

Mission

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

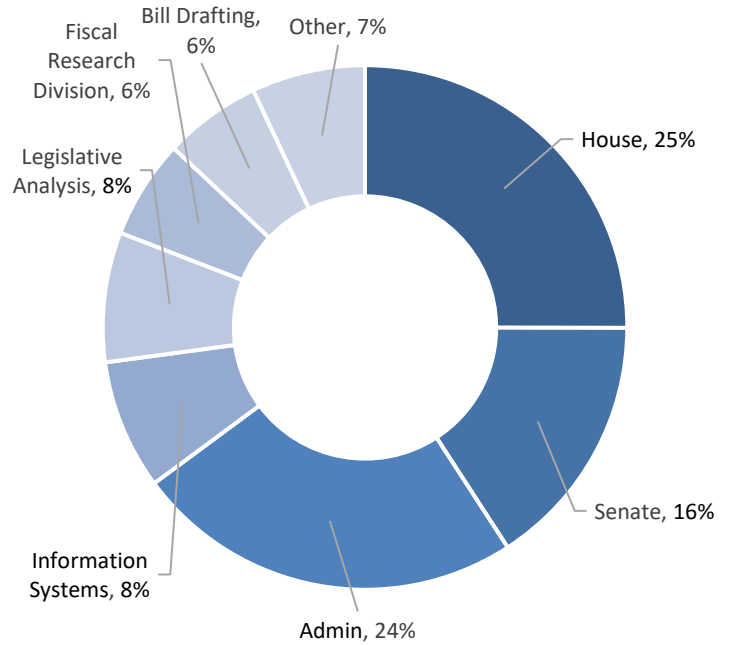
Goals

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.

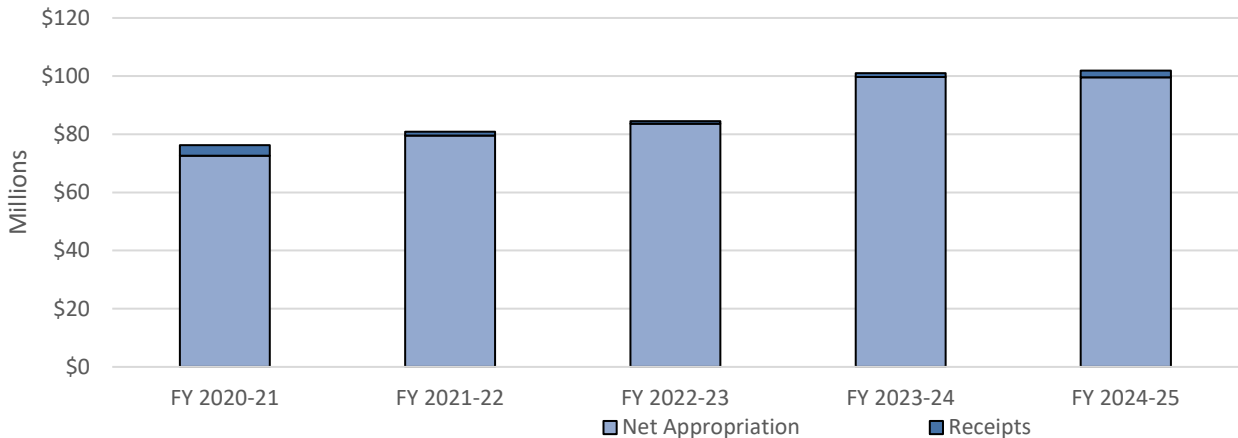
Agency Profile

- 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 2024-25 Actual Expenditures



5-Year Historical Expenditures



*Charts include General Fund budget code only.

General Assembly - General Fund (11000)

Year 1 FY 2025-26	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 103,357,796	\$ 2,131,258	\$ 464,786	\$ 2,596,044	\$ 105,953,840	2.5%
Receipts	\$ 561,000	\$ -	\$ -	\$ -	\$ 561,000	0.0%
Net Appropriation	\$ 102,796,796	\$ 2,131,258	\$ 464,786	\$ 2,596,044	\$ 105,392,840	2.5%
Positions (FTE)	604.060	-	-	-	604.060	0.0%

Year 2 FY 2026-27	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 103,357,796	\$ 5,080,754	\$ 1,625,786	\$ 6,706,540	\$ 110,064,336	6.5%
Receipts	\$ 561,000	\$ -	\$ -	\$ -	\$ 561,000	0.0%
Net Appropriation	\$ 102,796,796	\$ 5,080,754	\$ 1,625,786	\$ 6,706,540	\$ 109,503,336	6.5%
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 2.5% in each fiscal year to help address inflationary pressures. State employees have not gotten a raise since July 1, 2024.

Req \$	1,821,000	\$ -	\$ 3,642,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	1,821,000	\$ -	\$ 3,642,000	\$ -
FTE	0.000	0.000	0.000	0.000

2 State Employee Bonus

Provides a \$1,000 bonus for all state employees and local education employees regardless of funding source, and an additional \$500 bonus to employees with an annual salary of less than \$75,000. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ -	\$ -	\$ 1,161,000
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ -	\$ 1,161,000
FTE	0.000	0.000	0.000	0.000

3 State Health Plan Contributions

Provides funding for a 5% increase in employer premiums for enrolled active employees that the General Fund supports in FY 2026-27, for a total employer contribution of \$8,925 per employee. This proposal also provides funding for the State's General Fund contribution to medical rate increases for members of the State's retirement systems.

Req \$	-	\$ -	\$ 559,008	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ 559,008	\$ -
FTE	0.000	0.000	0.000	0.000

4 Retiree Supplement - TSERS Employees

Provides a 2.5% one-time retiree supplement in each fiscal year for more than 258,000 retired members and survivors of deceased members.

Req \$	-	\$ 409,786	\$ -	\$ 409,786
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 409,786	\$ -	\$ 409,786
FTE	0.000	0.000	0.000	0.000

5 Retiree Supplement - LRS Employees

Provides a 2.5% one-time retiree supplement in each fiscal year for more than 258,000 retired members and survivors of deceased members.

Req \$	-	\$ 55,000	\$ -	\$ 55,000
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 55,000	\$ -	\$ 55,000
FTE	0.000	0.000	0.000	0.000

6 Law Enforcement Officer Salary Increase

Provides funding for a 10% compensation increase in the first year of the biennium and a 5% increase in the second year of the biennium for all state law enforcement officers, for a total increase of 15%. Strengthening compensation will help agencies compete for qualified applicants, reduce turnover, and ensure safe, effective staffing levels across our communities. With no raise since July 1, 2024, state law enforcement salaries now rank among the lowest nationally, highlighting the need to restore competitiveness.

Req \$	310,258	\$ -	\$ 465,387	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	310,258	\$ -	\$ 465,387	\$ -
FTE	0.000	0.000	0.000	0.000

		R Changes		NR Changes		R Changes		NR Changes
Department-wide								
7 Membership Dues and Subscriptions								
Provides funds for membership dues and subscriptions for professional associations and resources for members and staff.	Req \$	-	\$	-	\$	414,359	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	-	\$	-	\$	414,359	\$	-
	FTE	0.000		0.000		0.000		0.000
Total Change to Requirements	\$	2,131,258	\$	464,786	\$	5,080,754	\$	1,625,786
Total Change to Receipts	\$	-	\$	-	\$	-	\$	-
Total Change to Net Appropriations	\$	2,131,258	\$	464,786	\$	5,080,754	\$	1,625,786
Total Change to Full-Time Equivalent (FTE)		0.000		0.000		0.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$			2,596,044	\$			6,706,540
Total Change to Full-Time Equivalent (FTE)				0.000				0.000

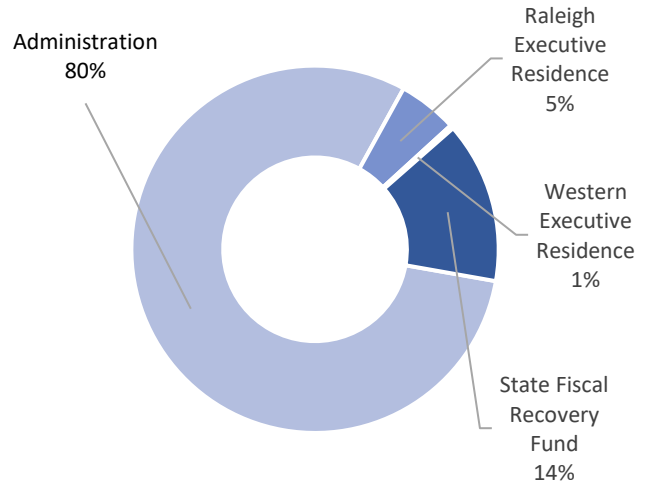
Mission

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.

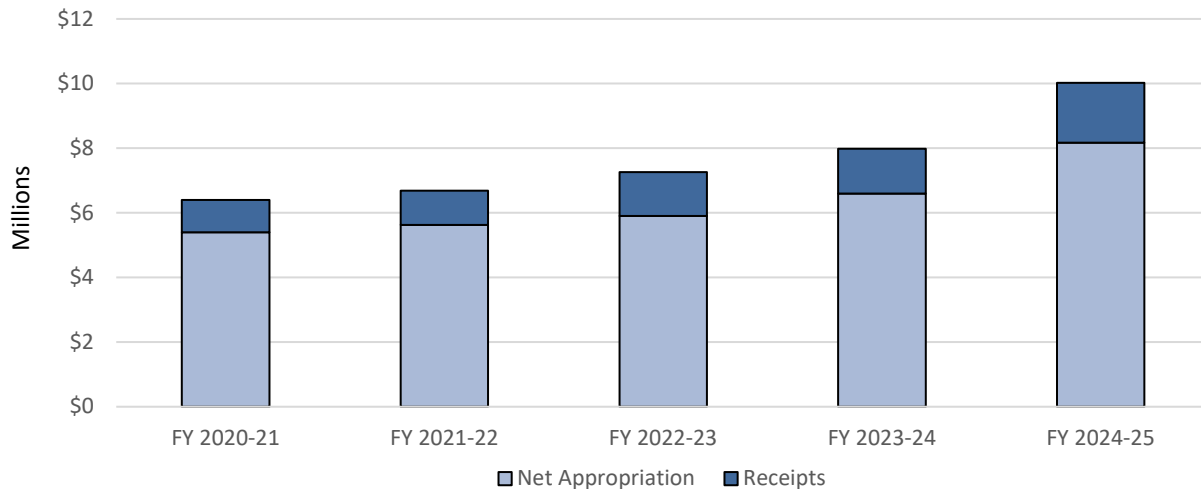
FY 2024-25 Actual Expenditures



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	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 7,963,914	\$ 133,000	\$ 28,777	\$ 161,777	\$ 8,125,691	2.0%
Receipts	\$ 1,140,294	\$ -	\$ -	\$ -	\$ 1,140,294	0.0%
Net Appropriation	\$ 6,823,620	\$ 133,000	\$ 28,777	\$ 161,777	\$ 6,985,397	2.4%
Positions (FTE)	50.000	-	-	-	50.000	0.0%

Year 2 FY 2026-27	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 7,963,914	\$ 798,250	\$ 144,777	\$ 943,027	\$ 8,906,941	11.8%
Receipts	\$ 1,140,294	\$ -	\$ -	\$ -	\$ 1,140,294	0.0%
Net Appropriation	\$ 6,823,620	\$ 798,250	\$ 144,777	\$ 943,027	\$ 7,766,647	13.8%
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 2.5% in each fiscal year to help address inflationary pressures. State employees have not gotten a raise since July 1, 2024.

Req \$	133,000	\$ -	\$ 266,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	133,000	\$ -	\$ 266,000	\$ -
FTE	0.000	0.000	0.000	0.000

2 State Employee Bonus

Provides a \$1,000 bonus for all state employees and local education employees regardless of funding source, and an additional \$500 bonus to employees with an annual salary of less than \$75,000. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ -	\$ -	\$ 116,000
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ -	\$ 116,000
FTE	0.000	0.000	0.000	0.000

3 State Health Plan Contributions

Provides funding for a 5% increase in employer premiums for enrolled active employees that the General Fund supports in FY 2026-27, for a total employer contribution of \$8,925 per employee. This proposal also provides funding for the State's General Fund contribution to medical rate increases for members of the State's retirement systems.

Req \$	-	\$ -	\$ 32,250	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ 32,250	\$ -
FTE	0.000	0.000	0.000	0.000

4 Retiree Supplement

Provides a 2.5% one-time retiree supplement in each fiscal year for more than 258,000 retired members and survivors of deceased members.

Req \$	-	\$ 28,777	\$ -	\$ 28,777
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 28,777	\$ -	\$ 28,777
FTE	0.000	0.000	0.000	0.000

Department-wide

5 Volunteer NC Program

Provides match funding for a federal grant to the North Carolina Commission on Volunteerism and Community Service (VolunteerNC) to promote service and volunteering that improve lives, strengthen communities, and foster civic engagement statewide. VolunteerNC operates the State's AmeriCorps programs, with more than 600 volunteers serving in 89 counties. VolunteerNC also plays a key role in volunteer and donations management during state emergencies—for example, following Hurricane Helene, VolunteerNC initiated and oversaw national AmeriCorps Disaster Relief Teams that deployed more than 230 skilled volunteers to western North Carolina.

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

	R Changes		NR Changes		R Changes		NR Changes	
Total Change to Requirements	\$	133,000	\$	28,777	\$	798,250	\$	144,777
Total Change to Receipts	\$	-	\$	-	\$	-	\$	-
Total Change to Net Appropriations	\$	133,000	\$	28,777	\$	798,250	\$	144,777
Total Change to Full-Time Equivalent (FTE)		0.000		0.000		0.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$			161,777	\$			943,027
Total Change to Full-Time Equivalent (FTE)				0.000				0.000

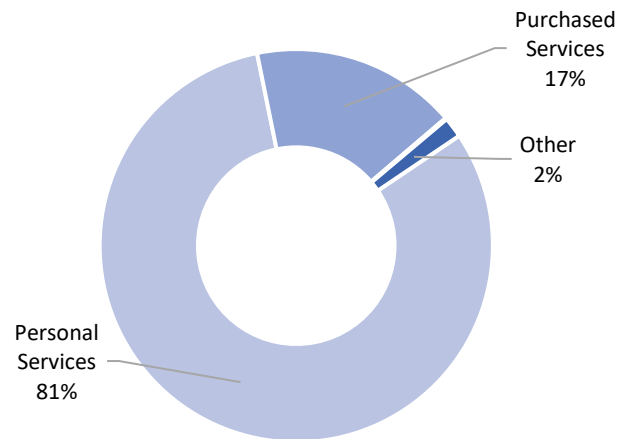
Mission

To ensure the effective stewardship of public resources by providing rigorous analysis and leadership.

Goals

1. Use evidence to allocate resources for programs and policies that deliver results.
2. Advance technology and new tools to improve efficiency of operations.
3. Ensure a team culture that thrives in uncertainty and solves problems creatively.
4. Foster a statewide network of employees with expertise in financial and performance management.

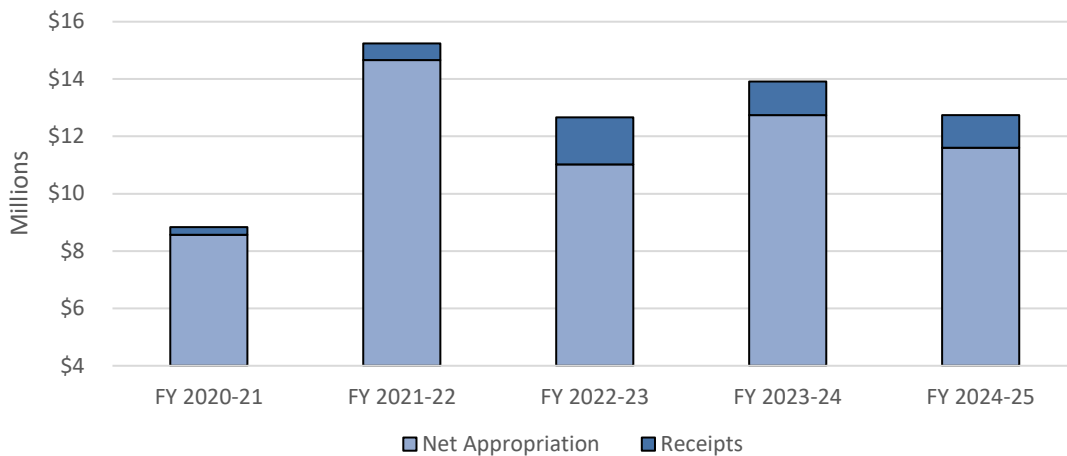
FY 2024-25 Actual Expenditures



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	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 12,785,589	\$ 261,000	\$ 56,428	\$ 317,428	\$ 13,103,017	2.5%
Receipts	\$ 1,106,402	\$ -	\$ -	\$ -	\$ 1,106,402	0.0%
Net Appropriation	\$ 11,679,187	\$ 261,000	\$ 56,428	\$ 317,428	\$ 11,996,615	2.7%
Positions (FTE)	75.000	-	-	-	75.000	0.0%

Year 2 FY 2026-27	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 12,785,589	\$ 2,598,554	\$ 203,428	\$ 2,801,982	\$ 15,587,571	21.9%
Receipts	\$ 1,106,402	\$ 1,430,404	\$ -	\$ 1,430,404	\$ 2,536,806	129.3%
Net Appropriation	\$ 11,679,187	\$ 1,168,150	\$ 203,428	\$ 1,371,578	\$ 13,050,765	11.7%
Positions (FTE)	75.000	18.000	-	18.000	93.000	24.0%

	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 2.5% in each fiscal year to help address inflationary pressures. State employees have not gotten a raise since July 1, 2024.

Req \$	261,000	\$ -	\$ 522,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	261,000	\$ -	\$ 522,000	\$ -
FTE	0.000	0.000	0.000	0.000

2 State Employee Bonus

Provides a \$1,000 bonus for all state employees and local education employees regardless of funding source, and an additional \$500 bonus to employees with an annual salary of less than \$75,000. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ -	\$ -	\$ 147,000
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ -	\$ 147,000
FTE	0.000	0.000	0.000	0.000

3 State Health Plan Contributions

Provides funding for a 5% increase in employer premiums for enrolled active employees that the General Fund supports in FY 2026-27, for a total employer contribution of \$8,925 per employee. This proposal also provides funding for the State's General Fund contribution to medical rate increases for members of the State's retirement systems.

Req \$	-	\$ -	\$ 60,773	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ 60,773	\$ -
FTE	0.000	0.000	0.000	0.000

4 Retiree Supplement

Provides a 2.5% one-time retiree supplement in each fiscal year for more than 258,000 retired members and survivors of deceased members.

Req \$	-	\$ 56,428	\$ -	\$ 56,428
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 56,428	\$ -	\$ 56,428
FTE	0.000	0.000	0.000	0.000

State Government Productivity and Efficiency

5 Agency Support Capacity

Creates State Budget Management Analyst II positions to allow OSBM to more effectively support state agencies. Three positions will use data analytics, Lean Six Sigma, AI, and other techniques to support state agencies in delivering efficient services and will provide technical assistance and training. The fourth 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 \$	-	\$ -	\$ 585,377	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ 585,377	\$ -
FTE	0.000	0.000	4.000	0.000

R Changes NR Changes R Changes NR Changes

Directed Grants

6 Grants Management Capacity

Budgets receipts from the State Capital and Infrastructure Fund for positions in OSBM's grants management team, including internal audit staff, accountants, and grants administrators. Currently, a team of just one grant manager and four grant administrators is responsible for monitoring more than 1,500 active grants totaling over \$3.8 billion. Additional staffing is essential to safeguard state resources, enhance compliance, and strengthen the State's ability to identify, address, and recover misused grant funds.

