

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

Year 1 FY 2023-24	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 649,265,711	\$ (114,305,606)	\$ 115,682,000	\$ 1,376,394	\$ 650,642,105	0.2%
Receipts	\$ 649,265,711	\$ (57,905,606)	\$ 5,000,000	\$ (52,905,606)	\$ 596,360,105	-8.1%
Net Appropriation	\$ -	\$ (56,400,000)	\$ 110,682,000	\$ 54,282,000	\$ 54,282,000	0.0%
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.0%

  

Year 2 FY 2024-25	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 649,265,711	\$ (239,527,542)	\$ 58,466,000	\$ (181,061,542)	\$ 468,204,169	-27.9%
Receipts	\$ 649,265,711	\$ (183,127,542)	\$ 5,000,000	\$ (178,127,542)	\$ 471,138,169	-27.4%
Net Appropriation	\$ -	\$ (56,400,000)	\$ 53,466,000	\$ (2,934,000)	\$ (2,934,000)	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

**Statewide**

**1 Debt Service Adjustments**

Adjusts budgeted requirements and receipts to more accurately reflect debt service projections, and adjusts the transfer from the State Capital Infrastructure Fund. The new total amount to support existing debt service is \$1,057,498,274 over the biennium.	Req \$	(57,905,606)	\$ -	\$ (183,127,542)	\$ -
	Rec \$	(57,905,606)	\$ -	\$ (183,127,542)	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000

**2 Medicaid Coverage Gap Savings**

Reflects reduced state appropriation requirements needed to maintain current levels of service in the Division of Mental Health, the Division of Health Benefits, and the Department of Adult Correction due to closing the coverage gap as a result of expanding Medicaid eligibility beginning June 1, 2023.	Req \$	(56,400,000)	\$ -	\$ (56,400,000)	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	(56,400,000)	\$ -	\$ (56,400,000)	\$ -
	FTE	0.000	0.000	0.000	0.000

**3 Contingency and Emergency Fund**

Restores funding to the Contingency and Emergency Fund, established in GS 143C-4-4. This funding was eliminated in 2017. Funds are needed to respond to emergent circumstances, such as court orders, Industrial Commission orders, or death benefits. The state had \$6.5 million in eligible expenditures in FY 2022.	Req \$	-	\$ 5,000,000	\$ -	\$ 5,000,000
	Rec \$	-	\$ 5,000,000	\$ -	\$ 5,000,000
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000

**4 Community Engagement and Pathways Analysis**

Provides funding to state agencies for equitable community engagement, available to all state agencies and to be dispersed by the Office of State Budget and Management. These funds will support public participation from underserved communities to better inform agency decision-making processes and assess community impact. Funds will also support the update of the Deep Decarbonization Pathways Analysis, which was first released in February 2023.	Req \$	-	\$ 750,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 750,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000

**Compensation**

**5 Cost of Living Supplement – State Retirees**

Supports the one-time supplements for retirees. These funds provide a 2% supplement for retirees in FY 2023-24 and a 1% supplement in FY 2024-25. These funds will be transferred to the Retirement System to cover the cost of these adjustments.	Req \$	-	\$ 106,932,000	\$ -	\$ 53,466,000
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 106,932,000	\$ -	\$ 53,466,000
	FTE	0.000	0.000	0.000	0.000

**6 Workers' Compensation Settlement Reserve**

Provides funds for the Office of State Human Resources (OSHR) to close pending workers' compensation claims. These funds will help the state avoid protracted and costly litigation. Between FY 2015-16 and FY 2017-18, OSHR deployed \$8.4 million in funds to support agencies in settling 273 claims, yielding projected savings of \$143 million.	Req \$	-	\$ 3,000,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 3,000,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>Investments from Reserves</b>					
<b>7 Information Technology Project Reserve</b>					
Provides an additional \$180 million for critical information technology (IT) investments. Funds will be transferred to the Office of State Budget and Management (OSBM) for ERP 2.0, the Department for Revenue for the Integrated Tax Administration System, the State Board of Elections for system modernization planning, the Department of Health and Human Services for the County Reimbursement System and the Automated Collection and Tracking System, the Department of Public Instruction for the Online Licensure System, the Department of Environmental Quality for the Permit Transformation Project, and the Department of Administration for Financial System Integration. OSBM will also maintain the IT Contingency and Planning Funds held in this reserve.	Req	\$ -	\$ -	\$ -	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>8 Federal Infrastructure Match Funds</b>					
Provides an additional \$225 million for federal match needs to leverage unprecedented federal funding available through the Infrastructure Investment and Jobs Act, the CHIPS and Science Act, and the Inflation Reduction Act. The funds will be used to support the following types of activities:	Req	\$ -	\$ -	\$ -	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<ul style="list-style-type: none"> <li>- Contract-support support to assist state and local governments in applying for and implementing grant funds</li> <li>- Matching funds for:                             <ul style="list-style-type: none"> <li>- Clean Water and Drink Water State Revolving Loan Fund</li> <li>- Grid Resiliency projects</li> <li>- Clean Energy and Energy Efficiency projects, including projects such as electric school buses</li> <li>- Federal energy projects at RTI</li> <li>- Wildlife Crossing projects at Wildlife Resources Commission</li> <li>- Additional opportunities as programs are announced by the federal government.</li> </ul> </li> </ul>					
<b>Total Change to Requirements</b>		\$ (114,305,606)	\$ 115,682,000	\$ (239,527,542)	\$ 58,466,000
<b>Total Change to Receipts</b>		\$ (57,905,606)	\$ 5,000,000	\$ (183,127,542)	\$ 5,000,000
<b>Total Change to Net Appropriation</b>		\$ (56,400,000)	\$ 110,682,000	\$ (56,400,000)	\$ 53,466,000
<b>Total Change to Full-Time Equivalent (FTE)</b>		0.000	0.000	0.000	0.000
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>			\$ 54,282,000		\$ (2,934,000)
<b>Recommended Total FTE Changes</b>			0.000		0.000

