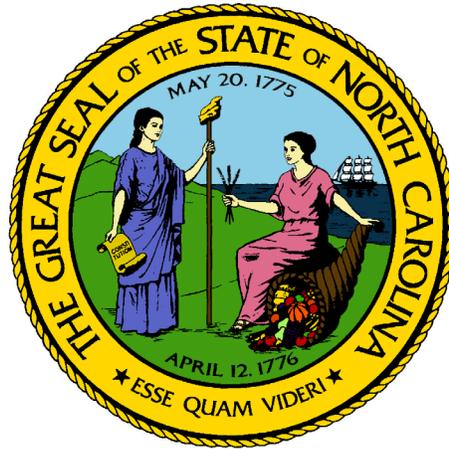


**GOVERNOR COOPER'S
RECOMMENDED BUDGET
ADJUSTMENTS
2024-25**

**SECURING
North Carolina's Future**



Governor Roy Cooper's Recommended Budget Adjustments 2024-25



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Office of the Governor
Raleigh, North Carolina

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Questions about Governor Cooper's Recommended Budget Adjustments for 2024-25 or requests for further information may be directed to the Office of State Budget and Management, 20320 Mail Service Center, Raleigh, NC 27699-0320, or telephone (984) 236-0600. The document may also be downloaded from the Office of State Budget and Management's website at osbm.nc.gov.

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STATE OF NORTH CAROLINA
OFFICE OF THE GOVERNOR

ROY COOPER
GOVERNOR

April 24, 2024

The North Carolina Senate

The Honorable Phil Berger, President Pro Tempore The Honorable Dan Blue, Democratic Leader

The North Carolina House of Representatives

The Honorable Tim Moore, Speaker The Honorable Robert Reives, Democratic Leader

The People of North Carolina

Dear Mr. President, Mr. Speaker, Leaders, Members of the North Carolina General Assembly, and Fellow North Carolinians:

North Carolina continues robust growth, adding more people in the last year than any other state except two. Our great state is home to nationally lauded higher education institutions and has been recognized as the number one place in the nation to do business two years in a row. Last year, we worked together to expand health care to hundreds of thousands of additional working North Carolinians. Sustaining our growth, preparing an educated workforce of people who can fill new jobs, and securing a strong future cannot be done with tax giveaways to the richest among us. Instead, we must wisely invest in our future – in our early childhood education and child care, our public schools, our teachers, and in our people.

Access to affordable child care for parents, businesses, and educators is one of the most immediate threats to sustaining our momentum. Nearly one-third of North Carolina child care centers are at risk of closure and only 26% of parents can afford child care costs. My budget recommends investing in early childhood education to increase both the supply of quality child care while addressing the decline in federal funding, as well as making child care more affordable through a tax credit. Prioritizing investments in child care and early childhood education will enable parents to work and give our state's children a better opportunity to succeed.

I have declared 2024 the Year of Public Schools in North Carolina and in my travels have witnessed the great things our public school teachers are doing and how much North Carolinians love their schools. They want us to invest so their children can learn and be successful. The best indicator for success of a child in K-12 education is whether they have a great teacher in the classroom. This budget recommends an average 8.5% raise to attract and retain educators, giving North Carolina the highest starting teacher pay in the Southeast. It also proposes a \$2.5 billion construction bond to provide a minimum of \$5 million per local education agency to keep schools safe and suited for learning.

This balanced budget provides tax relief to working families and small businesses while maintaining our current tax rates for corporations and the wealthy. It freezes taxpayer-funded private school vouchers that are taking money from public schools and giving it to private schools without any accountability while investing more in public education, critical infrastructure like water and sewer, and workforce and economic development. We can and should prioritize securing the future of North Carolina for its people. Thank you for your consideration and for working to secure success for North Carolina's future.

With kind regards I am,

Very truly yours,

A handwritten signature in black ink that reads "Roy Cooper". The signature is written in a cursive style with a large, prominent "R" and "C".

Roy Cooper



Governor Cooper's budget lays the groundwork for North Carolinians to thrive in the years ahead, recognizing the pivotal role that public education, quality child care, job opportunities, and workforce development play in creating pathways to success. This budget also funds the preservation of critical habitat and working lands as well as ensures the state can meet the needs of our growing population. The budget invests \$34.5 billion and maintains robust state reserves, while keeping taxes low and introducing targeted tax credits.

Committing to a Better Educated Future Through Public Schools

Devotes \$730 million toward supporting first-class public education in our state, which will drive the economy, attract businesses and sought-after workers, and position our students to thrive now and in the future. Places a moratorium on new private school vouchers that lack accountability and oversight to dedicate those funds to educating the more than 80% of North Carolina students who attend public schools.