Req \$	-	\$	-	\$	1,430,404	\$	-
Rec \$	-	\$	-	\$	1,430,404	\$	-
App \$	-	\$	-	\$	-	\$	-
FTE	0.000		0.000		14.000		0.000

Total Change to Requirements	\$	261,000	\$	56,428	\$	2,598,554	\$	203,428
Total Change to Receipts	\$	-	\$	-	\$	1,430,404	\$	-
Total Change to Net Appropriations	\$	261,000	\$	56,428	\$	1,168,150	\$	203,428
Total Change to Full-Time Equivalent (FTE)		0.000		0.000		18.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$			317,428	\$			1,371,578
Total Change to Full-Time Equivalent (FTE)				0.000				18.000

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

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

Year 2 FY 2026-27	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 10,300,000	\$ 1,700,000	\$ -	\$ 1,700,000	\$ 12,000,000	16.5%
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Net Appropriation	\$ 10,300,000	\$ 1,700,000	\$ -	\$ 1,700,000	\$ 12,000,000	16.5%
Positions (FTE)	-	-	-	-	-	0.0%

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

State Government Productivity and Efficiency

1 PMA Fellowship Program

Expands the Performance Management Academy by establishing a Fellowship program to strengthen state capacity to deliver more efficient and effective public services. Building on the PMA's five-year record of training hundreds of state employees in strategic planning, performance measurement, evaluation, data analytics, AI, user-centered design, and related practices, the Fellowship would support five-to-ten senior agency staff per year. These staff will execute high-value initiatives and answer priority questions that inform progress toward strategic goals, deliver productivity or customer service improvements, and enhance service delivery outcomes. Funds may be used for fellows, training and skill-building, temporary expert support, university partnerships, and enabling tools and technology.

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

Directed Grants

2 NC Future City Competition

Eliminates grant funding for the Professional Engineers of North Carolina Educational Foundation for the NC Future City Competition. This grant was created in SL 2021-180.

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

3 NC Technology Association

Eliminates an annual grant to the NC Technology Association. This grant was created in SL 2023-134.

Req \$	-	\$ -	\$ (100,000)	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ (100,000)	\$ -
FTE	0.000	0.000	0.000	0.000

Total Change to Requirements	\$ -	\$ -	\$ 1,700,000	\$ -
Total Change to Receipts	\$ -	\$ -	\$ -	\$ -
Total Change to Net Appropriations	\$ -	\$ -	\$ 1,700,000	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$ -	\$ -	\$ 1,700,000	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000

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

Year 1 FY 2025-26	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 2,763,692	\$ -	\$ 10,000,000	\$ 10,000,000	\$ 12,763,692	361.8%
Receipts	\$ 1,343,364	\$ -	\$ -	\$ -	\$ 1,343,364	0.0%
Chg in Fund Balance	\$ (1,420,328)	\$ -	\$ (10,000,000)	\$ (10,000,000)	\$ (11,420,328)	704.1%
Positions (FTE)	15.800	-	-	-	15.800	0.0%

Year 2 FY 2026-27	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 2,763,692	\$ -	\$ -	\$ -	\$ 2,763,692	0.0%
Receipts	\$ 1,343,364	\$ -	\$ -	\$ -	\$ 1,343,364	0.0%
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

Urgent Funding Needs

1 Winter Storms for DPS and DHHS

Due to the extreme cold and snow and ice events, agencies are facing higher fuel and utility costs as well as expenses for salt and brine. Provides funding from the SERDRF for OSBM to administer to agencies experiencing a shortfall due to winter storms.

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

Total Change to Requirements	\$ -	\$ 10,000,000	\$ -	\$ -
Total Change to Receipts	\$ -	\$ -	\$ -	\$ -
Total Change to Fund Balance	\$ -	\$ (10,000,000)	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$ -	\$ (10,000,000)	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)		0.000		0.000

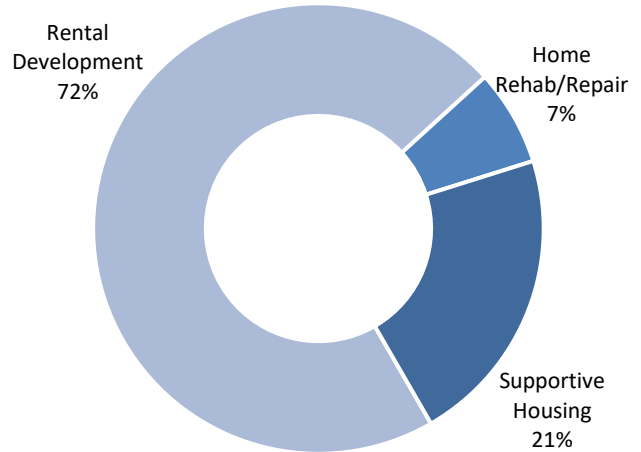
Mission

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 2024-25 Actual Expenditures



Agency Profile

- Created affordable housing through rental development, supportive housing investment, home buyer lending, home ownership rehabilitation, and rental assistance, working with over 500 organizations.
- Financed 333,400 affordable homes and apartments, producing real estate valued at over \$37.4 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 Expenditure History

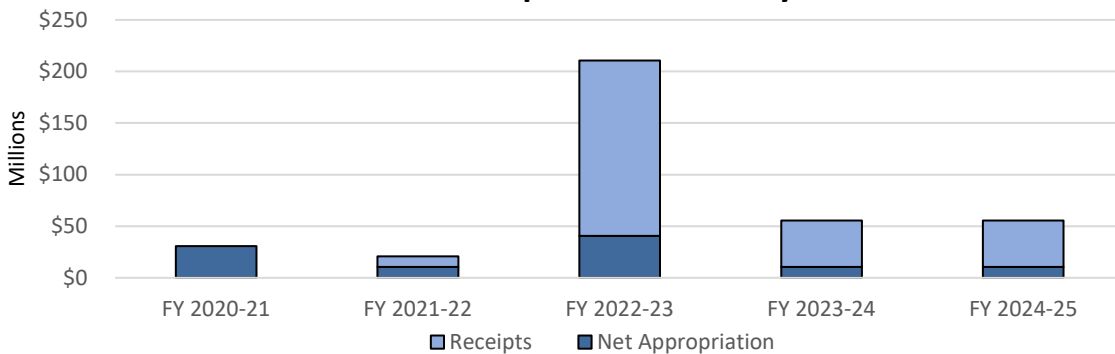


Chart includes General Fund budget code only.

**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	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 10,660,000	\$ -	\$ -	\$ -	\$ 10,660,000	0.0%
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Net Appropriation	\$ 10,660,000	\$ -	\$ -	\$ -	\$ 10,660,000	0.0%
Positions (FTE)	-	-	-	-	-	0.0%

Year 2 FY 2026-27	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified 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%

	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 2025, the HTF leveraged private sector and federal dollars to finance 1,360 affordable housing units for low-income families, seniors, veterans, and people with disabilities. These funds will be transferred to Budget Code 63011.

Req \$	-	\$ -	\$ -	\$ 35,000,000
Rec \$	-	\$ -	\$ -	-
App \$	-	\$ -	\$ -	\$ 35,000,000
FTE	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 14,120 apartments across 61 counties. These funds will be transferred to Budget Code 63011.

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

3 Local Government Grants

Provides funds 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. These funds will be transferred to Budget Code 63011.

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

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

NC Housing Finance Authority - Partnership (63011)

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

Year 2 FY 2026-27	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 17,374,745	\$ -	\$ 60,000,000	\$ 60,000,000	\$ 77,374,745	345.3%
Receipts	\$ 15,956,745	\$ -	\$ 60,000,000	\$ 60,000,000	\$ 75,956,745	376.0%
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
Rec \$	-	\$ -	\$ -	\$ 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 Workforce Housing Loan Program.

Req \$	-	\$ -	\$ -	\$ 15,000,000
Rec \$	-	\$ -	\$ -	\$ 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

Total Change to Requirements	\$ -	\$ -	\$ -	\$ 60,000,000
Total Change to Receipts	\$ -	\$ -	\$ -	\$ 60,000,000
Total Change to Fund Balance	\$ -	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$ -	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000

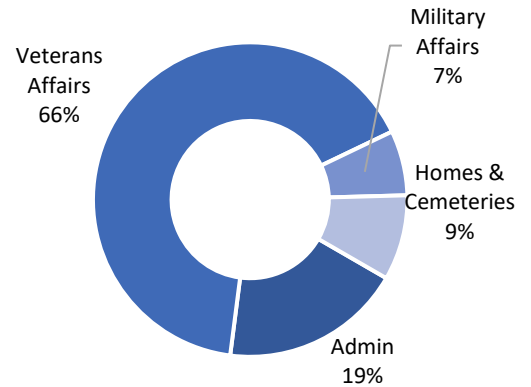
Mission

To honor and empower service members, veterans, military families, and our military communities to ensure they receive the respect, resources, and opportunities they deserve. We are committed to delivering prompt and effective support, connecting our military and veteran communities with the benefits they have earned.

Goals

1. Increase the number of transitioning service members and families who choose to remain in or return to North Carolina by 5% year over year by 2028.
2. Enhance the quality of care and conditions at North Carolina’s State Veterans Homes and ensure the State Veterans Cemeteries reflect the dignity and respect of veterans and their families.
3. Strengthen sector collaboration by fostering partnerships among government, private businesses, non-profit organizations, and community stakeholders to enhance the quality of services provided to veterans and their families.
4. Empower, develop, and invest in our workforce for the future.

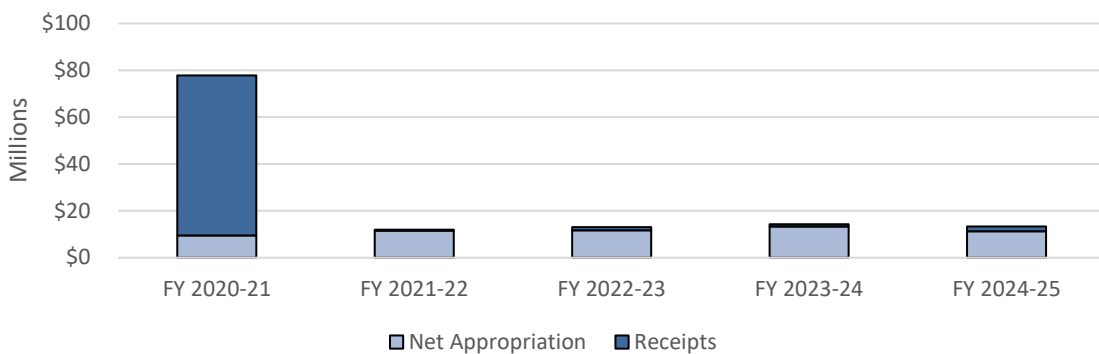
FY 2024-25 Actual Expenditures



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.
- Responsible for the administration of the Scholarship for Children of Wartime Veterans, a benefit to honor the service and sacrifice of North Carolina’s war 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	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 8,912,751	\$ 165,000	\$ 35,709	\$ 200,709	\$ 9,113,460	2.2%
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Net Appropriation	\$ 8,912,751	\$ 165,000	\$ 35,709	\$ 200,709	\$ 9,113,460	2.2%
Positions (FTE)	85.900	-	-	-	85.900	0.0%

Year 2 FY 2026-27	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 8,914,173	\$ 1,843,976	\$ 230,609	\$ 2,074,585	\$ 10,988,758	23.3%
Receipts	\$ -	\$ 775,000	\$ 23,000	\$ 798,000	\$ 798,000	0.0%
Net Appropriation	\$ 8,914,173	\$ 1,068,976	\$ 207,609	\$ 1,276,585	\$ 10,190,758	14.3%
Positions (FTE)	85.900	4.000	-	4.000	89.900	4.7%

	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 2.5% in each fiscal year to help address inflationary pressures. State employees have not gotten a raise since July 1, 2024.

Req \$	165,000	\$ -	\$ 330,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	165,000	\$ -	\$ 330,000	\$ -
FTE	0.000	0.000	0.000	0.000

2 State Employee Bonus

Provides a \$1,000 bonus for all state employees and local education employees regardless of funding source, and an additional \$500 bonus to employees with an annual salary of less than \$75,000. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ -	\$ -	\$ 165,000
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ -	\$ 165,000
FTE	0.000	0.000	0.000	0.000

3 State Health Plan Contributions

Provides funding for a 5% increase in employer premiums for enrolled active employees that the General Fund supports in FY 2026-27, for a total employer contribution of \$8,925 per employee. This proposal also provides funding for the State's General Fund contribution to medical rate increases for members of the State's retirement systems.

Req \$	-	\$ -	\$ 55,191	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ 55,191	\$ -
FTE	0.000	0.000	0.000	0.000

4 Retiree Supplement

Provides a 2.5% one-time retiree supplement in each fiscal year for more than 258,000 retired members and survivors of deceased members.

Req \$	-	\$ 35,709	\$ -	\$ 35,709
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 35,709	\$ -	\$ 35,709
FTE	0.000	0.000	0.000	0.000

Department-wide

5 Financial Services Position

Provides funds for an additional position in the department's Financial Services Office to improve workflow processes and strengthen fiscal oversight. The added position will increase accountability and reduce reliance on temporary staff.

Req \$	-	\$ -	\$ 120,375	\$ 2,300
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ 120,375	\$ 2,300
FTE	0.000	0.000	1.000	0.000

6 Motor Fleet Rate Increase

Provides funds to cover the increase in Motor Fleet Management Rates that went into effect on July 1, 2025. DMVA's vehicles are primarily used when traveling throughout the state providing veteran outreach services. Rates had not increased since January 1, 2018.

Req \$	-	\$ -	\$ 41,266	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ 41,266	\$ -
FTE	0.000	0.000	0.000	0.000

R Changes NR Changes R Changes NR Changes

State Veterans Homes

7 State Veteran Homes IT Project

Funds an information technology contract at the State Veterans Home to pay the external health contractor that supports the facility's clinical and administrative systems.

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

Transition Services

8 Transition Services Division

Establishes the Transition Services Division to assist the 20,000 active military members who transition to veteran status in North Carolina each year. North Carolina ranks fourth nationally in activated duty personnel yet lacks dedicated transition programs found in states such as California, Texas, and Virginia. New veterans, most of whom are under the age of forty, often face challenges securing employment, accessing benefits, and adjusting to civilian life, increasing their risk for hardship. The division will help new veterans navigate these challenges and reduce the time needed to secure employment and obtain benefits.

Req \$	-	\$	-	\$	211,831	\$	4,600
Rec \$	-	\$	-	\$	-	\$	-
App \$	-	\$	-	\$	211,831	\$	4,600
FTE	0.000		0.000		2.000		0.000

Veteran Affairs - Cemeteries

9 Veterans Cemeteries Positions

Maintains the state's four veterans' cemeteries by authorizing the Department to use up to \$775,000 annually of the interest earned on the Veterans Cemetery Trust Fund to support cemetery needs. Additionally, allows for the one-time withdrawal of \$23,000 of interest earned on the Veterans Cemetery Trust fund to support nonrecurring needs. Burials have increased by an average of 300 annually in recent years, increasing operational and maintenance needs to ensure the cemeteries continue to honor veterans. Last year, 1,640 veterans and their family members were interred at the state's four veterans' cemeteries.

Req \$	-	\$	-	\$	775,000	\$	23,000
Rec \$	-	\$	-	\$	775,000	\$	23,000
App \$	-	\$	-	\$	-	\$	-
FTE	0.000		0.000		0.000		0.000

Veterans Services

10 Governmental and Nongovernmental Organizational Coordinator

Establishes a position to work with state agencies and the more than 400 entities, advocacy groups, and nonprofits within North Carolina that focus on military and veterans' issues. The position strengthens relationships with these groups to identify and carry out programs that improve services and outcomes for active duty military members, veterans, and their families, supporting the goal of making North Carolina the premier state for military members and veterans.

Req \$	-	\$	-	\$	160,313	\$	-
Rec \$	-	\$	-	\$	-	\$	-
App \$	-	\$	-	\$	160,313	\$	-
FTE	0.000		0.000		1.000		0.000

11 Veteran Service Officers Annual Conference

Provides recurring funding for the department to host an annual conference for state and county Veteran Service Officers (VSOs). VSOs assist veterans across the state in accessing earned benefits and community resources. The conference provides required continuing education credits to maintain VSO certification, as well as critical information and training to help support veterans in the state.

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

Total Change to Requirements	\$	165,000	\$	35,709	\$	1,843,976	\$	230,609
Total Change to Receipts	\$	-	\$	-	\$	775,000	\$	23,000
Total Change to Net Appropriations	\$	165,000	\$	35,709	\$	1,068,976	\$	207,609
Total Change to Full-Time Equivalent (FTE)		0.000		0.000		4.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		200,709	\$			1,276,585	
Total Change to Full-Time Equivalent (FTE)			0.000					4.000

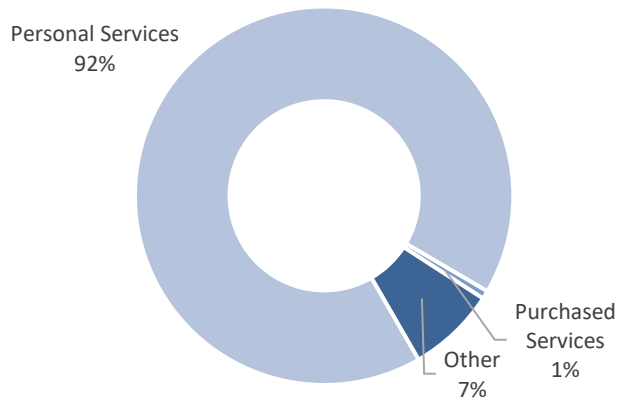
Mission

To help make North Carolina future ready by supporting local economies, expanding opportunity, and ensuring communities across the state have the resources they need to grow and thrive.

Goals

1. Engage communities across North Carolina, with a focus on strengthening local economies and expanding opportunity.
2. Support workforce readiness through partnerships with community colleges, employers, and training programs.
3. Promote policies that improve access to affordable, high-quality child care to support working families.
4. Serve as a responsive and effective resource for North Carolinians by addressing constituent needs and fostering collaboration across government.
5. Maintain an efficient and effective office by aligning resources to core functions and supporting the retention of experienced staff.

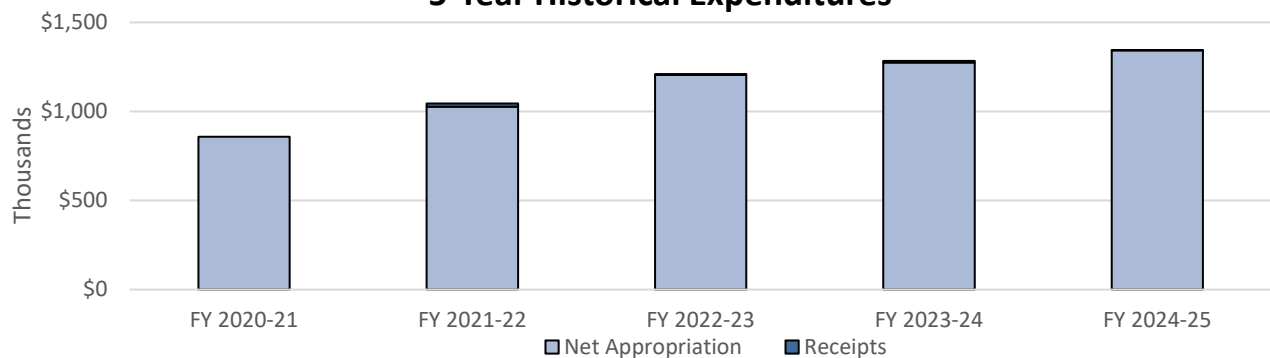
FY 2024-25 Actual Expenditures



Agency Profile

- The Lieutenant Governor serves as the President of the North Carolina Senate and presides over its proceedings, voting in the case of a tie.
- The Lieutenant Governor serves as Acting Governor during the absence or incapacity of the Governor.
- The Lieutenant Governor is a member of the Council of State, the State Board of Education, the State Board of Community Colleges, Military and Veterans Affairs Commission, and co-chairs the Governor's Task Force on Childcare.

