

**Mission**

To enact general and local laws promoting the best interest of the state and the people of North Carolina.

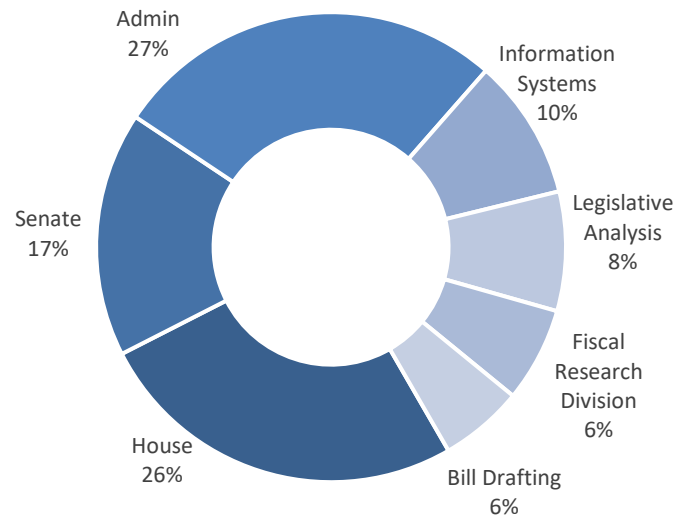
**Goals**

Ensure that each member of the North Carolina General Assembly has the opportunity to fulfill his/her legislative duties and responsibilities as defined by the North Carolina Constitution and General Statutes.

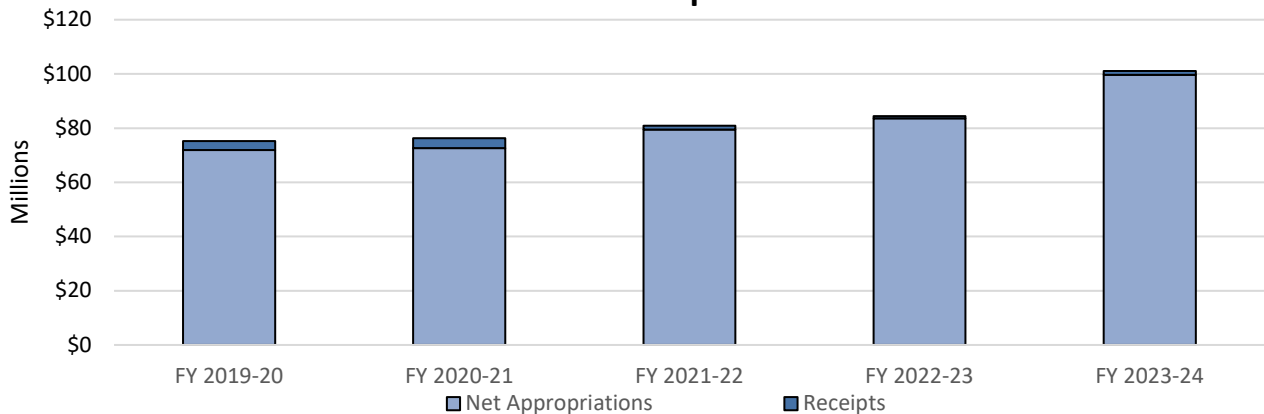
**Agency Profile**

- The Senate consists of 50 members who serve two-year terms.
- The House of Representatives consists of 120 members who serve two-year terms.
- The General Assembly meets in regular session beginning in January of odd-numbered years and adjourns to reconvene in May of each even-numbered year for a shorter session.
- The House of Representatives is presided over by a Speaker elected from its membership. The presiding officer of the Senate (called the President of the Senate) is the Lieutenant Governor of the state.
- At the beginning of each session, the President Pro Tempore of the Senate and the Speaker of the House of Representatives appoint members to serve on the standing committees of each body.

**FY 2023-24 Actual Expenditures**



**5-Year Historical Expenditures\***



\*Charts include General Fund budget code only.

**General Assembly - General Fund (11000)**

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 100,189,540	\$ 3,712,014	\$ 2,861,775	\$ 6,573,789	\$ 106,763,329	6.6%
Receipts	\$ 561,000	\$ -	\$ -	\$ -	\$ 561,000	0.0%
Net Appropriation	\$ 99,628,540	\$ 3,712,014	\$ 2,861,775	\$ 6,573,789	\$ 106,202,329	6.6%
Positions (FTE)	604.060	-	-	-	604.060	0.0%

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 100,189,540	\$ 4,201,515	\$ -	\$ 4,201,515	\$ 104,391,055	4.2%
Receipts	\$ 561,000	\$ -	\$ -	\$ -	\$ 561,000	0.0%
Net Appropriation	\$ 99,628,540	\$ 4,201,515	\$ -	\$ 4,201,515	\$ 103,830,055	4.2%
Positions (FTE)	604.060	-	-	-	604.060	0.0%

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

**Reserve for Salaries and Benefits**

**1 Compensation Increase Reserve**

Increases all state-funded employee salaries by 2%.

Req \$	1,357,000	\$ -	\$ 1,357,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	1,357,000	\$ -	\$ 1,357,000	\$ -
FTE	0.000	0.000	0.000	0.000

**2 State Employee Bonus**

Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ 744,000	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 744,000	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

**3 Labor Market Retention and Adjustment Reserve**

Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.

Req \$	1,357,000	\$ -	\$ 1,357,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	1,357,000	\$ -	\$ 1,357,000	\$ -
FTE	0.000	0.000	0.000	0.000

**4 Retirement and Retiree Health Contributions**

Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.

Req \$	171,305	\$ -	\$ 351,175	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	171,305	\$ -	\$ 351,175	\$ -
FTE	0.000	0.000	0.000	0.000

**5 Retiree Cost-of-Living Adjustment**

Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.

Req \$	-	\$ 617,775	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 617,775	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

**6 State Health Plan**

Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.

Req \$	294,885	\$ -	\$ 604,516	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	294,885	\$ -	\$ 604,516	\$ -
FTE	0.000	0.000	0.000	0.000

		<b>R Changes</b>		<b>NR Changes</b>		<b>R Changes</b>		<b>NR Changes</b>
<b>Department-wide</b>								
<b>7 Technology Upgrades</b>								
Provides funds for various technology updates including security systems, printing, software, communication technology, and upgrades to House and Senate chamber audiovisual technology. This investment will enhance the security and collaborative functionality of members and staff.	Req \$	500,000	\$	1,500,000	\$	500,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	500,000	\$	1,500,000	\$	500,000	\$	-
	FTE	0.000		0.000		0.000		0.000
<b>8 Body Cameras</b>								
Provides funding for body cameras for all agency law enforcement officers (LEOs). Body cameras create crucial evidence in investigations by more accurately documenting interactions. Footage will enable situation-based training based on officers' previous encounters. Currently, 26 LEOs at the agency do not have body cameras. Use of body cameras enhances accountability, transparency, and public trust.	Req \$	31,824	\$	-	\$	31,824	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	31,824	\$	-	\$	31,824	\$	-
	FTE	0.000		0.000		0.000		0.000
<b>Total Change to Requirements</b>	\$	<b>3,712,014</b>	\$	<b>2,861,775</b>	\$	<b>4,201,515</b>	\$	<b>-</b>
<b>Total Change to Receipts</b>	\$	<b>-</b>	\$	<b>-</b>	\$	<b>-</b>	\$	<b>-</b>
<b>Total Change to Net Appropriations</b>	\$	<b>3,712,014</b>	\$	<b>2,861,775</b>	\$	<b>4,201,515</b>	\$	<b>-</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>		<b>0.000</b>		<b>0.000</b>		<b>0.000</b>		<b>0.000</b>
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$			<b>6,573,789</b>	\$			<b>4,201,515</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>				<b>0.000</b>				<b>0.000</b>

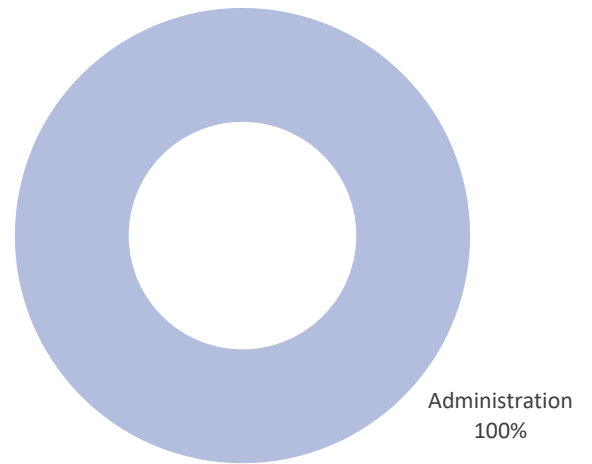
**Mission**

To build a safer, stronger North Carolina with meaningful opportunity for every North Carolinian to succeed.

**Goals**

1. Represent and advocate for the people of North Carolina.
2. Coordinate cabinet and other agencies to accomplish the governor’s goals, including an economy that works for everyone, excellent public schools, strengthened healthcare and safer communities, improved services for the people of NC, and a robust recovery from Hurricane Helene.
3. Work collaboratively with local and federal partners for the benefit of North Carolina.
4. Provide strong economic development recruitment.
5. Appoint qualified individuals to Boards and Commissions that serve North Carolina.

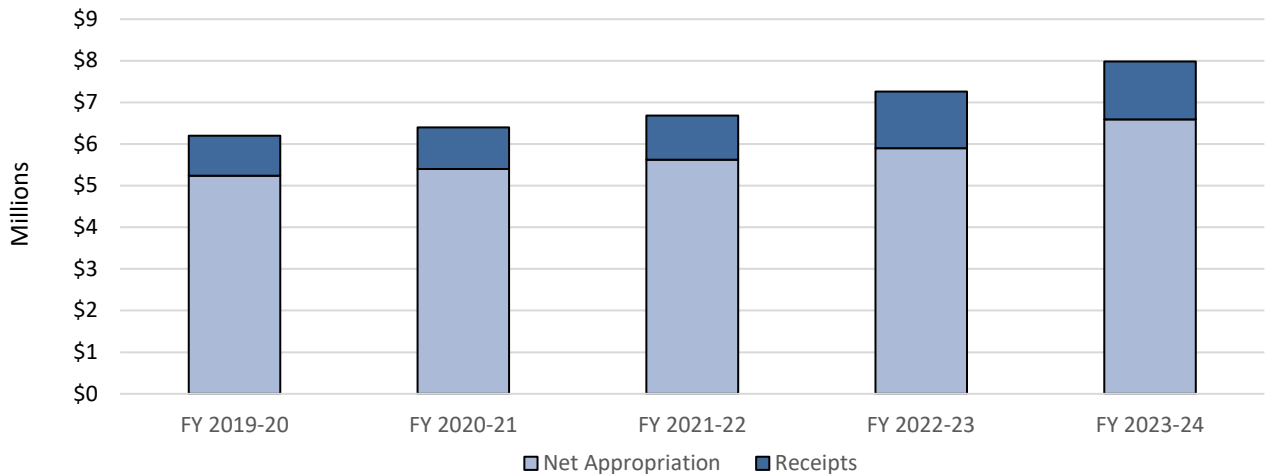
**FY 2023-2024 Actual Expenditures**



**Agency Profile**

- The Governor directs the executive branch of the government, heads the Council of State, appoints cabinet secretaries, and is the commander in chief of the military forces of the state.
- The Governor prepares and recommends to the General Assembly a comprehensive budget and administers the budget enacted by the General Assembly.

**5-Year Historical Expenditures**



Charts include General Fund budget codes only.

**Governor's Office - General Fund (13000)**

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 12,920,549	\$ 246,746	\$ 96,400	\$ 343,146	\$ 13,263,695	2.7%
Receipts	\$ 1,140,294	\$ -	\$ -	\$ -	\$ 1,140,294	0.0%
Net Appropriation	\$ 11,780,255	\$ 246,746	\$ 96,400	\$ 343,146	\$ 12,123,401	2.9%
Positions (FTE)	50.000	-	-	-	50.000	0.0%

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 12,920,549	\$ 279,028	\$ -	\$ 279,028	\$ 13,199,577	2.2%
Receipts	\$ 1,140,294	\$ -	\$ -	\$ -	\$ 1,140,294	0.0%
Net Appropriation	\$ 11,780,255	\$ 279,028	\$ -	\$ 279,028	\$ 12,059,283	2.4%
Positions (FTE)	50.000	-	-	-	50.000	0.0%

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

**Reserve for Salaries and Benefits**

**1 Compensation Increase Reserve**

Increases all state-funded employee salaries by 2%.

Req \$	108,000	\$ -	\$ 108,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	108,000	\$ -	\$ 108,000	\$ -
FTE	0.000	0.000	0.000	0.000

**2 State Employee Bonus**

Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ 50,000	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 50,000	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

**3 Labor Market Retention and Adjustment Reserve**

Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.

Req \$	108,000	\$ -	\$ 108,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	108,000	\$ -	\$ 108,000	\$ -
FTE	0.000	0.000	0.000	0.000

**4 Retirement and Retiree Health Contributions**

Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.

Req \$	13,687	\$ -	\$ 28,057	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	13,687	\$ -	\$ 28,057	\$ -
FTE	0.000	0.000	0.000	0.000

**5 Retiree Cost-of-Living Adjustment**

Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.

Req \$	-	\$ 46,400	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 46,400	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

**6 State Health Plan**

Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.

Req \$	17,059	\$ -	\$ 34,971	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	17,059	\$ -	\$ 34,971	\$ -
FTE	0.000	0.000	0.000	0.000

	R Changes		NR Changes		R Changes		NR Changes	
<b>Total Change to Requirements</b>	\$	<b>246,746</b>	\$	<b>96,400</b>	\$	<b>279,028</b>	\$	-
<b>Total Change to Receipts</b>	\$	-	\$	-	\$	-	\$	-
<b>Total Change to Net Appropriations</b>	\$	<b>246,746</b>	\$	<b>96,400</b>	\$	<b>279,028</b>	\$	-
<b>Total Change to Full-Time Equivalent (FTE)</b>		<b>0.000</b>		<b>0.000</b>		<b>0.000</b>		<b>0.000</b>
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$			<b>343,146</b>	\$			<b>279,028</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>				<b>0.000</b>				<b>0.000</b>

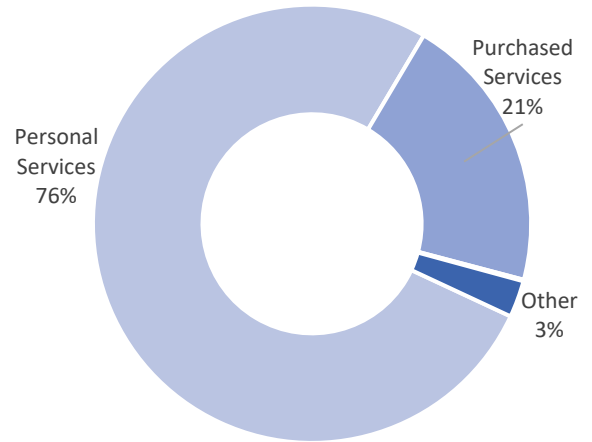
**Mission**

To professionally serve North Carolinians by providing objective information and analysis to ensure a balanced budget and effective stewardship of public resources.

**Goals**

1. Generate and use evidence that informs operations and decision-making.
2. Design our resources, including technology, to increase the accuracy of information and efficiency of operations.
3. Recruit and retain a diverse, inclusive, and highly skilled workforce.
4. Embody a positive and healthy culture that reflects our values.
5. Build and maintain collaborative relationships across state government.

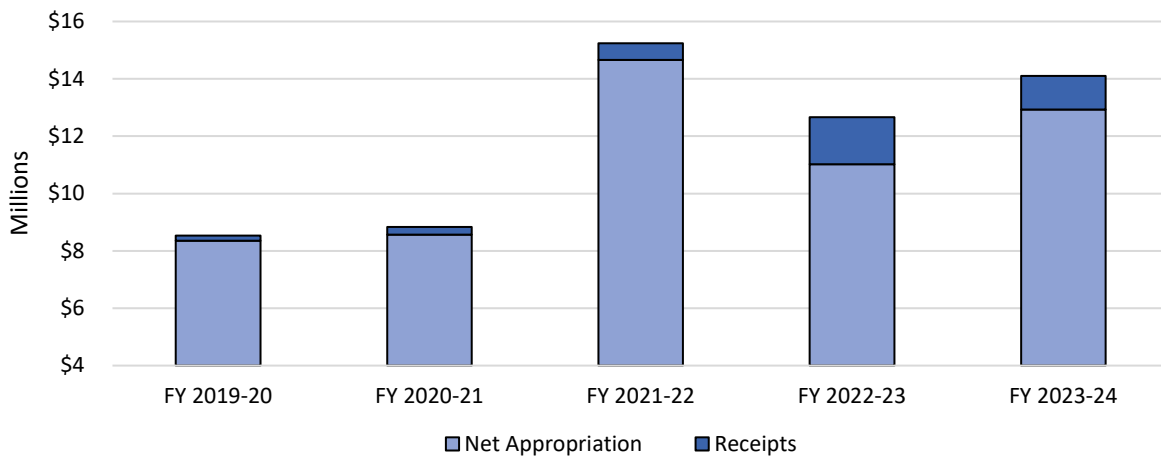
**FY 2023-24 Actual Expenditures**



**Agency Profile**

- Deliver the highest quality statewide budgetary, management, and information services to advise the Governor, state agencies, and legislature on the most effective use of public resources.
- Offer facilitative and consultative services to agencies to support the use of evidence-based policymaking across state government.
- Continue to discover ways to better partner with state agencies and add value in the interconnected arenas of strategic planning, performance management, and budget development.

**5-Year Historical Expenditures**



*Charts include the General Fund budget code 13005 only.*

**State Budget and Management - General Fund (13005)**

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 12,715,820	\$ 893,962	\$ 1,001,858	\$ 1,895,820	\$ 14,611,640	14.9%
Receipts	\$ 1,106,402	\$ -	\$ -	\$ -	\$ 1,106,402	0.0%
Net Appropriation	\$ 11,609,418	\$ 893,962	\$ 1,001,858	\$ 1,895,820	\$ 13,505,238	16.3%
Positions (FTE)	75.000	3.000	-	3.000	78.000	4.0%

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 12,715,820	\$ 945,317	\$ 850,000	\$ 1,795,317	\$ 14,511,137	14.1%
Receipts	\$ 1,106,402	\$ -	\$ -	\$ -	\$ 1,106,402	0.0%
Net Appropriation	\$ 11,609,418	\$ 945,317	\$ 850,000	\$ 1,795,317	\$ 13,404,735	15.5%
Positions (FTE)	75.000	3.000	-	3.000	78.000	4.0%

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

**Reserve for Salaries and Benefits**

**1 Compensation Increase Reserve**

Increases all state-funded employee salaries by 2%.

Req \$	179,000	\$ -	\$ 179,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	179,000	\$ -	\$ 179,000	\$ -
FTE	0.000	0.000	0.000	0.000

**2 State Employee Bonus**

Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ 75,000	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 75,000	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

**3 Labor Market Retention and Adjustment Reserve**

Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.

Req \$	179,000	\$ -	\$ 179,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	179,000	\$ -	\$ 179,000	\$ -
FTE	0.000	0.000	0.000	0.000

**4 Retirement and Retiree Health Contributions**

Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.

Req \$	22,670	\$ -	\$ 46,474	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	22,670	\$ -	\$ 46,474	\$ -
FTE	0.000	0.000	0.000	0.000

**5 Retiree Cost-of-Living Adjustment**

Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.

Req \$	-	\$ 76,858	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 76,858	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

**6 State Health Plan**

Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.

Req \$	26,238	\$ -	\$ 53,789	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	26,238	\$ -	\$ 53,789	\$ -
FTE	0.000	0.000	0.000	0.000



R Changes      NR Changes      R Changes      NR Changes

**IT System Upgrades**

**7 Budget System Replacement**

Provides funds from the IT Reserve for the replacement of the state's budget system, the Integrated Budget Information System (IBIS). Implemented in 2013, IBIS is now operating beyond its expected lifetime and original specifications, creating substantial risks to the state's budget operations. For example, the North Carolina Financial System requires data validations that are 50-fold what IBIS was designed to sustain, generating significant processing delays, frequently timing out actions, and occasionally causing IBIS shutdowns. With more than 600 individual users across all state agencies, this creates extensive operating inefficiencies that impact all of state government. IT audits have identified continued reliance on IBIS as a key risk to the continuity of state government operations, with full replacement the only feasible option to address this risk.

