaries and Benefits				
1 Compensation Increase Reserve				
Provides funds for an across-the-board salary increase of 5% in FY 2023-24, plus an additional 1.5% increase for employees paid on an experience-based salary schedule or with a salary set in law, as well as a 3% across-the-board salary increase in FY 2024-25. State agency teacher salaries are increased in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.	Req \$	1,718,000	\$ -	\$ 2,800,000
	Rec \$	-	\$ -	\$ -
	App \$	1,718,000	\$ -	\$ 2,800,000
	FTE	0.000	0.000	0.000
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 provides a 2% cost-of-living increase for retirees in FY 2023-24. A 2% one-time retiree supplement in FY 2023-24 and 1% supplement in FY 2024-25 is funded by direct transfer to the retirement system for all funding sources. Retirees have not had a recurring cost-of-living adjustment since 2017.	Req \$	452,311	\$ -	\$ 595,595
	Rec \$	-	\$ -	\$ -
	App \$	452,311	\$ -	\$ 595,595
	FTE	0.000	0.000	0.000
3 State Health Plan				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General fund for the 2023-25 fiscal biennium.	Req \$	80,631	\$ -	\$ 274,279
	Rec \$	-	\$ -	\$ -
	App \$	80,631	\$ -	\$ 274,279
	FTE	0.000	0.000	0.000
Vital Records				
4 Vital Records Modernization				
Provides nonrecurring funds, enabling the division to modernize North Carolina's paper-based vital records system. Digitizing vital records will reduce fulfillment time and increase the division's ability to meet the needs of the public.	Req \$	-	\$ 2,500,000	\$ -
	Rec \$	-	\$ -	\$ -
	App \$	-	\$ 2,500,000	\$ -
	FTE	0.000	0.000	0.000
5 Vital Records Equitable Access				
Invests recurring funds to allow the division to provide vital records to low and no-income North Carolinians at no charge. As a result of providing these records at no charge, the division will no longer collect fees for these records, leading to a decline in receipts.	Req \$	-	\$ -	\$ -
	Rec \$	(280,000)	\$ -	\$ (280,000)
	App \$	280,000	\$ -	\$ 280,000
	FTE	0.000	0.000	0.000
Office of the Chief Medical Examiner				
6 Support Regional Autopsy Centers				
Increases the state share of the autopsy fee paid to counties in GS 130A-389 to reflect the actual cost of an autopsy. Funds will ensure that Regional Autopsy Centers remain open, preventing the shutdown of the Medical Examiner System, and reducing the Office of the Chief Medical Examiner's backlog.	Req \$	-	\$ -	\$ 7,320,000
	Rec \$	-	\$ -	\$ -
	App \$	-	\$ -	\$ 7,320,000
	FTE	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
Epidemiology					
7 Critical Disease Prevention and Control Measures					
Invests onetime funding for critical functions needed to protect North Carolinians, including high-risk individuals, from emerging disease threats. Funds will be used to retain some of the infectious disease staff and infrastructure built during COVID-19 to respond to other emerging threats.	Req	\$ -	\$ 4,851,879	\$ -	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ 4,851,879	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
Total Change to Requirements		\$ 2,250,942	\$ 7,351,879	\$ 10,989,874	\$ -
Total Change to Receipts		\$ (280,000)	\$ -	\$ (280,000)	\$ -
Total Change to Net Appropriation		\$ 2,530,942	\$ 7,351,879	\$ 11,269,874	\$ -
Total Change to Full-Time Equivalent (FTE)		0.000	0.000	0.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$	9,882,821	\$	11,269,874
Recommended Total FTE Changes			0.000		0.000

DHHS - Public Health - Special Revenue - General Fund (24432)

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
FY 2023-24						
Requirements	\$ 4,207,189	\$ -	\$ 8,000,000	\$ 8,000,000	\$ 12,207,189	190.2%
Receipts	\$ 4,207,189	\$ -	\$ -	\$ -	\$ 4,207,189	0.0%
Δ in Fund Balance	\$ -	\$ -	\$ (8,000,000)	\$ (8,000,000)	\$ (8,000,000)	0.0%
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.0%