Invests more than \$359 million to attract more individuals to the teaching profession and retain experienced teachers. Ensures an 8.5% average total raise for all teachers and lifts starting teacher salaries to more than \$47,500 – the highest in the Southeast. Respects the teaching profession by reinstating master's pay and increases salaries for school-based administrators.

Addresses the \$13 billion in construction and renovation needs in our public schools by recommending a \$2.5 billion General Obligation Bond on the November 2024 ballot. Over the next five years almost 1,600 schools report needing renovation and 131 new schools need to be built.

Invests \$35 million in professional development for teachers to advance student literacy by expanding Read to Achieve to middle grade students. Provides \$11 million in funding to increase the pipeline of new teachers, with access to more teacher training, licensure options, and recruitment tools for high-need communities. Creates opportunity for more North Carolinians to pursue careers in teaching by expanding Teaching Fellows program eligibility to more subject areas and students attending any State Board of Education approved educator preparation program.

Provides targeted student support by investing close to \$217 million. Increases access to education-empowering services by increasing funding for crucial supports for disadvantaged students, children with disabilities, and students with limited English proficiency. Enhances allotments for low-wealth counties and provides funding for K-3 teacher assistants to bring North Carolina closer to nationally recommended student-to-staff ratios.

Makes targeted investments to improve student success, including \$19 million for coaching and capacity building in low-performing, high-poverty schools and \$10 million to support students' career and postsecondary planning. Supports student mental and physical health with more than \$44 million for school counselors, nurses, psychologists, and social workers. Establishes an evidence-based pilot grant

program to address out-of-school learning barriers. Expands access to North Carolina Virtual Public School classes.

Strengthening Child Care and Early Education for Working Families

Recognizes the crucial role child care and early education play in sustaining our economy with a multifaceted \$745 million investment.

Mitigates the fiscal cliff in child care and keeps child care centers open with \$200 million for Child Care Stabilization Grants. Provides \$129 million for child care subsidies that will increase reimbursement rates for providers in rural and low-wealth communities. Expands the WAGE\$ program to retain highly qualified staff, increases funding for Smart Start, and funds child care workforce recruitment and coaching.

Improves access to early childhood education by investing \$197 million to expand access to NC Pre-K and \$24 million to provide wrap-around summer care and learning programs for students once they complete NC Pre-K and before they enter kindergarten. Creates a grant program to help child care workers afford care for their own children and adds a fourth region to the state's Tri-Share Child Care pilot program.

Improves affordability with a \$24 million pilot program to incentivize the business community to contribute to employee dependent care flexible spending accounts. Further reduces the burden of child care costs for hundreds of thousands of North Carolina families by providing a refundable child and dependent care tax credit.

Increases child care capacity with \$50 million toward start-up and capital grants for NC Pre-K and child care centers.

Recognizing the State's Talent

Equips state government to attract and retain employees in the face of high turnover and a competitive job market. Provides \$252 million to guarantee at least a 5% across-the-board salary increase and \$400 million for retention bonuses for all state-funded employees. Increases annual days of leave for employees earlier in their careers.

Supports solutions to complex labor market challenges with \$196 million in funding for the Enhanced Labor Market Adjustment Reserve to give agencies, universities, and community colleges flexibility to address specific challenges for hard-to-retain and fill roles. Creates a reserve to shift positions from receipts to net appropriation support.

Addresses loss of purchasing power among state retirees with a 3% cost-of-living adjustment.

Supercharging North Carolina's Economy

Positions North Carolinians to thrive in an ever-evolving economy and stimulates job growth and business investments across the state. Allocates \$40 million for the Advanced Manufacturing and Biotech Solutions Center for high-need job training. Supports new and innovative training programs for

growing industries via NC Job Ready Grants. Establishes the rural youth apprenticeship program based on successful existing models and invests \$5 million in job coaching for people with barriers to employment. Invests in local workforce development, apprenticeship, and work-based learning programs and capitalizes on the fast-growing clean energy sector with funds for workforce training at community colleges.

Fortifies the healthcare sector with nearly \$19 million to expand the state's capacity to produce nurses, doctors, pharmacists, physician assistants, and direct support care providers. Creates the NC Center on the Workforce for Health to identify solutions for strengthening the direct care and healthcare workforce.

Invigorates small businesses and job creation with a \$49 million unemployment insurance tax cut for businesses with 500 or fewer employees and updates UI benefits. Local communities will benefit by supporting both small businesses and consumer spending by laid-off workers. Provides \$9 million to help small businesses pursue federal funds through One NC. Creates the Defense Innovation Network with \$2 million to bolster defense sector research and development. Provides additional funds for business registration services.