5-Year Historical Expenditures



**Charts include General Fund budget code only*

Lieutenant Governor - General Fund (13100)

Year 1 FY 2025-26	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 1,353,058	\$ 28,000	\$ 6,112	\$ 34,112	\$ 1,387,170	2.5%
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Net Appropriation	\$ 1,353,058	\$ 28,000	\$ 6,112	\$ 34,112	\$ 1,387,170	2.5%
Positions (FTE)	9.000	-	-	-	9.000	0.0%

Year 2 FY 2026-27	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 1,353,058	\$ 62,586	\$ 14,112	\$ 76,698	\$ 1,429,756	5.7%
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Net Appropriation	\$ 1,353,058	\$ 62,586	\$ 14,112	\$ 76,698	\$ 1,429,756	5.7%
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 2.5% in each fiscal year to help address inflationary pressures. State employees have not gotten a raise since July 1, 2024.

Req \$	28,000	\$ -	\$ 56,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	28,000	\$ -	\$ 56,000	\$ -
FTE	0.000	0.000	0.000	0.000

2 State Employee Bonus

Provides a \$1,000 bonus for all state employees and local education employees regardless of funding source, and an additional \$500 bonus to employees with an annual salary of less than \$75,000. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ -	\$ -	\$ 8,000
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ -	\$ 8,000
FTE	0.000	0.000	0.000	0.000

3 State Health Plan Contributions

Provides funding for a 5% increase in employer premiums for enrolled active employees that the General Fund supports in FY 2026-27, for a total employer contribution of \$8,925 per employee. This proposal also provides funding for the State's General Fund contribution to medical rate increases for members of the State's retirement systems.

Req \$	-	\$ -	\$ 6,586	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ 6,586	\$ -
FTE	0.000	0.000	0.000	0.000

4 Retiree Supplement

Provides a 2.5% one-time retiree supplement in each fiscal year for more than 258,000 retired members and survivors of deceased members.

Req \$	-	\$ 6,112	\$ -	\$ 6,112
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 6,112	\$ -	\$ 6,112
FTE	0.000	0.000	0.000	0.000

Total Change to Requirements	\$ 28,000	\$ 6,112	\$ 62,586	\$ 14,112
Total Change to Receipts	\$ -	\$ -	\$ -	\$ -
Total Change to Net Appropriations	\$ 28,000	\$ 6,112	\$ 62,586	\$ 14,112
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$ -	34,112	\$ -	76,698
Total Change to Full-Time Equivalent (FTE)	-	0.000	-	0.000

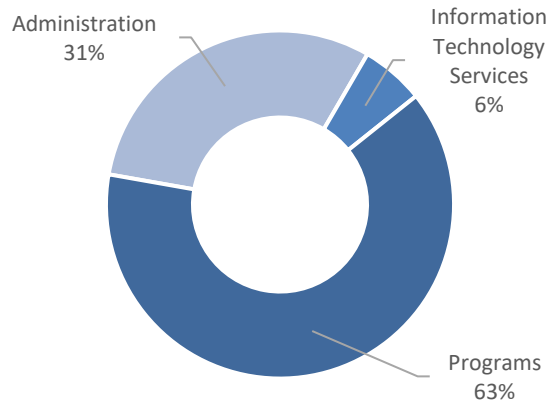
Mission

To promote economic growth and protect the public from financial harm. The Department remitted nearly \$219 million to the General Fund on appropriations of \$19.1 million in FY 2025.

Goals

1. Promote economic growth and investment by efficiently registering businesses and managing compliance filings, and providing timely, accurate and transparent business data to the marketplace.
2. Deliver exceptional customer service through modern, data-driven operations.
3. Protect the public from fraud, dangerous products, and financial risk by enforcing securities, notarial, charitable solicitation, lobbying, and trademark registration laws.
4. Promote transparency and accountability through widely available, accessible records and clear disclosures.
5. Improve service delivery through strategic technology investments, workforce sustainability, fiscal stewardship, and data-driven management.

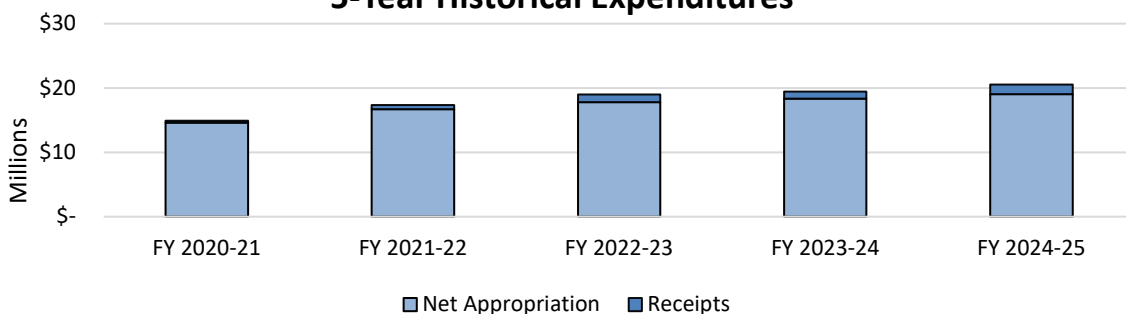
FY 2024-25 Actual Expenditures



Agency Profile

- Delivers essential economic, regulatory, and public-protection services that underpin NC’s business climate. Provides significant financial value, generating over \$219 million in fee-for-service revenue in FY2024-25 resulting in a 968% return-on-investment and 10.68 (1068%) cost recovery ratio.
- Registers between 162,000 and 178,000 new businesses each of past five years, processing related filings, and manages Uniform Commercial Code lien filings, all of which support economic development, lending, and other fundamental business decisions.
- Regulates over \$320 billion in securities offerings; investigates and prosecutes financial fraud; oversees Notary commissioning, training, and enforcement; and authenticates documents destined for international use.
- Ensures compliance and disclosure in charitable solicitation & lobbying. Coordinates statewide standardization of land records management.

5-Year Historical Expenditures



Charts include General Fund budget code only.

Secretary of State - General Fund (13200)

Year 1 FY 2025-26	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 19,695,551	\$ 430,348	\$ 76,973	\$ 507,321	\$ 20,202,872	2.6%
Receipts	\$ 362,750	\$ -	\$ -	\$ -	\$ 362,750	0.0%
Net Appropriation	\$ 19,332,801	\$ 430,348	\$ 76,973	\$ 507,321	\$ 19,840,122	2.6%
Positions (FTE)	182.750	-	-	-	182.750	0.0%

Year 2 FY 2026-27	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 19,695,551	\$ 3,224,506	\$ 580,473	\$ 3,804,979	\$ 23,500,530	19.3%
Receipts	\$ 362,750	\$ -	\$ -	\$ -	\$ 362,750	0.0%
Net Appropriation	\$ 19,332,801	\$ 3,224,506	\$ 580,473	\$ 3,804,979	\$ 23,137,780	19.7%
Positions (FTE)	182.750	14.000	-	14.000	196.750	7.7%

	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 2.5% in each fiscal year to help address inflationary pressures. State employees have not gotten a raise since July 1, 2024.

Req \$	331,000	\$ -	\$ 662,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	331,000	\$ -	\$ 662,000	\$ -
FTE	0.000	0.000	0.000	0.000

2 State Employee Bonus

Provides a \$1,000 bonus for all state employees and local education employees regardless of funding source, and an additional \$500 bonus to employees with an annual salary of less than \$75,000. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ -	\$ -	\$ 258,000
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ -	\$ 258,000
FTE	0.000	0.000	0.000	0.000

3 State Health Plan Contributions

Provides funding for a 5% increase in employer premiums for enrolled active employees that the General Fund supports in FY 2026-27, for a total employer contribution of \$8,925 per employee. This proposal also provides funding for the State's General Fund contribution to medical rate increases for members of the State's retirement systems.

Req \$	-	\$ -	\$ 112,533	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ 112,533	\$ -
FTE	0.000	0.000	0.000	0.000

4 Retiree Supplement

Provides a 2.5% one-time retiree supplement in each fiscal year for more than 258,000 retired members and survivors of deceased members.

Req \$	-	\$ 76,973	\$ -	\$ 76,973
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 76,973	\$ -	\$ 76,973
FTE	0.000	0.000	0.000	0.000

5 Law Enforcement Officer Salary Increase

Provides funding for a 10% compensation increase in the first year of the biennium and a 5% increase in the second year of the biennium for all state law enforcement officers, for a total increase of 15%. Strengthening compensation will help agencies compete for qualified applicants, reduce turnover, and ensure safe, effective staffing levels across our communities. With no raise since July 1, 2024, state law enforcement salaries now rank among the lowest nationally, highlighting the need to restore competitiveness.

Req \$	99,348	\$ -	\$ 149,022	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	99,348	\$ -	\$ 149,022	\$ -
FTE	0.000	0.000	0.000	0.000

Administration

6 Assistant General Counsel

Establishes an Assistant General Counsel role to provide independent legal research, advice, memoranda, and recommendations in support of the General Counsel and agency staff. This will ensure continuity of services and retain institutional knowledge after the current General Counsel retires.

Req \$	-	\$ -	\$ 183,793	\$ 3,500
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ 183,793	\$ 3,500
FTE	0.000	0.000	1.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
Department-wide					
7 Temporary Employees					
Provides funding to cover temporary staffing needs during periods of unpredictable workloads for business registration, document authentication, and service representatives. Temporary staff are regularly required to sustain these essential services. Recurring funding will support ongoing operational needs and reduce reliance on lapsed salaries for temporary staffing costs.	Req \$	-	-	300,000	-
	Rec \$	-	-	-	-
	App \$	-	-	300,000	-
	FTE	0.000	0.000	0.000	0.000
8 Remote Electronic Notarization Program - Gap Coverage					
Provides gap funding for the Remote Electronic Notarization Act (RENA) program, established in SL 2022-54, until receipts are sufficient to sustain the program. This funding maintains staffing required to administer and enforce RENA through implementation supporting secure, reliable notarization for legal, real estate, business, and financial documents.	Req \$	-	-	-	200,000
	Rec \$	-	-	-	-
	App \$	-	-	-	200,000
	FTE	0.000	0.000	0.000	0.000
9 State Capitol Police Officer					
Provides funds for a State Capitol 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 \$	-	-	72,047	-
	Rec \$	-	-	-	-
	App \$	-	-	72,047	-
	FTE	0.000	0.000	1.000	0.000
Information Technology					
10 Information Technology Positions					
Provides funds for a Database Administrator and Application System 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 \$	-	-	312,839	7,000
	Rec \$	-	-	-	-
	App \$	-	-	312,839	7,000
	FTE	0.000	0.000	2.000	0.000
11 Cybersecurity and Infrastructure Enhancements					
Provides funds to support cybersecurity and infrastructure enhancements needed to protect sensitive business registration and financial data. The department manages financial data focused on business registration, securities regulation, and commercial lending. Increased national and international threats warrant greater protective efforts of the department's data.	Req \$	-	-	250,000	-
	Rec \$	-	-	-	-
	App \$	-	-	250,000	-
	FTE	0.000	0.000	0.000	0.000
12 Microsoft 365					
Provides funds to cover Microsoft licenses for department employees, expanding collaborative and communication capabilities to enhance day-to-day operations. The department is currently operating 119 desktop and laptop computers with expired warranty, beyond manufacturer support, and not in compliance with state mandated upgrades. Hardware replacement is required immediately to reduce operational risks.	Req \$	-	-	150,000	-
	Rec \$	-	-	-	-
	App \$	-	-	150,000	-
	FTE	0.000	0.000	0.000	0.000
13 Hardware Update					
Budgets receipts from the IT Reserve to provide support a hardware refresh initiative for laptops, hubs, monitors, and related equipment, promoting operational continuity, improving performance for staff, and protecting the agency's ability to deliver critical services to the public. Recurring funds will support ongoing maintenance of hardware.	Req \$	-	-	50,000	-
	Rec \$	-	-	-	-
	App \$	-	-	50,000	-
	FTE	0.000	0.000	0.000	0.000

R Changes NR Changes R Changes NR Changes

Business Support

14 Business Support Positions

Provides funds for eight administrative specialists to review paper documentation, staff the department's call center, and process Annual Report filings. Since 2020, business transactions have grown exponentially, 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. At current staffing levels, over 35% of calls to the call center can go unanswered.

Req \$	-	\$	-	\$	677,500	\$	28,000
Rec \$	-	\$	-	\$	-	\$	-
App \$	-	\$	-	\$	677,500	\$	28,000
FTE	0.000		0.000		8.000		0.000

Securities Division

15 Dual Registration Positions

Establishes two positions to support the Salesmen Dual Registration Program. These positions will conduct advanced licensing reviews, provide legal oversight of registration decisions, manage complex analyses and enforcement actions, and lead rulemaking and policy updates required under SL 2025-45.

Req \$	-	\$	-	\$	304,772	\$	7,000
Rec \$	-	\$	-	\$	-	\$	-
App \$	-	\$	-	\$	304,772	\$	7,000
FTE	0.000		0.000		2.000		0.000

Total Change to Requirements	\$	430,348	\$	76,973	\$	3,224,506	\$	580,473
Total Change to Receipts	\$	-	\$	-	\$	-	\$	-
Total Change to Net Appropriations	\$	430,348	\$	76,973	\$	3,224,506	\$	580,473
Total Change to Full-Time Equivalent (FTE)		0.000		0.000		14.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$			507,321	\$			3,804,979
Total Change to Full-Time Equivalent (FTE)				0.000				14.000

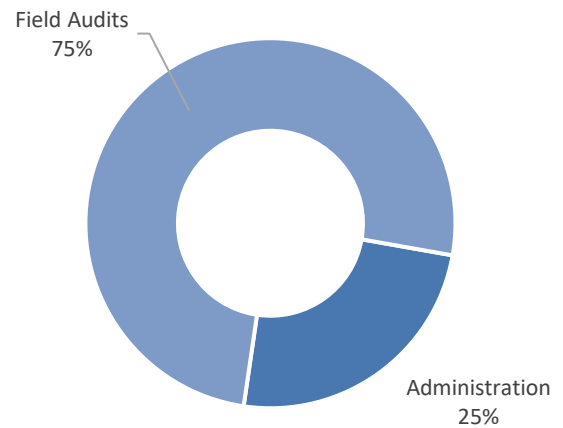
Mission

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.

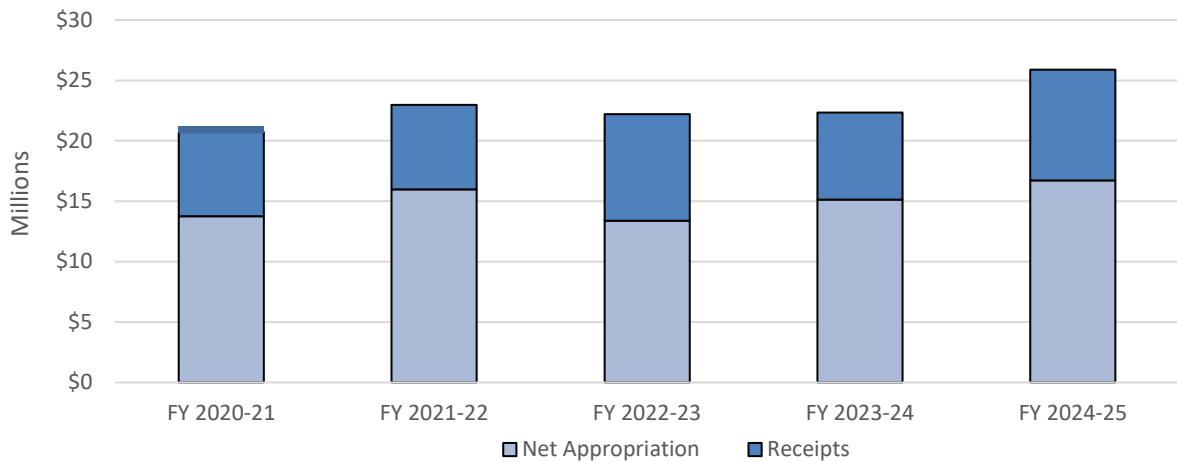
FY 2024-25 Actual Expenditures



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	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 32,716,888	\$ 521,000	\$ 112,494	\$ 633,494	\$ 33,350,382	1.9%
Receipts	\$ 7,365,869	\$ -	\$ -	\$ -	\$ 7,365,869	0.0%
Net Appropriation	\$ 25,351,019	\$ 521,000	\$ 112,494	\$ 633,494	\$ 25,984,513	2.5%
Positions (FTE)	204.000	-	-	-	204.000	0.0%

Year 2 FY 2026-27	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 32,716,888	\$ 1,164,399	\$ 363,494	\$ 1,527,893	\$ 34,244,781	4.7%
Receipts	\$ 7,365,869	\$ -	\$ -	\$ -	\$ 7,365,869	0.0%
Net Appropriation	\$ 25,351,019	\$ 1,164,399	\$ 363,494	\$ 1,527,893	\$ 26,878,912	6.0%
Positions (FTE)	204.000	-	-	-	204.000	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 2.5% in each fiscal year to help address inflationary pressures. State employees have not gotten a raise since July 1, 2024.

Req \$	521,000	\$ -	\$ 1,042,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	521,000	\$ -	\$ 1,042,000	\$ -
FTE	0.000	0.000	0.000	0.000

2 State Employee Bonus

Provides a \$1,000 bonus for all state employees and local education employees regardless of funding source, and an additional \$500 bonus to employees with an annual salary of less than \$75,000. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ -	\$ -	\$ 251,000
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ -	\$ 251,000
FTE	0.000	0.000	0.000	0.000

3 State Health Plan Contributions

Provides funding for a 5% increase in employer premiums for enrolled active employees that the General Fund supports in FY 2026-27, for a total employer contribution of \$8,925 per employee. This proposal also provides funding for the State's General Fund contribution to medical rate increases for members of the State's retirement systems.

Req \$	-	\$ -	\$ 122,399	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ 122,399	\$ -
FTE	0.000	0.000	0.000	0.000

4 Retiree Supplement

Provides a 2.5% one-time retiree supplement in each fiscal year for more than 258,000 retired members and survivors of deceased members.

Req \$	-	\$ 112,494	\$ -	\$ 112,494
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 112,494	\$ -	\$ 112,494
FTE	0.000	0.000	0.000	0.000

Total Change to Requirements	\$ 521,000	\$ 112,494	\$ 1,164,399	\$ 363,494
Total Change to Receipts	\$ -	\$ -	\$ -	\$ -
Total Change to Net Appropriations	\$ 521,000	\$ 112,494	\$ 1,164,399	\$ 363,494
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$ -	633,494	\$ -	1,527,893
Total Change to Full-Time Equivalent (FTE)	-	0.000	-	0.000

Mission

To preserve, protect and sustain the state’s pension and healthcare plans, generate investment returns in excess of comparable public pensions, properly account for and report on all funds that are deposited, invested, and disbursed through the North Carolina Department of State Treasurer, assure the 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.