Year 2	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
FY 2024-25						
Requirements	\$ 4,207,189	\$ -	\$ 7,500,000	\$ 7,500,000	\$ 11,707,189	178.3%
Receipts	\$ 4,207,189	\$ -	\$ 7,500,000	\$ 7,500,000	\$ 11,707,189	178.3%
Δ in Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.0%

	FY 2023-24		FY 2024-25	
	R Changes	NR Changes	R Changes	NR Changes

1 Juul Labs Settlement Funds

Appropriates payments for years two and three of Juul Labs Inc. v. State of NC settlement funds. These funds will support the department's efforts to combat the vaping crisis among youth in North Carolina by carrying out the activities required in the judge's consent order settling the Juul Labs Inc. V. State of NC case.	Req	\$ -	\$ 8,000,000	\$ -	\$ 7,500,000
	Rec	\$ -	\$ -	\$ -	\$ 7,500,000
	CFB	\$ -	\$ (8,000,000)	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000

Total Change to Requirements	\$ -	\$ 8,000,000	\$ -	\$ 7,500,000
Total Change to Receipts	\$ -	\$ -	\$ -	\$ 7,500,000
Total Change to Fund Balance	\$ -	\$ (8,000,000)	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000

Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$ -	\$ (8,000,000)	\$ -	\$ -
Recommended Total FTE Changes	0.000	0.000	0.000	0.000

Division of Health Benefits (14445)

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
FY 2023-24						
Requirements	\$ 18,703,196,456	\$ 1,466,466,887	\$ 1,977,321,125	\$ 3,443,788,012	\$ 22,146,984,468	18.4%
Receipts	\$ 13,964,240,150	\$ 675,678,300	\$ 1,869,957,767	\$ 2,545,636,067	\$ 16,509,876,217	18.2%
Net Appropriation	\$ 4,738,956,306	\$ 790,788,587	\$ 107,363,358	\$ 898,151,945	\$ 5,637,108,251	19.0%
Positions (FTE)	460.000	20.000	0.000	20.000	480.000	4.3%
Year 2	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
FY 2024-25						
Requirements	\$ 18,703,201,546	\$ 2,285,295,976	\$ 734,573,161	\$ 3,019,869,137	\$ 21,723,070,683	16.1%
Receipts	\$ 13,964,240,150	\$ 1,141,168,046	\$ 643,674,615	\$ 1,784,842,661	\$ 15,749,082,811	12.8%
Net Appropriation	\$ 4,738,961,396	\$ 1,144,127,930	\$ 90,898,546	\$ 1,235,026,476	\$ 5,973,987,872	26.1%
Positions (FTE)	460.000	20.000	0.000	20.000	480.000	4.3%