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

**8 Integrated Budget Information System Maintenance and Support**

Funds temporary IT contractors to help ensure OSBM has sufficient capacity to maintain and support IBIS until a replacement budget system can be implemented. These positions will be responsible for regular system maintenance, troubleshooting problems, writing new code to 'patch' system failures, and addressing any urgent problems. This will help reduce the risk of disruption to agency budget work because of problems with IBIS, which has been fully out-of-service five times during working hours in the last year. These funds will be transferred to Budget Code 23014.

Req \$	-	\$	850,000	\$	-	\$	850,000
Rec \$	-	\$	-	\$	-	\$	-
App \$	-	\$	850,000	\$	-	\$	850,000
FTE	0.000		0.000		0.000		0.000

**Department-wide**

**9 Agency Support Capacity**

Creates State Budget Management Analyst II positions to allow OSBM to more effectively support state agencies and universities. Two positions will provide technical assistance and training to improve technical knowledge and expertise in fiscal offices statewide, many of which have experienced high turnover and have many new staff. The third position will focus on federal funds, bringing greater oversight of how federal funds are spent across state government and providing expertise to agencies which are applying for, managing, and reporting on federal grants.

Req \$	425,000	\$	-	\$	425,000	\$	-
Rec \$	-	\$	-	\$	-	\$	-
App \$	425,000	\$	-	\$	425,000	\$	-
FTE	3.000		0.000		3.000		0.000

**10 Information Technology Rates**

Funds the expected increase in IT rate charges resulting from the FY 2025-26 approved increase in the Department of Information Technology's subscription and service delivery rates.

Req \$	62,054	\$	-	\$	62,054	\$	-
Rec \$	-	\$	-	\$	-	\$	-
App \$	62,054	\$	-	\$	62,054	\$	-
FTE	0.000		0.000		0.000		0.000

<b>Total Change to Requirements</b>	\$	<b>893,962</b>	\$	<b>1,001,858</b>	\$	<b>945,317</b>	\$	<b>850,000</b>
<b>Total Change to Receipts</b>	\$	-	\$	-	\$	-	\$	-
<b>Total Change to Net Appropriations</b>	\$	<b>893,962</b>	\$	<b>1,001,858</b>	\$	<b>945,317</b>	\$	<b>850,000</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>		<b>3.000</b>		<b>0.000</b>		<b>3.000</b>		<b>0.000</b>
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$			<b>1,895,820</b>	\$			<b>1,795,317</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>				<b>3.000</b>				<b>3.000</b>

**State Budget and Management - Reserve for General Assembly Appropriation (13085)**

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 10,300,000	\$ 5,000,000	\$ 20,000,000	\$ 25,000,000	\$ 35,300,000	242.7%
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Net Appropriation	\$ 10,300,000	\$ 5,000,000	\$ 20,000,000	\$ 25,000,000	\$ 35,300,000	242.7%
Positions (FTE)	-	-	-	-	-	0.0%

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 10,300,000	\$ 5,000,000	\$ -	\$ 5,000,000	\$ 15,300,000	48.5%
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Net Appropriation	\$ 10,300,000	\$ 5,000,000	\$ -	\$ 5,000,000	\$ 15,300,000	48.5%
Positions (FTE)	-	-	-	-	-	0.0%

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

**State Government Productivity and Efficiency**

**1 IMPACT Center**

Establishes the Innovation and Modernization for Performance, Accountability, and Cost-Effective Transformation ('IMPACT') Center to partner with agencies on projects that substantially improve government operations through applied research and private sector best practices, including the use of procurement optimization, agile project management, user-centered (UX) design, data analytics, artificial intelligence, A/B testing, and performance management. These projects will target efficiency gains in state programs and policies, aiming to create cost-savings while maintaining or improving service delivery outcomes. The Center may create two time-limited positions to support its work and utilize funds to bring in external contractors and experts to empower agencies to identify and implement efficiency transformations. These funds will be transferred to budget code 23014.

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

**State Workforce**

**2 State Government Apprenticeships**

Establishes a reserve for OSBM to work collaboratively with OSHR and state agencies to create at least 50 new apprenticeships across state government in key sectors and shortage areas.

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

<b>Total Change to Requirements</b>	\$ 5,000,000	\$ 20,000,000	\$ 5,000,000	\$ -
<b>Total Change to Receipts</b>	\$ -	\$ -	\$ -	\$ -
<b>Total Change to Net Appropriations</b>	\$ 5,000,000	\$ 20,000,000	\$ 5,000,000	\$ -
<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>	\$	25,000,000	\$	5,000,000
<b>Total Change to Full-Time Equivalent (FTE)</b>		0.000		0.000

**State Budget and Management - General Fund - Special Revenue (23014)**

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 2,763,692	\$ -	\$ 20,850,000	\$ 20,850,000	\$ 23,613,692	754.4%
Receipts	\$ 1,343,364	\$ -	\$ 20,850,000	\$ 20,850,000	\$ 22,193,364	1,552.1%
Chg in Fund Balance	\$ (1,420,328)	\$ -	\$ -	\$ -	\$ (1,420,328)	0.0%
Positions (FTE)	15.800	-	-	-	15.800	0.0%

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 2,763,692	\$ -	\$ 850,000	\$ 850,000	\$ 3,613,692	30.8%
Receipts	\$ 1,343,364	\$ -	\$ 850,000	\$ 850,000	\$ 2,193,364	63.3%
Chg in Fund Balance	\$ (1,420,328)	\$ -	\$ -	\$ -	\$ (1,420,328)	0.0%
Positions (FTE)	15.800	-	-	-	15.800	0.0%

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

**Transfers from General Fund**

**1 Transfer - IT Contractors**

Budgets the transfer from Budget Code 13005 for IT contractors to maintain and support IBIS until a replacement budget system can be implemented.

Req \$	-	\$ 850,000	\$ -	\$ 850,000
Rec \$	-	\$ 850,000	\$ -	\$ 850,000
CFB \$	-	\$ -	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

**2 Transfer - IMPACT Center**

Budgets the transfer from Budget Code 13085 for the IMPACT Center.

Req \$	-	\$ 20,000,000	\$ -	\$ -
Rec \$	-	\$ 20,000,000	\$ -	\$ -
CFB \$	-	\$ -	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

<b>Total Change to Requirements</b>	\$ -	\$ 20,850,000	\$ -	\$ 850,000
<b>Total Change to Receipts</b>	\$ -	\$ 20,850,000	\$ -	\$ 850,000
<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>Total Change to Full-Time Equivalent (FTE)</b>		0.000		0.000

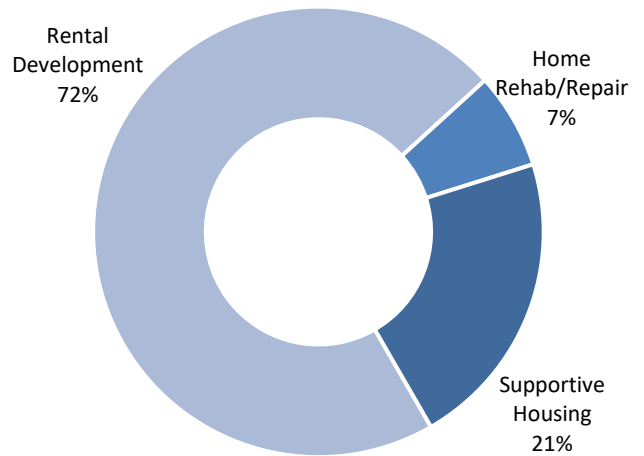
**Mission**

To provide safe, affordable housing opportunities to enhance the quality of life of North Carolinians.

**Goals**

1. Meet the housing needs of North Carolinians through a variety of housing options.
2. Partner with other organizations to accomplish a variety of housing strategies.
3. Identify and tap into new funding resources while maintaining and strengthening existing funding streams.
4. Support and encourage sustainable building practices.
5. Attract, maintain and develop diverse, talented and committed professionals.
6. Tailor communications to our many audiences, including specifics about our programs and overall benefits to North Carolinians.
7. Actively reach out to underserved groups and communities to improve access and utilization of our programs.

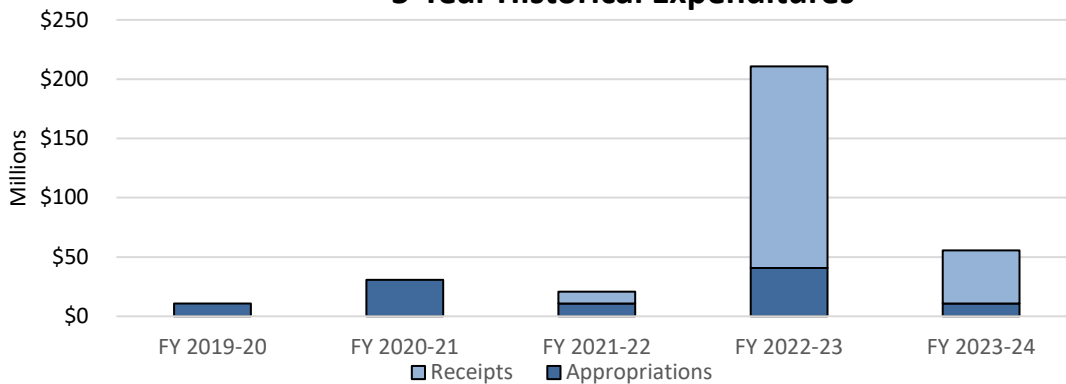
**FY 2023-24 Actual Expenditures**



**Agency Profile**

- Creates affordable housing through rental development, supportive housing investment, home buyer lending, home ownership rehabilitation, and rental assistance, working with over 500 organizations.
- Financed 321,320 affordable homes and apartments, producing real estate valued at over \$34.4 billion since the agency’s creation in 1973.
- Finances programs by combining funds from state appropriations, federal and state grants, private investments, and its own earnings.

**5-Year Historical Expenditures\***



*Chart includes General Fund budget code only.*

*\*In FY 2022-23, NCHFA received \$170M from the Housing Reserve to support the Workforce Housing Loan Program, replacing \$170M in ARPA funds originally provided for this purpose in FY 2021-22.*

**NC Housing Finance Authority - Home Match (13010)**

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 10,660,000	\$ -	\$ 60,000,000	\$ 60,000,000	\$ 70,660,000	562.8%
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Net Appropriation	\$ 10,660,000	\$ -	\$ 60,000,000	\$ 60,000,000	\$ 70,660,000	562.8%
Positions (FTE)	-	-	-	-	-	0.0%

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 10,660,000	\$ -	\$ 50,000,000	\$ 50,000,000	\$ 60,660,000	469.0%
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Net Appropriation	\$ 10,660,000	\$ -	\$ 50,000,000	\$ 50,000,000	\$ 60,660,000	469.0%
Positions (FTE)	-	-	-	-	-	0.0%

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

**Department-wide**

**1 Housing Trust Fund**

Invests in the NC Housing Trust Fund (HTF) to expand affordable housing, address emergency home repairs, and preserve existing affordable rental housing. In 2024, HFA used the HTF to leverage private sector and federal dollars to finance 1,130 affordable housing units for low-income families, seniors, veterans, and people with disabilities.

Req \$	-	\$ 35,000,000	\$ -	\$ 35,000,000
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 35,000,000	\$ -	\$ 35,000,000
FTE	0.000	0.000	0.000	0.000

**2 Workforce Housing Loan Program**

Supports the Workforce Housing Loan Program (WHLP) to construct or substantially rehabilitate multi-family affordable housing units. These funds are used in combination with federal low-income housing tax credits to provide gap funding to make affordable housing development financially feasible in difficult-to-serve markets. Since 2015, WHLP has financed more than 12,560 apartments across 59 counties.

Req \$	-	\$ 15,000,000	\$ -	\$ 15,000,000
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 15,000,000	\$ -	\$ 15,000,000
FTE	0.000	0.000	0.000	0.000

**3 Local Government Grants**

Provides funds to the Housing Finance Agency to develop a grant program for local governments to incentivize higher density zoning laws. Local governments will use these grants to update zoning policies to allow for increased housing density and, thereby, housing supply.

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

<b>Total Change to Requirements</b>	\$ -	\$ 60,000,000	\$ -	\$ 50,000,000
<b>Total Change to Receipts</b>	\$ -	\$ -	\$ -	\$ -
<b>Total Change to Net Appropriations</b>	\$ -	\$ 60,000,000	\$ -	\$ 50,000,000
<b>Total Change to Full-Time Equivalent (FTE)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$ -	\$ 60,000,000	\$ -	\$ 50,000,000
<b>Total Change to Full-Time Equivalent (FTE)</b>		<b>0.000</b>		<b>0.000</b>

**NC Housing Finance Authority - Partnership (63011)**

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 67,374,745	\$ -	\$ 60,000,000	\$ 60,000,000	\$ 127,374,745	89.0%
Receipts	\$ 15,956,745	\$ -	\$ 60,000,000	\$ 60,000,000	\$ 75,956,745	376.0%
Chg in Fund Balance	\$ (51,418,000)	\$ -	\$ -	\$ -	\$ (51,418,000)	0.0%
Positions (FTE)	-	-	-	-	-	0.0%

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 17,374,745	\$ -	\$ 50,000,000	\$ 50,000,000	\$ 67,374,745	287.8%
Receipts	\$ 15,956,745	\$ -	\$ 50,000,000	\$ 50,000,000	\$ 65,956,745	313.4%
Chg in Fund Balance	\$ (1,418,000)	\$ -	\$ -	\$ -	\$ (1,418,000)	0.0%
Positions (FTE)	-	-	-	-	-	0.0%

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

**Department-wide**

**1 Transfer - Housing Trust Fund**

Budgets the transfer from budget code 13010 for the Housing Trust Fund.

Req \$	-	\$ 35,000,000	\$ -	\$ 35,000,000
Rec \$	-	\$ 35,000,000	\$ -	\$ 35,000,000
CFB \$	-	\$ -	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

**2 Transfer - Workforce Housing Loan Program**

Budgets the transfer from budget code 13010 for the WHLP.

Req \$	-	\$ 15,000,000	\$ -	\$ 15,000,000
Rec \$	-	\$ 15,000,000	\$ -	\$ 15,000,000
CFB \$	-	\$ -	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

**3 Transfer - Local Government Grants**

Budgets the transfer from budget code 13010 for Local Government Grants.

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

<b>Total Change to Requirements</b>	\$ -	\$ 60,000,000	\$ -	\$ 50,000,000
<b>Total Change to Receipts</b>	\$ -	\$ 60,000,000	\$ -	\$ 50,000,000
<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>Total Change to Full-Time Equivalent (FTE)</b>	0.000	0.000	0.000	0.000

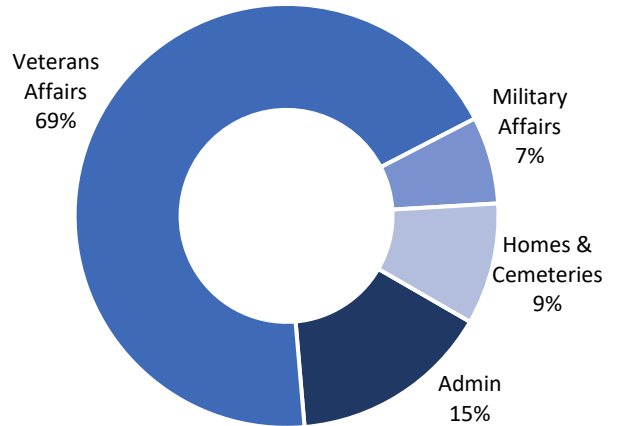
**Mission**

To support the military community in North Carolina, including the personnel, installations, and their adjacent communities; and to support our state’s veterans and their families.

**Goals**

1. Increase support to deliver much-needed veteran services.
2. Increase support to NC State Veterans Cemeteries and Veterans Homes programs.
3. Enhance delivery of resources to Veterans Service Organizations.
4. Establish an internal and external common communication platform for all field offices to deliver veteran services.
5. Strengthen North Carolina’s existing military installations and mission to ensure their continuing resiliency.

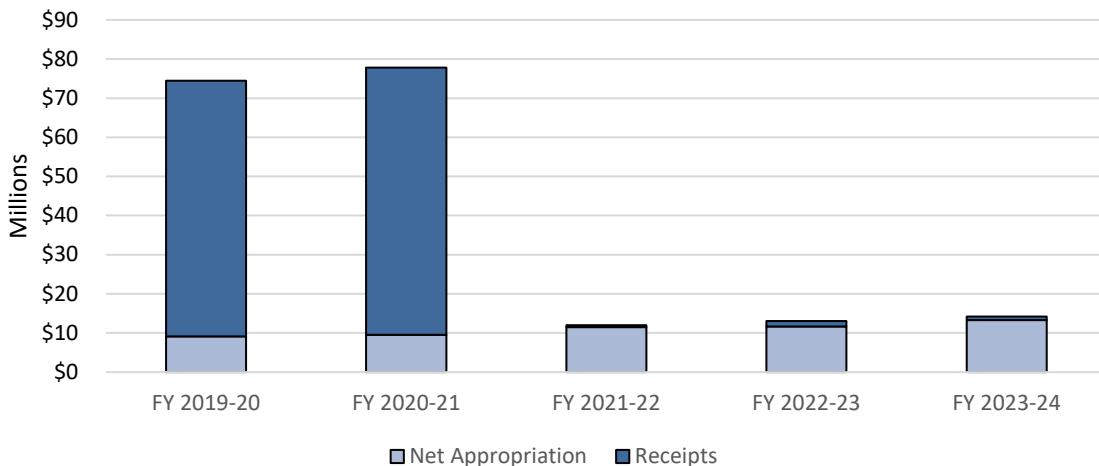
**FY 2023-24 Actual Expenditures**



**Agency Profile**

- Provides outreach, resources, and support to over one million members of military connected communities across the state, including servicemembers, veterans and their families.
- Operates 13 field offices providing outreach while working with veterans across the state.
- Provides skilled nursing home services at all State Veterans Homes.
- Operates four state cemeteries for veterans and their families.
- Manage and maintain the Scholarship for Children of Wartime Veterans, a benefit for children of wartime veterans.

**5-Year Historical Expenditures\***



*Charts include General Fund budget codes only.*

*\*In FY 2021-22, the NCGA ended the transfer from the Veterans Home special fund to the General Fund.*

**Department of Military and Veterans Affairs (13050)**

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 8,847,078	\$ 1,935,125	\$ 140,568	\$ 2,075,693	\$ 10,922,771	23.5 %
Receipts	\$ -	\$ 400,000	\$ -	\$ 400,000	\$ 400,000	0.0 %
Net Appropriation	\$ 8,847,078	\$ 1,535,125	\$ 140,568	\$ 1,675,693	\$ 10,522,771	18.9 %
Positions (FTE)	85.900	9.000	-	9.000	94.900	10.5 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 8,848,500	\$ 1,987,905	\$ -	\$ 1,987,905	\$ 10,836,405	22.5 %
Receipts	\$ -	\$ 400,000	\$ -	\$ 400,000	\$ 400,000	0.0 %
Net Appropriation	\$ 8,848,500	\$ 1,587,905	\$ -	\$ 1,587,905	\$ 10,436,405	18.0 %
Positions (FTE)	85.900	9.000	-	9.000	94.900	10.5 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

**Reserve for Salaries and Benefits**

**1 Compensation Increase Reserve**

Increases all state-funded employee salaries by 2%.

Req \$	129,000	\$ -	\$ 129,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	129,000	\$ -	\$ 129,000	\$ -
FTE	0.000	0.000	0.000	0.000

**2 State Employee Bonus**

Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ 85,000	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 85,000	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

**3 Labor Market Retention and Adjustment Reserve**

Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.

Req \$	129,000	\$ -	\$ 129,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	129,000	\$ -	\$ 129,000	\$ -
FTE	0.000	0.000	0.000	0.000

**4 Retirement and Retiree Health Contributions**

Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.

Req \$	16,390	\$ -	\$ 33,600	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	16,390	\$ -	\$ 33,600	\$ -
FTE	0.000	0.000	0.000	0.000

**5 Retiree Cost-of-Living Adjustment**

Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.

Req \$	-	\$ 55,568	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 55,568	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

**6 State Health Plan**

Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.