Improves economic participation and opportunities for individuals post-incarceration with \$13 million in funding for local reentry councils and support services. Supports training and education programs and digital literacy programs to improve people's reentry opportunities.

Includes \$150 million for the Randolph Megasite, \$50 million for Radio Island Infrastructure improvements, and \$20 million for the Chatham-Siler City Advanced Manufacturing site.

Protecting Natural Resources and Communities for the Future

Prioritizes the protection of natural resources in North Carolina by reinstating the Conservation Tax Credit, incentivizing preservation of vital habitats, farmlands, military buffers, and historic landscapes, and increasing public access to natural areas. Bolsters recreational opportunities and protection and restoration of crucial land and water resources with \$60 million each for the Parks and Recreation Trust Fund and the North Carolina Land and Water Fund.

Stems the loss of agricultural land by boosting the Agricultural Development and Farmland Preservation Trust Fund by \$15 million. Enhances agricultural water supply with additional funds for the Agricultural Water Resources Assistance Program.

Prepares for the escalating threats North Carolinians face from natural disasters with \$20 million in grants to improve drainage and reduce flooding with waterway upgrades. Increases funding for the Resilient Roof Grant program to create more storm-resistant housing in vulnerable communities. Supports data-driven enhancements to coastal modeling in the Flood Resilience Blueprint. Enhances the NC Forest Service's capacity to battle wildfires with nearly \$5 million for equipment. Leverages federal environmental quality improvement grant opportunities with funds to meet state match requirements.

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Committing to a Better Educated Future Through Public Schools

Recommendation

Secures North Carolina’s future by investing \$730.3 million in public school students and teachers. This budget respects teachers by raising public school starting teacher salaries to the highest in the Southeast, providing an 8.5% average total raise for all teachers, and minimizing pay plateaus for experienced teachers. These recommendations also add teacher assistants to classrooms and support public school teachers with the curricular training, classroom supplies, and instructional support they need to help every student succeed. This budget puts a moratorium on taxpayer-funded private school vouchers to instead invest in K-12 public education.

In addition, this budget recommends placing a \$2.5 billion General Obligation Bond on the November 2024 ballot for public school construction and renovation. This funding will help address the documented \$13 billion in infrastructure needs across public schools without increasing debt service above current levels.

Table 1: Allocation of Funds to Support Public Education

	Recurring	Nonrecurring
Compensation and Capacity Investments		
Teacher and Instructional Support Salaries	\$322,709,000	
State Agency Teachers	\$1,107,000	
Master’s Pay	\$10,000,000	
School-Based Administrator Salaries	\$25,443,000	
Professional Development	\$13,760,000	\$21,477,350
Educator Pipeline and Development	\$11,260,000	\$25,000
Sub Total	\$384,279,000	\$21,502,350
Targeted Student Investments		
DSSF and At-Risk Allotments and Funding	\$70,000,000	
Children with Disabilities Funding Cap and Funding	\$56,824,273	
Low-Wealth Schools Funding	\$40,000,000	
Teaching Assistant Formula and Funding	\$30,000,000	
Limited English Proficiency Funding Cap and Funding	\$20,000,000	
Sub Total	\$216,824,273	
Targeted District Supports		
School Health Personnel	\$44,548,449	
District and Regional Support Model	\$19,000,000	
Career Development Coordinators	\$10,000,000	
Community Schools	\$6,000,000	
NC Virtual Public Schools	\$3,000,000	
Classroom Materials	\$1,000,000	\$4,000,000
Reduced-Price Lunch Co-Pays	\$900,000	
Sub Total	\$84,448,449	\$4,000,000

	Recurring	Nonrecurring
Agency Capacity and IT Upgrades		
IT and Cybersecurity	\$17,567,392	
Operational Support	\$1,672,000	
Sub Total	\$19,239,392	
Totals for Recurring and Nonrecurring	\$704,791,114	\$25,502,350
Grand Total		\$730,293,464

Statement of Need

North Carolina significantly lags behind other states in per student spending and ranks in the bottom on teacher pay. At the same time, the state is attracting businesses that require a well-educated workforce to be able to prosper in the future.