	FY 2023-24		FY 2024-25	
	R Changes	NR Changes	R Changes	NR Changes
Reserve for Salaries and Benefits				
1 Compensation Increase Reserve				
Provides funds for an across-the-board salary increase of 5% in FY 2023-24, plus an additional 1.5% increase for employees paid on an experience-based salary schedule or with a salary set in law, as well as a 3% across-the-board salary increase in FY 2024-25. State agency teacher salaries are increased in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.	Req \$	951,000	\$ -	\$ 1,550,000
	Rec \$	-	\$ -	\$ -
	App \$	951,000	\$ -	\$ 1,550,000
	FTE	0.000	0.000	0.000
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 provides a 2% cost-of-living increase for retirees in FY 2023-24. A 2% one-time retiree supplement in FY 2023-24 and 1% supplement in FY 2024-25 is funded by direct transfer to the retirement system for all funding sources. Retirees have not had a recurring cost-of-living adjustment since 2017.	Req \$	250,495	\$ -	\$ 329,847
	Rec \$	-	\$ -	\$ -
	App \$	250,495	\$ -	\$ 329,847
	FTE	0.000	0.000	0.000
3 State Health Plan				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General fund for the 2023-25 fiscal biennium.	Req \$	42,502	\$ -	\$ 144,578
	Rec \$	-	\$ -	\$ -
	App \$	42,502	\$ -	\$ 144,578
	FTE	0.000	0.000	0.000
Olmstead				
4 Innovation Rates				
Invests funds to build on the Home and Community Based Services (HCBS) community provider rate increase in SL 2021-180. Funding will support a pay increase in each year of the biennium raising the Innovations Waiver Direct Care Workforce wage to \$18 per hour. The rate increase is part the department's plan to increase care, including new 1915i Medicaid services, use of block grants, and certification for Direct Support Professionals (DSP).	Req \$	53,779,504	\$ -	\$ 216,000,000
	Rec \$	35,779,504	\$ -	\$ 144,000,000
	App \$	18,000,000	\$ -	\$ 72,000,000
	FTE	0.000	0.000	0.000
5 Innovation Slots				
Creates 1,000 new Innovation Waiver slots, effective January 1, 2024 with plans for additional slots each year through FY 2031-32 to reduce the waitlist for care. This waiver provides individualized services in the home and community for individuals who qualify for institutional level care due to intellectual or developmental disabilities. DHHS proposes 1,800 slots each fiscal year of 2025-27, 2,200 slots each fiscal year of 2027-29, and 2,400 slots each fiscal year of 2029-32.	Req \$	42,000,000	\$ -	\$ 84,000,000
	Rec \$	27,795,000	\$ -	\$ 55,590,000
	App \$	14,205,000	\$ -	\$ 28,410,000
	FTE	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
Direct Care Workforce					
6 Personal Care Services Rate Increase					
Increases the Personal Care Services (PCS) rate by \$2.14 per hour from 2020 levels, making 50% of the COVID-19 rate increase permanent. This funding will allow for Direct Support Professional Wage increases in the PCS and Community Alternatives Programs, addressing staffing shortages.	Req	\$ 88,500,000	\$ -	\$ 88,500,000	\$ -
	Rec	\$ 58,500,000	\$ -	\$ 58,500,000	\$ -
	App	\$ 30,000,000	\$ -	\$ 30,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
7 Skilled Nursing Facility Rate Increase					
Invests funding to increase Skilled Nursing Facility (SNF) average base per diem rates by making 50% of the enhanced COVID-19 rate permanent. This funding will allow SNFs to permanently increase wages, addressing staffing challenges.	Req	\$ 150,483,406	\$ -	\$ 150,483,406	\$ -
	Rec	\$ 100,116,610	\$ -	\$ 100,116,610	\$ -
	App	\$ 50,366,796	\$ -	\$ 50,366,796	\$ -
	FTE	0.000	0.000	0.000	0.000
Division-wide					
8 Maternal Mortality and Morbidity Reduction Package					
Implements 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	0.000	0.000	0.000
9 NC Psychiatric Access Line					
Provides funds to cover an existing contract with Duke University to increase capacity for the NC Psychiatric Access Line (NC PAL). NC PAL offers consultation and education on the diagnosis, management, and appropriate treatment of patients with behavioral health concerns to providers in all 100 counties.	Req	\$ 3,700,000	\$ -	\$ 3,900,000	\$ -
	Rec	\$ 1,850,000	\$ -	\$ 1,950,000	\$ -
	App	\$ 1,850,000	\$ -	\$ 1,950,000	\$ -
	FTE	0.000	0.000	0.000	0.000
10 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 are projected to begin October 1, 2023.	Req	\$ 1,024,539,287	\$ 1,298,937,313	\$ 1,637,367,452	\$ 157,080,000
	Rec	\$ 394,818,506	\$ 1,191,573,955	\$ 723,792,756	\$ 157,080,000
	App	\$ 629,720,781	\$ 107,363,358	\$ 913,574,696	\$ -
	FTE	0.000	0.000	0.000	0.000
11 Medicaid Expansion					
Supports expanding Medicaid eligibility beginning June 1, 2023, 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, generate over \$113 million in state General Fund savings over the biennium, and secure North Carolina's share of federal resources that will inject over \$5 billion in direct investment into the state. An additional \$1.7 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	0.000	0.000	0.000
12 Medicaid Transformation					
Provides funds to support the transition to Medicaid Managed Care and the Healthy Opportunities program. Recurring funding allows for the transition of up to 20 positions from time-limited to permanent.	Req	\$ 90,620,693	\$ 413,240,880	\$ 91,420,693	\$ 397,624,583
	Rec	\$ 48,018,680	\$ 413,240,880	\$ 48,418,680	\$ 306,726,037
	App	\$ 42,602,013	\$ -	\$ 43,002,013	\$ 90,898,546
	FTE	20.000	0.000	20.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
13 Fee-for-Service Claims Run Out					
Provides funds for the runout of Medicaid and NC Health Choice fee-for-service claims associated with beneficiaries enrolled in managed care. The State share of these costs is an estimated \$55 million in FY 2023-24 and \$10 million in FY 2024-25, will be transferred from the Medicaid Transformation Fund.	Req	\$ -	\$ 190,142,932	\$ -	\$ 29,868,578
	Rec	\$ -	\$ 190,142,932	\$ -	\$ 29,868,578
	App	\$ -	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
Medicaid Expansion Bonus Investments					
14 Behavioral Health Rates					
Invests \$75 million in state dollars each year for the next three years to increase rates for inpatient and community behavioral health services, improving access to these services statewide. Funding will ensure that Medicaid reimbursement rates reflect the actual cost of providing care, enabling providers to continue offering services to address mental health treatment needs across the state. This item is funded from the Improving Health Outcomes for People Everywhere (IHOPE) Fund.	Req	\$ -	\$ 75,000,000	\$ -	\$ 150,000,000
	Rec	\$ -	\$ 75,000,000	\$ -	\$ 150,000,000
	App	\$ -	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
Total Change to Requirements		\$ 1,466,466,887	\$ 1,977,321,125	\$ 2,285,295,976	\$ 734,573,161
Total Change to Receipts		\$ 675,678,300	\$ 1,869,957,767	\$ 1,141,168,046	\$ 643,674,615
Total Change to Net Appropriation		\$ 790,788,587	\$ 107,363,358	\$ 1,144,127,930	\$ 90,898,546
Total Change to Full-Time Equivalent (FTE)		20.000	0.000	20.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$	898,151,945	\$	1,235,026,476
Recommended Total FTE Changes			20.000		20.000