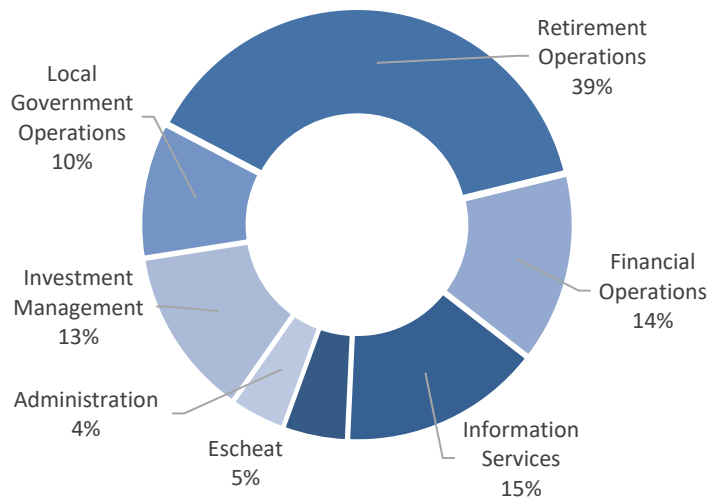
Goals

1. Provide public leadership in finance, fiscal and health policy.
2. Enhance accountability of department services.
3. Innovate and modernize operations.
4. Maximize our talent.

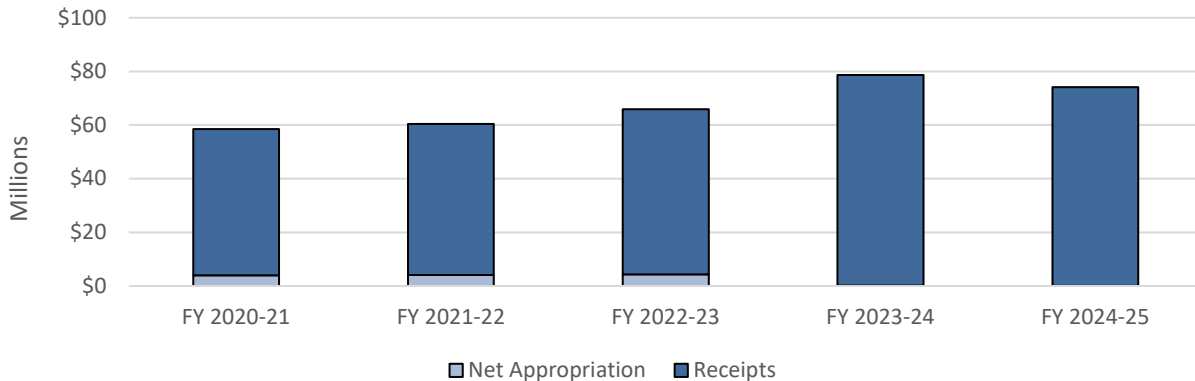
Agency Profile

- 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 2024-25 Actual Expenditures



5-Year Historical Expenditures



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

**Charts exclude \$100,126,238 appropriated to DST for local disaster assistance funds to be sent out to municipalities.*

State Treasurer - General Fund (13410)

Year 1 FY 2025-26	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 88,777,112	\$ -	\$ -	\$ -	\$ 88,777,112	0.0%
Receipts	\$ 88,568,038	\$ -	\$ -	\$ -	\$ 88,568,038	0.0%
Net Appropriation	\$ 209,074	\$ -	\$ -	\$ -	\$ 209,074	0.0%
Positions (FTE)	413.400	-	-	-	413.400	0.0%

Year 2 FY 2026-27	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 83,262,553	\$ 1,250,140	\$ 668,000	\$ 1,918,140	\$ 85,180,693	2.3%
Receipts	\$ 83,053,479	\$ 1,250,140	\$ -	\$ 1,250,140	\$ 84,303,619	1.5%
Net Appropriation	\$ 209,074	\$ -	\$ 668,000	\$ 668,000	\$ 877,074	319.5%
Positions (FTE)	413.400	2.000	-	2.000	415.400	0.5%

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

Reserve for Salaries and Benefits

1 Salaries and Benefits

Employees at the Department of the State Treasurer are entitled to all eligible benefits including a compensation increase of 2.5% in each fiscal year and additional state health plan contributions. Retirees from the Department are entitled to a 2.5% supplement in each year. Funding for these benefits will come from receipts collected by the Department.

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

2 State Employee Bonus

Provides a \$1,000 bonus for all state employees and local education employees regardless of funding source, and an additional \$500 bonus to employees with an annual salary of less than \$75,000. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ -	\$ -	\$ -	668,000
Rec \$	-	\$ -	\$ -	\$ -	-
App \$	-	\$ -	\$ -	\$ -	668,000
FTE	0.000		0.000		0.000

Department-wide

3 IT Reserve Fund

Creates an IT budget reserve to sustain and support the Department of State Treasurer's IT infrastructure, address rising vendor costs, and replace the current IT Service Management solution. This will strengthen the department's digital and cybersecurity posture while ensuring continuity for critical services supporting the State Health Plan, Banking, Retirement Systems, and Investments.

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

State and Local Government Finance

4 State and Local Government Finance Position

Adds an Accountant IV position to the State and Local Government Finance Division's Coach Team to provide hands on technical assistance to financially distressed local governments. The added FTE reduces current caseloads of more than 30 units per team member and strengthens in person support, improving relationships and the ability to address fundamental financial management issues. This investment aims to prevent local government financial crises, bankruptcies, and debt defaults.

Req \$	-	\$ -	\$ -	\$ 135,000	\$ -
Rec \$	-	\$ -	\$ -	\$ 135,000	\$ -
App \$	-	\$ -	\$ -	\$ -	\$ -
FTE	0.000		0.000		1.000

Unclaimed Property

5 Unclaimed Property Position

Adds a Program Analyst I position to manage and expand the Unclaimed Property Division's (UPD) data matching efforts, which have significantly increased through new vendor partnerships. This role ensures UPD can maintain and expand proactive outreach that reunites more owners with their property.

Req \$	-	\$ -	\$ -	\$ 115,140	\$ -
Rec \$	-	\$ -	\$ -	\$ 115,140	\$ -
App \$	-	\$ -	\$ -	\$ -	\$ -
FTE	0.000		0.000		1.000

	R Changes		NR Changes		R Changes		NR Changes	
Total Change to Requirements	\$	-	\$	-	\$	1,250,140	\$	668,000
Total Change to Receipts	\$	-	\$	-	\$	1,250,140	\$	-
Total Change to Net Appropriations	\$	-	\$	-	\$	-	\$	668,000
Total Change to Full-Time Equivalent (FTE)		0.000		0.000		2.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$			-	\$			668,000
Total Change to Full-Time Equivalent (FTE)				0.000				2.000

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.

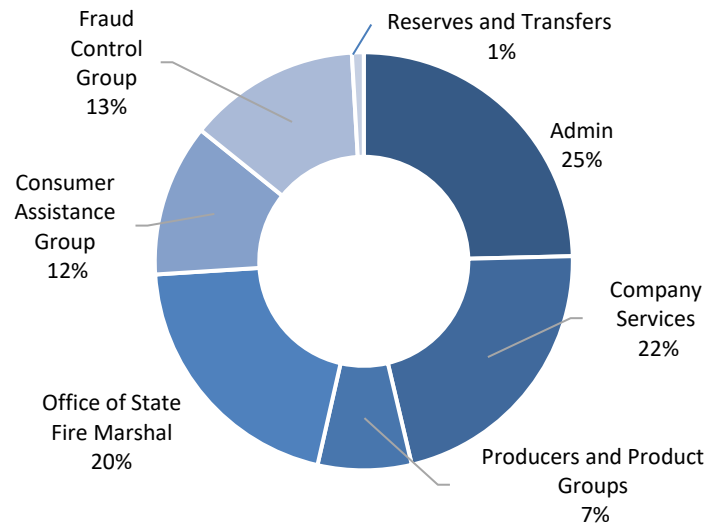
Goals

1. Consumer Protection, Education and Support.
2. Insurer Financial Oversight and Transparency.
3. Marketplace Optimization.
4. Fraud Control and Public Safety.

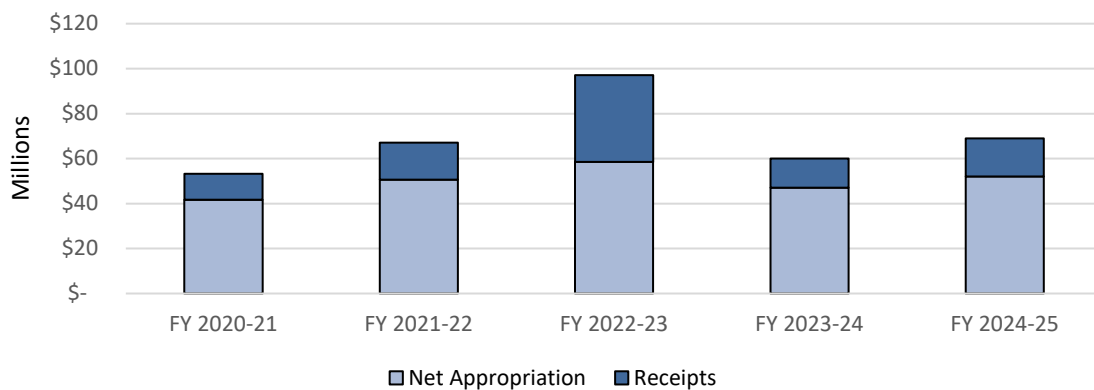
Agency Profile

- Safeguard North Carolina residents through effective insurance licensing, consumer education, complaint resolution, and outreach. In 2024, the Department handled over 12,000 consumer cases, recovered \$12.5 million for policyholders, and helped residents obtain \$70.5 million in previously lost life-insurance benefits.
- Protect consumers’ financial interests by ensuring that licensed insurers and regulated entities remain solvent, comply with regulations, and operate with transparency.
- Enhance North Carolina’s insurance marketplace through timely rate regulation, strong oversight, and support for a competitive captive insurance sector that oversees more than 1,000 risk-bearing captive entities, generates \$1.93 billion in premiums, and manages over \$5.3 billion in assets.
- Protect North Carolinians from insurance fraud and enhance public safety through advanced technology and strong enforcement efforts that resulted in 406 fraud arrests, 218 convictions, and \$22.8 million in restitution and recoveries in 2024.

FY 2024-25 Actual Expenditures



5-Year Historical Expenditures



Charts include General Fund budget code only.

Insurance - General Fund (13900)

Year 1 FY 2025-26	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 71,909,970	\$ 1,511,147	\$ 242,219	\$ 1,753,366	\$ 73,663,336	2.4%
Receipts	\$ 11,971,146	\$ -	\$ -	\$ -	\$ 11,971,146	0.0%
Net Appropriation	\$ 59,938,824	\$ 1,511,147	\$ 242,219	\$ 1,753,366	\$ 61,692,190	2.9%
Positions (FTE)	448.458	-	-	-	448.458	0.0%

Year 2 FY 2026-27	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 72,015,954	\$ 29,340,307	\$ 13,086,219	\$ 42,426,526	\$ 114,442,480	58.9%
Receipts	\$ 12,077,130	\$ 20,000,000	\$ -	\$ 20,000,000	\$ 32,077,130	165.6%
Net Appropriation	\$ 59,938,824	\$ 9,340,307	\$ 13,086,219	\$ 22,426,526	\$ 82,365,350	37.4%
Positions (FTE)	448.458	9.000	-	9.000	457.458	2.0%

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

Reserve for Salaries and Benefits - Department of Insurance

1 Compensation Increase Reserve

Increases all state-funded employee salaries by 2.5% in each fiscal year to help address inflationary pressures. State employees have not gotten a raise since July 1, 2024.

Req \$	767,000	\$ -	\$ 1,534,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	767,000	\$ -	\$ 1,534,000	\$ -
FTE	0.000	0.000	0.000	0.000

2 State Employee Bonus

Provides a \$1,000 bonus for all state employees and local education employees regardless of funding source, and an additional \$500 bonus to employees with an annual salary of less than \$75,000. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ -	\$ -	\$ 518,000
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ -	\$ 518,000
FTE	0.000	0.000	0.000	0.000

3 State Health Plan Contributions

Provides funding for a 5% increase in employer premiums for enrolled active employees that the General Fund supports in FY 2026-27, for a total employer contribution of \$8,925 per employee. This proposal also provides funding for the State's General Fund contribution to medical rate increases for members of the State's retirement systems.

Req \$	-	\$ -	\$ 246,230	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ 246,230	\$ -
FTE	0.000	0.000	0.000	0.000

4 Retiree Supplement

Provides a 2.5% one-time retiree supplement in each fiscal year for more than 258,000 retired members and survivors of deceased members.

Req \$	-	\$ 192,670	\$ -	\$ 192,670
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 192,670	\$ -	\$ 192,670
FTE	0.000	0.000	0.000	0.000

5 Law Enforcement Officer Salary Increase

Provides funding for a 10% compensation increase in the first year of the biennium and a 5% increase in the second year of the biennium for all state law enforcement officers, for a total increase of 15%. Strengthening compensation will help agencies compete for qualified applicants, reduce turnover, and ensure safe, effective staffing levels across our communities. With no raise since July 1, 2024, state law enforcement salaries now rank among the lowest nationally, highlighting the need to restore competitiveness.

Req \$	502,556	\$ -	\$ 753,834	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	502,556	\$ -	\$ 753,834	\$ -
FTE	0.000	0.000	0.000	0.000

Reserve for Salaries and Benefits - Office of State Fire Marshal

6 Compensation Increase Reserve

Increases all state-funded employee salaries by 2.5% in each fiscal year to help address inflationary pressures. State employees have not gotten a raise since July 1, 2024.

Req \$	225,000	\$ -	\$ 450,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	225,000	\$ -	\$ 450,000	\$ -
FTE	0.000	0.000	0.000	0.000

	R Changes	NR Changes	R Changes	NR Changes
Reserve for Salaries and Benefits - Office of State Fire Marshal				
7 State Employee Bonus				
Provides a \$1,000 bonus for all state employees and local education employees regardless of funding source, and an additional \$500 bonus to employees with an annual salary of less than \$75,000. This bonus is in addition to the recurring salary increase.	Req \$	- \$	- \$	191,000
	Rec \$	- \$	- \$	-
	App \$	- \$	- \$	191,000
	FTE	0.000	0.000	0.000
8 Retiree Supplement				
Provides a 2.5% one-time retiree supplement in each fiscal year for more than 258,000 retired members and survivors of deceased members.	Req \$	- \$	49,549 \$	49,549
	Rec \$	- \$	- \$	-
	App \$	- \$	49,549 \$	49,549
	FTE	0.000	0.000	0.000
9 State Health Plan Contributions				
Provides funding for a 5% increase in employer premiums for enrolled active employees that the General Fund supports in FY 2026-27, for a total employer contribution of \$8,925 per employee. This proposal also provides funding for the State's General Fund contribution to medical rate increases for members of the State's retirement systems.	Req \$	- \$	- \$	61,344 \$
	Rec \$	- \$	- \$	-
	App \$	- \$	- \$	61,344 \$
	FTE	0.000	0.000	0.000
10 Law Enforcement Officer Salary Increase				
Provides funding for a 10% compensation increase in the first year of the biennium and a 5% increase in the second year of the biennium for all state law enforcement officers, for a total increase of 15%. Strengthening compensation will help agencies compete for qualified applicants, reduce turnover, and ensure safe, effective staffing levels across our communities. With no raise since July 1, 2024, state law enforcement salaries now rank among the lowest nationally, highlighting the need to restore competitiveness.	Req \$	16,591 \$	- \$	24,886 \$
	Rec \$	- \$	- \$	-
	App \$	16,591 \$	- \$	24,886 \$
	FTE	0.000	0.000	0.000
Department-wide				
11 Vacant Position Reductions				
Eliminates funding for positions that have been vacant for three years or more. The department shall abolish these positions.	Req \$	- \$	- \$	(68,600) \$
	Rec \$	- \$	- \$	-
	App \$	- \$	- \$	(68,600) \$
	FTE	0.000	0.000	(1.000)
12 Agentforce – Salesforce				
Modernizes the Departments of Insurance's service delivery by implementing Salesforce Public Sector Solutions to replace fragmented legacy systems, automate manual processes, and improve customer access, case management, and reporting across multiple divisions. The request supports one-time implementation and recurring subscription costs to create a more efficient, data-driven platform that can reduce administrative burden, improve response times, and position North Carolina to grow new revenue opportunities in areas like Captives, licensing, and regulatory services.	Req \$	- \$	- \$	386,340 \$
	Rec \$	- \$	- \$	-
	App \$	- \$	- \$	386,340 \$
	FTE	0.000	0.000	0.000
13 Motor Fleet Management Rate Increase				
Provides funding to address increased Motor Fleet Management lease and mileage rates charged to state agencies. Department vehicles support statewide activities including insurance fraud investigations, insurance agency audits, and assistance to seniors through the Seniors' Health Insurance Information Program (SHIIP).	Req \$	- \$	- \$	250,000 \$
	Rec \$	- \$	- \$	-
	App \$	- \$	- \$	250,000 \$
	FTE	0.000	0.000	0.000
Consumer Services				
14 Consumer Protection Fund				
Supports additional resources for the Consumer Protection Fund to review insurance rate filings and conduct rate hearings. The fund supports actuarial experts and technical analysis used by the department to evaluate complex filings and ensure proposed insurance rates are not excessive or unfairly discriminatory for state consumers. These funds will be transferred to budget code 23900.	Req \$	- \$	- \$	1,000,000 \$
	Rec \$	- \$	- \$	-
	App \$	- \$	- \$	1,000,000 \$
	FTE	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes			
Consumer Services								
15 Regulatory Analyst Staff – Pharmacy Benefit Managers								
Creates an Insurance Regulatory Analyst II position to support new PBM regulatory requirements established under the SCRIPT Act. The Market Regulation Division currently has one manager and four analysts who completed 157 market analysis activities in 2025 and 172 in 2024, recovering nearly \$1 million for consumers in 2024. Additional staff will support oversight of reporting requirements for up to 48 licensed PBMs and expand compliance and market analysis activities.	Req \$	-	\$	-	\$	126,073	\$	5,000
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	-	\$	-	\$	126,073	\$	5,000
	FTE	0.000		0.000		1.000		0.000
16 Consumer Analyst Staff – Pharmacy Benefit Managers								
Creates an Insurance Consumer Analyst II to address increased complaints related to Pharmacy Benefit Managers (PBM) following enactment of the North Carolina SCRIPT Act established in SL 2025-69, which places greater restrictions on PBMs. The position will review PBM-related complaints, develop subject matter expertise on PBM regulations, and support timely resolution of complex consumer and pharmacy inquiries.	Req \$	-	\$	-	\$	88,100	\$	5,000
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	-	\$	-	\$	88,100	\$	5,000
	FTE	0.000		0.000		1.000		0.000
17 Health Insurance Smart NC - Additional Staff								
Converts a temporary position in the Health Insurance Smart NC program to permanent and ensures 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 a position in 2020, each employee had to take on more cases, delaying responses to customers. Making this position permanent will allow Smart NC to continue providing quality service to North Carolinians.	Req \$	-	\$	-	\$	88,100	\$	5,000
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	-	\$	-	\$	88,100	\$	5,000
	FTE	0.000		0.000		1.000		0.000
Office of the State Fire Marshal								
18 Additional Operational Funding								
Strengthens the operational capacity of the North Carolina Office of State Fire Marshal (OSFM) by providing recurring funding and two additional positions to support mandated inspections, firefighter training and certification, incident reporting systems, and statewide fire safety programs. Funding will ensure OSFM can meet expanding statutory responsibilities, support fire departments with required reporting systems, and maintain essential operational services that protect communities across North Carolina.	Req \$	-	\$	-	\$	1,200,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	-	\$	-	\$	1,200,000	\$	-
	FTE	0.000		0.000		2.000		0.000
19 Headquarters Lease								
Establishes a new headquarters facility for OSFM to secure appropriate office, warehouse, and training space. This investment allows OSFM to house personnel and mission-critical equipment, host firefighter and code official trainings, and operate an Emergency Operations Center to support statewide disaster response and public safety coordination.	Req \$	-	\$	-	\$	1,000,000	\$	750,000
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	-	\$	-	\$	1,000,000	\$	750,000
	FTE	0.000		0.000		0.000		0.000
20 NC Emergency Training Center								
Supports the basic operating expenses for the office's Emergency Training Center in Stanly County. After partially opening in March 2025, this facility provides training for 54 International Fire Service Accreditation Council (IFSAC) certifications and specialized classes to first responders from North Carolina and across the country. The facility is the only location in the state that provides aircraft rescue firefighting and water rescue training of this caliber.	Req \$	-	\$	-	\$	2,200,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	-	\$	-	\$	2,200,000	\$	-
	FTE	0.000		0.000		5.000		0.000

R Changes NR Changes R Changes NR Changes

Office of the State Fire Marshal

21 State Property Fire Insurance Fund

Budgets receipts from the State Capital Infrastructure Fund (SCIF) to invest in the State Property Fire Fund (SPFIF). This will address a low SPFIF fund balance and cover the expected increase in the annual excess premium payment. The SPFIF, along with the Public School Insurance Fund (PSIF), saved the state an estimated \$100-150 million following Hurricane Helene. The SPFIF covers all of the state's 1,800 buildings and other properties. This support will enable it to provide agencies an adequate and timely insurance payment following a property damage claim.