- More than 8 in 10 school-aged children attend public schools in North Carolina.¹ However, the state ranks near the bottom in K-12 funding nationally, spending nearly \$5,000 less per student than the national average.²
- Teachers in North Carolina earn over 26% less than similar college graduates who chose different careers.³ The state ranks 46th nationally and 11th out of the 12 Southeastern states in beginning teacher pay. Without increases in pay, the state will face increasing difficulty in hiring and retaining teachers and training tomorrow’s workforce.⁴
- North Carolina employs over 1,000 fewer teachers than it did in 2018 despite the student population staying about the same. The teacher attrition rate rose 47% from 7.8% to 11.5% from the 2021-22 to the 2022-23 school year, and annual teacher attrition is higher in North Carolina than the national average.⁵
- Since 2020, the state has increased annual per-pupil funding for private school taxpayer-funded vouchers by 80.7% (\$3,390), while public school students have seen a per-pupil funding increase of just 6.5% (\$463) in that time.⁶
- The 2020-21 Facility Needs Survey prepared by the North Carolina Department of Public Instruction identified total school facility needs of over \$13 billion over a five-year period.⁷

Recommendation Detail

Staffing and Capacity Investments

- **Raises for Teachers and Instructional Support Personnel:** Updates the teacher salary schedule and provides \$322.7 million to raise salaries for all teachers and reduce salary plateaus for experienced teachers, instructional support personnel, school psychologists, speech pathologists, and audiologists. Teachers at state agency schools who are paid based on the teacher salary schedule receive the same increases.

¹ [DPI Statistical Profile. US Census Bureau Quick Facts.](#)

² [Education Law Center.](#) “Making the Grade 2022”

³ <https://www.epi.org/publication/teacher-pay-in-2022/>

⁴ WestEd. “[Sound Basic Education for All: An Action Plan for North Carolina.](#)”

⁵ [NC DPI.](#) 2022-23 State of the Teaching Profession in North Carolina

⁶ [DPI Statistical Profile.](#)

⁷ <https://www.dpi.nc.gov/documents/schoolplanning/facility-needs-survey-2020-21/download?attachment>

- **Master’s Pay:** Respects the teaching profession by investing \$10 million to restore master’s pay.
- **Principal and Assistant Principal Pay:** Provides \$25.4 million to improve recruitment and retention for school-based administrators through salary increases.
- **Read to Achieve for Middle Grades Students:** Provides \$34.7 million to expand the Read to Achieve program to middle grades students. Data indicates that the program, grounded in the Science of Reading, has had a positive impact for North Carolina students in early grades. Recurring funds provide professional development to all middle grades core teachers, extending state diagnostic reading assessments and literacy intervention plans to 4th and 5th graders, and adding nine secondary literacy positions for coordination and regional support.
- **Residencies for High-Need Districts:** Provides \$5 million to establish a matching grant program to support high-quality teacher preparation residency programs in high-need rural and urban districts. Evidence shows that teacher residency programs provide better hands-on training, lead to higher teacher retention rates, and can improve student outcomes.
- **Advanced Teaching Roles Program:** Provides \$1.8 million to expand the Advanced Teaching Roles program, which enables outstanding teachers to reach more students, by providing salary supplements for teacher leaders and supporting coaching and professional development. These investments allow additional districts to apply for one-time startup funds and enable school districts to provide clearer scopes of work, standardized common data reporting, and increased salary supplements for advanced teacher responsibilities.
- **Recruitment Bonuses for Small and Low-Wealth Counties:** Provides \$1.7 million to increase funding for district-level recruitment bonuses to attract certified teachers who commit to teaching in small and low-wealth counties.
- **Teacher Licensure Exam Preparation and Fee Support:** Provides \$1.6 million in recurring funds to sustain and expand supports for pre-service and beginning teachers in becoming fully-licensed. Funds support one teacher licensure and compensation program consultant at DPI, as well as TeachNC licensure exam fee vouchers, fee reimbursement, and licensure exam preparation services.
- **National Board Certification:** Provides \$900,000 to cover the cost of National Board certification fees, with priority to educators in high-need and low-performing schools. Students of board-certified teachers learn the equivalent of an extra one to two months’ worth of instruction, and certified teachers earn a 12% annual salary supplement.
- **NC Center for the Advancement of Teaching:** Provides \$500,000 for the NC Center for the Advancement of Teaching (NCCAT) to support the continued professional development of teachers in all regions and districts of the state. NCCAT provides teaching methods, content, mental health, and STEM training for teachers to use in their classrooms.
- **Teacher Recruitment Programs:** Provides \$300,000 to reduce teacher vacancy rates by expanding teacher candidate recruitment programs and funding a study to improve recruitment strategies. The study will include research and recommendations for a statewide system or entity to coordinate teacher recruitment and support.

Targeted Student Supports

- **Disadvantaged Student Supplemental Fund:** Combines the At-Risk and Disadvantaged Student Supplemental Fund allotments and increases funding for the combined allotment by \$70 million.