Req \$	33,876	\$ -	\$ 69,446	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	33,876	\$ -	\$ 69,446	\$ -
FTE	0.000	0.000	0.000	0.000



		R Changes	NR Changes	R Changes	NR Changes
<b>Department-wide</b>					
<b>7 Information Technology Rates</b>					
Funds the expected increase in IT rate changes resulting from the FY 2025-26 approved increase in the Department of Information Technology's subscription and service delivery rates.	Req \$	156,728	\$ -	\$ 156,728	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	156,728	\$ -	\$ 156,728	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>8 Nongovernmental Organization and Intergovernmental Coordinator</b>					
Establishes a position to work with state agencies and the more than 400 agencies, advocacy groups, and nonprofits within North Carolina that focus on military and veterans' issues. This position will build relationships with these organizations to identify and execute programs to support and improve outcomes for active-duty military members, veterans, and their families, helping to make North Carolina the #1 state for military members and veterans.	Req \$	153,572	\$ -	\$ 153,572	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	153,572	\$ -	\$ 153,572	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>9 Financial Services Position</b>					
Provides funds for an additional position in the Department of Military and Veterans Affairs' (DMVA) Financial Services Office to optimize and strengthen capabilities. DMVA is in the process of bringing their financial services in house after relying on DOA for many years. This additional position will allow DMVA to continue this transition, improve workflow processes, increase fiscal accountability, and decrease the need for temp employees.	Req \$	120,375	\$ -	\$ 120,375	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	120,375	\$ -	\$ 120,375	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>10 Motor Fleet Management Rate Increase</b>					
Provides funds to cover the increase in Motor Fleet Management rates effective July 1, 2025. Rates have not been updated since January 1, 2018.	Req \$	30,950	\$ -	\$ 30,950	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	30,950	\$ -	\$ 30,950	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Transition Services</b>					
<b>11 Creation of Transition Services Office</b>					
Establishes the Transition Services Division to assist 20,000 active military members annually who become veterans in North Carolina. North Carolina ranks number four in the country for active-duty military but has no transition services programs unlike California, Texas, and Virginia. On average 76% of new veterans in the United States are under the age of 40, a prime age to work or seek new careers. New veterans face challenges finding civilian employment, accessing benefits, often feel a loss of purpose, and are known to have a higher risk of suicide. This division will help new veterans address these issues and shorten the time it takes to go from military to civilian employment and to receive benefits.	Req \$	209,660	\$ -	\$ 209,660	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	209,660	\$ -	\$ 209,660	\$ -
	FTE	2.000	0.000	2.000	0.000
<b>Veterans Affairs-Cemeteries</b>					
<b>12 Veterans Cemeteries Positions</b>					
Maintains the state's four veterans cemeteries by authorizing the department to use up to \$400,000 of the interest earned on the Veterans Cemeteries Trust Fund to support cemetery needs. These funds and positions are needed to keep pace with burials, which have increased by an average of 300 annually over the past few years, and associated maintenance to ensure the grounds honor veterans. The department may create up to four positions with these funds.	Req \$	400,000	\$ -	\$ 400,000	\$ -
	Rec \$	400,000	\$ -	\$ 400,000	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Veterans Services</b>					
<b>13 Veteran Service Center and Officers</b>					
Invests in the Veteran Service Center program by creating and staffing an additional field office. These centers are the core way the department engages with North Carolina's approximately 680,000 veterans. Veterans Service Officers (VSOs) at these centers work with veterans to connect them to earned benefits and community resources. At their current level of staffing, VSOs are unable to meet all needs, leading to retention issues and lower benefits for veterans.	Req \$	555,574	\$ -	\$ 555,574	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	555,574	\$ -	\$ 555,574	\$ -
	FTE	5.000	0.000	5.000	0.000

	R Changes		NR Changes		R Changes		NR Changes	
<b>Total Change to Requirements</b>	\$	<b>1,935,125</b>	\$	<b>140,568</b>	\$	<b>1,987,905</b>	\$	<b>-</b>
<b>Total Change to Receipts</b>	\$	<b>400,000</b>	\$	<b>-</b>	\$	<b>400,000</b>	\$	<b>-</b>
<b>Total Change to Net Appropriations</b>	\$	<b>1,535,125</b>	\$	<b>140,568</b>	\$	<b>1,587,905</b>	\$	<b>-</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>		<b>9.000</b>		<b>0.000</b>		<b>9.000</b>		<b>0.000</b>
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$			<b>1,675,693</b>	\$			<b>1,587,905</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>				<b>9.000</b>				<b>9.000</b>

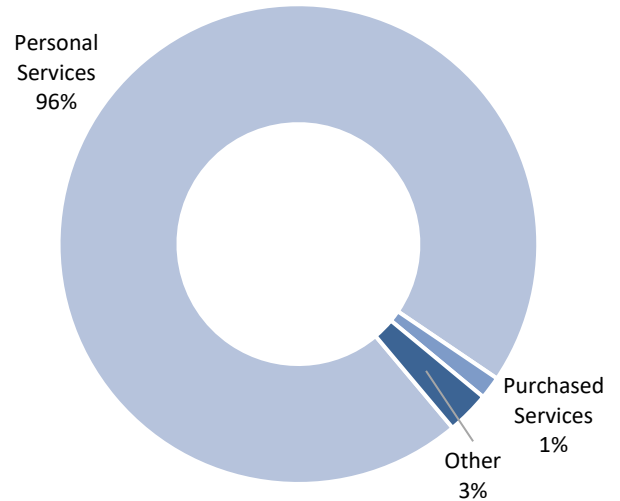
**Mission**

To make North Carolina a better place to live, work, and raise a family by fighting for hardworking people, championing urban and rural economic development, and strengthening our workforce and education opportunities from cradle to career to prepare our state for the future.

**Goals**

1. Engage urban and rural communities, with special attention to those who feel overlooked or disconnected from state government.
2. Emphasize the strength of the education system from cradle to career and advocate for increased investment in community colleges and workforce development.
3. Advocate for increased support for childcare and early childhood education to assist hardworking families and parents.
4. Serve the people of North Carolina by advocating for their needs, ensuring their voices are heard, and being responsive to the challenges they face.
5. Lead efforts to put what’s best for North Carolina first by working collaboratively with agencies, boards, commissions, and the General Assembly—encouraging compromise and bridging political divides to develop policies that make our state a better place to live, work, and raise a family.

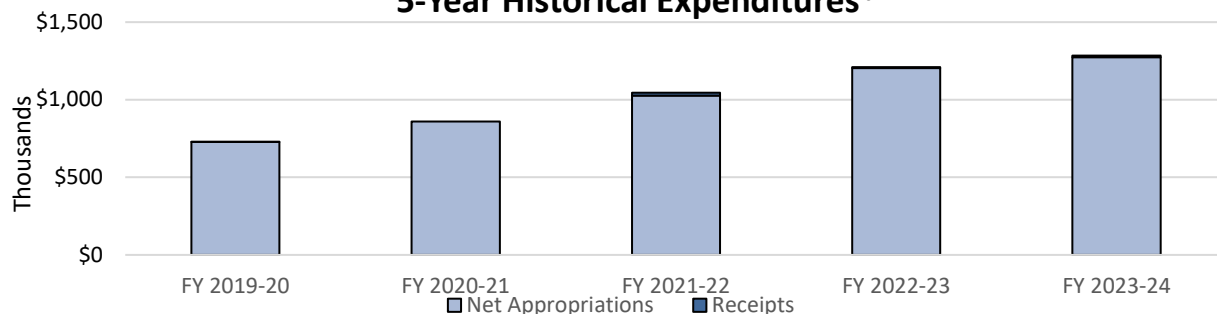
**FY 2023-24 Actual Expenditures**



**Agency Profile**

- The Lieutenant Governor serves as the President of the North Carolina Senate, but only votes when the Senate is equally divided.
- During the absence of the Governor from the State, or during the physical or mental incapacity of the Governor, the Lieutenant Governor acts as Governor.
- The Lieutenant Governor is a member of the Council of State, the North Carolina Board of Education, the North Carolina Capital Planning Commission, the North Carolina Board of Community Colleges, and serves as the chair of the Energy Policy Council.

**5-Year Historical Expenditures\***



\*Charts include General Fund budget code only.

**Lieutenant Governor - General Fund (13100)**

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 1,343,596	\$ 54,637	\$ 19,408	\$ 74,045	\$ 1,417,641	5.5%
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Net Appropriation	\$ 1,343,596	\$ 54,637	\$ 19,408	\$ 74,045	\$ 1,417,641	5.5%
Positions (FTE)	9.000	-	-	-	9.000	0.0%

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 1,343,596	\$ 61,607	\$ -	\$ 61,607	\$ 1,405,203	4.6%
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Net Appropriation	\$ 1,343,596	\$ 61,607	\$ -	\$ 61,607	\$ 1,405,203	4.6%
Positions (FTE)	9.000	-	-	-	9.000	0.0%

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

**Reserve for Salaries and Benefits**

**1 Compensation Increase Reserve**

Increases all state-funded employee salaries by 2%.

Req \$	24,000	\$ -	\$ 24,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	24,000	\$ -	\$ 24,000	\$ -
FTE	0.000	0.000	0.000	0.000

**2 State Employee Bonus**

Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ 9,000	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 9,000	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

**3 Labor Market Retention and Adjustment Reserve**

Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.

Req \$	24,000	\$ -	\$ 24,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	24,000	\$ -	\$ 24,000	\$ -
FTE	0.000	0.000	0.000	0.000

**4 Retirement and Retiree Health Contributions**

Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.

Req \$	3,070	\$ -	\$ 6,294	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	3,070	\$ -	\$ 6,294	\$ -
FTE	0.000	0.000	0.000	0.000

**5 Retiree Cost-of-Living Adjustment**

Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.

Req \$	-	\$ 10,408	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 10,408	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

**6 State Health Plan**

Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.

Req \$	3,567	\$ -	\$ 7,313	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	3,567	\$ -	\$ 7,313	\$ -
FTE	0.000	0.000	0.000	0.000

	R Changes		NR Changes		R Changes		NR Changes	
<b>Reserve for Salaries and Benefits</b>								
Total Change to Requirements	\$	54,637	\$	19,408	\$	61,607	\$	-
Total Change to Receipts	\$	-	\$	-	\$	-	\$	-
Total Change to Net Appropriations	\$	54,637	\$	19,408	\$	61,607	\$	-
Total Change to Full-Time Equivalent (FTE)		0.000		0.000		0.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$			74,045	\$			61,607
Total Change to Full-Time Equivalent (FTE)				0.000				0.000

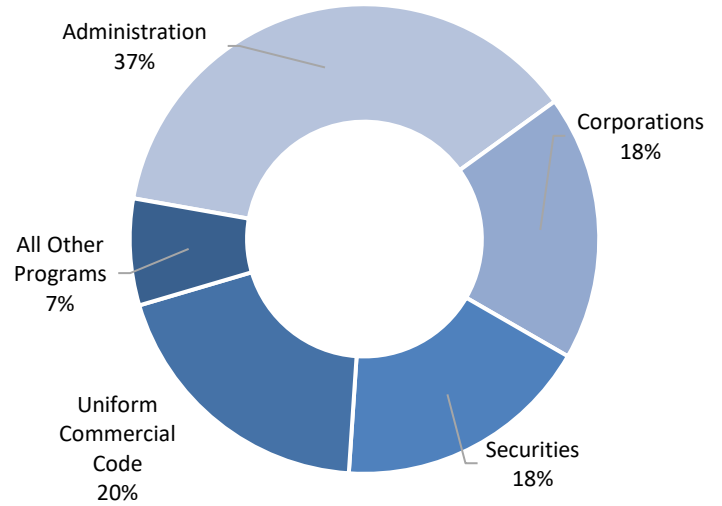
**Mission**

To promote economic growth and protect the public from financial harm.

**Goals**

1. Facilitate economic growth and investment in North Carolina by continually modernizing a state-of-the-art system of reliable business, governmental, and personal records.
2. Educate citizens, businesses, and other stakeholders about commercial and financial choices and how the Department and its data can assist in achieving economic success.
3. Safeguard citizens, businesses, and other stakeholders against fraud by ensuring the reliability of notarized signatures on legal, real estate, business, and financial documents.
4. Investigate, prosecute, and resolve complex financial crimes utilizing the Department’s law enforcement agents, professional staff, technology, and partnerships with external stakeholders.

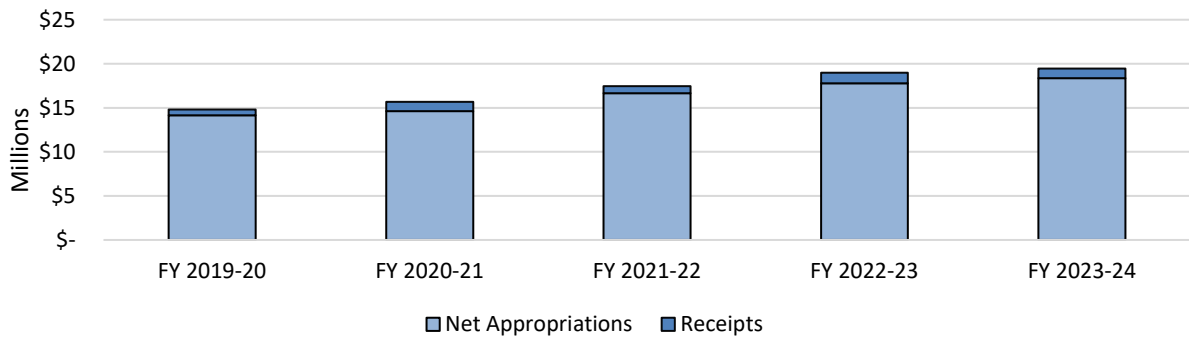
**FY 2023-24 Actual Expenditures**



**Agency Profile**

- Facilitates economic development through business and capital formation – registering 162,939 new businesses and nonprofits last year and reviewing 714,955 annual reports.
- Provides business data to the marketplace for leveraging risk and assisting millions of transactions.
- Administers the state’s Securities laws by regulating over \$314 billion in securities offerings and investigating and prosecuting white-collar crimes.
- Provides for transparent registration and enforcement of charitable solicitation laws, and registration and reporting of lobbyists and their principals.
- Coordinates Land Records Management, supporting one of the state’s largest assets valued at almost \$1.2 trillion, according to the NC State Property Tax Commission.

**5-Year Historical Expenditures**



*Charts include General Fund budget code only.*

**Secretary of State - General Fund (13200)**

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 19,556,352	\$ 1,571,331	\$ 298,191	\$ 1,869,522	\$ 21,425,874	9.6%
Receipts	\$ 362,750	\$ -	\$ -	\$ -	\$ 362,750	0.0%
Net Appropriation	\$ 19,193,602	\$ 1,571,331	\$ 298,191	\$ 1,869,522	\$ 21,063,124	9.7%
Positions (FTE)	182.750	6.000	-	6.000	188.750	3.3%

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 19,556,352	\$ 1,681,687	\$ -	\$ 1,681,687	\$ 21,238,039	8.6%
Receipts	\$ 362,750	\$ -	\$ -	\$ -	\$ 362,750	0.0%
Net Appropriation	\$ 19,193,602	\$ 1,681,687	\$ -	\$ 1,681,687	\$ 20,875,289	8.8%
Positions (FTE)	182.750	6.000	-	6.000	188.750	3.3%

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

**Reserve for Salaries and Benefits**

**1 Compensation Increase Reserve**

Increases all state-funded employee salaries by 2%.

Req \$	290,000	\$ -	\$ 290,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	290,000	\$ -	\$ 290,000	\$ -
FTE	0.000	0.000	0.000	0.000

**2 State Employee Bonus**

Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ 174,000	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 174,000	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

**3 Labor Market Retention and Adjustment Reserve**

Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.

Req \$	290,000	\$ -	\$ 290,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	290,000	\$ -	\$ 290,000	\$ -
FTE	0.000	0.000	0.000	0.000

**4 Retirement and Retiree Health Contributions**

Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.

Req \$	36,631	\$ -	\$ 75,094	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	36,631	\$ -	\$ 75,094	\$ -
FTE	0.000	0.000	0.000	0.000

**5 Retiree Cost-of-Living Adjustment**

Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.

Req \$	-	\$ 124,191	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 124,191	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

**6 State Health Plan**

Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.

Req \$	68,470	\$ -	\$ 140,363	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	68,470	\$ -	\$ 140,363	\$ -
FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>Department-wide</b>					
<b>7 Business Support Positions</b>					
Provides funds for administrative specialists to review paper documentation, staff the department's call center, and process Annual Report filings. Since 2020, business transactions have grown by 57%, straining the department's ability to provide adequate customer service and responsiveness to the needs of the business community. As a vital resource for business owners, it is essential that communication with the department is timely and effective. Currently, over 35% of calls to the call center can go unanswered.	Req \$	325,000	\$ -	\$ 325,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	325,000	\$ -	\$ 325,000	\$ -
	FTE	4.000	0.000	4.000	0.000
<b>8 Information Technology Positions</b>					
Provides funds for a Database Administrator and User Support Specialist. Growth in volume and complexity of the department's data requires increased managerial capability. These positions will oversee and analyze this data, providing insights that improve the department's ability to understand and better serve the business community.	Req \$	272,818	\$ -	\$ 272,818	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	272,818	\$ -	\$ 272,818	\$ -
	FTE	2.000	0.000	2.000	0.000
<b>9 Microsoft 365</b>					
Provides funds to purchase Microsoft licenses for department employees. As the only state agency without Microsoft 365, the department will gain extensive collaborative and communication capabilities to enhance their day-to-day operations.	Req \$	150,000	\$ -	\$ 150,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	150,000	\$ -	\$ 150,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>10 Police Officer</b>					
Provides funds for a State Capital Police Officer in the Old Revenue Building. Maintaining this presence is critical to ensuring safety and security for the public and staff due to the daily volume of visitors and regular cash transactions. On average, the department's customer service desk serves nearly 100 people per business day.	Req \$	68,670	\$ -	\$ 68,670	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	68,670	\$ -	\$ 68,670	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>11 Motor Fleet Management Rate Increase</b>					
Provides funds to cover the increase in Motor Fleet Management rates effective July 1, 2025. Rates have not been updated since January 1, 2018.	Req \$	33,257	\$ -	\$ 33,257	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	33,257	\$ -	\$ 33,257	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>12 Information Technology Rates</b>					
Funds the expected increase in IT rate charges resulting from the FY 2025-26 approved increase in the Department of Information Technology's subscription and service delivery rates.	Req \$	32,813	\$ -	\$ 32,813	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	32,813	\$ -	\$ 32,813	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>13 Body Cameras</b>					
Provides funding for body cameras for all agency law enforcement officers (LEOs). Body cameras create crucial evidence in investigations by more accurately documenting interactions. Footage will enable situation-based training based on officers' previous encounters. Currently, 3 LEOs at the agency do not have body cameras. Use of body cameras enhances accountability, transparency, and public trust.	Req \$	3,672	\$ -	\$ 3,672	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	3,672	\$ -	\$ 3,672	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Total Change to Requirements</b>	\$	<b>1,571,331</b>	\$ <b>298,191</b>	\$ <b>1,681,687</b>	\$ -
<b>Total Change to Receipts</b>	\$	<b>-</b>	\$ <b>-</b>	\$ <b>-</b>	\$ <b>-</b>
<b>Total Change to Net Appropriations</b>	\$	<b>1,571,331</b>	\$ <b>298,191</b>	\$ <b>1,681,687</b>	\$ <b>-</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>		<b>6.000</b>	<b>0.000</b>	<b>6.000</b>	<b>0.000</b>
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$		<b>1,869,522</b>	\$	<b>1,681,687</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>			<b>6.000</b>		<b>6.000</b>



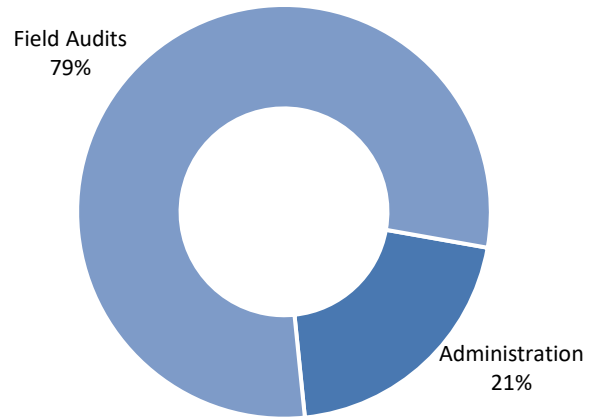
**Mission**

To provide unbiased and impactful audit and investigative reports so stakeholders can make informed decisions, hold entities accountable, and ensure good stewardship of public funds.

**Goals**

1. Make state government more effective, efficient, and accountable by delivering reliable, credible, actionable, and timely reports to entities that can use the information and recommendations provided to improve state government.
2. Optimize the efficiency of our audits and investigations to minimize disruption to auditee’s regular activities and increase the opportunities for OSA to find savings across state government.