Medicaid Transformation (24447)

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
FY 2023-24						
Requirements	\$ -	\$ -	\$ 213,932,144	\$ 213,932,144	\$ 213,932,144	0.0%
Receipts	\$ -	\$ -	\$ 155,642,170	\$ 155,642,170	\$ 155,642,170	0.0%
Δ in Fund Balance	\$ -	\$ -	\$ (58,289,974)	\$ (58,289,974)	\$ (58,289,974)	0.0%
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.0%
Year 2						
Year 2	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
FY 2024-25						
Requirements	\$ -	\$ -	\$ 77,877,427	\$ 77,877,427	\$ 77,877,427	0.0%
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Δ in Fund Balance	\$ -	\$ -	\$ (77,877,427)	\$ (77,877,427)	\$ (77,877,427)	0.0%
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.0%

	FY 2023-24		FY 2024-25	
	R Changes	NR Changes	R Changes	NR Changes
1 Medicaid Transformation Fund Availability				
Budget receipts from the Medicaid Transformation Reserve. These funds will be transferred to the Division of Health Benefits as needed to support fee-for-service claims run out and qualified Medicaid transformation expenses.	Req \$ -	\$ -	\$ -	\$ -
	Rec \$ -	\$ 155,642,170	\$ -	\$ -
	CFB \$ -	\$ 155,642,170	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
2 Fee-for-Service Claims Run Out				
Transfers the State share of funds needed to pay the run out of Medicaid and NC Health Choice fee-for-service claims associated with beneficiaries who have enrolled in managed care. Run-out claims will be paid by the Division of Health Benefits.	Req \$ -	\$ 55,635,822	\$ -	\$ 10,000,000
	Rec \$ -	\$ -	\$ -	\$ -
	CFB \$ -	\$ (55,635,822)	\$ -	\$ (10,000,000)
	FTE 0.000	0.000	0.000	0.000
3 Medicaid Transformation				
Transfers funds to the Division of Health Benefits to support the State share of Medicaid transformation costs approved as qualifying needs.	Req \$ -	\$ 158,296,322	\$ -	\$ 67,877,427
	Rec \$ -	\$ -	\$ -	\$ -
	CFB \$ -	\$ (158,296,322)	\$ -	\$ (67,877,427)
	FTE 0.000	0.000	0.000	0.000
Total Change to Requirements	\$ -	\$ 213,932,144	\$ -	\$ 77,877,427
Total Change to Receipts	\$ -	\$ 155,642,170	\$ -	\$ -
Total Change to Fund Balance	\$ -	\$ (58,289,974)	\$ -	\$ (77,877,427)
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$ -	\$ (58,289,974)	\$ -	\$ (77,877,427)
Recommended Total FTE Changes	0.000	0.000	0.000	0.000

