

Statewide Reserves (19XXX)

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%
Net Appropriation	\$ -	\$ -	\$ -	\$ -	\$ -	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	\$ -	\$ (30,630,890)	\$ 112,786,852	\$ 82,155,962	\$ 82,155,962	0.0%
Receipts	\$ -	\$ -	\$ 165,667,653	\$ 165,667,653	\$ 165,667,653	0.0%
Net Appropriation	\$ -	\$ (30,630,890)	\$ (52,880,801)	\$ (83,511,691)	\$ -	0.0%
Positions (FTE)	-	-	-	-	-	0.0%

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

Investments from Reserves

1 Building Reserves

Appropriates building reserve funds to the Department of Natural and Cultural Resources and the University of North Carolina System.

Req \$	-	\$ -	\$ (20,630,890)	\$ (7,880,801)
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ (20,630,890)	\$ (7,880,801)
FTE	0.000	0.000	0.000	0.000

2 Information Technology Reserve

Provides funds for critical IT investments. OSBM will hold and disburse these funds as needed for the following projects:

- The Department of Information Technology for a project to modernize data storage by switching to hybrid cloud and local storage,
- The Department of Adult Correction for its OPUS system and Rounds Tracking Software,
- Eastern North Carolina's School for the Deaf for an ADA Campus Wide Emergency Visual Alert System,
- The Governor Morehead School for its network upgrade program,
- The Department of Public Instruction for the PSU school business system modernization,
- The Office of State Human Resources for Phase I enhancements to its human capital management (HCM) system,
- The Department of Revenue for DataPower and Network Files end of life replacements, datacenter hardware replacement, and replacement of the RCA desktop client,
- The State Board of Elections for its election modernization Stage III project,
- The State Bureau of Investigation for its IT infrastructure project, Behavioral Threat Assessment Management System, and Real-time Threat Alerting Platform
- The Office of Administrative Hearings for its Database Development System,
- The Department of Commerce for its Modernized NCCareer Information System,
- The Department of the Secretary of State for its hardware update program,
- The Office of Indigent Defense Services for an Indigency Determination Pilot, and
- The Department of Justice for a Legal Case Management System.

Req \$	-	\$ -	\$ -	\$ 140,667,653
Rec \$	-	\$ -	\$ -	\$ 140,667,653
App \$	-	\$ -	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

3 Payroll Modernization Reserve

Provides funding from the IT Reserve to replace the state's payroll system. A Payroll Modernization Oversight Board, consisting of the State Controller, State Chief Information Officer, State Treasurer, and Directors of the Office of State Human Resources and the Office of State Budget and Management will be created to oversee the planning, procurement, and implementation of the replacement payroll system.

Req \$	-	\$ -	\$ -	\$ 25,000,000
Rec \$	-	\$ -	\$ -	\$ 25,000,000
App \$	-	\$ -	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes		
Statewide							
4 Procurement Efficiencies							
Establishes a negative reserve to be filled with savings generated by implementing statewide procurement improvements that consolidate purchasing and standardize workflows across agencies. OSBM, DOA, and DIT will jointly verify statewide procurement savings, manage transfers needed to fill the negative reserve, reconcile savings throughout the fiscal year, and report quarterly on progress.	Req \$	-	\$	-	\$ (10,000,000)	\$ (20,000,000)	
	Rec \$	-	\$	-	\$	-	
	App \$	-	\$	-	\$ (10,000,000)	\$ (20,000,000)	
	FTE	0.000		0.000		0.000	
5 State Property Efficiencies							
Establishes a negative reserve to be filled with proceeds from the sale of underutilized state properties that are not essential to agency missions. The initiative reduces ongoing maintenance costs, lowers liabilities, and strengthens the State's ability to reinvest resources by aligning property holdings more closely with agency needs.	Req \$	-	\$	-	\$	\$ (25,000,000)	
	Rec \$	-	\$	-	\$	-	
	App \$	-	\$	-	\$	\$ (25,000,000)	
	FTE	0.000		0.000		0.000	
6 Contingency and Emergency Fund							
Restores funding to the Contingency and Emergency Fund, established in GS 143C-4-4. This funding was eliminated in 2017. Funds are needed to respond to emergent circumstances, such as court or Industrial Commission orders or death benefits.	Req \$	-	\$	-	\$	-	
	Rec \$	-	\$	-	\$	-	
	App \$	-	\$	-	\$	-	
	FTE	0.000		0.000		0.000	
Total Change to Requirements		\$	-	\$	-	\$ (30,630,890)	\$ 112,786,852
Total Change to Receipts		\$	-	\$	-	\$	\$ 165,667,653
Total Change to Net Appropriations		\$	-	\$	-	\$ (30,630,890)	\$ (52,880,801)
Total Change to Full-Time Equivalent (FTE)			0.000		0.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$		\$	-	\$	(83,511,691)
Total Change to Full-Time Equivalent (FTE)					0.000		0.000