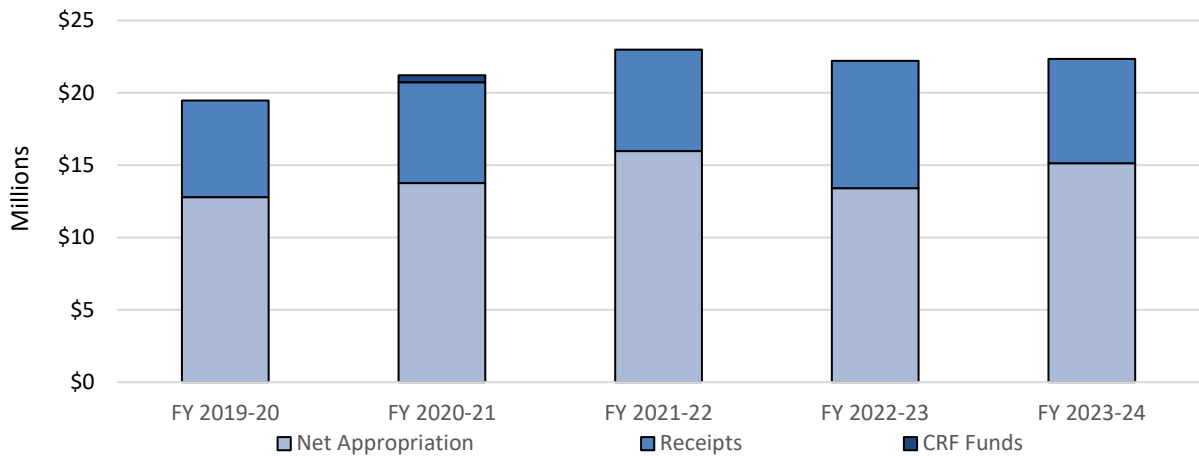
**FY 2023-24 Actual Expenditures**



**Agency Profile**

- The State Auditor is elected and is a member of the Council of State.
- OSA’s audit responsibilities cover more than \$117.8 billion in state assets and \$32.2 billion in liabilities; \$35.1 billion in annual federal grants; and the finances of the state’s public universities and community colleges.
- OSA publishes financial statement audits, performance audits, information systems audits, and investigative reports.
- OSA will continue to expand audits focusing on those with the most impact on North Carolinians.
- The State Auditor has broad powers to examine all books, records, files, papers, documents, and financial affairs of every state agency.

**5-Year Historical Expenditures**



*\*Charts include General Fund budget code only.*

**State Auditor - General Fund (13300)**

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 26,596,249	\$ 1,257,681	\$ 292,721	\$ 1,550,402	\$ 28,146,651	5.8%
Receipts	\$ 7,365,869	\$ 149,238	\$ -	\$ 149,238	\$ 7,515,107	2.0%
Net Appropriation	\$ 19,230,380	\$ 1,108,443	\$ 292,721	\$ 1,401,164	\$ 20,631,544	7.3%
Positions (FTE)	159.000	4.000	-	4.000	163.000	2.5%

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 26,596,249	\$ 1,346,525	\$ -	\$ 1,346,525	\$ 27,942,774	5.1%
Receipts	\$ 7,365,869	\$ 149,238	\$ -	\$ 149,238	\$ 7,515,107	2.0%
Net Appropriation	\$ 19,230,380	\$ 1,197,287	\$ -	\$ 1,197,287	\$ 20,427,667	6.2%
Positions (FTE)	159.000	4.000	-	4.000	163.000	2.5%

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

**Reserve for Salaries and Benefits**

**1 Compensation Increase Reserve**

Increases all state-funded employee salaries by 2%.

Req \$	310,000	\$ -	\$ 310,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	310,000	\$ -	\$ 310,000	\$ -
FTE	0.000	0.000	0.000	0.000

**2 State Employee Bonus**

Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ 160,000	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 160,000	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

**3 Labor Market Retention and Adjustment Reserve**

Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.

Req \$	310,000	\$ -	\$ 310,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	310,000	\$ -	\$ 310,000	\$ -
FTE	0.000	0.000	0.000	0.000

**4 Retirement and Retiree Health Contributions**

Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.

Req \$	39,147	\$ -	\$ 80,252	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	39,147	\$ -	\$ 80,252	\$ -
FTE	0.000	0.000	0.000	0.000

**5 Retiree Cost-of-Living Adjustment**

Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.

Req \$	-	\$ 132,721	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 132,721	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

**6 State Health Plan**

Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.

Req \$	45,465	\$ -	\$ 93,204	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	45,465	\$ -	\$ 93,204	\$ -
FTE	0.000	0.000	0.000	0.000

**R Changes      NR Changes      R Changes      NR Changes**

**Department-wide**

**7 Additional Staffing to Increase Audit Capacity**

Provides funds to establish new auditing positions to enhance the Office's capacity to conduct investigatory, financial, and performance audits. Since 2009, the state budget has grown in size by over 70% while the office's staffing level has stagnated. The funding would lead to increased transparency and efficiency in state operations.

Req \$	553,069	\$	-	\$	553,069	\$	-
Rec \$	149,238	\$	-	\$	149,238	\$	-
App \$	403,831	\$	-	\$	403,831	\$	-
FTE	4.000		0.000		4.000		0.000

**8 Information Technology Infrastructure**

Provides funding for critical office IT needs, focusing on enhancing security, efficiency, audit capability, and employee recruitment and retention. These strategic investments will enhance the office's capabilities and audit performance, ensuring maximum speed and thoroughness of auditing work products.

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

<b>Total Change to Requirements</b>	\$	<b>1,257,681</b>	\$	<b>292,721</b>	\$	<b>1,346,525</b>	\$	-
<b>Total Change to Receipts</b>	\$	<b>149,238</b>	\$	-	\$	<b>149,238</b>	\$	-
<b>Total Change to Net Appropriations</b>	\$	<b>1,108,443</b>	\$	<b>292,721</b>	\$	<b>1,197,287</b>	\$	-
<b>Total Change to Full-Time Equivalent (FTE)</b>		<b>4.000</b>		<b>0.000</b>		<b>4.000</b>		<b>0.000</b>
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$			<b>1,401,164</b>	\$			<b>1,197,287</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>				<b>4.000</b>				<b>4.000</b>

**Mission**

To preserve, protect, and sustain the state’s pension and healthcare plans; reduce investment fees while maximizing returns; properly account for and report on all funds that are deposited, invested, and disbursed through the department; assure financially sound issuance of debt for state and local governments; maintain the state’s “AAA” bond rating; and provide exemplary service across all divisions of the department.

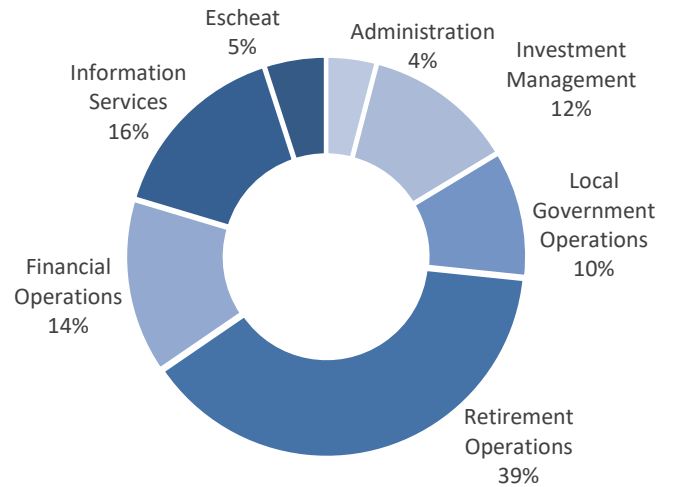
**Goals**

1. Fiduciary Duty – focus on the taxpayers of the State of North Carolina.
2. Integrity, Ability and Passion – ensure that all North Carolina Department of State Treasurer employees are guided by these three principles as they perform their duties.
3. Make a Generational Difference – focus on the big picture.
4. Transparency – structure and conduct all aspects of our work with an open and transparent policy that promotes trust and accountability.

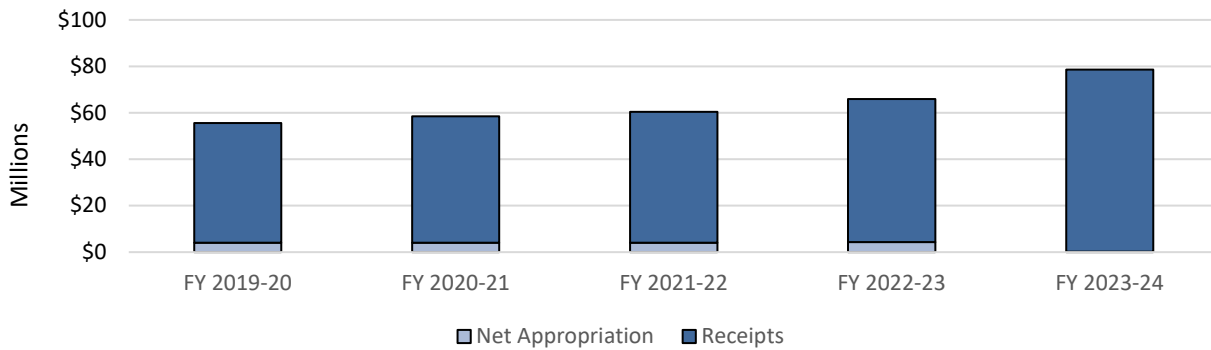
**Agency Profile**

- Administers retirement systems for more than 950,000 public service workers.
- Operates the State Health Plan, which covers more than 740,000 teachers, state employees, retirees, current and former lawmakers, university employees, community college employees, and their dependents.
- Supports local government units by aiding in the sale of local debt obligations and maintaining sound budget, accounting, and reporting procedures.
- Oversees the issuance of state debt.
- Maintains unclaimed property and the state’s core banking system.

**FY 2023-24 Actual Expenditures**



**5-Year Historical Expenditures**



*Charts include General Fund budget code only, excludes State Health Plan, State Retirement Plans, and managed investment.*

**State Treasurer - General Fund (13410)**

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 79,195,112	\$ 7,255,093	\$ 5,973,560	\$ 13,228,653	\$ 92,423,765	16.7 %
Receipts	\$ 78,986,038	\$ 7,255,093	\$ 5,560,560	\$ 12,815,653	\$ 91,801,691	16.2 %
Net Appropriation	\$ 209,074	\$ -	\$ 413,000	\$ 413,000	\$ 622,074	197.5 %
Positions (FTE)	413.400	6.000	-	6.000	419.400	1.4 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 79,240,553	\$ 7,255,093	\$ -	\$ 7,255,093	\$ 86,495,646	9.2 %
Receipts	\$ 79,031,479	\$ 7,255,093	\$ -	\$ 7,255,093	\$ 86,286,572	9.2 %
Net Appropriation	\$ 209,074	\$ -	\$ -	\$ -	\$ 209,074	0.0 %
Positions (FTE)	413.400	6.000	-	6.000	419.400	1.4 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

**Reserve for Salaries and Benefits**

**1 State Employee Bonus**

Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ 413,000	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 413,000	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

**Department-wide**

**2 IT Infrastructure, Security Software, and Help Desk System**

Supports upgrades to hardware and security for the department's on-premises data center. The upgrades will keep customer data safe during the migration of departmental data to cloud-based storage. The Retirement System Division will also replace the Help Desk software, providing improved customer support for current and future retirees.

Req \$	2,250,000	\$ -	\$ 2,250,000	\$ -
Rec \$	2,250,000	\$ -	\$ 2,250,000	\$ -
App \$	-	\$ -	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

**3 IT Systems Specialists**

Funds application systems specialist positions focused on the development of cloud infrastructure to allow the department to eventually move all their data to cloud storage. These positions will develop and administer Power BI Apps, establish quality analysis controls and automation scripts, create secure cloud-native applications, and reduce time to deploy new implementations. The new cloud infrastructure will improve efficiency and enhance service delivery.

Req \$	869,520	\$ -	\$ 869,520	\$ -
Rec \$	869,520	\$ -	\$ 869,520	\$ -
App \$	-	\$ -	\$ -	\$ -
FTE	5.000	0.000	5.000	0.000

**Retirement Systems**

**4 ORBIT System**

Funds the transition of retirement system data from on-premises servers to cloud-based storage. The Retirement System Division must transition this data to upgrade to the latest software, replacing a 20-year-old system. The upgrade will reduce costs, improve efficiency and security, and minimize downtime.

Req \$	650,000	\$ -	\$ 650,000	\$ -
Rec \$	650,000	\$ -	\$ 650,000	\$ -
App \$	-	\$ -	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

**5 Imaging and Workflow System**

Replaces the Retirement System Division's document management and imaging system. This system is out of date and is losing vendor-provided support and maintenance. The new system will better safeguard sensitive data, allow for more accurate data analysis, and improve efficiency for the division.

Req \$	372,000	\$ 1,260,560	\$ 372,000	\$ -
Rec \$	372,000	\$ 1,260,560	\$ 372,000	\$ -
App \$	-	\$ -	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>Banking</b>					
<b>6 Banking System Upgrade</b>					
Upgrades software for the state's banking system, which is used by all state agencies. The upgrade will result in a more secure system with less downtime and faster support. Funds also support ongoing maintenance of the state banking system. Maintenance costs have increased in recent years and now exceed the department's budget for this expense.	Req \$	3,000,000	\$ 4,300,000	\$ 3,000,000	\$ -
	Rec \$	3,000,000	\$ 4,300,000	\$ 3,000,000	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>State and Local Government Finance</b>					
<b>7 State and Local Government Finance Operations Manager</b>					
Funds a position to run business management for the division. The position will help manage the division's budget and oversee facility operational needs. The role will also coordinate travel, manage staff training, organize records, and support special projects. A position dedicated to these tasks will allow the remainder of the division's staff to focus on programmatic duties. The director and two section managers recorded over 350 hours of overtime in the last year, due, in part, to covering these duties.	Req \$	113,573	\$ -	\$ 113,573	\$ -
	Rec \$	113,573	\$ -	\$ 113,573	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>Total Change to Requirements</b>	\$	<b>7,255,093</b>	\$ <b>5,973,560</b>	\$ <b>7,255,093</b>	\$ -
<b>Total Change to Receipts</b>	\$	<b>7,255,093</b>	\$ <b>5,560,560</b>	\$ <b>7,255,093</b>	\$ -
<b>Total Change to Net Appropriations</b>	\$	<b>-</b>	\$ <b>413,000</b>	\$ <b>-</b>	\$ <b>-</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>		<b>6.000</b>	<b>0.000</b>	<b>6.000</b>	<b>0.000</b>
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$		<b>413,000</b>	\$	<b>-</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>			<b>6.000</b>		<b>6.000</b>

**Mission**

To promote a stable insurance market through unbiased regulation and to protect the lives and property of every citizen in all 100 counties while fostering superior, user-friendly service, courtesy, and respect.

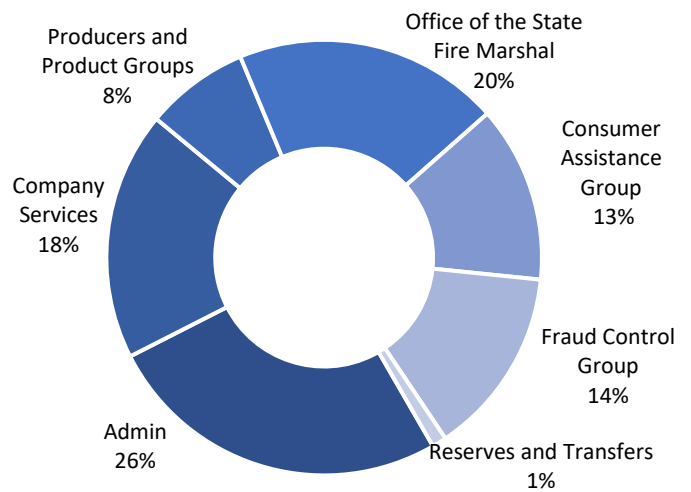
**Goals**

1. Consumer Protection, Education, and Support.
2. Citizen Safety.
3. Marketplace Optimization.
4. Organizational Excellence.

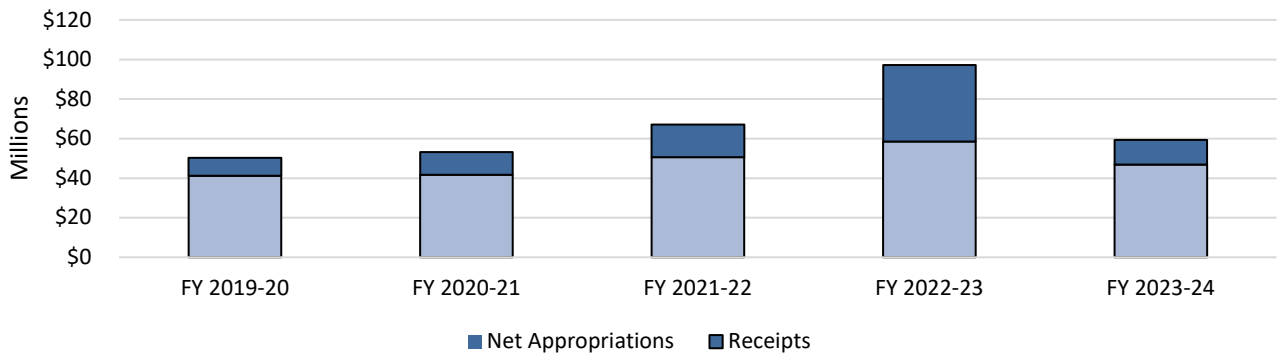
**Agency Profile**

- Focuses on consumers through fair ratemaking, injury prevention efforts, thorough regulation of insurance company solvency and industry practices, and protecting consumers against insurance fraud.
- Protects the lives and property of North Carolinians through education, risk management, code enforcement, and fire investigations.
- In 2024, the department’s Criminal Investigation Division made 406 arrests and had 218 convictions.
- Recovered or saved nearly \$144 million for North Carolinians in 2024, including:
  - \$70.5 million returned to families through life insurance claims they didn’t know existed through the lost life insurance policy program;
  - \$22.1 million recovered through combating fraud; and
  - \$2.4 million for North Carolinians originally denied necessary medical procedures or prescription drugs because of reviews or appeals through the SmartNC program.
- Our award-winning DOI Captive Insurance Program is among the top four in the nation.
- DOI received the STAR (State Transformation in Action Recognition) Award as Best in the South from the Southern Council of State Government.

**FY 2023-24 Actual Expenditures**



**5-Year Historical Expenditures**



*Charts include General Fund budget code only.*

**Insurance - General Fund (13900)**

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 71,233,505	\$ 22,430,924	\$ 27,313,470	\$ 49,744,394	\$ 120,977,899	69.8%
Receipts	\$ 11,971,146	\$ -	\$ -	\$ -	\$ 11,971,146	0.0%
Net Appropriation	\$ 59,262,359	\$ 22,430,924	\$ 27,313,470	\$ 49,744,394	\$ 109,006,753	83.9%
Positions (FTE)	445.458	19.000	-	19.000	464.458	4.3%

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 71,339,489	\$ 25,020,503	\$ -	\$ 25,020,503	\$ 96,359,992	35.1%
Receipts	\$ 12,077,130	\$ -	\$ -	\$ -	\$ 12,077,130	0.0%
Net Appropriation	\$ 59,262,359	\$ 25,020,503	\$ -	\$ 25,020,503	\$ 84,282,862	42.2%
Positions (FTE)	445.458	19.000	-	19.000	464.458	4.3%

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

**Reserve for Salaries and Benefits**

**1 Compensation Increase Reserve**

Increases all state-funded employee salaries by 2%.

Req \$	866,000	\$ -	\$ 866,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	866,000	\$ -	\$ 866,000	\$ -
FTE	0.000	0.000	0.000	0.000

**2 State Employee Bonus**

Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ 429,000	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 429,000	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

**3 Labor Market Retention and Adjustment Reserve**

Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.

Req \$	866,000	\$ -	\$ 866,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	866,000	\$ -	\$ 866,000	\$ -
FTE	0.000	0.000	0.000	0.000

**4 Retirement and Retiree Health Contributions**

Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.

Req \$	109,421	\$ -	\$ 224,314	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	109,421	\$ -	\$ 224,314	\$ -
FTE	0.000	0.000	0.000	0.000

**5 Retiree Cost-of-Living Adjustment**

Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.

Req \$	-	\$ 370,970	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 370,970	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

**6 State Health Plan**

Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.