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

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
FY 2023-24						
Requirements	\$ 1,754,310,803	\$ 31,232,075	\$ 625,334,000	\$ 656,566,075	\$ 2,410,876,878	37.4%
Receipts	\$ 952,476,965	\$ 2,368,884	\$ 625,000,000	\$ 627,368,884	\$ 1,579,845,849	65.9%
Net Appropriation	\$ 801,833,838	\$ 28,863,191	\$ 334,000	\$ 29,197,191	\$ 831,031,029	3.6%
Positions (FTE)	11270.300	10.000	0.000	10.000	11280.300	0.1%
Year 2	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
FY 2024-25						
Requirements	\$ 1,730,280,599	\$ 50,232,922	\$ -	\$ 50,232,922	\$ 1,780,513,521	2.9%
Receipts	\$ 928,446,761	\$ 4,699,710	\$ -	\$ 4,699,710	\$ 933,146,471	0.5%
Net Appropriation	\$ 801,833,838	\$ 45,533,212	\$ -	\$ 45,533,212	\$ 847,367,050	5.7%
Positions (FTE)	11270.300	10.000	0.000	10.000	11280.300	0.1%

	FY 2023-24		FY 2024-25	
	R Changes	NR Changes	R Changes	NR Changes
Reserve for Salaries and Benefits				
1 Compensation Increase Reserve				
Provides funds for an across-the-board salary increase of 5% in FY 2023-24, plus an additional 1.5% increase for employees paid on an experience-based salary schedule or with a salary set in law, as well as a 3% across-the-board salary increase in FY 2024-25. State agency teacher salaries are increased in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.	Req \$	15,181,000	\$ -	\$ 24,743,000
	Rec \$	-	\$ -	\$ -
	App \$	15,181,000	\$ -	\$ 24,743,000
	FTE	0.000	0.000	0.000
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 provides a 2% cost-of-living increase for retirees in FY 2023-24. A 2% one-time retiree supplement in FY 2023-24 and 1% supplement in FY 2024-25 is funded by direct transfer to the retirement system for all funding sources. Retirees have not had a recurring cost-of-living adjustment since 2017.	Req \$	5,126,041	\$ -	\$ 6,749,879
	Rec \$	-	\$ -	\$ -
	App \$	5,126,041	\$ -	\$ 6,749,879
	FTE	0.000	0.000	0.000
3 State Health Plan				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General fund for the 2023-25 fiscal biennium.	Req \$	936,554	\$ -	\$ 3,185,843
	Rec \$	-	\$ -	\$ -
	App \$	936,554	\$ -	\$ 3,185,843
	FTE	0.000	0.000	0.000
Division-wide				
4 988 Suicide and Crisis Lifeline				
Invests funds to support 988 Crisis Helpline Call Center staff that are currently funded by a Substance Abuse and Mental Health Services Administration (SAMHSA) grant that will end April 2024. The staff are required to meet the increased call volume following the implementation of the helpline.	Req \$	325,000	\$ -	\$ 1,300,000
	Rec \$	-	\$ -	\$ -
	App \$	325,000	\$ -	\$ 1,300,000
	FTE	0.000	0.000	0.000
5 Competitive Integrated Employment				
Expands competitive integrated employment with investments in vocational rehabilitation services, day supports, and community services for individuals with intellectual and developmental disabilities.	Req \$	5,000,000	\$ -	\$ 5,000,000
	Rec \$	-	\$ -	\$ -
	App \$	5,000,000	\$ -	\$ 5,000,000
	FTE	0.000	0.000	0.000
6 Crisis Stabilization Facility Capacity				
Addresses the needs of children in crisis who are currently boarded in emergency departments by investing funds to increase the number of crisis stabilization beds at facilities statewide.	Req \$	3,248,480	\$ -	\$ 7,821,200
	Rec \$	1,553,884	\$ -	\$ 3,884,710
	App \$	1,694,596	\$ -	\$ 3,936,490
	FTE	1.000	0.000	1.000