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

22 Public School Insurance Fund

Budgets receipts from the SCIF to stabilize the Public School Insurance Fund (PSIF). Provides recurring funds for reinsurance coverage and nonrecurring funds to replenish reserves, ensuring the program can continue paying claims and protecting the state's \$86 billion insured property portfolio. Maintaining adequate reserves and reinsurance coverage safeguards local education agencies and community colleges from catastrophic losses while preventing significant financial exposure for the state during major disasters.

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

Total Change to Requirements	\$	1,511,147	\$	242,219	\$	29,340,307	\$	13,086,219
Total Change to Receipts	\$	-	\$	-	\$	20,000,000	\$	-
Total Change to Net Appropriations	\$	1,511,147	\$	242,219	\$	9,340,307	\$	13,086,219
Total Change to Full-Time Equivalent (FTE)		0.000		0.000		9.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$			1,753,366	\$			22,426,526
Total Change to Full-Time Equivalent (FTE)				0.000				9.000

Insurance - Special Fund - Interest Bearing (23900)

Year 1 FY 2025-26	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 84,380,794	\$ -	\$ -	\$ -	\$ 84,380,794	0.0%
Receipts	\$ 57,497,173	\$ -	\$ -	\$ -	\$ 57,497,173	0.0%
Chg in Fund Balance	\$ (26,883,621)	\$ -	\$ -	\$ -	\$ (26,883,621)	0.0%
Positions (FTE)	5.355	-	-	-	5.355	0.0%

Year 2 FY 2026-27	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 84,486,778	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 85,486,778	1.2%
Receipts	\$ 81,731,562	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 82,731,562	1.2%
Chg in Fund Balance	\$ (2,755,216)	\$ -	\$ -	\$ -	\$ (2,755,216)	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 - Consumer Protection Fund

Budgets the transfer from Budget Code 23900 for Consumer Protection Fund support.	Req \$	-	\$ -	\$ 1,000,000	\$ -
	Rec \$	-	\$ -	\$ 1,000,000	\$ -
	CFB \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000

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

Public Education Property Insurance (54625)

Year 1 FY 2025-26	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 31,366,987	\$ -	\$ -	\$ -	\$ 31,366,987	0.0%
Receipts	\$ 17,366,987	\$ -	\$ -	\$ -	\$ 17,366,987	0.0%
Chg in Fund Balance	\$ (14,000,000)	\$ -	\$ -	\$ -	\$ (14,000,000)	0.0%
Positions (FTE)	7.000	-	-	-	7.000	0.0%

Year 2 FY 2026-27	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 17,366,987	\$ 10,000,000	\$ 10,000,000	\$ 20,000,000	\$ 37,366,987	115.2%
Receipts	\$ 17,366,987	\$ 10,000,000	\$ 10,000,000	\$ 20,000,000	\$ 37,366,987	115.2%
Chg in Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Positions (FTE)	7.000	-	-	-	7.000	0.0%

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

Office of the State Fire Marshal

1 Transfer - Public School Insurance Fund

Budgets the transfer from Budget Code 13900 for the Public School Insurance Fund.

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

Total Change to Requirements	\$ -	\$ -	\$ 10,000,000	\$ 10,000,000
Total Change to Receipts	\$ -	\$ -	\$ 10,000,000	\$ 10,000,000
Total Change to Fund Balance	\$ -	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$ -	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000

Insurance - Trust - Internal Service (63903)

Year 1 FY 2025-26	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 47,897,053	\$ -	\$ -	\$ -	\$ 47,897,053	0.0%
Receipts	\$ 45,321,521	\$ -	\$ -	\$ -	\$ 45,321,521	0.0%
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	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified 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 Transfer - State Public Fire Insurance Fund

Budgets the transfer from Budget Code 13900 for the State Public Fire Insurance Fund.

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

Total Change to Requirements	\$ -	\$ -	\$ 10,000,000	\$ -
Total Change to Receipts	\$ -	\$ -	\$ 10,000,000	\$ -
Total Change to Fund Balance	\$ -	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$ -	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000

Insurance - General Fund for Industrial Commission (13902)

Year 1 FY 2025-26	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 18,560,362	\$ 347,177	\$ 65,684	\$ 412,861	\$ 18,973,223	2.2 %
Receipts	\$ 4,357,425	\$ -	\$ -	\$ -	\$ 4,357,425	0.0 %
Net Appropriation	\$ 14,202,937	\$ 347,177	\$ 65,684	\$ 412,861	\$ 14,615,798	2.9 %
Positions (FTE)	141.700	-	-	-	141.700	0.0 %

Year 2 FY 2026-27	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 18,560,362	\$ 1,106,253	\$ 264,684	\$ 1,370,937	\$ 19,931,299	7.4 %
Receipts	\$ 4,357,425	\$ -	\$ -	\$ -	\$ 4,357,425	0.0 %
Net Appropriation	\$ 14,202,937	\$ 1,106,253	\$ 264,684	\$ 1,370,937	\$ 15,573,874	9.6 %
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 2.5% in each fiscal year to help address inflationary pressures. State employees have not gotten a raise since July 1, 2024.

Req \$	289,000	\$ -	\$ 578,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	289,000	\$ -	\$ 578,000	\$ -
FTE	0.000	0.000	0.000	0.000

2 State Employee Bonus

Provides a \$1,000 bonus for all state employees and local education employees regardless of funding source, and an additional \$500 bonus to employees with an annual salary of less than \$75,000. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ -	\$ -	\$ 199,000
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ -	\$ 199,000
FTE	0.000	0.000	0.000	0.000

3 State Health Plan Contributions

Provides funding for a 5% increase in employer premiums for enrolled active employees that the General Fund supports in FY 2026-27, for a total employer contribution of \$8,925 per employee. This proposal also provides funding for the State's General Fund contribution to medical rate increases for members of the State's retirement systems.

Req \$	-	\$ -	\$ 82,636	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ 82,636	\$ -
FTE	0.000	0.000	0.000	0.000

4 Retiree Supplement

Provides a 2.5% one-time retiree supplement in each fiscal year for more than 258,000 retired members and survivors of deceased members.

Req \$	-	\$ 65,684	\$ -	\$ 65,684
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 65,684	\$ -	\$ 65,684
FTE	0.000	0.000	0.000	0.000

5 Law Enforcement Officer Salary Increase

Provides funding for a 10% compensation increase in the first year of the biennium and a 5% increase in the second year of the biennium for all state law enforcement officers, for a total increase of 15%. Strengthening compensation will help agencies compete for qualified applicants, reduce turnover, and ensure safe, effective staffing levels across our communities. With no raise since July 1, 2024, state law enforcement salaries now rank among the lowest nationally, highlighting the need to restore competitiveness.

Req \$	58,177	\$ -	\$ 87,265	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	58,177	\$ -	\$ 87,265	\$ -
FTE	0.000	0.000	0.000	0.000

Industrial Commission

6 Annual Software Subscription Renewal

Maintains required software subscriptions supporting the Industrial Commission's Integrated Case Management System. The system manages workers' compensation claims and case records. Over 56,000 cases were opened in FY 2024-25 alone. These subscriptions provide licensing, security, storage, and system integrations that ensure reliable system performance and continued access for agency staff and external stakeholders.

Req \$	-	\$ -	\$ 262,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ 262,000	\$ -
FTE	0.000	0.000	0.000	0.000

	R Changes	NR Changes	R Changes	NR Changes
Industrial Commission				
7 Increase in Court Reporting Services Cost				
Funds the increased costs of court reporting services for the commission's hearings. The commission sought a new contract after both parties agreed the prior contractor could not provide adequate service, and the commission is already utilizing the new provider. 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 \$	-	\$	-
	Rec \$	-	\$	-
	App \$	-	\$	-
	FTE	0.000	0.000	0.000
	60,000	-	\$	-
	-	-	\$	-
	60,000	-	\$	-
	0.000	0.000	0.000	0.000
8 Motor Fleet Rate Increase				
Supports increased Motor Fleet Management costs for vehicles used by the Industrial Commission's Criminal Investigations and Employee Classification Division. These vehicles enable investigators to conduct field investigations, serve subpoenas and citations, and enforce workers' compensation laws across the state.	Req \$	-	\$	-
	Rec \$	-	\$	-
	App \$	-	\$	-
	FTE	0.000	0.000	0.000
	36,352	-	\$	-
	-	-	\$	-
	36,352	-	\$	-
	0.000	0.000	0.000	0.000
Total Change to Requirements	\$	347,177	\$	65,684
Total Change to Receipts	\$	-	\$	-
Total Change to Net Appropriations	\$	347,177	\$	65,684
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$	412,861	\$	1,370,937
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000

Mission

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

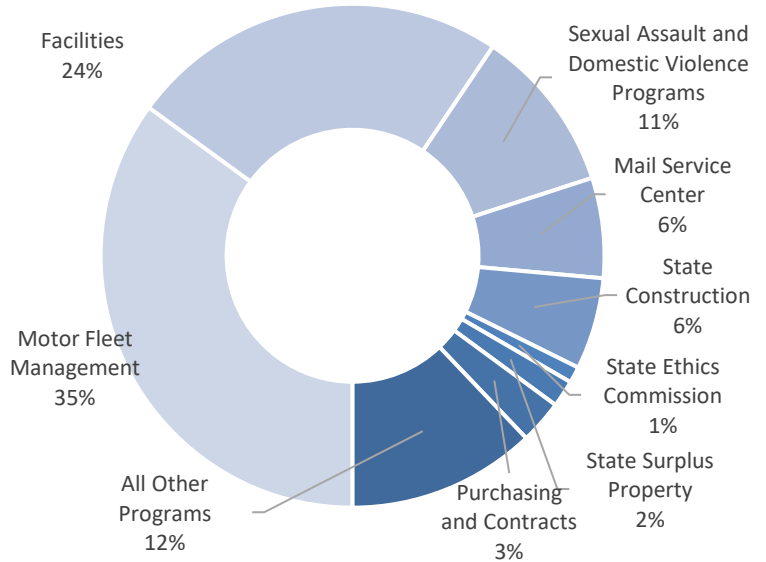
Goals

- Optimize government operations to maximize resources and reduce redundancy.
- Foster culture of innovation to modernize state government services.
- Deliver client and people-centered services that are timely accessible and transparent.

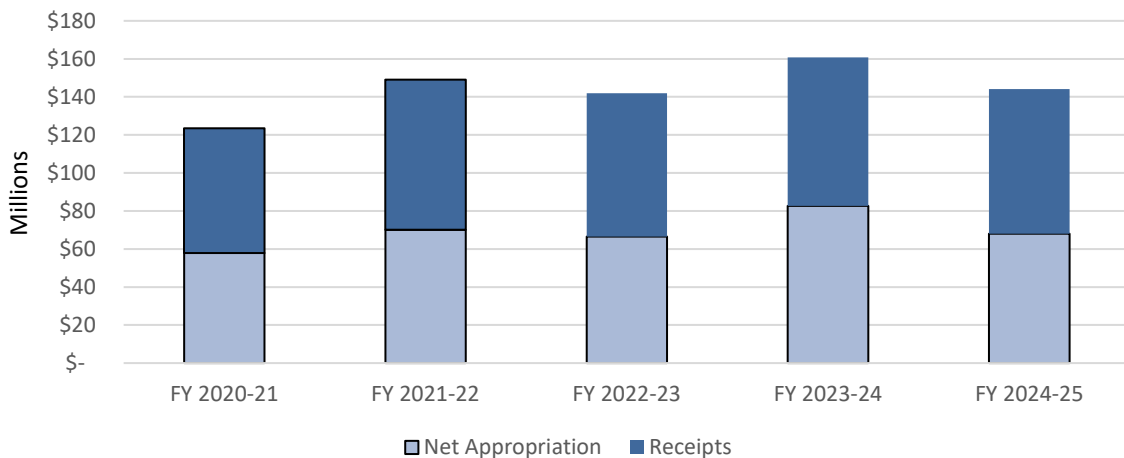
Agency Profile

- 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 2024-25 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	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 79,108,428	\$ 5,272,000	\$ 166,694	\$ 5,438,694	\$ 84,547,122	6.9%
Receipts	\$ 11,416,041	\$ -	\$ -	\$ -	\$ 11,416,041	0.0%
Net Appropriation	\$ 67,692,387	\$ 5,272,000	\$ 166,694	\$ 5,438,694	\$ 73,131,081	8.0%
Positions (FTE)	374.983	-	-	-	374.983	0.0%

Year 2 FY 2026-27	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 79,108,428	\$ 6,379,794	\$ 2,015,297	\$ 8,395,091	\$ 87,503,519	10.6%
Receipts	\$ 11,416,041	\$ -	\$ -	\$ -	\$ 11,416,041	0.0%
Net Appropriation	\$ 67,692,387	\$ 6,379,794	\$ 2,015,297	\$ 8,395,091	\$ 76,087,478	12.4%
Positions (FTE)	374.983	0.100	-	0.100	375.083	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 2.5% in each fiscal year to help address inflationary pressures. State employees have not gotten a raise since July 1, 2024.

Req \$	772,000	\$ -	\$ 1,544,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	772,000	\$ -	\$ 1,544,000	\$ -
FTE	0.000	0.000	0.000	0.000

2 State Employee Bonus

Provides a \$1,000 bonus for all state employees and local education employees regardless of funding source, and an additional \$500 bonus to employees with an annual salary of less than \$75,000. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ -	\$ -	\$ 792,000
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ -	\$ 792,000
FTE	0.000	0.000	0.000	0.000

3 State Health Plan Contributions

Provides funding for a 5% increase in employer premiums for enrolled active employees that the General Fund supports in FY 2026-27, for a total employer contribution of \$8,925 per employee. This proposal also provides funding for the State's General Fund contribution to medical rate increases for members of the State's retirement systems.

Req \$	-	\$ -	\$ 227,407	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ 227,407	\$ -
FTE	0.000	0.000	0.000	0.000

4 Retiree Supplement

Provides a 2.5% one-time retiree supplement in each fiscal year for more than 258,000 retired members and survivors of deceased members.

Req \$	-	\$ 166,694	\$ -	\$ 166,694
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 166,694	\$ -	\$ 166,694
FTE	0.000	0.000	0.000	0.000

Facilities Maintenance

5 Utility Shortfall

Increases the Facilities Management Division's budget for utility expenses. The division is responsible for paying utilities for state owned buildings. Over the past three years, electricity costs have risen 17% without a corresponding budget increase. Because much of its budget has been diverted to paying these increased costs, the division has been unable to invest in more energy efficiency projects that would lower future utility costs. The shortfall has also forced the deferral of routine maintenance, increasing the risk of more expensive repairs later.

Req \$	2,400,000	\$ -	\$ 2,408,400	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	2,400,000	\$ -	\$ 2,408,400	\$ -
FTE	0.000	0.000	0.000	0.000

6 Support for Facilities Maintenance

Addresses a budget shortfall in the Facilities Management Division to allow continued maintenance of state facilities. The Division maintains 150 state-owned buildings has a large budget deficit due to inflation-related cost growth for contracted services and for materials, as well as to the loss of receipts from the replacement of a receipt-supported tenant with one that is supported by net appropriations.

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

R Changes NR Changes R Changes NR Changes

Department-wide

7 Vacant Position Reductions

Eliminates funding for positions that have been vacant for three years or more. The department shall abolish these positions.

Req \$	-	\$	-	\$	(84,817)	\$	-
Rec \$	-	\$	-	\$	-	\$	-
App \$	-	\$	-	\$	(84,817)	\$	-
FTE	0.000		0.000		(0.900)		0.000

Commission of Indian Affairs

8 State Recognition Program Position

Supports the North Carolina Commission of Indian Affairs in carrying out its statutory responsibilities for reviewing and managing petitions for state tribal recognition. Because this work is currently an unfunded mandate, the Division is seeking resources to hire a temporary consultant who can review petitions, assist petitioners, maintain records, support Commission meetings, and ensure compliance with state rules and laws. The request is driven by increased petition activity and the need for timely, legally compliant processing of recognition requests.

Req \$	-	\$	-	\$	86,847	\$	-
Rec \$	-	\$	-	\$	-	\$	-
App \$	-	\$	-	\$	86,847	\$	-
FTE	0.000		0.000		0.000		0.000

Division of Women and Youth

9 State Government Internship Program

Funds a pilot to increase the number of available slots in the State Government Summer Internship Program by 100 for summer 2027. With 4,913 applications for summer 2025, demand vastly exceeds the current 89 places available. Expanding the program broadens access to public service opportunities and strengthens the state's longterm talent pipeline. This includes funding to evaluate the program's impact on creating a talent pipeline for state government service, which can inform decisions about future program scale and funding.

Req \$	-	\$	-	\$	-	\$	1,056,603
Rec \$	-	\$	-	\$	-	\$	-
App \$	-	\$	-	\$	-	\$	1,056,603
FTE	0.000		0.000		0.000		0.000

10 Boards and Commissions Coordinator

Funds a full time Program Coordinator II for the Division for Women and Youth to meet growing statutory and operational demands. This role is required to effectively manage mandated boards and commissions, oversee meeting operations, maintain appointment tracking, coordinate cross agency efforts, and support major statewide initiatives such as the Women's Conference. Without this added capacity, the Division cannot reliably meet its expanding statutory obligations or sustain the level of coordination and execution these initiatives require.