Req \$	166,367	\$ -	\$ 341,053	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	166,367	\$ -	\$ 341,053	\$ -
FTE	0.000	0.000	0.000	0.000



		R Changes	NR Changes	R Changes	NR Changes
<b>Department-wide</b>					
<b>7 Lease Increase</b>					
Funds an increase in the Department of Insurance's (DOI) current lease to allow it to expand and utilize two and a half additional floors within their current office location. This additional space will provide a training facility, room for the expansion of the Bail Bond Regulatory Division and the Criminal Investigation Division and more offices for employees.	Req \$	1,400,000	\$ -	\$ 1,400,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	1,400,000	\$ -	\$ 1,400,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>8 Information Security Division Core Infrastructure Needs</b>					
Provides funding to bolster the department's cybersecurity systems. These cybersecurity systems and the Information Security Division (ISD) core infrastructure provide the security backbone that protects the department from cybersecurity threats. Funds will cover the cost of a security management tool, cybersecurity hardware and software, and data sharing to detect potential threats.	Req \$	2,145,090	\$ -	\$ 2,145,090	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	2,145,090	\$ -	\$ 2,145,090	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>9 Controller's Office</b>					
Provides funds for additional positions in the Controller's Office to reduce the workload on current staff. The Controller's Office provides budget, accounting, and procurement services to the 647 employees in the Department of Insurance, Office of the State Fire Marshal, and the Industrial Commission. The current staff of 16 permanent and four temporary staff are inadequate for the office to function efficiently. Additional positions will allow the Controller's Office to be proactive in addressing critical needs, such as creating job aids and staff training, that will improve the functioning of the office long-term.	Req \$	455,000	\$ -	\$ 455,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	455,000	\$ -	\$ 455,000	\$ -
	FTE	5.000	0.000	5.000	0.000
<b>10 Information Technology Rates</b>					
Funds the expected increase in IT rate changes resulting from the FY 2025-27 approved increase in the Department of Information Technology's subscription and service delivery rates.	Req \$	282,016	\$ -	\$ 282,016	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	282,016	\$ -	\$ 282,016	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>11 Motor Fleet Management Rate Increase</b>					
Provides funds to cover the increase in Motor Fleet Management rates effective July 1, 2025. Rates have not been updated since January 1, 2018.	Req \$	187,500	\$ -	\$ 187,500	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	187,500	\$ -	\$ 187,500	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Bail Bond Division</b>					
<b>12 Bail Bond Regulatory Division Personnel</b>					
Creates additional positions in the Bail Bond Regulatory Division (BBRD) to complete the three-year three-phase initiative of providing the public with a more efficient bail bond licensing process. This final phase involves moving the statutorily required bail bondsmen examinations in-house for greater productivity and service. BBRD manages 2,000 licenses for 1,900 individuals who must renew their bail bond licenses every two years. On average, an additional 300 people apply for licenses each year.	Req \$	334,687	\$ -	\$ 334,687	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	334,687	\$ -	\$ 334,687	\$ -
	FTE	4.000	0.000	4.000	0.000
<b>Consumer Services</b>					
<b>13 Filings and Hearing Support</b>					
Provides funds needed to allow DOI to review and analyze all proposed insurance rate increases the North Carolina Rate Bureau (NCRB) submits. DOI reviews all proposed rate increases to ensure they are not excessive, inadequate, or unfairly discriminatory. When the private insurers forming the NCRB and the Commissioner of Insurance cannot come to an agreement on requested premium rate changes, the request goes to a hearing. Since 2017, proposed rates have nearly doubled, increasing the likelihood of hearings. These funds will be transferred to budget code 23900.	Req \$	1,000,000	\$ -	\$ 1,000,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	1,000,000	\$ -	\$ 1,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000

R Changes      NR Changes      R Changes      NR Changes

**Consumer Services**

**14 Health Insurance Smart NC**

Converts a temporary position in the Health Insurance Smart NC (Smart NC) program to permanent to ensure the program can continue to assist consumers with health insurance coverage disputes in a timely manner. In 2024, Smart NC handled 1,767 cases, received 138,562 phone calls, recovered \$2.4 million for consumers, and overturned insurance company denials for External Review 46.74% of the time. After losing an FTE in 2020, each employee had to take on more cases, delaying responses to customers. Additionally, the Director and Manager have had to provide assistance beyond their regular duties. Maintaining this FTE on a full-time, permanent basis will allow Smart NC to continue providing quality service to North Carolinians.

Req \$	84,988	\$	-	\$	84,988	\$	-
Rec \$	-	\$	-	\$	-	\$	-
App \$	84,988	\$	-	\$	84,988	\$	-
FTE	1.000		0.000		1.000		0.000

**Criminal Investigations**

**15 Criminal Investigation Division Agents**

Establishes a new unit and positions in the Criminal Investigations Divisions. In the past three years, the department has investigated insurance fraud cases resulting in, on average, 396 arrests, 190 convictions, and over \$7 million in recovery for victims of insurance fraud per year. In recent years, emerging technology has increased the frequency and complexity of insurance fraud and crime. These additional agents will focus on these new areas of crime.

Req \$	1,185,842	\$	13,500	\$	1,185,842	\$	-
Rec \$	-	\$	-	\$	-	\$	-
App \$	1,185,842	\$	13,500	\$	1,185,842	\$	-
FTE	9.000		0.000		9.000		0.000

**16 Body Cameras**

Provides funding for body cameras for all agency law enforcement officers (LEOs). Body cameras create crucial evidence in investigations by more accurately documenting interactions. Footage will enable situation-based training based on officers' previous encounters. Currently 57 LEOs at the agency do not have body cameras. Use of body cameras enhances accountability, transparency, and public trust

Req \$	69,768	\$	-	\$	69,768	\$	-
Rec \$	-	\$	-	\$	-	\$	-
App \$	69,768	\$	-	\$	69,768	\$	-
FTE	0.000		0.000		0.000		0.000

**Office of the State Fire Marshal**

**17 Stanly County Facility Building Reserve**

Supports the basic operating expenses for the office's Emergency Training Center in Stanly County. When it opens in March 2025, this facility will provide training for 54 International Fire Service Accreditation Council (IFSAAC) certifications and specialized classes to first responders from North Carolina and across the country. The facility will be the only location in the state that provides aircraft rescue firefighting and water rescue training of this caliber.

Req \$	2,200,000	\$	-	\$	4,500,000	\$	-
Rec \$	-	\$	-	\$	-	\$	-
App \$	2,200,000	\$	-	\$	4,500,000	\$	-
FTE	0.000		0.000		0.000		0.000

**18 Office Relocation**

Provides funds to relocate the Office of the State Fire Marshal (OSFM) to a facility that better meets their operational needs. The current location neither accommodates all OSFM employees nor has adequate space for board meetings. In addition, OSFM needs an emergency response center to use in case of a disaster, as well as secure space to store their specialized equipment that is currently stored off-site, in unsecure locations.

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

**19 Motor Fleet Management Rate Increase**

Provides funds to cover the increase in Motor Fleet Management rate effective July 1, 2025. Rates have not been updated since January 1, 2018.

Req \$	78,245	\$	-	\$	78,245	\$	-
Rec \$	-	\$	-	\$	-	\$	-
App \$	78,245	\$	-	\$	78,245	\$	-
FTE	0.000		0.000		0.000		0.000

		<b>R Changes</b>		<b>NR Changes</b>		<b>R Changes</b>		<b>NR Changes</b>
<b>State Property Fire Insurance Fund</b>								
<b>20 State Property Fire Insurance Fund</b>								
Invests in the State Property Fire Fund (SPFIF) to address a low fund balance and cover the expected increase in the annual excess premium payment. The SPFIF, along with the Public School Insurance Fund, saved the state an estimated \$100-150 million following Hurricane Helene. The SPFIF covers all of the State's 1,800 buildings and other property. This support will enable it to provide agencies an adequate and timely insurance payment following a property damage claim.	Req \$	10,000,000	\$	25,000,000	\$	10,000,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	10,000,000	\$	25,000,000	\$	10,000,000	\$	-
	FTE	0.000		0.000		0.000		0.000
<b>Total Change to Requirements</b>	\$	<b>22,430,924</b>	\$	<b>27,313,470</b>	\$	<b>25,020,503</b>	\$	<b>-</b>
<b>Total Change to Receipts</b>	\$	<b>-</b>	\$	<b>-</b>	\$	<b>-</b>	\$	<b>-</b>
<b>Total Change to Net Appropriations</b>	\$	<b>22,430,924</b>	\$	<b>27,313,470</b>	\$	<b>25,020,503</b>	\$	<b>-</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>		<b>19.000</b>		<b>0.000</b>		<b>19.000</b>		<b>0.000</b>
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$			<b>49,744,394</b>	\$			<b>25,020,503</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>				<b>19.000</b>				<b>19.000</b>

**Insurance - Special Fund - Interest Bearing (23900)**

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 83,986,535	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 84,986,535	1.2 %
Receipts	\$ 57,497,173	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 58,497,173	1.7 %
Chg in Fund Balance	\$ (26,489,362)	\$ -	\$ -	\$ -	\$ (26,489,362)	0.0 %
Positions (FTE)	5.355	-	-	-	5.355	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 84,092,519	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 85,092,519	1.2 %
Receipts	\$ 81,731,562	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 82,731,562	1.2 %
Chg in Fund Balance	\$ (2,360,957)	\$ -	\$ -	\$ -	\$ (2,360,957)	0.0 %
Positions (FTE)	5.355	-	-	-	5.355	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

**Consumer Services**

**1 Transfer-Filings and Hearings Support**

Budgets the transfer from Budget Code 23900 for Filings and Hearings support.	Req \$	1,000,000	\$ -	\$ 1,000,000	\$ -
	Rec \$	1,000,000	\$ -	\$ 1,000,000	\$ -
	CFB \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000

<b>Total Change to Requirements</b>	\$	<b>1,000,000</b>	\$ -	\$ <b>1,000,000</b>	\$ -
<b>Total Change to Receipts</b>	\$	<b>1,000,000</b>	\$ -	\$ <b>1,000,000</b>	\$ -
<b>Total Change to Fund Balance</b>	\$	-	\$ -	\$ -	\$ -
<b>Total Change to Full-Time Equivalent (FTE)</b>		<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>Recommended Fund Balance Changes (Recurring + Nonrecurring)</b>	\$		\$ -	\$ -	\$ -
<b>Total Change to Full-Time Equivalent (FTE)</b>			<b>0.000</b>	<b>0.000</b>	<b>0.000</b>

**Insurance - Trust - Internal Service (63903)**

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 47,897,053	\$ 10,000,000	\$ 25,000,000	\$ 35,000,000	\$ 82,897,053	73.1%
Receipts	\$ 45,321,521	\$ 10,000,000	\$ 25,000,000	\$ 35,000,000	\$ 80,321,521	77.2%
Chg in Fund Balance	\$ (2,575,532)	\$ -	\$ -	\$ -	\$ (2,575,532)	0.0%
Positions (FTE)	23.340	-	-	-	23.340	0.0%

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 47,897,053	\$ 10,000,000	\$ -	\$ 10,000,000	\$ 57,897,053	20.9%
Receipts	\$ 45,321,521	\$ 10,000,000	\$ -	\$ 10,000,000	\$ 55,321,521	22.1%
Chg in Fund Balance	\$ (2,575,532)	\$ -	\$ -	\$ -	\$ (2,575,532)	0.0%
Positions (FTE)	23.340	-	-	-	23.340	0.0%

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

**State Property Fire Insurance Fund**

**1 State Property Fire Insurance Fund**

Budgets the transfer from budget code 13900 for the State Property Fire Fund.

Req \$	10,000,000	\$ 25,000,000	\$ 10,000,000	\$ -
Rec \$	10,000,000	\$ 25,000,000	\$ 10,000,000	\$ -
CFB \$	-	\$ -	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

<b>Total Change to Requirements</b>	\$ 10,000,000	\$ 25,000,000	\$ 10,000,000	\$ -
<b>Total Change to Receipts</b>	\$ 10,000,000	\$ 25,000,000	\$ 10,000,000	\$ -
<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>Total Change to Full-Time Equivalent (FTE)</b>		0.000		0.000

**Insurance - General Fund for Industrial Commission (13902)**

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 18,471,704	\$ 557,141	\$ 1,427,728	\$ 1,984,869	\$ 20,456,573	10.8%
Receipts	\$ 4,357,425	\$ -	\$ -	\$ -	\$ 4,357,425	0.0%
Net Appropriation	\$ 14,114,279	\$ 557,141	\$ 1,427,728	\$ 1,984,869	\$ 16,099,148	14.1%
Positions (FTE)	141.700	-	-	-	141.700	0.0%

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 18,471,704	\$ 625,662	\$ -	\$ 625,662	\$ 19,097,366	3.4%
Receipts	\$ 4,357,425	\$ -	\$ -	\$ -	\$ 4,357,425	0.0%
Net Appropriation	\$ 14,114,279	\$ 625,662	\$ -	\$ 625,662	\$ 14,739,941	4.4%
Positions (FTE)	141.700	-	-	-	141.700	0.0%

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

**Reserve for Salaries and Benefits**

**1 Compensation Increase Reserve**

Increases all state-funded employee salaries by 2%.

Req \$	200,000	\$ -	\$ 200,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	200,000	\$ -	\$ 200,000	\$ -
FTE	0.000	0.000	0.000	0.000

**2 State Employee Bonus**

Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ 142,000	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 142,000	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

**3 Labor Market Retention and Adjustment Reserve**

Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.

Req \$	200,000	\$ -	\$ 200,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	200,000	\$ -	\$ 200,000	\$ -
FTE	0.000	0.000	0.000	0.000

**4 Retirement and Retiree Health Contributions**

Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.

Req \$	25,287	\$ -	\$ 51,837	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	25,287	\$ -	\$ 51,837	\$ -
FTE	0.000	0.000	0.000	0.000

**5 Retiree Cost-of-Living Adjustment**

Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.

Req \$	-	\$ 85,728	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 85,728	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

**6 State Health Plan**

Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.

Req \$	39,972	\$ -	\$ 81,943	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	39,972	\$ -	\$ 81,943	\$ -
FTE	0.000	0.000	0.000	0.000

	R Changes		NR Changes		R Changes		NR Changes	
<b>Industrial Commission</b>								
<b>7 Body Cameras</b>								
Provides funding for body cameras for all agency law enforcement officers (LEOs). Body cameras create crucial evidence in investigations by more accurately documenting interactions. Footage will enable situation-based training based on officers' previous encounters. Currently 6 LEOs at the agency do not have body cameras. Use of body cameras enhances accountability, transparency, and public trust.	Req \$	7,344	\$	-	\$	7,344	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	7,344	\$	-	\$	7,344	\$	-
	FTE	0.000		0.000		0.000		0.000
<b>8 Digitization of Files Stored in Warehouse</b>								
Funds the modernization of the Industrial Commission's paper-based records system. Digitizing these 7,000 boxes of records will protect them from potential physical destruction, provide better privacy protections, and enables authorized employees to quickly and easily find and search documents. Once all documents are digitized, the Commission can terminate the file storage facility lease and annual savings of approximately \$54,600.	Req \$	-	\$	1,200,000	\$	-	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	-	\$	1,200,000	\$	-	\$	-
	FTE	0.000		0.000		0.000		0.000
<b>9 Increase in Court Reporting Services Cost</b>								
Funds the increased costs of court reporting services for Industrial Commission hearings. The Commission sought a new contract after both parties agreed the current contractor could not provide an adequate service. These recordings are required by law and are essential for the thousands of litigants the Commission serves every year to receive a fair hearing.	Req \$	60,000	\$	-	\$	60,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	60,000	\$	-	\$	60,000	\$	-
	FTE	0.000		0.000		0.000		0.000
<b>10 Motor Fleet Management Rate Increase</b>								
Provides funds to cover the increase in Motor Fleet Management rate effective July 1, 2025. Rates have not been updated since January 1, 2018.	Req \$	24,538	\$	-	\$	24,538	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	24,538	\$	-	\$	24,538	\$	-
	FTE	0.000		0.000		0.000		0.000
<b>Total Change to Requirements</b>	\$	<b>557,141</b>	\$	<b>1,427,728</b>	\$	<b>625,662</b>	\$	<b>-</b>
<b>Total Change to Receipts</b>	\$	<b>-</b>	\$	<b>-</b>	\$	<b>-</b>	\$	<b>-</b>
<b>Total Change to Net Appropriations</b>	\$	<b>557,141</b>	\$	<b>1,427,728</b>	\$	<b>625,662</b>	\$	<b>-</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>		<b>0.000</b>		<b>0.000</b>		<b>0.000</b>		<b>0.000</b>
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$			<b>1,984,869</b>	\$			<b>625,662</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>				<b>0.000</b>				<b>0.000</b>

**Mission**

To enhance the lives of North Carolinians by providing foundational support to state government agencies through asset management, advocacy, and operations.

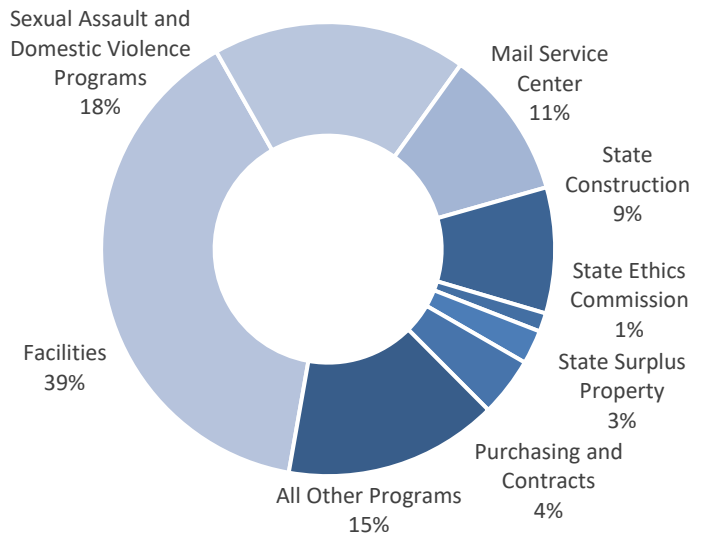
**Goals**

- Explore new and improved ways to deliver effective and efficient services to create value for taxpayers.
- Provide superior customer service.
- Create a culture of trust through enhanced employee engagement, openness, and inclusiveness.

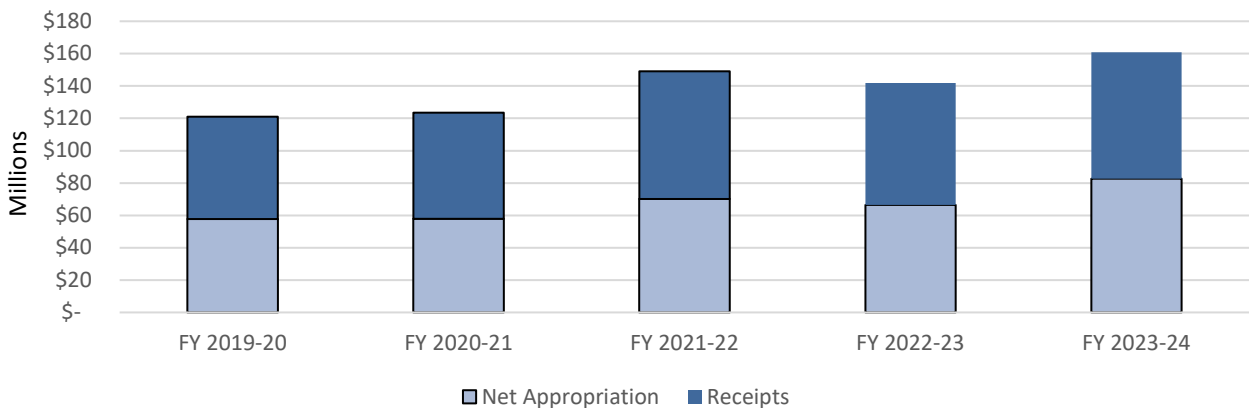
**Agency Profile**

- Provide services for state government by overseeing government operations in building construction, purchasing and contracting for goods and services, managing state vehicles, acquiring and disposing of real property, overseeing Raleigh state facilities, disposing of surplus real property, and operating a courier mail service.
- Advocate for and provide services to underserved populations. Provide administrative support to various boards and commissions including Indian Affairs, Historically Underutilized Businesses, Inclusion, MLK Jr., Youth Council, State Internships, State Building, Women and Domestic Violence.
- Maintain a registry of home and private schools in the state.

**FY 2023-24 Actual Expenditures**



**5-Year Historical Expenditures**



*Charts include General Fund and Internal Service Funds.  
Charts exclude expenditures from the Office of State Human Resources.*



**Administration - General Fund (14100)**

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 78,827,446	\$ 6,630,606	\$ 636,927	\$ 7,267,533	\$ 86,094,979	9.2 %
Receipts	\$ 11,416,041	\$ -	\$ -	\$ -	\$ 11,416,041	0.0 %
Net Appropriation	\$ 67,411,405	\$ 6,630,606	\$ 636,927	\$ 7,267,533	\$ 74,678,938	10.8 %
Positions (FTE)	374.983	3.000	-	3.000	377.983	0.8 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 78,827,446	\$ 6,849,492	\$ -	\$ 6,849,492	\$ 85,676,938	8.7 %
Receipts	\$ 11,416,041	\$ -	\$ -	\$ -	\$ 11,416,041	0.0 %
Net Appropriation	\$ 67,411,405	\$ 6,849,492	\$ -	\$ 6,849,492	\$ 74,260,897	10.2 %
Positions (FTE)	374.983	3.000	-	3.000	377.983	0.8 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

**Reserve for Salaries and Benefits**

**1 Compensation Increase Reserve**

Increases all state-funded employee salaries by 2%.