**Governor's Office - State Budget and Management - Education Lottery Fund (23003)**

Year 1 FY 2023-24	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 885,000,000	\$ 152,000,000	\$ -	\$ 152,000,000	\$ 1,037,000,000	17.2%
Receipts	\$ 885,000,000	\$ 152,000,000	\$ -	\$ 152,000,000	\$ 1,037,000,000	17.2%
Δ in Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.0%

  

Year 2 FY 2024-25	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 885,000,000	\$ 456,000,000	\$ -	\$ 456,000,000	\$ 1,341,000,000	51.5%
Receipts	\$ 885,000,000	\$ 456,000,000	\$ -	\$ 456,000,000	\$ 1,341,000,000	51.5%
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
<b>1 Educational Lottery Fund – Additional Receipts</b>				
Budgets additional projected receipts from the State Lottery Fund.	Req \$ -	\$ -	\$ -	\$ -
	Rec \$ 152,000,000	\$ -	\$ 456,000,000	\$ -
	CFB \$ 152,000,000	\$ -	\$ 456,000,000	\$ -
	FTE 0.000	0.000	0.000	0.000
<b>2 Educational Lottery Fund – NC Pre-K</b>				
Transfers funds to the Department of Health and Human Services for early childhood education including NC Pre-K slot reimbursement rates, administrative rates, startup grants, slot expansion, technical assistance, and transportation. Additional details are provided in the Department of Health and Human Services section of this document.	Req \$ 108,300,000	\$ -	\$ 199,500,000	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	CFB \$ (108,300,000)	\$ -	\$ (199,500,000)	\$ -
	FTE 0.000	0.000	0.000	0.000
<b>3 Educational Lottery Fund – Teacher Assistants</b>				
Transfers funds to the Department of Public Instruction for additional teacher assistants. Additional details are provided in the Department of Public Instruction section of this document.	Req \$ 43,700,000	\$ -	\$ 105,100,000	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	CFB \$ (43,700,000)	\$ -	\$ (105,100,000)	\$ -
	FTE 0.000	0.000	0.000	0.000
<b>4 Educational Lottery Fund – Instructional Support Personnel</b>				
Transfers funds to the Department of Public Instruction for Specialized Instructional Support Personnel (SISP), including school counselors, nurses, social workers, and psychologists. Additional details are provided in the Department of Public Instruction section of this document.	Req \$ -	\$ -	\$ 151,400,000	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	CFB \$ -	\$ -	\$ (151,400,000)	\$ -
	FTE 0.000	0.000	0.000	0.000
<b>Total Change to Requirements</b>	\$ 152,000,000	\$ -	\$ 456,000,000	\$ -
<b>Total Change to Receipts</b>	\$ 152,000,000	\$ -	\$ 456,000,000	\$ -
<b>Total Change to Fund Balance</b>	\$ -	\$ -	\$ -	\$ -
<b>Total Change to Full-Time Equivalent (FTE)</b>	0.000	0.000	0.000	0.000
<b>Recommended Fund Balance Changes (Recurring + Nonrecurring)</b>	\$ -	\$ -	\$ -	\$ -
<b>Recommended Total FTE Changes</b>		0.000		0.000