Req \$	-	\$	-	\$	97,957	\$	-
Rec \$	-	\$	-	\$	-	\$	-
App \$	-	\$	-	\$	97,957	\$	-
FTE	0.000		0.000		1.000		0.000

Total Change to Requirements	\$	5,272,000	\$	166,694	\$	6,379,794	\$	2,015,297
Total Change to Receipts	\$	-	\$	-	\$	-	\$	-
Total Change to Net Appropriations	\$	5,272,000	\$	166,694	\$	6,379,794	\$	2,015,297
Total Change to Full-Time Equivalent (FTE)		0.000		0.000		0.100		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		5,438,694	\$		8,395,091		0.100
Total Change to Full-Time Equivalent (FTE)			0.000					0.100

Administration - Internal (74100)

Year 1 FY 2025-26	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 63,705,278	\$ -	\$ -	\$ -	\$ 63,705,278	0.0%
Receipts	\$ 63,705,278	\$ -	\$ -	\$ -	\$ 63,705,278	0.0%
Chg in Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Positions (FTE)	120.000	-	-	-	120.000	0.0%

Year 2 FY 2026-27	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 63,705,278	\$ 2,000,000	\$ 6,000,000	\$ 8,000,000	\$ 71,705,278	12.6%
Receipts	\$ 63,705,278	\$ 2,000,000	\$ 6,000,000	\$ 8,000,000	\$ 71,705,278	12.6%
Chg in Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Positions (FTE)	120.000	-	-	-	120.000	0.0%

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

Motor Fleet Management

1 Information System Upgrade

Funds an upgrade to Motor Fleet Management's outdated 2007 fleet information system to a modern, integrated platform that consolidates vehicle, driver, maintenance, telematics, and fuel data into a single system of record. The request supports creating automated workflows, eliminating manual and paper processes, and improving oversight, compliance, and user experience through enhanced dashboards and reporting. The upgrade is intended to increase efficiency, reduce risk, and provide agencies with clearer fleet visibility and management capabilities.

Req \$	-	\$ -	\$ 2,000,000	\$ 6,000,000
Rec \$	-	\$ -	\$ 2,000,000	\$ 6,000,000
CFB \$	-	\$ -	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

Total Change to Requirements	\$ -	\$ -	\$ 2,000,000	\$ 6,000,000
Total Change to Receipts	\$ -	\$ -	\$ 2,000,000	\$ 6,000,000
Total Change to Fund Balance	\$ -	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000

Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$ -	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000

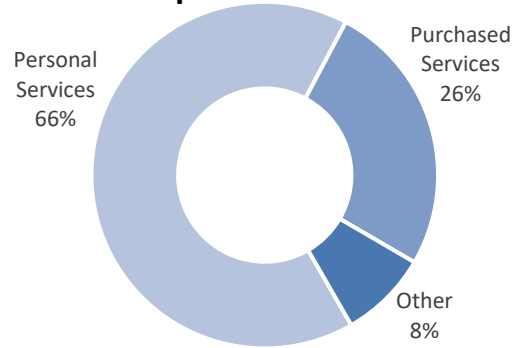
Mission

To partner with and provide expertise to state agencies and programs to recruit, support, and retain a public service workforce.

Goals

1. Strengthen recruitment and improve ease of access to state employment services to meet the state’s workforce needs.
2. Transform state HR through modernization, innovation, and strategic collaboration.
3. Retain and support current employees by fostering a collaborative, inclusive, and resilient workplace culture – within OSHR and across state entities.

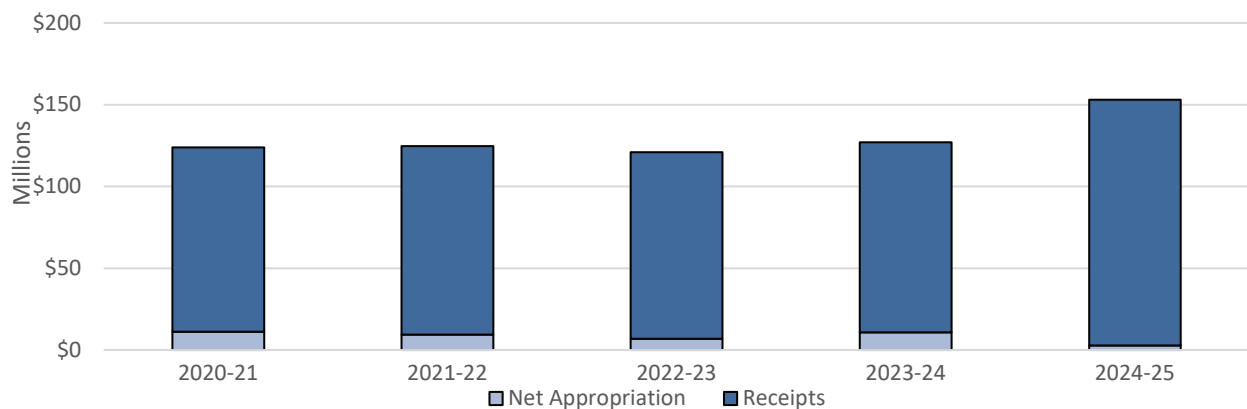
FY 2024-25 Actual Expenditures



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	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 13,265,625	\$ 185,000	\$ 40,043	\$ 225,043	\$ 13,490,668	1.7%
Receipts	\$ 1,280,888	\$ -	\$ -	\$ -	\$ 1,280,888	0.0%
Net Appropriation	\$ 11,984,737	\$ 185,000	\$ 40,043	\$ 225,043	\$ 12,209,780	1.9%
Positions (FTE)	59.800	-	-	-	59.800	0.0%

Year 2 FY 2026-27	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 14,799,151	\$ 7,921,322	\$ 614,043	\$ 8,535,365	\$ 23,334,516	57.7%
Receipts	\$ 2,791,888	\$ 3,627,758	\$ -	\$ 3,627,758	\$ 6,419,646	129.9%
Net Appropriation	\$ 12,007,263	\$ 4,293,564	\$ 614,043	\$ 4,907,607	\$ 16,914,870	40.9%
Positions (FTE)	59.800	16.000	-	16.000	75.800	26.8%

	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 2.5% in each fiscal year to help address inflationary pressures. State employees have not gotten a raise since July 1, 2024.

Req \$	185,000	\$ -	\$ 370,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	185,000	\$ -	\$ 370,000	\$ -
FTE	0.000	0.000	0.000	0.000

2 State Employee Bonus

Provides a \$1,000 bonus for all state employees and local education employees regardless of funding source, and an additional \$500 bonus to employees with an annual salary of less than \$75,000. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ -	\$ -	\$ 124,000
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ -	\$ 124,000
FTE	0.000	0.000	0.000	0.000

3 State Health Plan Contributions

Provides funding for a 5% increase in employer premiums for enrolled active employees that the General Fund supports in FY 2026-27, for a total employer contribution of \$8,925 per employee. This proposal also provides funding for the State's General Fund contribution to medical rate increases for members of the State's retirement systems.

Req \$	-	\$ -	\$ 43,161	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ 43,161	\$ -
FTE	0.000	0.000	0.000	0.000

4 Retiree Supplement

Provides a 2.5% one-time retiree supplement in each fiscal year for more than 258,000 retired members and survivors of deceased members.

Req \$	-	\$ 40,043	\$ -	\$ 40,043
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 40,043	\$ -	\$ 40,043
FTE	0.000	0.000	0.000	0.000

Department-wide

5 State Apprenticeship Program

Budgets receipts from the Strategic WorkForce Training fund to support the creation of new apprenticeships across state government in key sectors and shortage areas. Apprenticeships strengthen state government's workforce by developing job-ready talent aligned to agency needs.

Req \$	-	\$ -	\$ 2,000,000	\$ -
Rec \$	-	\$ -	\$ 2,000,000	\$ -
App \$	-	\$ -	\$ -	\$ -
FTE	0.000	0.000	1.000	0.000

6 Statewide Recruitment Team

Budgets receipts from the Strategic WorkForce Training fund for a new OSHR team dedicated to statewide recruitment support for agencies and job seekers. For agencies, the team will provide data backed recruitment assistance and targeted outreach to identify qualified candidates, especially for hard to recruit positions. For job seekers, it will offer career readiness resources and specialized training to improve job matching and engagement.

Req \$	-	\$ -	\$ 1,627,758	\$ 36,000
Rec \$	-	\$ -	\$ 1,627,758	\$ -
App \$	-	\$ -	\$ -	\$ 36,000
FTE	0.000	0.000	12.000	0.000

R Changes NR Changes R Changes NR Changes

Department-wide

7 Linked-In Learning Subscription

Funds the statewide LinkedIn Learning contract to provide required online training for approximately 75,000 state, local government, and university employees. The subscription offers access to more than 20,000 courses and replaces a more costly prior vendor, generating annual savings while expanding available content. This funding ensures OSHR can deliver mandated training and maintain a sustainable, cost-effective online learning platform.

Req \$	-	\$	-	\$	532,000	\$	-
Rec \$	-	\$	-	\$	-	\$	-
App \$	-	\$	-	\$	532,000	\$	-
FTE	0.000		0.000		0.000		0.000

8 Eastern NC Regional Office

Expands regional human resources support to improve the Office of State Human Resources' (OSHR's) statewide delivery of training, safety, and local government HR services. A new eastern regional office complements the existing western office. New staff development specialist, safety consultant, and HR consultant positions increase training capacity, expand workplace safety support, and improve responsiveness to local governments and state agencies statewide.

Req \$	-	\$	-	\$	408,756	\$	14,000
Rec \$	-	\$	-	\$	-	\$	-
App \$	-	\$	-	\$	408,756	\$	14,000
FTE	0.000		0.000		3.000		0.000

9 Targeted Recruitment Campaign

Funds expanded recruitment efforts for correctional officers and juvenile counselors. These resources will support targeted outreach to broaden awareness of these positions among prospective applicants and improve hiring outcomes for roles with persistently high vacancy rates. These critical vacancies result in mandatory overtime, facility safety risks, and increased costs from use of temporary staffing and security contractors.

Req \$	-	\$	-	\$	-	\$	400,000
Rec \$	-	\$	-	\$	-	\$	-
App \$	-	\$	-	\$	-	\$	400,000
FTE	0.000		0.000		0.000		0.000

Human Capital Management Project

10 Human Capital Management Project Fund Shift

Converts the Office of State Human Resources' existing nonrecurring IT Reserve funding for the Human Capital Management (HCM) system into a recurring appropriation to ensure long-term operational continuity. Without recurring funds available at the beginning of FY 2027-28, the state could lose access to the Workday HCM system used by 38 agencies for posting vacancies, hiring, onboarding, and offboarding.

Req \$	-	\$	-	\$	2,691,000	\$	-
Rec \$	-	\$	-	\$	-	\$	-
App \$	-	\$	-	\$	2,691,000	\$	-
FTE	0.000		0.000		0.000		0.000

11 HCM Hiring and OSC Integration

Funds key enhancements for Phase I of the Human Capital Management (HCM) project, which transitioned all state hiring functions to Workday. The enhancements address gaps from the initial accelerated rollout by adding onboarding forms, strengthening position description management, expanding reporting capabilities, and improving training resources, allowing agencies to fully utilize the Workday platform. Funding would also allow Workday to be integrated with the HR/Payroll system maintained by the State Controller, enabling new employee data to be uploaded without hand-entry. Non-recurring funding will be transferred from the IT Reserve.

Req \$	-	\$	-	\$	248,647	\$	-
Rec \$	-	\$	-	\$	-	\$	-
App \$	-	\$	-	\$	248,647	\$	-
FTE	0.000		0.000		0.000		0.000

Total Change to Requirements	\$	185,000	\$	40,043	\$	7,921,322	\$	614,043
Total Change to Receipts	\$	-	\$	-	\$	3,627,758	\$	-
Total Change to Net Appropriations	\$	185,000	\$	40,043	\$	4,293,564	\$	614,043
Total Change to Full-Time Equivalent (FTE)		0.000		0.000		16.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$			225,043	\$			4,907,607
Total Change to Full-Time Equivalent (FTE)				0.000				16.000

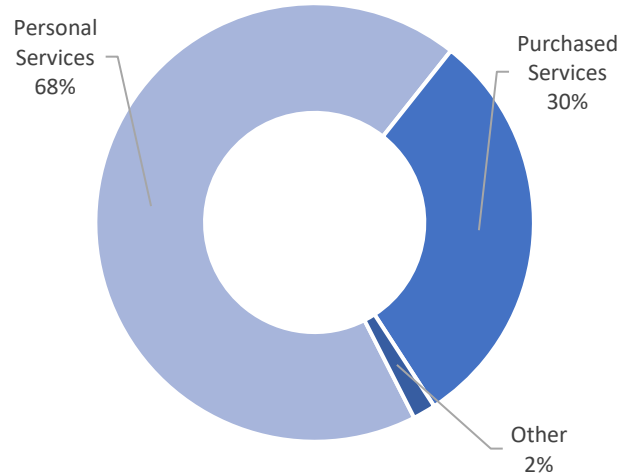
Mission

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

Goals

1. Recruit and retain the highest quality employees every day.
2. Continuously improve enterprise systems to better serve customers and stakeholders.
3. Continually track statewide finances in an accurate, timely manner.
4. Ensure state employees are paid accurately and on time each payroll period.
5. Provide statewide accounting support that meets or exceeds agency needs.

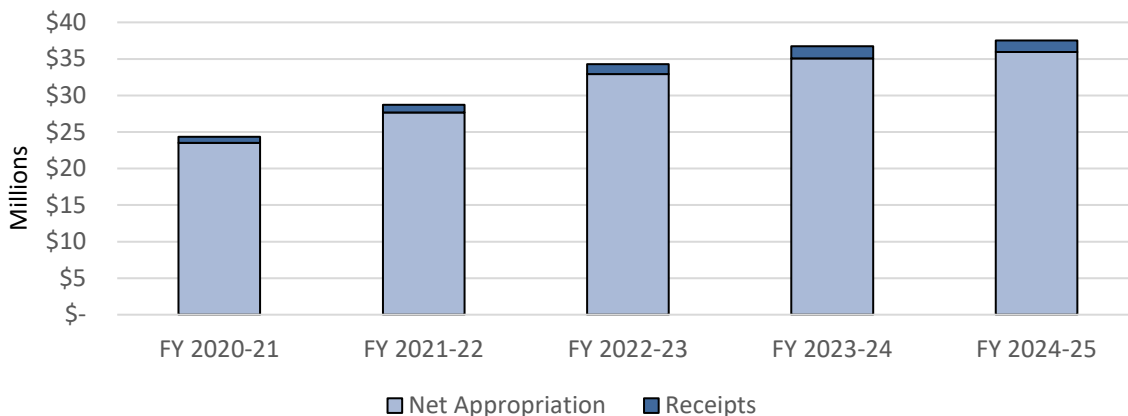
FY 2024-25 Actual Expenditures



Agency Profile

- The State Controller is appointed by the Governor and confirmed by the General Assembly to a seven-year term.
- Manages government-wide systems for accounting, cash management, payroll, risk mitigation and internal controls, e-commerce, and financial reporting.
- Maintains systems, standards, and business processes to control spending.
- 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.

5-Year Historical Expenditures



Charts include General Fund budget code 14160 only.

Budget growth since FY 2020-21 reflects costs associated with the implementation of the North Carolina Financial System (NCFS).

State Controller - General Fund (14160)

Year 1 FY 2025-26	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 37,297,714	\$ 591,000	\$ 127,569	\$ 718,569	\$ 38,016,283	1.9%
Receipts	\$ 1,130,469	\$ -	\$ -	\$ -	\$ 1,130,469	0.0%
Net Appropriation	\$ 36,167,245	\$ 591,000	\$ 127,569	\$ 718,569	\$ 36,885,814	2.0%
Positions (FTE)	196.000	-	-	-	196.000	0.0%

Year 2 FY 2026-27	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 37,297,714	\$ 1,635,678	\$ 672,569	\$ 2,308,247	\$ 39,605,961	6.2%
Receipts	\$ 1,130,469	\$ 308,000	\$ 300,000	\$ 608,000	\$ 1,738,469	53.8%
Net Appropriation	\$ 36,167,245	\$ 1,327,678	\$ 372,569	\$ 1,700,247	\$ 37,867,492	4.7%
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 2.5% in each fiscal year to help address inflationary pressures. State employees have not gotten a raise since July 1, 2024.

Req \$	591,000	\$ -	\$ 1,182,000	\$ -
Rec \$	-	\$ -	-	\$ -
App \$	591,000	\$ -	\$ 1,182,000	\$ -
FTE	0.000	0.000	0.000	0.000

2 State Employee Bonus

Provides a \$1,000 bonus for all state employees and local education employees regardless of funding source, and an additional \$500 bonus to employees with an annual salary of less than \$75,000. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ -	\$ -	\$ 245,000
Rec \$	-	\$ -	-	\$ -
App \$	-	\$ -	-	\$ 245,000
FTE	0.000	0.000	0.000	0.000

3 State Health Plan Contributions

Provides funding for a 5% increase in employer premiums for enrolled active employees that the General Fund supports in FY 2026-27, for a total employer contribution of \$8,925 per employee. This proposal also provides funding for the State's General Fund contribution to medical rate increases for members of the State's retirement systems.

Req \$	-	\$ -	\$ 145,678	\$ -
Rec \$	-	\$ -	-	\$ -
App \$	-	\$ -	\$ 145,678	\$ -
FTE	0.000	0.000	0.000	0.000

4 Retiree Supplement

Provides a 2.5% one-time retiree supplement in each fiscal year for more than 258,000 retired members and survivors of deceased members.

Req \$	-	\$ 127,569	\$ -	\$ 127,569
Rec \$	-	\$ -	-	\$ -
App \$	-	\$ 127,569	\$ -	\$ 127,569
FTE	0.000	0.000	0.000	0.000

Department-wide

5 Increasing Financial Reporting Capacity

Budgets receipts from the Overpayments Audit Special Fund for additional positions on the office's financial reporting team to increase its capacity to support and train finance and accounting staff across state government. Many finance offices face recruitment and retention challenges and have experienced high retirement rates, resulting in newer, less experienced teams. These positions will also reduce staff overtime during production of the Annual Comprehensive Financial Report and help address the financial reporting team's current 20% turnover rate.

Req \$	-	\$ -	\$ 308,000	\$ -
Rec \$	-	\$ -	\$ 308,000	\$ -
App \$	-	\$ -	-	\$ -
FTE	0.000	0.000	2.000	0.000

6 Agency Accounting Training

Allocates receipts from the Overpayments Audit Special Fund to develop a training course for accounting and finance staff across state agencies. The program is intended to strengthen core financial competencies and support agencies facing workforce turnover.

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

	R Changes		NR Changes		R Changes		NR Changes	
Department-wide								
Total Change to Requirements	\$	591,000	\$	127,569	\$	1,635,678	\$	672,569
Total Change to Receipts	\$	-	\$	-	\$	308,000	\$	300,000
Total Change to Net Appropriations	\$	591,000	\$	127,569	\$	1,327,678	\$	372,569
Total Change to Full-Time Equivalent (FTE)		0.000		0.000		2.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$			718,569	\$			1,700,247
Total Change to Full-Time Equivalent (FTE)				0.000				2.000

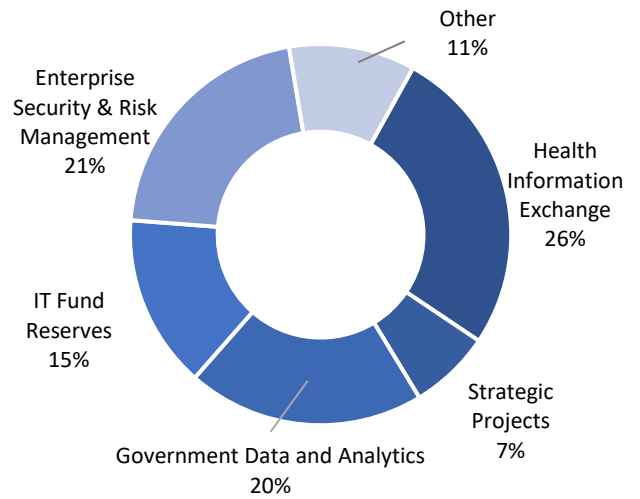
Mission

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. Ensure the state’s services are supported by reliable, accessible technology and data services.
2. Build a future-ready state with smarter, faster, trusted, and more responsive government operations through the strategic deployment of AI and emerging technologies.
3. Foster a statewide IT ecosystem where agencies, counties, boards, and community institutions operate as interconnected partners – advancing cybersecurity and operational efficiency through coordinated strategy.
4. Protect North Carolina’s information assets and empower government to operate with trust, agility, and confidence.
5. Use innovative methods to build an agile and forward-thinking public-sector IT workforce in North Carolina.