Req \$	616,000	\$ -	\$ 616,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	616,000	\$ -	\$ 616,000	\$ -
FTE	0.000	0.000	0.000	0.000

**2 State Employee Bonus**

Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ 373,000	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 373,000	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

**3 Labor Market Retention and Adjustment Reserve**

Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.

Req \$	616,000	\$ -	\$ 616,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	616,000	\$ -	\$ 616,000	\$ -
FTE	0.000	0.000	0.000	0.000

**4 Retirement and Retiree Health Contributions**

Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.

Req \$	77,848	\$ -	\$ 159,588	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	77,848	\$ -	\$ 159,588	\$ -
FTE	0.000	0.000	0.000	0.000

**5 Retiree Cost-of-Living Adjustment**

Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.

Req \$	-	\$ 263,927	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 263,927	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

**6 State Health Plan**

Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium

Req \$	130,615	\$ -	\$ 267,761	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	130,615	\$ -	\$ 267,761	\$ -
FTE	0.000	0.000	0.000	0.000

**R Changes      NR Changes      R Changes      NR Changes**

**Facilities Maintenance**

**7 Maintenance of State Buildings**

Addresses a shortfall in the Facilities Management Division to allow continued maintenance of state facilities. The Division has a large budget deficit due to the replacement of a receipt-supported tenant (Department of Insurance) that paid rent with one supported by net appropriations. Net appropriations supported agencies do not pay rent for use of space in state-owned buildings. Appropriately maintaining buildings reduces the costs of future repairs and saves money over time.

Req \$	2,100,000	\$	-	\$	2,100,000	\$	-
Rec \$	-	\$	-	\$	-	\$	-
App \$	2,100,000	\$	-	\$	2,100,000	\$	-
FTE	0.000		0.000		0.000		0.000

**8 Utility Cost Increase for State-Maintained Buildings**

Increases the Facilities Management Division's budget for utility expenses. The division is responsible for paying utilities for state-owned buildings. In the past three years, the prices of natural gas and electricity have risen 44% and 14.6%, respectively, without a corresponding increase to the division's budget.

Req \$	1,617,118	\$	-	\$	1,617,118	\$	-
Rec \$	-	\$	-	\$	-	\$	-
App \$	1,617,118	\$	-	\$	1,617,118	\$	-
FTE	0.000		0.000		0.000		0.000

**9 DIT Fees – State Building Security and Monitoring**

Funds ongoing operations and maintenance fees for a closed fiber network for the State Parking Access Revenue Control System and the Facility Maintenance Division's building automation systems. These systems provide security for state buildings and parking decks, as well as allow for centralized monitoring and control of environmental conditions within each building.

Req \$	240,000	\$	-	\$	240,000	\$	-
Rec \$	-	\$	-	\$	-	\$	-
App \$	240,000	\$	-	\$	240,000	\$	-
FTE	0.000		0.000		0.000		0.000

**Non-Public Education**

**10 Non-Public Education Staff**

Provides funding for new positions in the Division of Non-Public Education (DNPE). DNPE oversees the state's 897 private schools and 105,534 homeschools. The positions will enhance the division's capacity to manage data for each non-public school, process forms for schools seeking to register, answer public inquiries, comply with the legislative requirement that each private school receive an annual visit, and conduct reviews of the schools' documentation. At current staffing levels, DNPE is unable to meet these obligations.

Req \$	307,782	\$	-	\$	307,782	\$	-
Rec \$	-	\$	-	\$	-	\$	-
App \$	307,782	\$	-	\$	307,782	\$	-
FTE	3.000		0.000		3.000		0.000

**Information Technology**

**11 Information Technology Rates**

Funds the expected increase in IT rate charges resulting from the FY 2025-26 approved increase in the Department of Information Technology's subscription and service delivery rates.

Req \$	925,243	\$	-	\$	925,243	\$	-
Rec \$	-	\$	-	\$	-	\$	-
App \$	925,243	\$	-	\$	925,243	\$	-
FTE	0.000		0.000		0.000		0.000

<b>Total Change to Requirements</b>	\$	<b>6,630,606</b>	\$	<b>636,927</b>	\$	<b>6,849,492</b>	\$	-
<b>Total Change to Receipts</b>	\$	-	\$	-	\$	-	\$	-
<b>Total Change to Net Appropriations</b>	\$	<b>6,630,606</b>	\$	<b>636,927</b>	\$	<b>6,849,492</b>	\$	-
<b>Total Change to Full-Time Equivalent (FTE)</b>		<b>3.000</b>		<b>0.000</b>		<b>3.000</b>		<b>0.000</b>
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$			<b>7,267,533</b>	\$			<b>6,849,492</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>				<b>3.000</b>				<b>3.000</b>

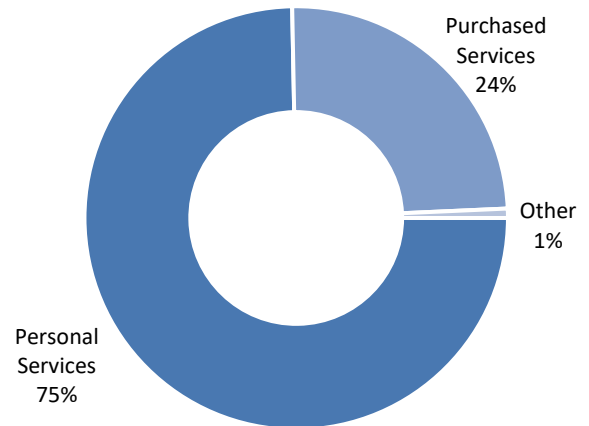
**Mission**

To have North Carolina State government recognized as an “Employer of Choice” while providing a solid Human Resource management foundation, responsible oversight, and creative solutions through a collaborative approach with stakeholders to maximize the potential of our greatest asset – our employees.

**Goals**

1. Modernize human capital management systems, streamline operations and implement data-driven decision capability through real-time analytics.
2. Increase employee retention through policies and best practices to improve recruitment and training that ensure development of an effective workforce.
3. Implement proactive measures to reflect the state’s diversity and promote inclusive/welcoming worksites.
4. Provide professional development opportunities to retain a qualified workforce and advance employees evolving career pathways.
5. Reduce injuries and related Safety and Workers’ Compensation cost through updated vendor contracts and proactive consultation and training.
6. Continue Temporary Solutions operations to help agencies effectively manage needs.

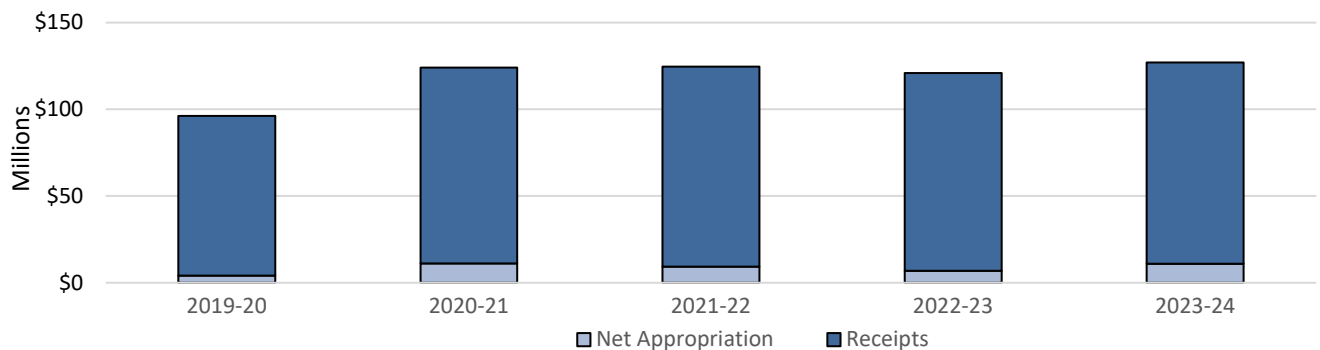
**FY 2023-24 Actual Expenditures**



**Agency Profile**

- Serves as a collaborative, strategic, and customer-focused partner, allowing state government to attract, retain, develop, and motivate a high-performing, diverse workforce.
- Supports the State Human Resources Commission in advancing policies and practices to keep state government human resources administration fair, current, and competitive.
- Operates Temporary Solutions to assist agencies in meeting changing workforce needs.
- Ensures eligible employees who experience a work-related injury or illness receive appropriate care and benefits per the Workers' Compensation Act.
- Administers the NCFlex program to provide cost-effective supplemental benefits and flexible spending account options.

**5-Year Historical Expenditures**



*Historical Expenditures chart includes General Fund and Internal Service Fund budget codes. Actual Expenditures chart only includes General Fund budget code.*

*\*Starting FY 2021-22, OSHR has its own budget code; previously, it was budgeted within the Department of Administration.*

**Office of State Human Resources - General Fund (14111)**

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 12,022,809	\$ 1,196,183	\$ 129,056	\$ 1,325,239	\$ 13,348,048	11.0%
Receipts	\$ 100,888	\$ -	\$ -	\$ -	\$ 100,888	0.0%
Net Appropriation	\$ 11,921,921	\$ 1,196,183	\$ 129,056	\$ 1,325,239	\$ 13,247,160	11.1%
Positions (FTE)	59.800	7.000	-	7.000	66.800	11.7%

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 12,045,335	\$ 3,413,930	\$ -	\$ 3,413,930	\$ 15,459,265	28.3%
Receipts	\$ 100,888	\$ -	\$ -	\$ -	\$ 100,888	0.0%
Net Appropriation	\$ 11,944,447	\$ 3,413,930	\$ -	\$ 3,413,930	\$ 15,358,377	28.6%
Positions (FTE)	59.800	7.000	-	7.000	66.800	11.7%

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

**Reserve for Salaries and Benefits**

**1 Compensation Increase Reserve**

Increases all state-funded employee salaries by 2%.

Req \$	161,000	\$ -	\$ 161,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	161,000	\$ -	\$ 161,000	\$ -
FTE	0.000	0.000	0.000	0.000

**2 State Employee Bonus**

Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.

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

**3 Labor Market Retention and Adjustment Reserve**

Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.

Req \$	161,000	\$ -	\$ 161,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	161,000	\$ -	\$ 161,000	\$ -
FTE	0.000	0.000	0.000	0.000

**4 Retirement and Retiree Health Contributions**

Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.

Req \$	20,369	\$ -	\$ 41,756	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	20,369	\$ -	\$ 41,756	\$ -
FTE	0.000	0.000	0.000	0.000

**5 Retiree Cost-of-Living Adjustment**

Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.

Req \$	-	\$ 69,056	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 69,056	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

**6 State Health Plan**

Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.

Req \$	23,702	\$ -	\$ 48,589	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	23,702	\$ -	\$ 48,589	\$ -
FTE	0.000	0.000	0.000	0.000

**R Changes      NR Changes      R Changes      NR Changes**

**Department-wide**

**7 IT Contracts/License Increases**

Covers rising software expenses for essential human resource software applications used by all state agencies, including the NEOGOV hiring platform, the Content Anytime learning platform, the State's employee performance management system (NCVIP), and the PeopleAdmin repository for all position descriptions. These systems will eventually be replaced by the Human Capital Management Project (HCM) but need to be maintained until the HCM system and transition is complete.

Req \$	156,065	\$	-	\$	222,070	\$	-
Rec \$	-	\$	-	\$	-	\$	-
App \$	156,065	\$	-	\$	222,070	\$	-
FTE	0.000		0.000		0.000		0.000

**8 Data Analytics Position**

Creates a position dedicated to analyzing state HR data, encompassing workforce metrics, compensation statistics, turnover and retirement rates, and talent acquisition insights. The data analyst will develop and maintain a data dictionary, create customized dashboards, refine and map data, and identify and interpret trends and patterns, all of which will help the state develop HR policies and practices grounded in evidence.

Req \$	145,942	\$	-	\$	145,942	\$	-
Rec \$	-	\$	-	\$	-	\$	-
App \$	145,942	\$	-	\$	145,942	\$	-
FTE	1.000		0.000		1.000		0.000

**9 HR Complaint Investigative Position**

Establishes an attorney position to allow the Office of State Human Resources (OSHR) to staff an HR Complaint Investigative Unit to receive and investigate complaints from employees and job applicants. Since 2020, more than 300 grievable issues have been reported. OSHR receives an average of more than 135 requests for mediation annually. The Unit will reduce costs for outside mediation, provide a safer work environment, and increase job satisfaction.

Req \$	167,168	\$	-	\$	167,168	\$	-
Rec \$	-	\$	-	\$	-	\$	-
App \$	167,168	\$	-	\$	167,168	\$	-
FTE	1.000		0.000		1.000		0.000

**Human Capital Management Project**

**10 Human Capital Management Project Support**

Provides additional funding for the state's Human Capital Management (HCM) project. The HCM project is replacing fragmented, outdated, legacy HR applications with a single unified system. The current phase of the project, Phase 1, includes recruitment, applicant tracking, on- and off-boarding, business analytics, organizational charting, and I-9/e-verification. The project requires recurring funding to pay new vendor subscription costs and to hire new technical staff for OSHR to ensure successful project implementation. Once complete, Phase 1 will deliver automated workflows, enhance user interfaces, and provide better data analytics, all of which will improve and streamline the hiring process.

Req \$	360,937	\$	-	\$	2,466,405	\$	-
Rec \$	-	\$	-	\$	-	\$	-
App \$	360,937	\$	-	\$	2,466,405	\$	-
FTE	5.000		0.000		5.000		0.000

**11 HCM – Managed Services**

Budgets receipts from the IT Reserve to provide funds for application management services consultants for the HCM project. The specialized team will support successful release and adoption of the HCM by state agency users through enhanced application support.

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

**12 Human Asset Research Project**

Budgets receipts from the IT Reserve to provide funds for the Human Asset Research Project (HARP). OSHR, in collaboration with Government Data Analytics Center (GDAC), will use HARP to integrate current and historical HR data from multiple disparate HR systems. HARP will make sure that all historical HR data is successfully migrated and easily accessible to agencies and allow for a smooth integration of data into the HCM system.

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

<b>Total Change to Requirements</b>	\$	<b>1,196,183</b>	\$	<b>129,056</b>	\$	<b>3,413,930</b>	\$	-
<b>Total Change to Receipts</b>	\$	-	\$	-	\$	-	\$	-
<b>Total Change to Net Appropriations</b>	\$	<b>1,196,183</b>	\$	<b>129,056</b>	\$	<b>3,413,930</b>	\$	-
<b>Total Change to Full-Time Equivalent (FTE)</b>		<b>7.000</b>		<b>0.000</b>		<b>7.000</b>		<b>0.000</b>
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$			<b>1,325,239</b>	\$			<b>3,413,930</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>				<b>7.000</b>				<b>7.000</b>

**Mission**

To protect the financial integrity of the state and promote accountability in an objective and efficient manner.

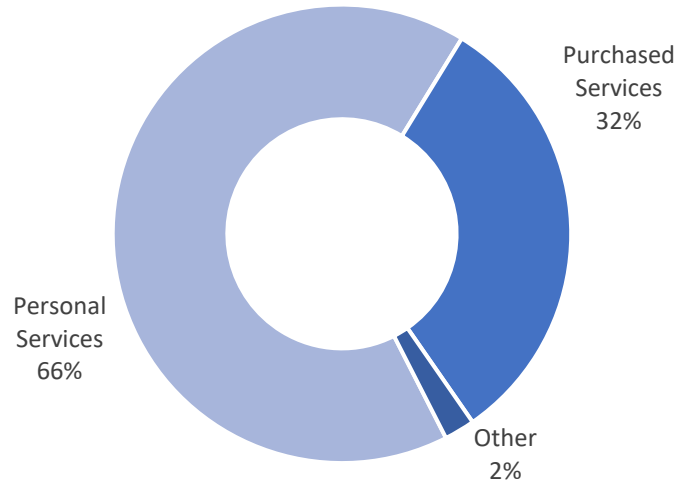
**Goals**

1. Transition from deployment to sustainment of the new enterprise financial system for state government.
2. Maintain and support the state’s bond ratings.
3. Continuously optimize and enhance the Statewide Integrated HR-Payroll system and OSC Shared Services Center.
4. Improve and enhance information technology operations.

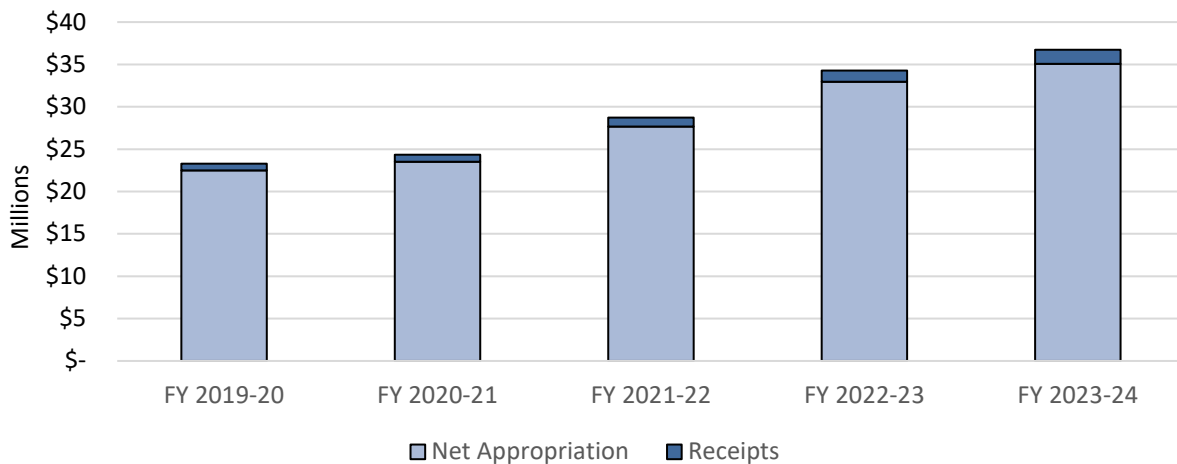
**Agency Profile**

- The State Controller is appointed by the Governor and confirmed by the General Assembly to a seven-year term.
- OSC manages government-wide systems for accounting, cash management, payroll, risk mitigation and internal controls, e-commerce, and financial reporting.
- OSC maintains systems, standards, and business processes to control spending.
- OSC prepares the state’s Annual Comprehensive Financial Report (ACFR), which summarizes the state’s financial performance during a fiscal year and its financial position at the end of the year.
- North Carolina’s ACFR has received an unqualified, or “clean,” audit opinion every year since 1994.

**FY 2023-24 Actual Expenditures**



**5-Year Historical Expenditures**



*Charts include General Fund budget code 14160 only.  
Budget growth in since FY 2020-21 reflects NCFS implementation.*

**State Controller - General Fund (14160)**

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 37,109,798	\$ 1,365,875	\$ 390,434	\$ 1,756,309	\$ 38,866,107	4.7%
Receipts	\$ 1,130,469	\$ -	\$ -	\$ -	\$ 1,130,469	0.0%
Net Appropriation	\$ 35,979,329	\$ 1,365,875	\$ 390,434	\$ 1,756,309	\$ 37,735,638	4.9%
Positions (FTE)	196.000	2.000	-	2.000	198.000	1.0%

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 37,109,798	\$ 1,505,667	\$ -	\$ 1,505,667	\$ 38,615,465	4.1%
Receipts	\$ 1,130,469	\$ -	\$ -	\$ -	\$ 1,130,469	0.0%
Net Appropriation	\$ 35,979,329	\$ 1,505,667	\$ -	\$ 1,505,667	\$ 37,484,996	4.2%
Positions (FTE)	196.000	2.000	-	2.000	198.000	1.0%

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

**Reserve for Salaries and Benefits**

**1 Compensation Increase Reserve**

Increases all state-funded employee salaries by 2%.

Req \$	470,000	\$ -	\$ 470,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	470,000	\$ -	\$ 470,000	\$ -
FTE	0.000	0.000	0.000	0.000

**2 State Employee Bonus**

Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ 189,000	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 189,000	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

**3 Labor Market Retention and Adjustment Reserve**

Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.