		R Changes	NR Changes	R Changes	NR Changes
7 New Office Space					
Provides funds to allow the division to move from the Bath Building prior to the Bath Building's demolition.	Req \$	600,000	\$ 334,000	\$ 618,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	600,000	\$ 334,000	\$ 618,000	\$ -
	FTE	0.000	0.000	0.000	0.000
8 Substance Abuse Prevention and Treatment Block Grant Positions					
Establishes contractor and budget manager positions to ensure substance abuse treatment and prevention services are implemented efficiently and effectively statewide. These positions will be supported entirely by the Substance Abuse Prevention and Treatment Block Grant (SABG).	Req \$	720,000	\$ -	\$ 720,000	\$ -
	Rec \$	720,000	\$ -	\$ 720,000	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	8.000	0.000	8.000	0.000
9 Substance Abuse Prevention and Treatment Block Grant Manager					
Establishes a block grant manager position. This position is required to manage the SABG and ensure that funds are spent in accordance with federal and state requirements. This position will be supported entirely by the SABG.	Req \$	95,000	\$ -	\$ 95,000	\$ -
	Rec \$	95,000	\$ -	\$ 95,000	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	1.000	0.000	1.000	0.000
Medicaid Expansion Bonus Investments					
10 Behavioral Health Crisis System					
Strengthens the state's behavioral health crisis system to expand access to mental health and substance use disorder treatment. Funds will expand access to critical supports including mobile crisis and non-emergency department crisis treatment, as well as community-based supportive housing. Funds will also support the implementation of a statewide involuntary commitment transportation program. This item is funded from the Improving Health Outcomes for People Everywhere (IHOPE) Fund.	Req \$	-	\$ 200,000,000	\$ -	\$ -
	Rec \$	-	\$ 200,000,000	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
11 Community and School-Based Behavioral Health Investments					
Invests funds to expand access to evidence-based integrated community-based behavioral health treatment. Funds will cover startup costs for primary care practices to adopt the Collaborative Care model and support the expansion of Certified Community Behavioral Health Clinics for individuals with serious mental illness. Funds will also expand youth behavioral health supports in schools statewide and extend mental health education to the public. To address the behavioral health workforce shortage, funds will support a targeted clinical loan forgiveness program, and specialty treatment training for behavioral health providers. This item is funded from the IHOPE Fund.	Req \$	-	\$ 175,000,000	\$ -	\$ -
	Rec \$	-	\$ 175,000,000	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
12 Behavioral Health and Justice System Integration					
Invests funds to improve behavioral health within the justice system. Funds will cover start-up costs for county-based pre-arrest diversion and re-entry programs, expand non-hospital capacity restoration programs, and provide judicial education and training on diversion and mental health treatment options. This item is funded from the IHOPE Fund.	Req \$	-	\$ 150,000,000	\$ -	\$ -
	Rec \$	-	\$ 150,000,000	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
13 Psychiatric Facility Capacity Improvements					
Invests funds to ensure that individuals with complex needs can access care and successfully discharge from psychiatric hospitals to a lower level of care. Funds will be used to increase salaries and offer loan forgiveness to the state facility workforce, ensuring beds can remain open. Funds will also support investments in critical infrastructure, such as electronic medical records and automated medication dispensing cabinets. This item is funded from the IHOPE Fund.	Req \$	-	\$ 100,000,000	\$ -	\$ -
	Rec \$	-	\$ 100,000,000	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000

	R Changes		NR Changes		R Changes		NR Changes	
Total Change to Requirements	\$	31,232,075	\$	625,334,000	\$	50,232,922	\$	-
Total Change to Receipts	\$	2,368,884	\$	625,000,000	\$	4,699,710	\$	-
Total Change to Net Appropriation	\$	28,863,191	\$	334,000	\$	45,533,212	\$	-
Total Change to Full-Time Equivalent (FTE)		10.000		0.000		10.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$			29,197,191	\$			45,533,212
Recommended Total FTE Changes				10.000				10.000