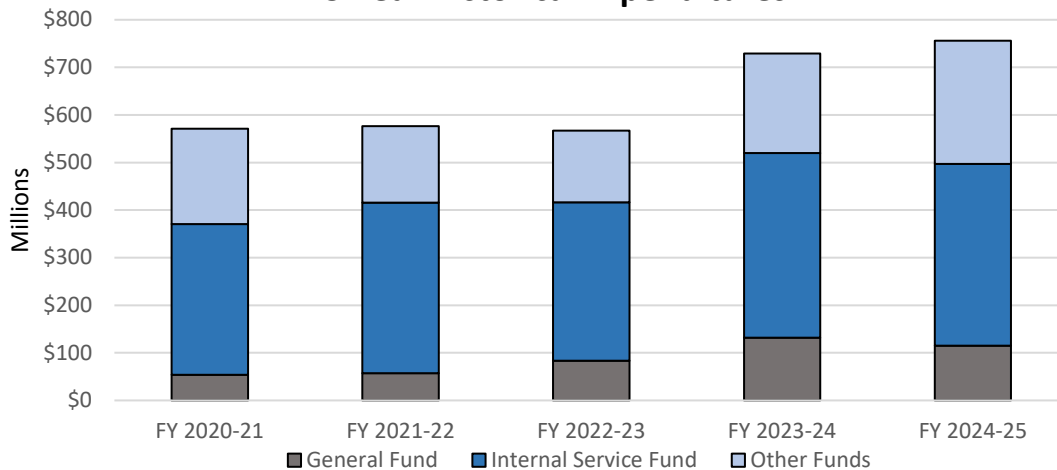
FY 2024-25 Actual Expenditures*



Agency Profile

- Provides services to state agencies, local governments, and education institutions, including expanding broadband access in rural areas, strengthening cybersecurity, procuring IT resources, and using data to improve service to residents.
- Optimizes state IT functions, bringing IT personnel from most executive branch agencies into one organization to address the state’s digital government needs efficiently and effectively.

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	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 90,568,464	\$ 524,000	\$ 113,079	\$ 637,079	\$ 91,205,543	0.7%
Receipts	\$ 15,475,922	\$ -	\$ -	\$ -	\$ 15,475,922	0.0%
Net Appropriation	\$ 75,092,542	\$ 524,000	\$ 113,079	\$ 637,079	\$ 75,729,621	0.8%
Positions (FTE)	135.750	-	-	-	135.750	0.0%

Year 2 FY 2026-27	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 75,568,464	\$ 45,010,532	\$ 9,758,079	\$ 54,768,611	\$ 130,337,075	72.5%
Receipts	\$ 475,922	\$ -	\$ -	\$ -	\$ 475,922	0.0%
Net Appropriation	\$ 75,092,542	\$ 45,010,532	\$ 9,758,079	\$ 54,768,611	\$ 129,861,153	72.9%
Positions (FTE)	135.750	15.000	-	15.000	150.750	11.0%

	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 2.5% in each fiscal year to help address inflationary pressures. State employees have not gotten a raise since July 1, 2024.

Req \$	524,000	\$ -	\$ 1,048,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	524,000	\$ -	\$ 1,048,000	\$ -
FTE	0.000	0.000	0.000	0.000

2 State Employee Bonus

Provides a \$1,000 bonus for all state employees and local education employees regardless of funding source, and an additional \$500 bonus to employees with an annual salary of less than \$75,000. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ -	\$ -	\$ 1,645,000
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ -	\$ 1,645,000
FTE	0.000	0.000	0.000	0.000

3 State Health Plan Contributions

Provides funding for a 5% increase in employer premiums for enrolled active employees that the General Fund supports in FY 2026-27, for a total employer contribution of \$8,925 per employee. This proposal also provides funding for the State's General Fund contribution to medical rate increases for members of the State's retirement systems.

Req \$	-	\$ -	\$ 112,532	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ 112,532	\$ -
FTE	0.000	0.000	0.000	0.000

4 Retiree Supplement

Provides a 2.5% one-time retiree supplement in each fiscal year for more than 258,000 retired members and survivors of deceased members.

Req \$	-	\$ 113,079	\$ -	\$ 113,079
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 113,079	\$ -	\$ 113,079
FTE	0.000	0.000	0.000	0.000

Enterprise Security and Risk Management

5 Essential Cybersecurity Upgrades for State and Local Government

Modernizes the State's outdated network perimeter security approach to cybersecurity. The department will implement a modern strategy centered on device-based security tools and digital identities for system users to protect technology assets and critical infrastructure and ensure secure data handling. These cybersecurity tools are critical to detect and mitigate growing threats to the State's IT network, including more than 10 billion attempts to access it every month. And the tools are critical for avoiding the severe costs and service disruption experienced by organizations where IT systems have been infiltrated by threat actors.

Req \$	-	\$ -	\$ 39,250,000	\$ 5,000,000
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ 39,250,000	\$ 5,000,000
FTE	0.000	0.000	11.000	0.000

	R Changes	NR Changes	R Changes	NR Changes				
Modernizing Government								
6 User-Friendly and Secure Online Access to Government Services								
Invests in a constituent portal and modernized digital services, providing a centralized and user-friendly online 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.	Req \$	- \$	- \$	3,500,000 \$	2,000,000 \$			
	Rec \$	- \$	- \$	- \$	- \$			
	App \$	- \$	- \$	3,500,000 \$	2,000,000 \$			
	FTE	0.000	0.000	0.000	0.000			
7 Artificial Intelligence								
Provides recurring funding for four FTE and AI licenses to support business transformation work across state government, together with nonrecurring funds for model building and other one-time activities to support these efforts. Projects will deliver various kinds of productivity and efficiency improvements, including reducing labor hours required for repeated processes; enabling agencies to use chatbots to answer simple customer questions; and supporting more complex tasks such as fraud and error detection, procurement, and road maintenance scheduling.	Req \$	- \$	- \$	1,100,000 \$	1,000,000 \$			
	Rec \$	- \$	- \$	- \$	- \$			
	App \$	- \$	- \$	1,100,000 \$	1,000,000 \$			
	FTE	0.000	0.000	4.000	0.000			
8 Modernizing Data Management								
Provides funding from the IT Reserve for a new approach to data storage and management across state government, replacing an aging data center facility with a mix of cloud storage and collocated data storage where business needs require it. This will eliminate the need for additional state funding to update the existing data facility, as well as reduce long-term operating and capital costs, improving resilience against cyberattacks and advancing the use of efficient cloud storage across the state where feasible.	Req \$	- \$	- \$	- \$	- \$			
	Rec \$	- \$	- \$	- \$	- \$			
	App \$	- \$	- \$	- \$	- \$			
	FTE	0.000	0.000	0.000	0.000			
Total Change to Requirements	\$	524,000	\$	113,079	\$	45,010,532	\$	9,758,079
Total Change to Receipts	\$	-	\$	-	\$	-	\$	-
Total Change to Net Appropriations	\$	524,000	\$	113,079	\$	45,010,532	\$	9,758,079
Total Change to Full-Time Equivalent (FTE)		0.000		0.000		15.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$			637,079	\$			54,768,611
Total Change to Full-Time Equivalent (FTE)				0.000				15.000

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.

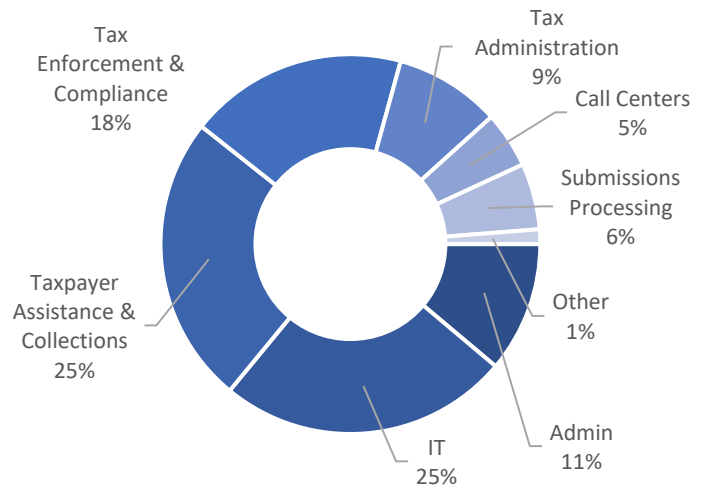
Goals

1. Tax Modernization
2. Workforce Development and Planning
3. Operational Excellence and Efficiency

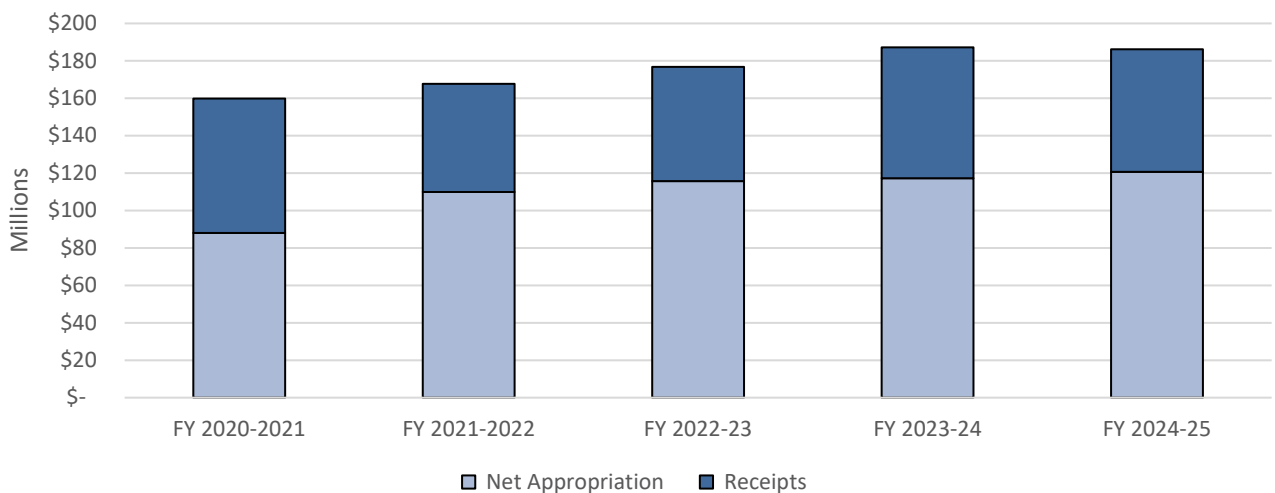
Agency Profile

- 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 \$1.9 billion during FY 2024-25.
- Collected \$46.4 billion in revenue during FY 2024-25; of which, 88% was received electronically.
- Deposited \$32.8 billion into the state’s General Fund during FY 2024-25.
- The individual income tax represents the largest source of revenue for the state General Fund, followed by the sales tax.

FY 2024-25 Actual Expenditures



5-Year Historical Expenditures



Charts include General Fund budget code only.

Revenue - General (14700)

Year 1 FY 2025-26	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 194,452,484	\$ 2,084,666	\$ 426,178	\$ 2,510,844	\$ 196,963,328	1.3%
Receipts	\$ 72,934,239	\$ -	\$ -	\$ -	\$ 72,934,239	0.0%
Net Appropriation	\$ 121,518,245	\$ 2,084,666	\$ 426,178	\$ 2,510,844	\$ 124,029,089	2.1%
Positions (FTE)	1,452.386	-	-	-	1,452.386	0.0%

Year 2 FY 2026-27	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 194,503,592	\$ 18,582,659	\$ 2,872,420	\$ 21,455,079	\$ 215,958,671	11.0%
Receipts	\$ 72,963,537	\$ 1,449,397	\$ 294,242	\$ 1,743,639	\$ 74,707,176	2.4%
Net Appropriation	\$ 121,540,055	\$ 17,133,262	\$ 2,578,178	\$ 19,711,440	\$ 141,251,495	16.2%
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 2.5% in each fiscal year to help address inflationary pressures. State employees have not gotten a raise since July 1, 2024.

Req \$	1,938,000	\$ -	\$ 3,876,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	1,938,000	\$ -	\$ 3,876,000	\$ -
FTE	0.000	0.000	0.000	0.000

2 State Employee Bonus

Provides a \$1,000 bonus for all state employees and local education employees regardless of funding source, and an additional \$500 bonus to employees with an annual salary of less than \$75,000. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ -	\$ -	\$ 2,152,000
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ -	\$ 2,152,000
FTE	0.000	0.000	0.000	0.000

3 State Health Plan Contributions

Provides funding for a 5% increase in employer premiums for enrolled active employees that the General Fund supports in FY 2026-27, for a total employer contribution of \$8,925 per employee. This proposal also provides funding for the State's General Fund contribution to medical rate increases for members of the State's retirement systems.

Req \$	-	\$ -	\$ 572,222	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ 572,222	\$ -
FTE	0.000	0.000	0.000	0.000

4 Retiree Supplement

Provides a 2.5% one-time retiree supplement in each fiscal year for more than 258,000 retired members and survivors of deceased members.

Req \$	-	\$ 426,178	\$ -	\$ 426,178
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 426,178	\$ -	\$ 426,178
FTE	0.000	0.000	0.000	0.000

5 Law Enforcement Officer Salary Increase

Provides funding for a 10% compensation increase in the first year of the biennium and a 5% increase in the second year of the biennium for all state law enforcement officers, for a total increase of 15%. Strengthening compensation will help agencies compete for qualified applicants, reduce turnover, and ensure safe, effective staffing levels across our communities. With no raise since July 1, 2024, state law enforcement salaries now rank among the lowest nationally, highlighting the need to restore competitiveness.

Req \$	146,666	\$ -	\$ 219,999	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	146,666	\$ -	\$ 219,999	\$ -
FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
Department-wide					
6 Motor Fleet Rate Increase					
Provides funds to cover the increase in Motor Fleet Management rates that went into effect July 1, 2025. Rates had not increased since January 1, 2018. DOR's vehicles are primarily used by their law enforcement officers who require state vehicles to carry out their law enforcement duties. Receipts from the Motor Fuels Tax and Fuel Compliance Tax at DOT will support a portion of the increase since DOR vehicle supports tax collection for DOT. Other receipts will come from the Collection Assistance Fund in Budget Code 24704.	Req \$	- \$	- \$	80,826 \$	-
	Rec \$	- \$	- \$	48,397 \$	-
	App \$	- \$	- \$	32,429 \$	-
	FTE	0.000	0.000	0.000	0.000
Information Systems					
7 Integrated Tax Automation System Mainframe Operating Expenses					
Provides funds to maintain the legacy Integrated Tax Administration System (ITAS) while the department develops and transitions to a new tax system, expected to be fully implemented by 2031. Without additional funds for maintenance, this 30-year-old system may cease to function, threatening North Carolina's tax collection. During FY 2024-25, the department collected \$46.3 billion in General Fund revenue through this system, representing 94% of the state's gross tax revenue.	Req \$	- \$	- \$	8,400,000 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	- \$	8,400,000 \$	-
	FTE	0.000	0.000	0.000	0.000
8 IT Security and Network Cost Increases					
Covers the shortfall in IT security licenses, network, and vendor costs and supports the addition of new security applications. These investments are required to ensure taxpayer data is protected.	Req \$	- \$	- \$	1,465,000 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	- \$	1,465,000 \$	-
	FTE	0.000	0.000	0.000	0.000
9 Modernized Electronic Filing System Yearly Updates					
Covers increased costs for annual 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 system security, reliable operations, and compliance with the latest tax laws.	Req \$	- \$	- \$	523,000 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	- \$	523,000 \$	-
	FTE	0.000	0.000	0.000	0.000
10 Document Management System Maintenance					
Provides funds 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, the system has processed close to 1.1 million documents, including POA forms, Payment Installment Agreements, Out of Business Notifications, and Business Address Corrections. Without this system, the department would have to handle all POA and paper correspondence manually, significantly delaying responses and refunds to taxpayers.	Req \$	- \$	- \$	522,000 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	- \$	522,000 \$	-
	FTE	0.000	0.000	0.000	0.000
11 Microsoft Licenses and Support					
Covers increases in Microsoft licensing fees. Microsoft subscription fees have increased by more than 17% in the last three years.	Req \$	- \$	- \$	407,578 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	- \$	407,578 \$	-
	FTE	0.000	0.000	0.000	0.000
12 Fuel Tracking Software					
Budgets receipts from the DOT to support ongoing maintenance and software and functionality upgrades of the Fuel Tracking System (FTS) that is managed by DOR. The FTS is used to pay \$2 billion in taxes annually. These updates will reduce paperwork for taxpayers and DOR employees.	Req \$	- \$	- \$	371,000 \$	-
	Rec \$	- \$	- \$	371,000 \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000

	R Changes	NR Changes	R Changes	NR Changes
Information Systems				
13 Software Increases for VMware				
Supports the increased costs of the department's VMware System. The system supports critical infrastructure for processing paper returns and payments, examining tax returns, processing online payments, and conducting refund fraud analysis.	Req \$	- \$	- \$	350,000 \$
	Rec \$	- \$	- \$	- \$
	App \$	- \$	- \$	350,000 \$
	FTE	0.000	0.000	0.000
14 Public Sector Revenue Management				
Provides funds to maintain the Public Sector Revenue Management System, which maintains 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.	Req \$	- \$	- \$	300,000 \$
	Rec \$	- \$	- \$	- \$
	App \$	- \$	- \$	300,000 \$
	FTE	0.000	0.000	0.000
15 AI Software Funding				
Provides funding to purchase an AI program to assist with maintenance of the current Integrated Tax Automated System (ITAS). Although ITAS will be replaced in approximately in five years, it is essential for tax collection in the interim. AI tools have helped the department update system code to reflect new tax laws and policy changes. This nonrecurring portion will be funded with receipts from the William Lee Tax Credit Fund, Budget Code 24706. These funds have remained unexpended for 15 years.	Req \$	- \$	- \$	250,000 \$
	Rec \$	- \$	- \$	- \$
	App \$	- \$	- \$	250,000 \$
	FTE	0.000	0.000	0.000
16 PC Hardware Refresh Increased Costs				
Increases the department's computer refresh budget to enable replacement of employee laptops every four years, which is the replacement schedule consistent with the state's security policies. This will be funded with receipts from the William Lee Tax Credit Fund, Budget Code 24706. These funds have remained unexpended for 15 years.	Req \$	- \$	- \$	- \$
	Rec \$	- \$	- \$	119,000 \$
	App \$	- \$	- \$	- \$
	FTE	0.000	0.000	0.000
17 PC Software Increased Costs				
Provides funds for contract and software increases to maintain current operations of the department and to comply with the IRS requirements.	Req \$	- \$	- \$	105,034 \$
	Rec \$	- \$	- \$	- \$
	App \$	- \$	- \$	105,034 \$
	FTE	0.000	0.000	0.000
18 Network Files End of Life Hardware Replacement				
Provides funds to replace firewall hardware nearing manufacturer end of life. These hardware models are used for internal file traffic inspection at the department's headquarters and protect the 13 regional service centers across the state. Replacing these systems will maintain security upgrades and vendor support and strengthen protection against cyber-attacks. \$75,242 of this will be funded with receipts from the William Lee Tax Credit Fund, Budget Code 24706. These funds have remained unexpended for 15 years. The remainder will be funded from the IT Reserve.	Req \$	- \$	- \$	- \$
	Rec \$	- \$	- \$	75,242 \$
	App \$	- \$	- \$	- \$
	FTE	0.000	0.000	0.000
19 Data Capture and Scanners				
Funds the lease of two additional high speed data capture and scanner machines to process paper payments and paper documents. Documents and payments are scanned and directly deposited to the state's bank account through this system.	Req \$	- \$	- \$	110,000 \$
	Rec \$	- \$	- \$	- \$
	App \$	- \$	- \$	110,000 \$
	FTE	0.000	0.000	0.000