Req \$	470,000	\$ -	\$ 470,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	470,000	\$ -	\$ 470,000	\$ -
FTE	0.000	0.000	0.000	0.000

**4 Retirement and Retiree Health Contributions**

Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.

Req \$	59,415	\$ -	\$ 121,801	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	59,415	\$ -	\$ 121,801	\$ -
FTE	0.000	0.000	0.000	0.000

**5 Retiree Cost-of-Living Adjustment**

Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.

Req \$	-	\$ 201,434	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 201,434	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

**6 State Health Plan**

Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.

Req \$	73,720	\$ -	\$ 151,126	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	73,720	\$ -	\$ 151,126	\$ -
FTE	0.000	0.000	0.000	0.000

**R Changes      NR Changes      R Changes      NR Changes**

**Department-wide**

**7 Increasing Financial Reporting Capacity**

Funds additional positions for the office's financial reporting team, increasing its capacity to support and train finance and accounting staff across state government. Many finance offices are facing recruitment and retention challenges and have experienced a high level of retirements, resulting in newer, less experienced teams. These positions will also reduce staff overtime during production of the Annual Comprehensive Financial Report, helping address the financial reporting team's current 20% staff turnover rate.

Req \$	292,740	\$	-	\$	292,740	\$	-
Rec \$	-	\$	-	\$	-	\$	-
App \$	292,740	\$	-	\$	292,740	\$	-
FTE	2.000		0.000		2.000		0.000

<b>Total Change to Requirements</b>	\$	<b>1,365,875</b>	\$	<b>390,434</b>	\$	<b>1,505,667</b>	\$	-
<b>Total Change to Receipts</b>	\$	-	\$	-	\$	-	\$	-
<b>Total Change to Net Appropriations</b>	\$	<b>1,365,875</b>	\$	<b>390,434</b>	\$	<b>1,505,667</b>	\$	-
<b>Total Change to Full-Time Equivalent (FTE)</b>		<b>2.000</b>		<b>0.000</b>		<b>2.000</b>		<b>0.000</b>
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$			<b>1,756,309</b>	\$			<b>1,505,667</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>				<b>2.000</b>				<b>2.000</b>



**Mission**

To enable trusted business-driven solutions that meet the needs of North Carolinians. NCDIT priorities are Broadband/Connectivity, Cybersecurity & Privacy, and Digital Transformation.

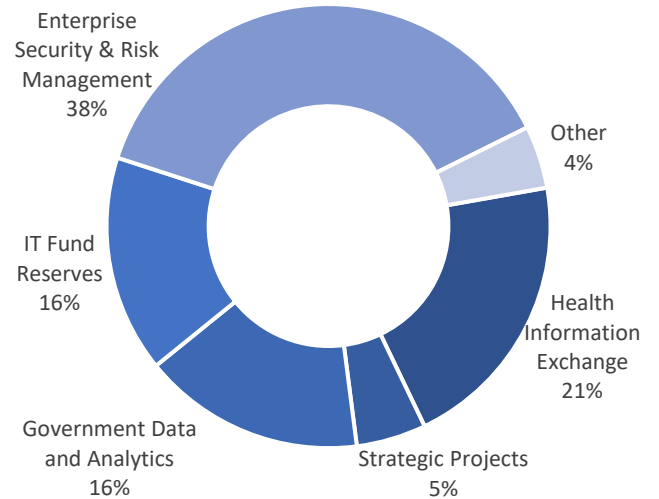
**Goals**

1. Foster a connected NC to improve opportunities and outcomes for all North Carolinians.
2. Transform the delivery of services.
3. Optimize and secure the state’s IT and applications portfolios.
4. Promote an inclusive and innovative workforce.
5. Leverage data assets and analytics to further advance a data-driven government.

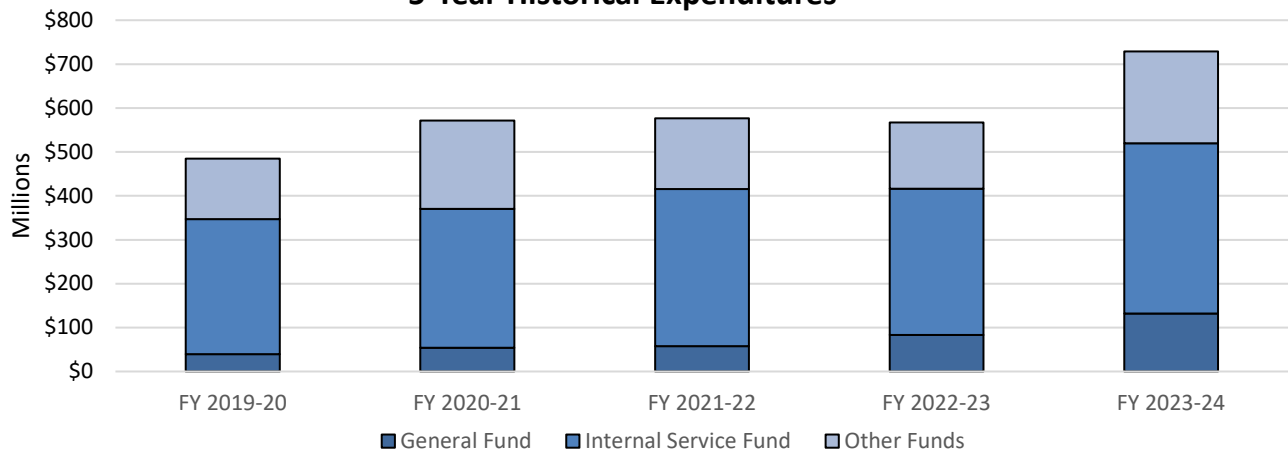
**Agency Profile**

- Provides services to state agencies, local governments, and education institutions that include expanding broadband access in rural parts of the state, strengthening cybersecurity, procuring IT resources, and using data to improve service to residents.
- Represented on five boards and commissions, including the state’s 911 Board, the N.C. Geographic Information Coordinating Council, the IT Strategy Board, the N.C. Health Information Exchange Authority Advisory Board, and the N.C. Longitudinal Data System Governance Board.
- Optimizes state IT functions, bringing IT personnel from most executive branch agencies into one organization address the digital government needs of the state more efficiently and effectively.

**FY 2023-24 Actual Expenditures\***



**5-Year Historical Expenditures\*\***



\*Chart includes General Fund budget code only.

\*\*Chart includes General Fund and Special Funds/Receipts.

**Governor's Office - Information Technology Services (14660)**

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 76,806,553	\$ 19,256,946	\$ 320,790	\$ 19,577,736	\$ 96,384,289	25.5%
Receipts	\$ 475,922	\$ -	\$ -	\$ -	\$ 475,922	0.0%
Net Appropriation	\$ 76,330,631	\$ 19,256,946	\$ 320,790	\$ 19,577,736	\$ 95,908,367	25.6%
Positions (FTE)	135.750	1.000	-	1.000	136.750	0.7%

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 76,806,553	\$ 20,819,736	\$ -	\$ 20,819,736	\$ 97,626,289	27.1%
Receipts	\$ 475,922	\$ -	\$ -	\$ -	\$ 475,922	0.0%
Net Appropriation	\$ 76,330,631	\$ 20,819,736	\$ -	\$ 20,819,736	\$ 97,150,367	27.3%
Positions (FTE)	135.750	1.000	-	1.000	136.750	0.7%

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

**Reserve for Salaries and Benefits**

**1 Compensation Increase Reserve**

Increases all state-funded employee salaries by 2%.

Req \$	431,000	\$ -	\$ 431,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	431,000	\$ -	\$ 431,000	\$ -
FTE	0.000	0.000	0.000	0.000

**2 State Employee Bonus**

Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ 136,000	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 136,000	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

**3 Labor Market Retention and Adjustment Reserve**

Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.

Req \$	431,000	\$ -	\$ 431,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	431,000	\$ -	\$ 431,000	\$ -
FTE	0.000	0.000	0.000	0.000

**4 Retiree Cost-of-Living Adjustment**

Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.

Req \$	-	\$ 184,790	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 184,790	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

**5 Retirement and Retiree Health Contributions**

Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.

Req \$	54,506	\$ -	\$ 111,737	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	54,506	\$ -	\$ 111,737	\$ -
FTE	0.000	0.000	0.000	0.000

**6 State Health Plan**

Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.

Req \$	52,913	\$ -	\$ 108,472	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	52,913	\$ -	\$ 108,472	\$ -
FTE	0.000	0.000	0.000	0.000

		R Changes		NR Changes		R Changes		NR Changes
<b>Enterprise Security and Risk Management</b>								
<b>7 Cybersecurity Tools</b>								
Funds the costs of existing enterprise security tools and anticipated cost increases as adoption and use of those tools expands across the enterprise. There are approximately 11.2 billion attempts to access the state network per month. These cybersecurity tools are critical to detect and mitigate threats to the state's network. Nonrecurring funds will come from the Information Technology Reserve.	Req \$	15,000,000	\$	-	\$	15,000,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	15,000,000	\$	-	\$	15,000,000	\$	-
	FTE	0.000		0.000		0.000		0.000

**Enterprise Operations**

**8 Constituent Portal and Citizen Identity**

Invests in a constituent portal that will provide a centralized and user-friendly online platform to enhance public access to government programs, services, and information. North Carolinians will experience a secure single sign-on to state applications, such as online services for unemployment insurance, tax returns, business licensing, and health and human services benefits. This will improve North Carolinians' ability to access and use services more efficiently. Nonrecurring funds for one-time, initial stand up of the platform will come from the Information Technology Reserve.

Req \$	3,140,000	\$	-	\$	4,590,000	\$	-
Rec \$	-	\$	-	\$	-	\$	-
App \$	3,140,000	\$	-	\$	4,590,000	\$	-
FTE	0.000		0.000		0.000		0.000

**Government Data Analytics Center**

**9 North Carolina Longitudinal Service Staffing**

Provides a position to support the North Carolina Longitudinal Data Service (NCLDS). NCLDS facilitates the exchange and linkage of data across agencies and organizations to support research and evidence-based decision-making. NCLDS is currently only staffed by the Executive Director with no dedicated support staff to manage the data request process and the data request tool. Currently, NCLDS receives up to 100 data requests annually, and completion of each request includes multiple processes, reviews, and legal tasks that collectively can take several months to manage and resolve.

Req \$	147,527	\$	-	\$	147,527	\$	-
Rec \$	-	\$	-	\$	-	\$	-
App \$	147,527	\$	-	\$	147,527	\$	-
FTE	1.000		0.000		1.000		0.000

<b>Total Change to Requirements</b>	\$	<b>19,256,946</b>	\$	<b>320,790</b>	\$	<b>20,819,736</b>	\$	<b>-</b>
<b>Total Change to Receipts</b>	\$	<b>-</b>	\$	<b>-</b>	\$	<b>-</b>	\$	<b>-</b>
<b>Total Change to Net Appropriations</b>	\$	<b>19,256,946</b>	\$	<b>320,790</b>	\$	<b>20,819,736</b>	\$	<b>-</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>		<b>1.000</b>		<b>0.000</b>		<b>1.000</b>		<b>0.000</b>
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$			<b>19,577,736</b>	\$			<b>20,819,736</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>				<b>1.000</b>				<b>1.000</b>

**Mission**

To fund public services benefiting the people of North Carolina, we administer the tax laws and collect the taxes due in an impartial, consistent, secure, and efficient manner.

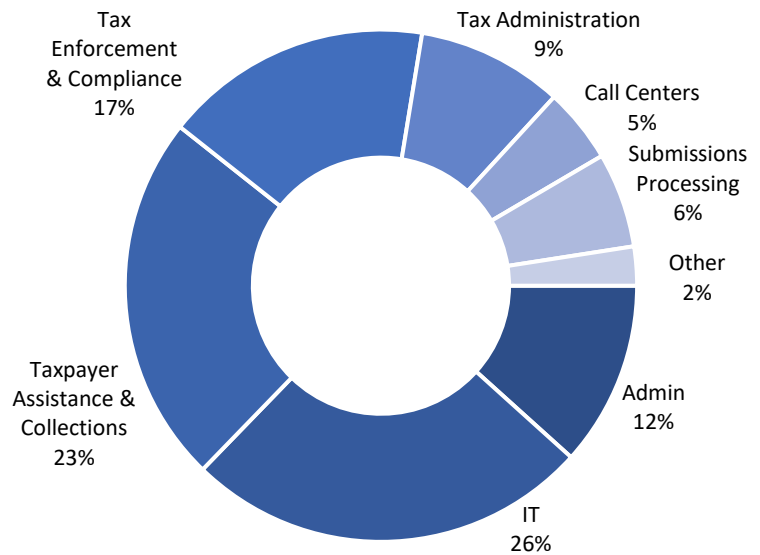
**Goals**

1. Improve information technology capabilities, security, and manageability.
2. Agency EEO Commitment
3. Engagement/OneDOR.

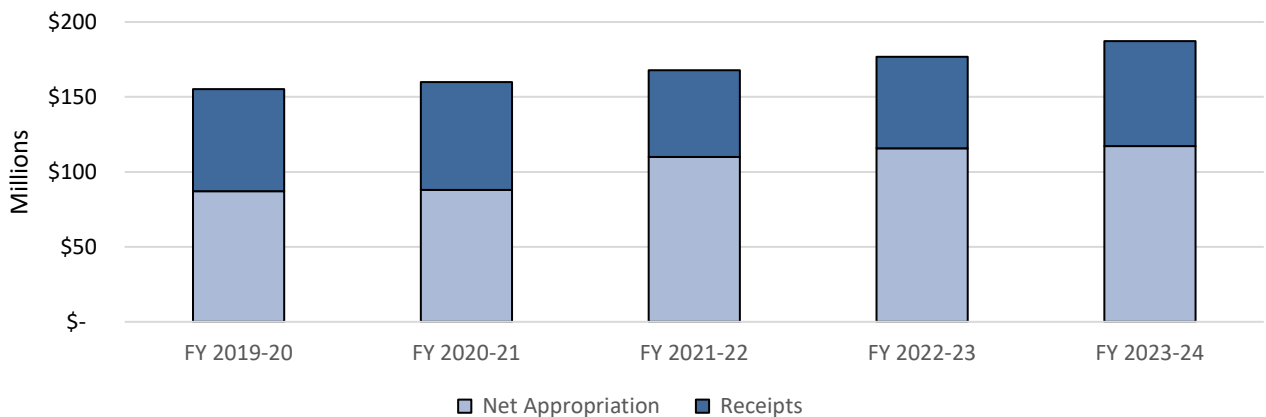
**Agency Profile**

- Administers over 20 different taxes, including individual income, corporate income, sales and use, motor fuel, alcoholic beverage, and tobacco tax.
- Provides compliance and enforcement efforts that yielded nearly \$2.4 billion during FY 2023-24.
- Collected \$45.4 billion in revenue during FY 2023-24 and deposited nearly \$32 billion into the state’s General Fund.
- Received 88% of payments electronically during FY 2023-24.
- The individual income tax represents the largest source of revenue for the state General Fund, followed by the sales tax.

**FY 2023-24 Actual Expenditures**



**5-Year Historical Expenditures**



*Charts include General Fund budget code only.*

**Revenue - General (14700)**

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 193,746,894	\$ 13,950,220	\$ 2,264,877	\$ 16,215,097	\$ 209,961,991	8.4 %
Receipts	\$ 72,934,239	\$ 1,048,397	\$ 143,909	\$ 1,192,306	\$ 74,126,545	1.6 %
Net Appropriation	\$ 120,812,655	\$ 12,901,823	\$ 2,120,968	\$ 15,022,791	\$ 135,835,446	12.4 %
Positions (FTE)	1,452.386	-	-	-	1,452.386	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 193,798,002	\$ 15,714,238	\$ 302,209	\$ 16,016,447	\$ 209,814,449	8.3 %
Receipts	\$ 72,963,537	\$ 1,419,397	\$ 150,333	\$ 1,569,730	\$ 74,533,267	2.2 %
Net Appropriation	\$ 120,834,465	\$ 14,294,841	\$ 151,876	\$ 14,446,717	\$ 135,281,182	12.0 %
Positions (FTE)	1,452.386	-	-	-	1,452.386	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

**Reserve for Salaries and Benefits**

**1 Compensation Increase Reserve**

Increases all state-funded employee salaries by 2%.

Req \$	1,565,000	\$ -	\$ 1,565,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	1,565,000	\$ -	\$ 1,565,000	\$ -
FTE	0.000	0.000	0.000	0.000

**2 State Employee Bonus**

Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ 1,451,000	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 1,451,000	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

**3 Labor Market Retention and Adjustment Reserve**

Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.

Req \$	1,565,000	\$ -	\$ 1,565,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	1,565,000	\$ -	\$ 1,565,000	\$ -
FTE	0.000	0.000	0.000	0.000

**4 Retirement and Retiree Health Contributions**

Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.

Req \$	197,613	\$ -	\$ 405,108	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	197,613	\$ -	\$ 405,108	\$ -
FTE	0.000	0.000	0.000	0.000

**5 Retiree Cost-of-Living Adjustment**

Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.

Req \$	-	\$ 669,968	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 669,968	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

**6 State Health Plan**

Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.

Req \$	324,303	\$ -	\$ 664,822	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	324,303	\$ -	\$ 664,822	\$ -
FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>Department-wide</b>					
<b>7 Motor Fleet Management Rate Increase</b>					
Provides funds to cover the increase in Motor Fleet Management rates effective July 1, 2025. Rates have not been updated since January 1, 2018. Receipts from the Motor Fuels Tax and Fuel Compliance Tax at DOT will support this increase since DOR vehicle needs are to support taxes collected for DOT.	Req \$	60,620	\$ -	\$ 60,620	\$ -
	Rec \$	48,397	\$ -	\$ 48,397	\$ -
	App \$	12,223	\$ -	\$ 12,223	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Information Systems</b>					
<b>8 Integrated Tax Automation System (ITAS) Mainframe Operating Expenses</b>					
Provides funds to maintain the legacy Integrated Tax Administration System (ITAS) as the Department of Revenue (DOR) builds and transitions to a new tax system. The transition will take 6 years to fully implement. Without additional funds for maintenance, this 30-year-old system may cease to function, threatening North Carolina's tax collection. During FY 2023-24, the department collected \$42.6 billion in General Fund revenue through this system, or 94% the state's gross tax revenue.	Req \$	5,700,000	\$ -	\$ 6,125,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	5,700,000	\$ -	\$ 6,125,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>9 IT Security and Network Cost Increases</b>					
Covers the shortfall in IT security licenses, network, and support costs due to vendor price increases and the addition of new security applications. These updates are needed to ensure taxpayer data is protected.	Req \$	1,316,928	\$ -	\$ 1,557,057	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	1,316,928	\$ -	\$ 1,557,057	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>10 Document Management System Maintenance</b>					
Provides funding for ongoing costs to maintain the department's document management system, which processes electronic forms, paper forms, taxpayer correspondence, and Power of Attorney (POA) submissions. Since 2022, this application has processed over 667,000 documents, including 95,723 POA forms. Without this system, the department would have to handle all POA and paper correspondence manually, which would greatly delay responses and refunds to taxpayers.	Req \$	497,500	\$ -	\$ 522,375	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	497,500	\$ -	\$ 522,375	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>11 Modernized Electronic Filing (MeF) Yearly Updates</b>					
Covers the increased costs for yearly updates to the Modernized Electronic Filing (MeF) System, which processes Individual Income, Corporate Income, Franchise, Partnership, and Estates, and Trusts tax types. The MeF system allows taxpayers to submit returns electronically and communicate tax filings with the IRS. In FY 2023-24, the MeF system collected \$5.43 billion in tax revenue. These updates will ensure the security and operations of the system and that collections comply with the latest tax laws.	Req \$	400,000	\$ -	\$ 555,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	400,000	\$ -	\$ 555,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>12 Fuel Tracking Software</b>					
Budgets receipts from the Department of Transportation (DOT) to support ongoing maintenance and software and functionality upgrades of the Fuel Tracking System (FTS). The FTS is used to pay over \$2 billion in taxes annually. DOR manages this system, and these updates will reduce paperwork for both taxpayers and DOR employees.	Req \$	-	\$ -	\$ 371,000	\$ -
	Rec \$	-	\$ -	\$ 371,000	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>13 Public Sector Revenue Management</b>					
Provides funds to maintain the Public Sector Revenue Management System, which manages various excise taxes, including those related to alcohol and tobacco. Annual licenses and support costs have increased by 9% since 2023, and the department anticipates similar increases to continue. In FY 2023-24, the department collected \$850 million in taxes through this system. This item is partially supported by a transfer from the William S. Lee Tax Credit Fund, which is no longer used and has a small cash balance that has been sitting in budget code 24706 for 14 years.	Req \$	-	\$ 143,909	\$ -	\$ 302,209
	Rec \$	-	\$ 143,909	\$ -	\$ 150,333
	App \$	-	\$ -	\$ -	\$ 151,876
	FTE	0.000	0.000	0.000	0.000

R Changes      NR Changes      R Changes      NR Changes

**Information Systems**

**14 Replace Desktop Clients**

Provides funds to replace the Online File Payment Desktop Client and Revenue Collection and Analysis System Desktop Client. Without these systems taxes cannot be paid online and cash cannot be certified to the state's bank account. Over 94% of taxpayers file their individual taxes online and therefore rely on these systems. Funds for this will come from the IT Reserve.