Opioid Abatement Fund (24491)

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
FY 2023-24						
Requirements	\$ -	\$ -	\$ 9,192,461	\$ 9,192,461	\$ 9,192,461	0.0%
Receipts	\$ -	\$ -	\$ 9,192,461	\$ 9,192,461	\$ 9,192,461	0.0%
Δ in Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.0%

Year 2	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
FY 2024-25						
Requirements	\$ -	\$ -	\$ 9,978,462	\$ 9,978,462	\$ 9,978,462	0.0%
Receipts	\$ -	\$ -	\$ 9,978,462	\$ 9,978,462	\$ 9,978,462	0.0%
Δ in Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.0%

	FY 2023-24		FY 2024-25	
	R Changes	NR Changes	R Changes	NR Changes
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.	Req \$ -	\$ 9,192,461	\$ -	\$ 9,978,462
	Rec \$ -	\$ 9,192,461	\$ -	\$ 9,978,462
	CFB \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
Total Change to Requirements	\$ -	\$ 9,192,461	\$ -	\$ 9,978,462
Total Change to Receipts	\$ -	\$ 9,192,461	\$ -	\$ 9,978,462
Total Change to Fund Balance	\$ -	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)		0.000	0.000	0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$ -	\$ -	\$ -	\$ -
Recommended Total FTE Changes		0.000		0.000

Division of Health Services Regulation (14470)

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
FY 2023-24						
Requirements	\$ 79,220,241	\$ 5,371,295	\$ 234,000	\$ 5,605,295	\$ 84,825,536	7.1%
Receipts	\$ 56,399,591	\$ 1,087,168	\$ -	\$ 1,087,168	\$ 57,486,759	1.9%
Net Appropriation	\$ 22,820,650	\$ 4,284,127	\$ 234,000	\$ 4,518,127	\$ 27,338,777	19.8%
Positions (FTE)	579.500	36.000	0.000	36.000	615.500	6.2%
Year 2	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
FY 2024-25						
Requirements	\$ 79,220,241	\$ 6,324,994	\$ -	\$ 6,324,994	\$ 85,545,235	8.0%
Receipts	\$ 56,399,591	\$ 1,087,168	\$ -	\$ 1,087,168	\$ 57,486,759	1.9%
Net Appropriation	\$ 22,820,650	\$ 5,237,826	\$ -	\$ 5,237,826	\$ 28,058,476	23.0%
Positions (FTE)	579.500	36.000	0.000	36.000	615.500	6.2%