- **Children With Disabilities:** Ensures children with disabilities receive needed services by providing \$56.8 million to remove the 13% funding cap and increasing funding for the Children with Disabilities allotment.
- **Supplemental Funding for Low-Wealth Counties:** Increases funding for 69 eligible low-wealth counties that have limited capacity to generate local revenue to support public schools. The \$40 million increase helps those counties enhance instruction and student achievement by providing additional teachers and instructional support, instructional supplies and materials, and staff development.
- **Teacher Assistants:** Provides \$30 million to fund teacher assistants to support K-3 students more effectively by aligning more closely with nationally recommended student-to-staff ratios.
- **Limited English Proficiency Allotment:** Removes the funding cap and increases funding by \$20 million for the Limited English Proficiency allotment. Schools with more than 10.6% of their average daily membership (ADM) qualifying for English language learning support currently receive no additional funds for classroom teachers, textbooks, staff development, and other supports needed to help these students thrive.

Targeted District Supports

- **School Health Personnel:** Supports student mental and physical health by providing \$44.6 million for school counselors, nurses, social workers, and psychologists through the School Health Personnel allotment. Funds also provide school districts flexibility so that they can strategically hire school health personnel to best meet student needs.
- **District and Regional Support:** Provides \$19 million in recurring funding to continue and enhance the THRIVE district and regional support model to provide targeted and comprehensive assistance to low-performing and high poverty schools and districts through professional learning, coaching, systems design, and capacity building.
- **Career Development Coordinators:** Provides \$10 million for a Career and Postsecondary Planning Director in DPI's Career and Technical Education Division to focus on career planning in grades 5-12 and phases in funding to increase the number of school-based Career Development Coordinators for grades 6-12. CDCs facilitate linkages with parents, business/industry, postsecondary institutions, workforce boards, and community organizations to support students' transition to postsecondary education and employment.
- **Community Schools:** Establishes a \$6 million pilot grant program providing funding to high poverty schools that adopt a Community Schools or other evidence-based model to address out of school barriers to learning. This investment includes funding a full-time school-based coordinator to assess local needs and assets and to integrate social, academic, and health supports in coordination with school support personnel.
- **Classroom Materials:** Provides \$5 million to help schools access high-quality instructional materials and supplies through the Classroom Materials Allotment. Schools often rely on parents, teachers, and community drives for needed supplies, which disadvantages low-wealth school districts.
- **North Carolina Virtual Public School:** Revises the funding approach for the NC Virtual Public School (NCVPS) and offsets the costs for local school administrative units and charter schools to participate. This \$3 million investment removes the fundamental cost barrier that prevents

students in low-wealth districts from accessing a wide range of NCVPS classes, from credit recovery to Advanced Placement.

- **Reduced-Price Lunch Co-Pays:** Provides \$900,000 to offset the co-pays for students eligible for reduced-price lunches in schools participating in the National School Lunch Program. Research shows that receiving free lunch improves school attendance and decreases food insecurity and suspensions.

Agency Capacity and IT Upgrades

- **IT and Cybersecurity:** Invests \$17.6 million to improve the state's ability to track academic progress and tailor supports, provide cybersecurity for business servers and staff computers, identify security threats, and help schools migrate to cloud-based Enterprise Resource Planning (ERP) systems. Funds include support for four regional IT Security and Compliance Specialist positions to work with public school units (PSUs) to drive adoption of cybersecurity program initiatives, develop tailored cybersecurity improvement plans, and provide general guidance and support.
- **Operational Support:** Provides \$1.7 million to ensure that school systems have the central support that they need to run efficiently. Five full-time equivalent (FTE) positions provide for effective and efficient operation and support of North Carolina's residential schools. These positions coordinate state agency responses to residential schools' business, HR, procurement, IT, and administrative needs. Three FTE positions within DPI's Agency Financial Services support DPI's central financial infrastructure. One FTE within the newly established Office of Equity Affairs directs the recruitment and retention of a diverse educator workforce that is representative of the state's student population. One FTE works with the Department of Commerce and ApprenticeshipNC to develop a 'whole system' model of apprenticeships from high school through higher education.

Expected Impact

- Brings starting teacher salaries to the highest in the Southeast at over \$47,500, including state and local supplements. Provides all existing teachers and specialized instructional staff with an average total raise of 8.5%. The recommended FY 2024-25 teacher salary schedule is provided in Table 2 at the end of this summary.
- Respects the teaching profession by restoring 10% master's pay supplements for over 1,000 teachers whose advanced degrees are in the subjects they teach.
- Removes the funding cap and increases funding for the Children with Disabilities allotment, funding all eligible students in the 85 school districts where they account for more than 13% of ADM.
- Extends the Read to Achieve program through grade 8, providing professional development on the Science of Reading to more than 23,000 middle school core teachers and aligning district-wide intervention for struggling readers.
- Helps counties enhance instruction and student achievement by providing additional teachers and instructional support, instructional supplies and materials, and staff development. A more than 12% increase to the low-wealth allotment supports 69 eligible counties with limited capacity to generate local revenue to support public schools.