**NC Education Lottery Proceeds (54641)**

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2023-24</b>						
Requirements	\$ 2,910,746,400	\$ 152,000,000	\$ -	\$ 152,000,000	\$ 3,062,746,400	5.2%
Receipts	\$ 2,910,746,400	\$ 152,000,000	\$ -	\$ 152,000,000	\$ 3,062,746,400	5.2%
Δ in Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.0%
<b>Year 2</b>	<b>Base Budget</b>	<b>Net Recurring</b>	<b>Net Nonrecurring</b>	<b>Recommended Change</b>	<b>Recommended Budget</b>	<b>% Δ from Base Budget</b>
<b>FY 2024-25</b>						
Requirements	\$ 2,910,746,400	\$ 456,000,000	\$ -	\$ 456,000,000	\$ 3,366,746,400	15.7%
Receipts	\$ 2,910,746,400	\$ 456,000,000	\$ -	\$ 456,000,000	\$ 3,366,746,400	15.7%
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
<b>1 Additional Lottery Proceeds</b>				
Increases the transfer to the Education Lottery Fund and increases the lottery receipts consistent with the revenue forecast.	Req \$ 46,000,000	\$ -	\$ 50,000,000	\$ -
	Rec \$ 46,000,000	\$ -	\$ 50,000,000	\$ -
	CFB \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
<b>2 Sports Betting Proceeds</b>				
Transfers Sports Betting proceeds to the Education Lottery Fund, and increases the lottery receipts consistent with the revenue forecast.	Req \$ 25,000,000	\$ -	\$ 60,000,000	\$ -
	Rec \$ 25,000,000	\$ -	\$ 60,000,000	\$ -
	CFB \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
<b>3 Digital Instants Proceeds</b>				
Transfers Digital Instants proceeds to the Education Lottery Fund, and increases the lottery receipts consistent with the revenue forecast	Req \$ 81,000,000	\$ -	\$ 103,000,000	\$ -
	Rec \$ 81,000,000	\$ -	\$ 103,000,000	\$ -
	CFB \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
<b>4 Video Lottery Terminals Proceeds</b>				
Transfers video lottery terminal proceeds to the Education Lottery Fund, and increases the lottery receipts consistent with the revenue forecast	Req \$ -	\$ -	\$ 243,000,000	\$ -
	Rec \$ -	\$ -	\$ 243,000,000	\$ -
	CFB \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
<b>Total Change to Requirements</b>	\$ 152,000,000	\$ -	\$ 456,000,000	\$ -
<b>Total Change to Receipts</b>	\$ 152,000,000	\$ -	\$ 456,000,000	\$ -
<b>Total Change to Fund Balance</b>	\$ -	\$ -	\$ -	\$ -
<b>Total Change to Full-Time Equivalent (FTE)</b>	0.000	0.000	0.000	0.000
<b>Recommended Fund Balance Changes (Recurring + Nonrecurring)</b>	\$ -	\$ -	\$ -	\$ -
<b>Recommended Total FTE Changes</b>		0.000		0.000

**NC Education Lottery Commission (54670)**

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2023-24</b>						
Requirements	\$ 117,716,400	\$ 198,261	\$ -	\$ 198,261	\$ 117,914,661	0.2%
Receipts	\$ 117,716,400	\$ 198,261	\$ -	\$ 198,261	\$ 117,914,661	0.2%
Δ in Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Positions (FTE)	255.000	2.000	0.000	2.000	257.000	0.8%

Year 2	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2024-25</b>						
Requirements	\$ 117,716,400	\$ 198,261	\$ -	\$ 198,261	\$ 117,914,661	0.2%
Receipts	\$ 117,716,400	\$ 198,261	\$ -	\$ 198,261	\$ 117,914,661	0.2%
Δ in Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Positions (FTE)	255.000	2.000	0.000	2.000	257.000	0.8%

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

**1 Internal Auditors**

Budgets receipts to support internal auditing. The Lottery shall use receipts for two internal auditor positions to meet minimum recommended levels from the Council of Internal Auditing. Additional audit staff will improve efficiency, effectiveness, and compliance with state laws and internal policies within the agency.

Req	\$ 198,261	\$ -	\$ 198,261	\$ -
Rec	\$ 198,261	\$ -	\$ 198,261	\$ -
CFB	\$ -	\$ -	\$ -	\$ -
FTE	2.000	0.000	2.000	0.000

<b>Total Change to Requirements</b>	\$ 198,261	\$ -	\$ 198,261	\$ -
<b>Total Change to Receipts</b>	\$ 198,261	\$ -	\$ 198,261	\$ -
<b>Total Change to Fund Balance</b>	\$ -	\$ -	\$ -	\$ -
<b>Total Change to Full-Time Equivalent (FTE)</b>	2.000	0.000	2.000	0.000

<b>Recommended Fund Balance Changes (Recurring + Nonrecurring)</b>	\$ -	\$ -	\$ -	\$ -
<b>Recommended Total FTE Changes</b>		2.000		2.000