	FY 2023-24		FY 2024-25	
	R Changes	NR Changes	R Changes	NR Changes
Reserve for Salaries and Benefits				
1 Compensation Increase Reserve				
Provides funds for an across-the-board salary increase of 5% in FY 2023-24, plus an additional 1.5% increase for employees paid on an experience-based salary schedule or with a salary set in law, as well as a 3% across-the-board salary increase in FY 2024-25. State agency teacher salaries are increased in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.	Req \$ 1,112,000	\$ -	\$ 1,812,000	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 1,112,000	\$ -	\$ 1,812,000	\$ -
	FTE 0.000	0.000	0.000	0.000
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 provides a 2% cost-of-living increase for retirees in FY 2023-24. A 2% one-time retiree supplement in FY 2023-24 and 1% supplement in FY 2024-25 is funded by direct transfer to the retirement system for all funding sources. Retirees have not had a recurring cost-of-living adjustment since 2017.	Req \$ 382,378	\$ -	\$ 503,509	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 382,378	\$ -	\$ 503,509	\$ -
	FTE 0.000	0.000	0.000	0.000
3 State Health Plan				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General fund for the 2023-25 fiscal biennium.	Req \$ 55,198	\$ -	\$ 187,766	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 55,198	\$ -	\$ 187,766	\$ -
	FTE 0.000	0.000	0.000	0.000
Division-wide				
4 Acute Care Workforce Capacity				
Creates positions to ensure the section can meet federal and state requirements, including the new Centers for Medicare and Medicaid Services Conditions of Participation requirement. The positions will allow the section to investigate the rising number of acute care and psychiatric hospitals complaints, protecting patient safety and health.	Req \$ 215,791	\$ 13,000	\$ 215,791	\$ -
	Rec \$ 17,406	\$ -	\$ 17,406	\$ -
	App \$ 198,385	\$ 13,000	\$ 198,385	\$ -
	FTE 2.000	0.000	2.000	0.000
5 Adult Care Workforce Capacity				
Establishes positions that are needed to meet federal and state mandates, including new requirements in SL 2021-171. The positions will ensure the section can investigate the growing number of complex complaints and address serious violations within adult care facilities across the state.	Req \$ 815,180	\$ 52,000	\$ 815,180	\$ -
	Rec \$ 223,285	\$ -	\$ 223,285	\$ -
	App \$ 591,895	\$ 52,000	\$ 591,895	\$ -
	FTE 8.000	0.000	8.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
6 Licensing and Regulation Workforce Capacity					
Funds positions to allow the section to perform biennial physical plant inspections of adult care facilities pursuant to GS 131D-2.11 and mental health facilities pursuant to GS 122C-21(2). The positions are critical in ensuring that facilities are safe and adequate, protecting residents and preventing harm.	Req	\$ 231,331	\$ 13,000	\$ 231,331	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 231,331	\$ 13,000	\$ 231,331	\$ -
	FTE	2.000	0.000	2.000	0.000
7 Jails Workforce Capacity					
Creates positions to enable the section to meet the requirements in GS 153. The positions ensure the section can implement the additional responsibilities in SL 2021-143, ensuring the safety and care for incarcerated individuals across the state.	Req	\$ 165,988	\$ 13,000	\$ 165,988	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 165,988	\$ 13,000	\$ 165,988	\$ -
	FTE	2.000	0.000	2.000	0.000
8 Complaint Intake Capacity					
Establishes positions to ensure that the section can respond to residents in a timely manner and process intakes within two days, per federal requirements. These positions will also enhance the section's ability to process and refer complaints and facility reported incidents, improving the safety and well-being of individuals in facilities statewide.	Req	\$ 335,567	\$ 19,500	\$ 335,567	\$ -
	Rec	\$ 205,389	\$ -	\$ 205,389	\$ -
	App	\$ 130,178	\$ 19,500	\$ 130,178	\$ -
	FTE	3.000	0.000	3.000	0.000
9 Nursing Home Workforce Capacity					
Creates positions to allow the section to investigate the rising number of complaints and address nursing home violations, which continue to grow in severity. These positions are required to meet federal and state requirements and will ensure the safety of nursing home residents statewide.	Req	\$ 1,618,435	\$ 97,500	\$ 1,618,435	\$ -
	Rec	\$ 524,680	\$ -	\$ 524,680	\$ -
	App	\$ 1,093,755	\$ 97,500	\$ 1,093,755	\$ -
	FTE	15.000	0.000	15.000	0.000
10 Mental Health Workforce Capacity					
Establishes positions to monitor substance use disorder treatment facilities in accordance with American Society of Addictive Medicine (ASAM) criteria as required by a new Division of Mental Health (DMH) grant. Positions will also oversee licensure of child residential facilities for youth with complex needs who currently reside in emergency departments and Division of Social Services (DSS) offices.	Req	\$ 439,427	\$ 26,000	\$ 439,427	\$ -
	Rec	\$ 116,408	\$ -	\$ 116,408	\$ -
	App	\$ 323,019	\$ 26,000	\$ 323,019	\$ -
	FTE	4.000	0.000	4.000	0.000
Total Change to Requirements		\$ 5,371,295	\$ 234,000	\$ 6,324,994	\$ -
Total Change to Receipts		\$ 1,087,168	\$ -	\$ 1,087,168	\$ -
Total Change to Net Appropriation		\$ 4,284,127	\$ 234,000	\$ 5,237,826	\$ -
Total Change to Full-Time Equivalent (FTE)		36.000	0.000	36.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$	4,518,127	\$	5,237,826
Recommended Total FTE Changes			36.000		36.000