- Funds teachers and instructional support positions, provides intensive in-school and after school remediation, and provides professional development for teachers serving disadvantaged students by increasing funding for the combined At-Risk/DSSF allotment by 14%.
- Supports student mental and physical health by providing funding for 575 additional School Health Personnel, including school counselors, nurses, social workers, and psychologists.
- More effectively supports K-3 students by funding 700 additional teacher assistants to align more closely with nationally recommended student-to-staff ratios.
- Funds the cost of National Board certification fees for 470 additional teachers annually. Board certified teachers earn a 12% supplement to their annual salary.
- Promotes school cybersecurity by funding endpoint protection licenses for 250,000 K-12 business servers and staff computers and provides funds to help PSUs scan for and identify cybersecurity risks on 1.5 million devices on internal networks.
- Provides bond funding to build over 90 new elementary and middle schools across the state, based on average 2021 construction costs. The distribution summary for the \$2.5 billion in bond funding is provided in Table 3 at the end of this summary.

Table 2: Annual Statewide Teacher Salary Schedule Comparison

Years of Exp.	Current FY 2023-24	SL 2023-134 FY 2024-25	Recommended FY 2024-25
0	39,000	41,000	46,000
1	39,840	41,750	46,600
2	40,850	42,500	47,200
3	41,870	43,250	47,800
4	42,890	44,000	48,400
5	43,910	44,750	49,000
6	44,810	45,720	49,600
7	45,720	46,630	50,200
8	46,620	47,530	50,800
9	47,530	48,440	51,400
10	48,430	49,350	52,000
11	49,330	50,250	52,600
12	50,240	51,160	53,200
13	51,140	52,060	53,800
14	52,050	52,970	54,400
15	53,060	53,880	55,000
16	53,060	53,880	55,000
17	53,060	53,880	55,000
18	53,060	53,880	55,750
19	53,060	53,880	55,750
20	53,060	53,880	55,750
21	53,060	53,880	56,500
22	53,060	53,880	56,500
23	53,060	53,880	56,500
24	53,060	53,880	57,250
25	55,100	55,950	57,250
26	55,100	55,950	57,250
27	55,100	55,950	58,000
28	55,100	55,950	58,000
29	55,100	55,950	58,000
30+	55,100	55,950	58,750