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

**15 Replace Hardware**

Supports upgrades to old and out-of-support equipment in the department's on-site data center. These upgrades will let taxpayers keep using online applications, and help the department check tax returns and online payments, maintaining efficiency and combating refund fraud. Funds for this will come from the IT Reserve.

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

**16 DataPower End of Life Replacement**

Provides funds to replace two of the department's DataPower Applications that are near the end of support. These applications are used for secure file transfers with external parties, including with other state agencies and the IRS. After these applications go out of support in 2027, taxpayer data will not be secure and could become compromised. Additionally, the IRS will not share federal taxpayer data with the department if it does not meet certain security standards that the DataPower Applications provide. Funds for this will come from the IT Reserve and will be placed in a Special Fund.

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

**Law Enforcement**

**17 Body Cameras**

Provides funding for body cameras for all agency law enforcement officers (LEOs). Body cameras create crucial evidence in investigations by more accurately documenting interactions. Footage will enable situation-based training based on officers' previous encounters. Currently 19 LEOs at the agency do not have body cameras. Use of body cameras enhances accountability, transparency, and public trust.

Req \$	23,256	\$	-	\$	23,256	\$	-
Rec \$	-	\$	-	\$	-	\$	-
App \$	23,256	\$	-	\$	23,256	\$	-
FTE	0.000		0.000		0.000		0.000

**Tax Fraud Prevention**

**18 Increase in Funding for Fraud Analytics**

Provides funds to update the department's technology for its tax fraud analytics program. In FY 2023-24, the department identified and stopped \$983 million in fraudulent refund claims.

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

**Taxpayer Communication**

**19 Printing and Mailing Services**

Increases the department's budget for printing costs. Printing needs have increased with population and business growth and DOR's desire to create better taxpayer customer service. This includes printing tax bills, notices, and refund checks. This increase in expenses will be partially funded using receipts from the Collection Assistant Fund, Budget Code 24704.

Req \$	1,300,000	\$	-	\$	1,300,000	\$	-
Rec \$	1,000,000	\$	-	\$	1,000,000	\$	-
App \$	300,000	\$	-	\$	300,000	\$	-
FTE	0.000		0.000		0.000		0.000

<b>Total Change to Requirements</b>	\$	<b>13,950,220</b>	\$	<b>2,264,877</b>	\$	<b>15,714,238</b>	\$	<b>302,209</b>
<b>Total Change to Receipts</b>	\$	<b>1,048,397</b>	\$	<b>143,909</b>	\$	<b>1,419,397</b>	\$	<b>150,333</b>
<b>Total Change to Net Appropriations</b>	\$	<b>12,901,823</b>	\$	<b>2,120,968</b>	\$	<b>14,294,841</b>	\$	<b>151,876</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>		<b>0.000</b>		<b>0.000</b>		<b>0.000</b>		<b>0.000</b>
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$			<b>15,022,791</b>	\$			<b>14,446,717</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>				<b>0.000</b>				<b>0.000</b>

**Revenue - Lee Tax Credits (24706)**

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ -	\$ -	\$ 143,909	\$ 143,909	\$ 143,909	0.0%
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Chg in Fund Balance	\$ -	\$ -	\$ (143,909)	\$ (143,909)	\$ -	0.0%
Positions (FTE)	-	-	-	-	-	0.0%

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ -	\$ -	\$ 150,333	\$ 150,333	\$ 150,333	0.0%
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Chg in Fund Balance	\$ -	\$ -	\$ (150,333)	\$ (150,333)	\$ -	0.0%
Positions (FTE)	-	-	-	-	-	0.0%

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

**Public Sector Revenue Management**

**1 Transfer-Public Sector Revenue Management**

Budgets the transfer from budget code 14700 for the Public Sector Revenue Management System.

Req \$	-	\$ 143,909	\$ -	\$ 150,333
Rec \$	-	\$ -	\$ -	\$ -
CFB \$	-	\$ (143,909)	\$ -	\$ (150,333)
FTE	0.000	0.000	0.000	0.000

<b>Total Change to Requirements</b>	\$ -	\$ 143,909	\$ -	\$ 150,333
<b>Total Change to Receipts</b>	\$ -	\$ -	\$ -	\$ -
<b>Total Change to Fund Balance</b>	\$ -	\$ (143,909)	\$ -	\$ (150,333)
<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>	\$ -	\$ (143,909)	\$ -	\$ (150,333)
<b>Total Change to Full-Time Equivalent (FTE)</b>		0.000		0.000



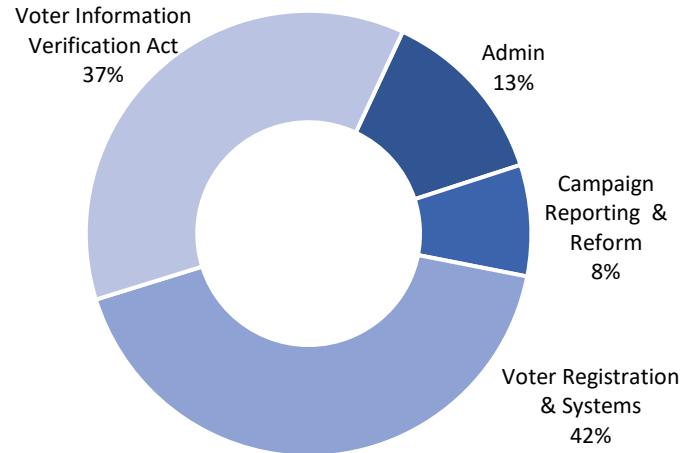
**Mission**

To supervise and support the lawful, accurate, and transparent administration of elections for the people of North Carolina.

**Goals**

1. Create and maintain a comprehensive and secure environment for North Carolina elections.
2. Be good stewards of election resources.
3. Institute and establish practices that prioritize statewide uniformity in elections administration to ensure lawful, accurate elections that promote public confidence in the process.
4. Provide excellent customer service in all agency efforts.

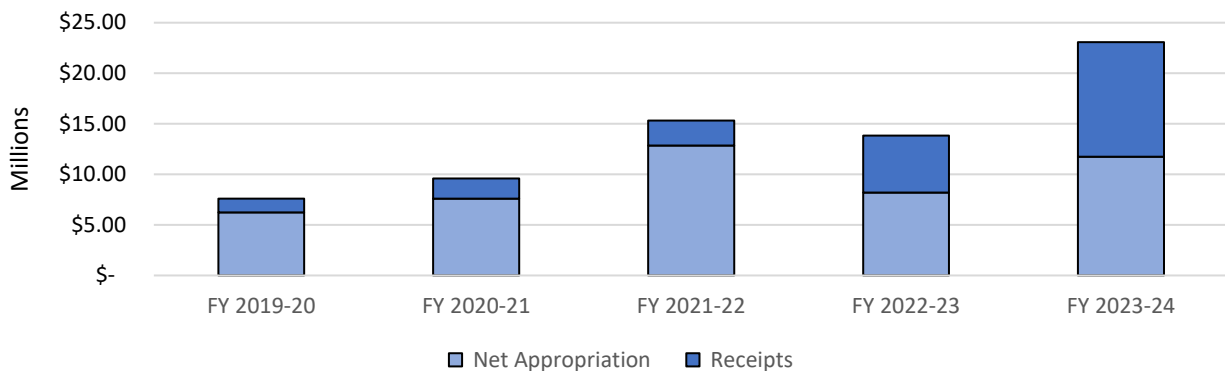
**FY 2023-24 Actual Expenditures**



**Agency Profile**

- Supervise the conduct of elections and the disclosure of campaign financing in the state. Elections are conducted by 100 county boards under State Board of Elections’ oversight.
- Governed by a five-member Board appointed by the Governor—to be appointed by the State Auditor, beginning in May 2025. No more than three members may belong to the same party.
- Appoints four of the five members for each county’s elections board. The Governor names the fifth member who serves as chair; beginning in June 2025, the State Auditor will appoint county chairs.
- Evaluates and certifies voting equipment used by county boards to administer elections.
- Develops and manages the State Elections Information Management System used by the SBE and all county boards of elections to automate processes for voter registration, voting, election site operations, and other key functions.

**5-Year Historical Expenditures\***



*Charts include General Fund budget codes only.*

*\* FY2022-23 reflects additional non-recurring receipts related to Voter ID Program and S.L. 2023-140 changes. FY 2023-2024 reflects additional nonrecurring receipts related to Voter ID Program Carryforward and State Election Information Management System replacement.*

**State Board of Elections - General (18025)**

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 9,849,327	\$ 1,891,617	\$ 121,051	\$ 2,012,668	\$ 11,861,995	20.4%
Receipts	\$ 102,000	\$ -	\$ -	\$ -	\$ 102,000	0.0%
Net Appropriation	\$ 9,747,327	\$ 1,891,617	\$ 121,051	\$ 2,012,668	\$ 11,759,995	20.6%
Positions (FTE)	65.000	4.000	-	4.000	69.000	6.2%

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 9,849,327	\$ 1,935,495	\$ -	\$ 1,935,495	\$ 11,784,822	19.6%
Receipts	\$ 102,000	\$ -	\$ -	\$ -	\$ 102,000	0.0%
Net Appropriation	\$ 9,747,327	\$ 1,935,495	\$ -	\$ 1,935,495	\$ 11,682,822	19.9%
Positions (FTE)	65.000	4.000	-	4.000	69.000	6.2%

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

**Reserve for Salaries and Benefits**

**1 Compensation Increase Reserve**

Increases all state-funded employee salaries by 2%.

Req \$	142,000	\$ -	\$ 142,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	142,000	\$ -	\$ 142,000	\$ -
FTE	0.000	0.000	0.000	0.000

**2 State Employee Bonus**

Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.

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

**3 Labor Market Retention and Adjustment Reserve**

Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.

Req \$	142,000	\$ -	\$ 142,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	142,000	\$ -	\$ 142,000	\$ -
FTE	0.000	0.000	0.000	0.000

**4 Retirement and Retiree Health Contributions**

Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.

Req \$	18,008	\$ -	\$ 36,916	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	18,008	\$ -	\$ 36,916	\$ -
FTE	0.000	0.000	0.000	0.000

**5 Retiree Cost-of-Living Adjustment**

Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.

Req \$	-	\$ 61,051	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 61,051	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

**6 State Health Plan**

Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.

Req \$	23,781	\$ -	\$ 48,751	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	23,781	\$ -	\$ 48,751	\$ -
FTE	0.000	0.000	0.000	0.000

**R Changes      NR Changes      R Changes      NR Changes**

**County Support**

**7 Supporting County Boards of Elections**

Provides funds to allow the State Board of Elections (SBE) to create up to four positions to support local county boards of elections. SBE may determine which positions – Regional Security and Support Technicians, Legal Analysts, and Application Analysts – are most needed to provide this support. SBE may also use these funds for other services that assist the local boards to ensure a smooth election process.

Req \$	652,983	\$	-	\$	652,983	\$	-
Rec \$	-	\$	-	\$	-	\$	-
App \$	652,983	\$	-	\$	652,983	\$	-
FTE	0.000		0.000		0.000		0.000

**Information Systems**

**8 Securing Election Integrity**

Fundshifts the Chief Information Security Officer, additional IT staff, and IT software services from federal Help America Vote Act (HAVA) grants to net appropriation. HAVA grant funds vary greatly in timing and amount and SBE expects to exhaust all awarded funds by the end of 2026. Maintaining these IT positions is imperative; the Department of Homeland Security designated elections systems as part of the nation's critical infrastructure in 2017. Moving this funding to net appropriations will provide stable funding for these necessary positions and software services that are critical for monitoring and responding to election technology system threats.

Req \$	912,845	\$	-	\$	912,845	\$	-
Rec \$	-	\$	-	\$	-	\$	-
App \$	912,845	\$	-	\$	912,845	\$	-
FTE	4.000		0.000		4.000		0.000

**9 Software Modernization Funding**

Invests funds from the IT Reserve to complete the second phase of Statewide Elections Information Management System (SEIMS) within four years. SBE received \$5.6 million in FY 2022-23 to begin the modernization process and has expended those funds completing phase one of the upgrade. Phase one allowed SBE to convert five legacy applications to modern software modules. Phase two will allow SBE to finish the project of modernizing the entire election information management system, including completing the conversion of the remaining seven legacy applications and two web applications. Modernization is vital to making SBE's technology secure, accessible, and centralized.

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

<b>Total Change to Requirements</b>	\$	<b>1,891,617</b>	\$	<b>121,051</b>	\$	<b>1,935,495</b>	\$	<b>-</b>
<b>Total Change to Receipts</b>	\$	<b>-</b>	\$	<b>-</b>	\$	<b>-</b>	\$	<b>-</b>
<b>Total Change to Net Appropriations</b>	\$	<b>1,891,617</b>	\$	<b>121,051</b>	\$	<b>1,935,495</b>	\$	<b>-</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>		<b>4.000</b>		<b>0.000</b>		<b>4.000</b>		<b>0.000</b>
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$			<b>2,012,668</b>	\$			<b>1,935,495</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>				<b>4.000</b>				<b>4.000</b>

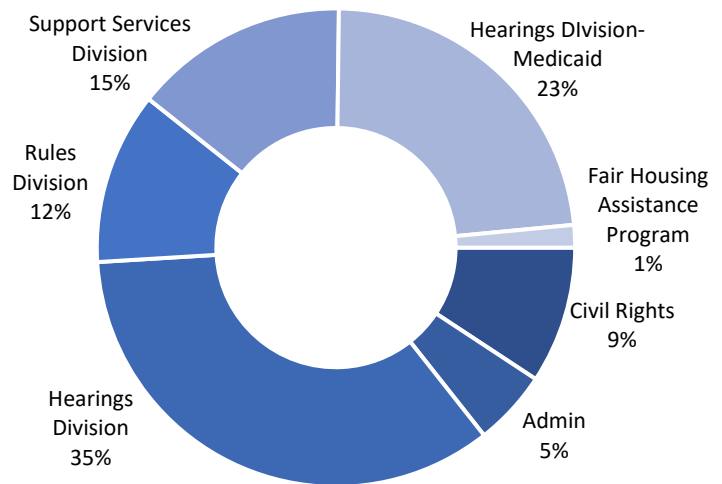
**Mission**

To serve North Carolinians with quality and efficiency by providing an independent forum for prompt and impartial resolution of administrative law contested cases involving citizens and state agencies; functioning as the state’s codifier, publisher, and reviewer of all administrative rules; and investigated alleged acts of unlawful discrimination in employment and housing.

**Goals**

1. Conduct contested case hearings in compliance with statutory requirements and render final decisions that correctly apply the laws of North Carolina.
2. Manage dockets and case flow.
3. Conclude all cases and investigations in a timely manner.
4. Publish rules, Rules Review Commission in review of rules and rulemaking training.
5. Reduce the time to formalize a charge of discrimination.

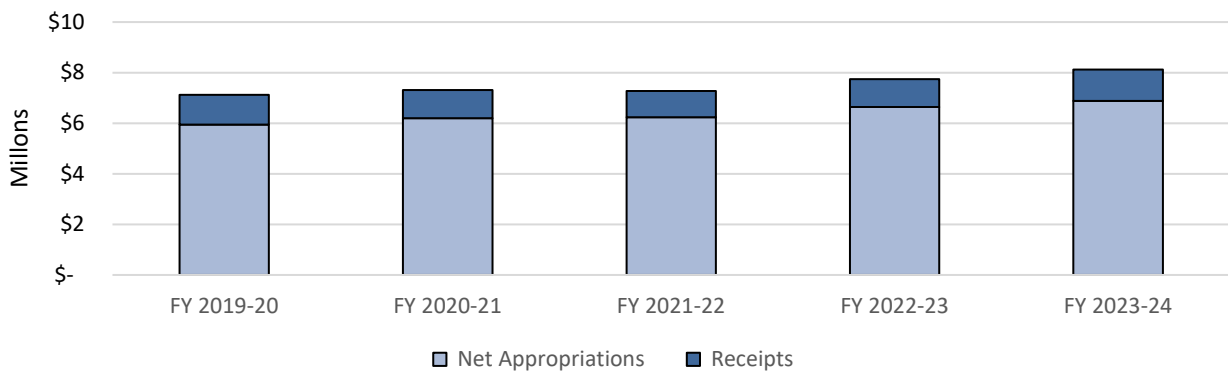
**FY 2023-24 Actual Expenditures**



**Agency Profile**

- Hears and renders administrative positions in a fair and impartial manner.
- Administers a uniform system of administrative rule making and review procedures for agencies.
- Acts as the official North Carolina Register and the North Carolina Administrative Code.
- Serves as the deferral agency for the Equal Employment Opportunity Commission and receives fair housing complaints from the United States Department of Housing and Urban Development.
- Investigates acts of discrimination in employment and housing, and staffs both the Rules Review Commission and Human Relations Commission.
- Supports the State Human Resources Commission.

**5-Year Historical Expenditures**



*Charts includes General Fund budget codes only.*

**Office of Administrative Hearings (18210)**

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 9,770,183	\$ 537,234	\$ 113,051	\$ 650,285	\$ 10,420,468	6.7%
Receipts	\$ 1,521,520	\$ -	\$ -	\$ -	\$ 1,521,520	0.0%
Net Appropriation	\$ 8,248,663	\$ 537,234	\$ 113,051	\$ 650,285	\$ 8,898,948	7.9%
Positions (FTE)	58.790	1.000	-	1.000	59.790	1.7%

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 9,784,250	\$ 576,781	\$ -	\$ 576,781	\$ 10,361,031	5.9%
Receipts	\$ 1,521,520	\$ -	\$ -	\$ -	\$ 1,521,520	0.0%
Net Appropriation	\$ 8,262,730	\$ 576,781	\$ -	\$ 576,781	\$ 8,839,511	7.0%
Positions (FTE)	58.790	1.000	-	1.000	59.790	1.7%

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

**Reserve for Salaries and Benefits**

**1 Compensation Increase Reserve**

Increases all state-funded employee salaries by 2%.

Req \$	121,000	\$ -	\$ 121,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	121,000	\$ -	\$ 121,000	\$ -
FTE	0.000	0.000	0.000	0.000

**2 State Employee Bonus**

Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ 61,000	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 61,000	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

**3 Labor Market Retention and Adjustment Reserve**

Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.

Req \$	121,000	\$ -	\$ 121,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	121,000	\$ -	\$ 121,000	\$ -
FTE	0.000	0.000	0.000	0.000

**4 Retirement and Retiree Health Contributions**

Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.

Req \$	15,353	\$ -	\$ 31,474	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	15,353	\$ -	\$ 31,474	\$ -
FTE	0.000	0.000	0.000	0.000

**5 Retiree Cost-of-Living Adjustment**

Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.

Req \$	-	\$ 52,051	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 52,051	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

**6 State Health Plan**

Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.

Req \$	22,311	\$ -	\$ 45,737	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	22,311	\$ -	\$ 45,737	\$ -
FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>Department-wide</b>					
<b>7 Financial Staff</b>					
Establishes an additional position in the Financial Office, which currently consists of a CFO and a part-time temporary employee. This additional position will improve efficiency, create greater checks and balances, and enhance internal controls.	Req \$	119,614	\$ -	\$ 119,614	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	119,614	\$ -	\$ 119,614	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>8 Information Technology Rates</b>					
Funds the expected increase in IT rate charges resulting from the FY 2025-26 approved increase in the Department of Information Technology's subscription and service delivery rates.	Req \$	137,956	\$ -	\$ 137,956	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	137,956	\$ -	\$ 137,956	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Total Change to Requirements</b>		\$ 537,234	\$ 113,051	\$ 576,781	\$ -
<b>Total Change to Receipts</b>		\$ -	\$ -	\$ -	\$ -
<b>Total Change to Net Appropriations</b>		\$ 537,234	\$ 113,051	\$ 576,781	\$ -
<b>Total Change to Full-Time Equivalent (FTE)</b>		1.000	0.000	1.000	0.000
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$		650,285	\$	576,781
<b>Total Change to Full-Time Equivalent (FTE)</b>			1.000		1.000