	R Changes	NR Changes	R Changes	NR Changes
Information Systems				
20 DataPower End of Life Replacement				
Provides funds to replace three of the department's DataPower Applications that are near end of support. These applications enable secure file transfers with external parties, including with other state agencies and the IRS. When these applications go out of service in 2027, the applications will no longer meet required security standards, increasing the risk of taxpayer data compromise and jeopardizing the department's ability to receive federal taxpayer data from the IRS. Funds for this will come from the IT Reserve.	Req \$	- \$	- \$	- \$
	Rec \$	- \$	- \$	- \$
	App \$	- \$	- \$	- \$
	FTE	0.000	0.000	0.000
21 Datacenter Hardware Replacement				
Supports upgrades to old and out-of-support equipment in the department's 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
22 Replace Desktop Clients				
Funds the replacement of the 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. More than 94% of taxpayers file their individual taxes online and rely on these systems. Funds for this will come from the IT Reserve.	Req \$	- \$	- \$	- \$
	Rec \$	- \$	- \$	- \$
	App \$	- \$	- \$	- \$
	FTE	0.000	0.000	0.000
Taxpayer Communication				
23 Postage, Printing, and Mailing Services				
Increases the department's budget for printing, postage, and mailing costs. Printing needs have increased with population and business growth and DOR's efforts to improve taxpayer customer service. These funds support printing tax bills, notices, and refund checks, as well as rising postage costs. This increase in expenses will be funded using receipts from the Collection Assistance Fund, Budget Code 24704.	Req \$	- \$	- \$	1,030,000 \$
	Rec \$	- \$	- \$	1,030,000 \$
	App \$	- \$	- \$	- \$
	FTE	0.000	0.000	0.000
Total Change to Requirements	\$	2,084,666	\$	426,178
Total Change to Receipts	\$	-	\$	-
Total Change to Net Appropriations	\$	2,084,666	\$	426,178
Total Change to Full-Time Equivalent (FTE)		0.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		\$	2,510,844
Total Change to Full-Time Equivalent (FTE)				0.000

Revenue - Lee Tax Credits (24706)

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

Year 2 FY 2026-27	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ -	\$ -	\$ 294,242	\$ 294,242	\$ 294,242	0.0%
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Chg in Fund Balance	\$ -	\$ -	\$ (294,242)	\$ (294,242)	\$ -	0.0%
Positions (FTE)	-	-	-	-	-	0.0%

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

Transfers

1 Transfer - PC Hardware Refresh Increased Costs

Budgets the transfer to Budget Code 14700 for PC Hardware Refresh Increased Costs.	Req \$	-	\$ -	\$ -	\$ -	119,000
	Rec \$	-	\$ -	\$ -	\$ -	-
	CFB \$	-	\$ -	\$ -	\$ -	(119,000)
	FTE	0.000	0.000	0.000	0.000	0.000

2 Transfer - AI Funding

Budgets the transfer to Budget Code 14700 for AI Software.	Req \$	-	\$ -	\$ -	\$ -	100,000
	Rec \$	-	\$ -	\$ -	\$ -	-
	CFB \$	-	\$ -	\$ -	\$ -	(100,000)
	FTE	0.000	0.000	0.000	0.000	0.000

3 Transfer - Network Files End of Life Hardware Replacement

Budgets the transfer to Budget Code 14700 for the Network Files End of Life Hardware Replacement.	Req \$	-	\$ -	\$ -	\$ -	75,242
	Rec \$	-	\$ -	\$ -	\$ -	-
	CFB \$	-	\$ -	\$ -	\$ -	(75,242)
	FTE	0.000	0.000	0.000	0.000	0.000

Total Change to Requirements	\$ -	\$ -	\$ -	\$ -	\$ -	294,242
Total Change to Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	-
Total Change to Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	(294,242)
Total Change to Full-Time Equivalent (FTE)		0.000	0.000	0.000	0.000	0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$ -		\$ -			(294,242)
Total Change to Full-Time Equivalent (FTE)			0.000			0.000

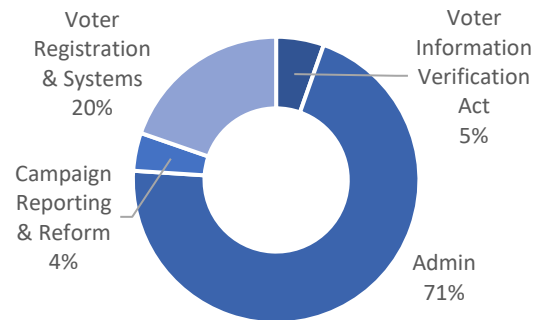
Mission

To supervise and support the lawful, accurate, secure, and transparent administration of elections and campaign finance for the people of North Carolina, ensuring election integrity, statewide uniformity, accountability, and public confidence.

Goals

1. Strengthen election integrity, security, and risk preparedness across infrastructure and processes.
2. Strengthen stewardship, accountability, and resource management through transparent fiscal and operational controls.
3. Advance statewide uniformity, performance, and compliance in elections administration across counties.
4. Expand transparency, public awareness, and stakeholder engagement to reinforce trust in elections.
5. Support a high-performing, modern, and collaborative workforce through training, tools, and modernization.

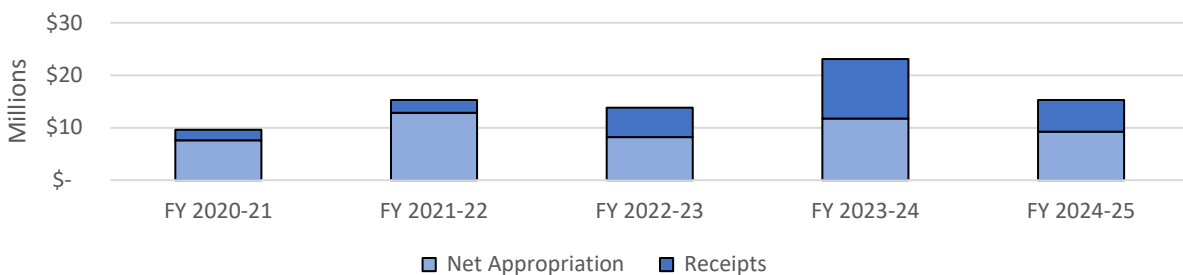
FY 2024-25 Actual Expenditures



Agency Profile

- Supervises the conduct of elections and the disclosure of campaign financing in North Carolina. Elections are administered by 100 county boards of elections under oversight of the State Board.
- Governed by a five-member State Board of Elections appointed by the Office of the State Auditor (OSA), with no more than three members from the same political party.
- Appoints four of the five members of each county board. The remaining member serves as chair and is appointed by OSA.
- Evaluates and certifies voting equipment used by county boards to administer elections.
- Develops, modernizes, and manages the State Election Management System (SEIMS), supporting voter registration, election administration, campaign finance, reporting, and data integrity.
- Establishes statewide standards, provides training and guidance to county boards, evaluates compliance with election laws, and supports counties through technical assistance, performance monitoring, and modernization initiatives.

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. FY2024-25 reflects additional non-recurring appropriations related to Hurricane Helene.*

State Board of Elections - General (18025)

Year 1 FY 2025-26	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 27,601,729	\$ 210,000	\$ 45,421	\$ 255,421	\$ 27,857,150	0.9%
Receipts	\$ 15,102,000	\$ -	\$ -	\$ -	\$ 15,102,000	0.0%
Net Appropriation	\$ 12,499,729	\$ 210,000	\$ 45,421	\$ 255,421	\$ 12,755,150	2.0%
Positions (FTE)	72.000	-	-	-	72.000	0.0%

Year 2 FY 2026-27	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 11,101,729	\$ 1,726,146	\$ 382,421	\$ 2,108,567	\$ 13,210,296	19.0%
Receipts	\$ 102,000	\$ -	\$ -	\$ -	\$ 102,000	0.0%
Net Appropriation	\$ 10,999,729	\$ 1,726,146	\$ 382,421	\$ 2,108,567	\$ 13,108,296	19.2%
Positions (FTE)	72.000	2.000	-	2.000	74.000	2.8%

	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 2.5% in each fiscal year to help address inflationary pressures. State employees have not gotten a raise since July 1, 2024.

Req \$	210,000	\$ -	\$ 420,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	210,000	\$ -	\$ 420,000	\$ -
FTE	0.000	0.000	0.000	0.000

2 State Employee Bonus

Provides a \$1,000 bonus for all state employees and local education employees regardless of funding source, and an additional \$500 bonus to employees with an annual salary of less than \$75,000. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ -	\$ -	\$ 87,000
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ -	\$ 87,000
FTE	0.000	0.000	0.000	0.000

3 State Health Plan Contributions

Provides funding for a 5% increase in employer premiums for enrolled active employees that the General Fund supports in FY 2026-27, for a total employer contribution of \$8,925 per employee. This proposal also provides funding for the State's General Fund contribution to medical rate increases for members of the State's retirement systems.

Req \$	-	\$ -	\$ 51,340	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ 51,340	\$ -
FTE	0.000	0.000	0.000	0.000

4 Retiree Supplement

Provides a 2.5% one-time retiree supplement in each fiscal year for more than 258,000 retired members and survivors of deceased members.

Req \$	-	\$ 45,421	\$ -	\$ 45,421
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 45,421	\$ -	\$ 45,421
FTE	0.000	0.000	0.000	0.000

Department-wide

5 Securing Election Integrity

Fundshifts the Chief Information Security Officer, additional IT staff, and IT software from federal Help America Vote Act (HAVA) grants to net appropriation. The State Board of Elections (SBE) expects to exhaust all awarded HAVA funds by the end of 2026. Maintaining these IT positions is essential to safeguarding election systems, which are designated as part of the nation's critical infrastructure. Moving this funding to net appropriation will stabilize support for positions and software services that are essential to monitoring and responding to election technology threats.

Req \$	-	\$ -	\$ 1,000,000	\$ 250,000
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ 1,000,000	\$ 250,000
FTE	0.000	0.000	0.000	0.000

R Changes NR Changes R Changes NR Changes

Information Systems

6 Software Modernization

Invests funds from the IT Reserve to begin the third phase of an election software modernization initiative. Phase three will focus on redesigning the database, application, and reporting architecture for the Statewide Election Information Modernization System (SEIMS) and campaign finance systems. Phase one converted five legacy applications to modern software modules, and Phase two is completing the conversion of the remaining seven legacy applications and two web applications. Phase three will transform SEIMS and campaign finance from stabilized legacy systems to a fully integrated, modern election platform. Modernization is vital to making SBE's technology more secure, accessible, and centralized.

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

Voter Services

7 Improving Voter Services

Funds operational needs to improve voter services, including a Web Manager to modernize the Board's website and a Campaign Finance Specialist to improve compliance, transparency, and revenue collection.

Req \$	-	\$	-	\$	254,806	\$	-
Rec \$	-	\$	-	\$	-	\$	-
App \$	-	\$	-	\$	254,806	\$	-
FTE	0.000		0.000		2.000		0.000

Total Change to Requirements	\$	210,000	\$	45,421	\$	1,726,146	\$	382,421
Total Change to Receipts	\$	-	\$	-	\$	-	\$	-
Total Change to Net Appropriations	\$	210,000	\$	45,421	\$	1,726,146	\$	382,421
Total Change to Full-Time Equivalent (FTE)		0.000		0.000		2.000		0.000

Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		\$	255,421	\$		\$	2,108,567
Total Change to Full-Time Equivalent (FTE)				0.000				2.000

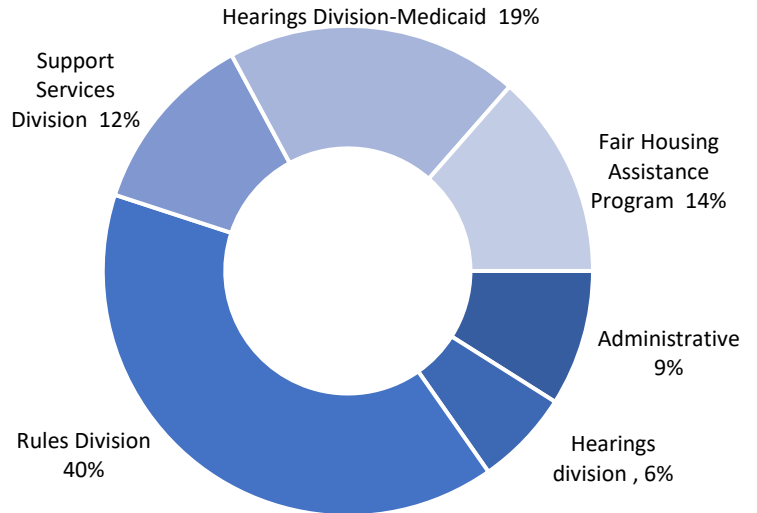
Mission

To serve North Carolinians with integrity, 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 investigating 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. Dispose of 90% of Medicaid Contested Filings within 90 days.
5. Publish rules, Rules Review Commission in review of rules and rulemaking training.
6. Reduce the time and simplify the process to formalize a charge of discrimination.

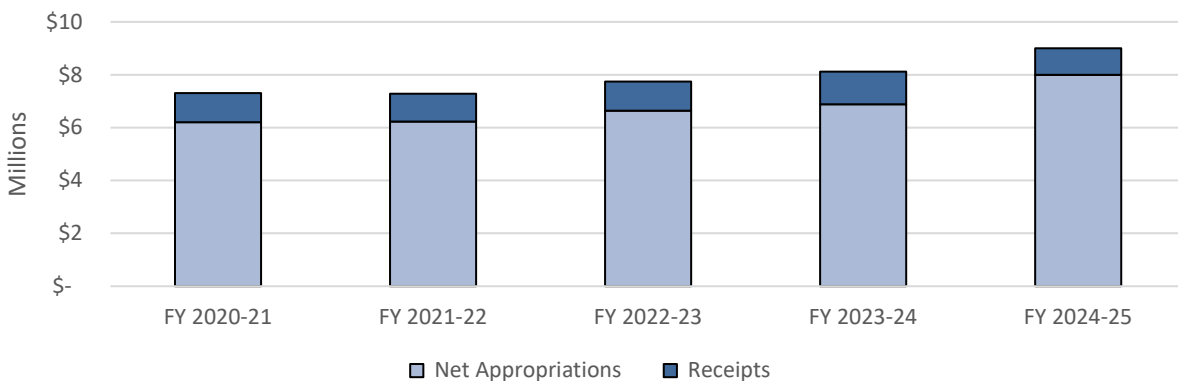
FY 2024-25 Actual Expenditures



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 U.S. Department of Housing and Urban Development.
- Investigates acts of discrimination in employment and housing, and staffs the Rules Review Commission and Human Relations Commission.
- Supports the State Human Resources Commission.

5-Year Historical Expenditures*



*Charts include General Fund budget codes only.

Office of Administrative Hearings (18210)

Year 1 FY 2025-26	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 9,822,073	\$ 152,000	\$ 32,987	\$ 184,987	\$ 10,007,060	1.9%
Receipts	\$ 1,521,520	\$ -	\$ -	\$ -	\$ 1,521,520	0.0%
Net Appropriation	\$ 8,300,553	\$ 152,000	\$ 32,987	\$ 184,987	\$ 8,485,540	2.2%
Positions (FTE)	58.790	-	-	-	58.790	0.0%

Year 2 FY 2026-27	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 9,836,140	\$ 1,974,111	\$ 112,987	\$ 2,087,098	\$ 11,923,238	21.2%
Receipts	\$ 1,521,520	\$ -	\$ -	\$ -	\$ 1,521,520	0.0%
Net Appropriation	\$ 8,314,620	\$ 1,974,111	\$ 112,987	\$ 2,087,098	\$ 10,401,718	25.1%
Positions (FTE)	58.790	-	-	-	58.790	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 2.5% in each fiscal year to help address inflationary pressures. State employees have not gotten a raise since July 1, 2024.

Req \$	152,000	\$ -	\$ 304,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	152,000	\$ -	\$ 304,000	\$ -
FTE	0.000	0.000	0.000	0.000

2 State Employee Bonus

Provides a \$1,000 bonus for all state employees and local education employees regardless of funding source, and an additional \$500 bonus to employees with an annual salary of less than \$75,000. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ -	\$ -	\$ 80,000
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ -	\$ 80,000
FTE	0.000	0.000	0.000	0.000

3 State Health Plan Contributions

Provides funding for a 5% increase in employer premiums for enrolled active employees that the General Fund supports in FY 2026-27, for a total employer contribution of \$8,925 per employee. This proposal also provides funding for the State's General Fund contribution to medical rate increases for members of the State's retirement systems.

Req \$	-	\$ -	\$ 16,863	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ 16,863	\$ -
FTE	0.000	0.000	0.000	0.000

4 Retiree Supplement

Provides a 2.5% one-time retiree supplement in each fiscal year for more than 258,000 retired members and survivors of deceased members.

Req \$	-	\$ 32,987	\$ -	\$ 32,987
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 32,987	\$ -	\$ 32,987
FTE	0.000	0.000	0.000	0.000

Department-wide

5 Vacant Position Reductions

Eliminates funding for positions that have been vacant for three years or more. The department shall abolish these positions.

Req \$	-	\$ -	\$ (116,366)	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ (116,366)	\$ -
FTE	0.000	0.000	(1.000)	0.000

6 Database Development System

Replaces the outdated, unsupported database used to manage and publish the North Carolina Administrative Code (NCAC) with a modern system that supports rule submissions, public comments, and publication workflows for approximately 18,000 administrative rules. Budgets receipts from the IT Reserve for system development and provides recurring General Fund appropriations to sustain annual maintenance and support needed to keep the system secure, reliable, and accessible for agencies and the public.

Req \$	-	\$ -	\$ 1,650,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ 1,650,000	\$ -
FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
Department-wide					
7 Financial Officer FTE					
Establishes an additional position to strengthen financial operations.	Req \$	-	\$ -	\$ 119,614	\$ -
The added role improves efficiency, increases checks and balances, and enhances internal controls in a unit currently only staffed by a Chief Financial Officer.	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ -	\$ 119,614	\$ -
	FTE	0.000	0.000	1.000	0.000
Total Change to Requirements	\$	152,000	\$ 32,987	\$ 1,974,111	\$ 112,987
Total Change to Receipts	\$	-	\$ -	\$ -	\$ -
Total Change to Net Appropriations	\$	152,000	\$ 32,987	\$ 1,974,111	\$ 112,987
Total Change to Full-Time Equivalent (FTE)		0.000	0.000	0.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		184,987	\$	2,087,098
Total Change to Full-Time Equivalent (FTE)			0.000		0.000

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