Table 3: Public School Capital Distribution Summary

Total Amount		\$2,500,000,000	
Base Amount		\$575,000,000 (\$5,000,000 per LEA)	
ADM		\$1,925,000,000	
LEA	Allocation Total	LEA	Allocation Total
1 Alamance-Burlington Schools	\$ 35,951,825	Mooresville Graded School District	\$ 13,210,455
2 Alexander County Schools	\$ 11,169,706	Jackson County Schools	\$ 9,847,826
3 Alleghany County Schools	\$ 6,884,413	Johnston County Schools	\$ 56,459,817
4 Anson County Schools	\$ 9,131,749	Jones County Schools	\$ 6,412,611
5 Ashe County Schools	\$ 8,775,804	Lee County Schools	\$ 17,659,065
6 Avery County Schools	\$ 7,539,071	Lenoir County Public Schools	\$ 16,473,979
7 Beaufort County Schools	\$ 13,137,870	Lincoln County Schools	\$ 20,974,235
8 Bertie County Schools	\$ 7,430,194	Macon County Schools	\$ 11,159,935
9 Bladen County Schools	\$ 10,330,794	Madison County Schools	\$ 7,949,455
10 Brunswick County Schools	\$ 23,024,755	Martin County Schools	\$ 8,524,549
11 Buncombe County Schools	\$ 35,805,260	McDowell County Schools	\$ 12,802,864
12 Asheville City Schools	\$ 10,637,883	Charlotte-Mecklenburg Schools	\$ 202,422,225
13 Burke County Schools	\$ 20,958,880	Mitchell County Schools	\$ 7,419,027
14 Cabarrus County Schools	\$ 53,397,298	Montgomery County Schools	\$ 9,886,910
15 Kannapolis City Schools	\$ 12,525,087	Moore County Schools	\$ 23,054,068
16 Caldwell County Schools	\$ 19,719,356	Nash-Rocky Mount Schools	\$ 24,927,314
17 Camden County Schools	\$ 7,661,907	New Hanover County Schools	\$ 40,015,177
18 Carteret County Public Schools	\$ 16,154,326	Northampton County Schools	\$ 6,694,575
19 Caswell County Schools	\$ 8,056,936	Onslow County Schools	\$ 43,800,752
20 Catawba County Schools	\$ 26,585,597	Orange County Schools	\$ 14,948,302
21 Hickory City Schools	\$ 10,284,730	Chapel Hill-Carrboro City Schools	\$ 20,923,984
22 Newton Conover City Schools	\$ 8,897,244	Pamlico County Schools	\$ 6,673,638
23 Chatham County Schools	\$ 17,506,916	Elizabeth City-Pasquotank Public Schools	\$ 11,557,756
24 Cherokee County Schools	\$ 9,269,939	Pender County Schools	\$ 19,990,153
25 Edenton-Chowan Schools	\$ 7,544,655	Perquimans County Schools	\$ 7,283,629
26 Clay County Schools	\$ 6,736,451	Person County Schools	\$ 11,031,516
27 Cleveland County Schools	\$ 24,546,244	Pitt County Schools	\$ 37,866,947
28 Columbus County Schools	\$ 12,187,289	Polk County Schools	\$ 7,892,224
29 Whiteville City Schools	\$ 7,867,099	Randolph County Schools	\$ 26,238,027
30 Craven County Schools	\$ 22,575,288	Asheboro City Schools	\$ 11,126,435
31 Cumberland County Schools	\$ 73,151,525	Richmond County Schools	\$ 14,096,827
32 Currituck County Schools	\$ 11,224,145	Public Schools of Robeson County	\$ 33,936,202
33 Dare County Schools	\$ 12,039,328	Rockingham County Schools	\$ 20,309,805
34 Davidson County Schools	\$ 29,918,913	Rowan-Salisbury Schools	\$ 30,136,667
35 Lexington City Schools	\$ 9,074,519	Rutherford County Schools	\$ 15,174,432
36 Thomasville City Schools	\$ 8,003,893	Sampson County Schools	\$ 15,844,445
37 Davie County Schools	\$ 13,365,396	Clinton City Schools	\$ 9,056,372
38 Duplin County Schools	\$ 18,405,850	Scotland County Schools	\$ 12,601,860
39 Durham Public Schools	\$ 48,460,137	Stanly County Schools	\$ 17,049,073
40 Edgecombe County Public Schools	\$ 12,367,355	Stokes County Schools	\$ 12,728,883
41 Winston Salem/Forsyth County Schools	\$ 77,385,171	Surry County Schools	\$ 15,008,324
42 Franklin County Schools	\$ 15,826,299	Elkin City Schools	\$ 6,695,971
43 Gaston County Schools	\$ 46,708,331	Mount Airy City Schools	\$ 7,363,193
44 Gates County Schools	\$ 7,046,332	Swain County Schools	\$ 7,520,925
45 Graham County Schools	\$ 6,535,447	Transylvania County Schools	\$ 9,496,069
46 Granville County Schools	\$ 14,265,726	Tyrrell County Schools	\$ 5,678,389
47 Greene County Schools	\$ 8,738,116	Union County Public Schools	\$ 62,604,398
48 Guilford County Schools	\$ 99,344,859	Vance County Schools	\$ 11,937,430
49 Halifax County Schools	\$ 7,897,808	Wake County Schools	\$ 226,371,015
50 Roanoke Rapids City Schools	\$ 8,689,261	Warren County Schools	\$ 7,416,236
51 Weldon City Schools	\$ 5,887,768	Washington County Schools	\$ 6,476,821
52 Harnett County Schools	\$ 32,604,550	Watauga County Schools	\$ 11,475,400
53 Haywood County Schools	\$ 14,070,306	Wayne County Public Schools	\$ 29,226,566
54 Henderson County Schools	\$ 22,918,670	Wilkes County Schools	\$ 16,648,461
55 Hertford County Schools	\$ 8,287,253	Wilson County Schools	\$ 19,219,637
56 Hoke County Schools	\$ 17,103,512	Yadkin County Schools	\$ 11,996,056
57 Hyde County Schools	\$ 5,626,742	Yancey County Schools	\$ 7,781,951
58 Iredell-Statesville Schools	\$ 33,679,363	Total	\$ 2,500,000,000

Strengthening Child Care and Early Education for Working Families

Recommendation

Invests \$745.2 million in a multifaceted approach to strengthen North Carolina’s economy by investing in child care and early education workforce, sustainability, and access while providing a child care tax credit to families. These investments provide early childhood education for young children, while allowing parents to work and businesses to hire for the jobs they need to fill. Investments help the state partner with the business community to implement solutions to this economy-wide issue facing families and employers. This budget addresses the fiscal cliff in child care as federal funds expire and fortifies access to child care for low-income and rural communities by continuing essential compensation grants and setting a statewide subsidy rate floor. The budget also addresses critical needs in NC Pre-K, a highly effective program, by fully funding reimbursement rates to continue serving the same number of children. Funds will also help recruit and retain early childhood educators by providing competitive wages, plus help for early childhood teachers afford child care for their own children.