NC Education Lottery Proceeds (54641)

Year 1 FY 2025-26	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 4,559,593,111	\$ -	\$ -	\$ -	\$ 4,559,593,111	0.0%
Receipts	\$ 4,559,593,111	\$ -	\$ -	\$ -	\$ 4,559,593,111	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	\$ 4,563,433,111	\$ 56,227,388	\$ -	\$ 56,227,388	\$ 4,619,660,499	1.2%
Receipts	\$ 4,563,433,111	\$ 56,227,388	\$ -	\$ 56,227,388	\$ 4,619,660,499	1.2%
Chg in Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Positions (FTE)	-	-	-	-	-	0.0%

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

Uncategorized

1 Additional Lottery Proceeds

Increases budgeted lottery receipts consistent with the revenue forecast and increases the budgeted transfer to the Education Lottery Fund.	Req \$	-	\$ -	\$ -	\$ 56,227,388	\$ -
	Rec \$	-	\$ -	\$ -	\$ 56,227,388	\$ -
	CFB \$	-	\$ -	\$ -	\$ -	\$ -
	FTE	0.000		0.000	0.000	0.000
Total Change to Requirements	\$	-	\$ -	\$ -	\$ 56,227,388	\$ -
Total Change to Receipts	\$	-	\$ -	\$ -	\$ 56,227,388	\$ -
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

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

Year 1 FY 2025-26	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 1,083,432,612	\$ -	\$ -	\$ -	\$ 1,083,432,612	0.0%
Receipts	\$ 1,083,432,612	\$ -	\$ -	\$ -	\$ 1,083,432,612	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	\$ 1,087,272,612	\$ 56,227,388	\$ -	\$ 56,227,388	\$ 1,143,500,000	5.2%
Receipts	\$ 1,087,272,612	\$ 56,227,388	\$ -	\$ 56,227,388	\$ 1,143,500,000	5.2%
Chg in Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Positions (FTE)	-	-	-	-	-	0.0%

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

Lottery Revenues

1 Education Lottery Fund – Additional Receipts

Budgets additional projected receipts from the State Lottery Fund.

Req \$	-	\$ -	\$ -	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ 56,227,388	\$ -
CFB \$	-	\$ -	\$ -	\$ 56,227,388	\$ -
FTE	0.000		0.000	0.000	0.000

Education Investments

2 Universal School Breakfast at No Cost to Students

Transfers funds to the Department of Public Instruction to help public schools offer breakfast at no cost to all students. This will enable school cafeterias to serve almost 190,000 free school breakfasts each school day. Additional details are provided in the Department of Public Instruction section of this document.

Req \$	-	\$ -	\$ -	\$ 56,227,388	\$ -
Rec \$	-	\$ -	\$ -	\$ -	\$ -
CFB \$	-	\$ -	\$ -	\$ (56,227,388)	\$ -
FTE	0.000		0.000	0.000	0.000

Total Change to Requirements	\$ -	\$ -	\$ -	\$ 56,227,388	\$ -
Total Change to Receipts	\$ -	\$ -	\$ -	\$ 56,227,388	\$ -
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