Table 1: Allocation of Funds to Support Child Care and Early Education

	Agency	Recurring	Nonrecurring
Child Care and Early Education Workforce			
Child Care Stabilization Grants	DHHS		\$200,000,000
Child Care Subsidy Rate Increase	DHHS	\$128,500,000	
Child Care WAGES	DHHS	\$26,000,000	
Smart Start	DHHS	\$10,000,000	
Workforce Recruitment	DHHS	\$1,250,000	
Sub Total		\$165,750,000	\$200,000,000
Child Care and Early Education Sustainability			
NC Pre-K and Child Care Enhancement Grants	DHHS		\$50,000,000
Program Evaluation Funds	NCCCS		\$100,000
Employee-Friendly Benefits Study	Commerce		\$100,000
Early Childhood Workforce Data System	DHHS	\$500,000	
Sub Total		\$500,000	\$50,200,000
Child Care and Early Education Access			
NC Pre-K Reimbursement Rates	DHHS	\$197,000,000	
Wrap-Around Summer Care and Learning	DHHS		\$24,400,000
Employer Child Care Match Pilot	Commerce	\$24,150,000	
Early Education Provider Grant Program	DHHS		\$25,000,000
Tri-Share Pilot Expansion and Evaluation	DHHS		\$400,000
Sub Total		\$221,150,000	\$49,800,000
Totals for Recurring and Nonrecurring		\$387,400,000	\$300,000,000
Tax Credits			
Child Care Tax Credit		\$57,800,000	
Grand Total			\$745,200,000

Statement of Need

- Infant child care costs an average of \$10,596 per year (\$883 per month) in North Carolina.¹ Such high costs limit access and contribute to 45% of parents of young children declining or leaving training² and 34% of mothers and 20% of fathers leaving the workforce.³ These downstream impacts cost the North Carolina economy \$3.5 billion each year.⁴
- Research finds that child care benefits provide returns of up to 425% of their cost to companies, and benefits pay for themselves if employers retain as few as 1% of employees.⁵
- Over 25% of North Carolina’s 2,717 child care centers closed between 2016 and 2021, while the supply of home-based programs decreased by 41%, from 1,723 to 1,015.⁶ The state’s age 0-5 population fell only 0.4% during the same period.⁷ Another 1,778 programs serving 155,539 children are expected to close due to the impending “child care fiscal cliff” unless they receive additional investment.⁸
- NC’s early childhood teachers earn on average \$13 per hour, less than many retail and hospitality jobs.⁹
- Over 3,400 children aged 5 and under currently sit on the child care subsidy waitlist due to insufficient funding.
- NC Pre-K participants experience increased literacy, math, and socio-emotional skills at kindergarten entry and sustain these gains throughout elementary school.¹⁰ Yet, state funding for the program’s almost 30,000 slots supports less than half the full cost to operate. Providers cite this underfunding as one reason for either not opening new slots or even leaving the program.¹¹ Since March 2020, there has been a net loss of 48 NC Pre-K sites.

Recommendation Detail

Child Care and Early Education Workforce

- **Child Care Stabilization Grants:** Helps North Carolina child care centers stay open and recruit and retain qualified staff by providing \$200 million nonrecurring in critical compensation grants that support the workforce when federal support runs out on July 1, 2024. The grants help early care and learning programs provide better wages and benefits to teachers and promote equity for all—children, parents, and teachers. These funds extend these grants through the 2024-25 fiscal year and supplement recurring child care subsidy rate floor investments.
- **Child Care Subsidy Rate Increase:** Provides \$128.5 million to create a statewide rate floor that will increase child care subsidy reimbursement rates in rural and lower wealth communities. Subsidy levels are currently based on local market rates that represent what parents can afford

¹ [Child Care Services Association](#). “2021-2022 North Carolina Infant-Toddler Child Care Landscape Study”

² [North Carolina Early Childhood Foundation](#). “Child Care & Economic Recovery Across North Carolina During Covid-19”

³ [McKinsey & Company](#). “The childcare conundrum: How can companies ease working parents’ return to the office?”

⁴ [Ready Nation](#). “\$122 Billion: The Growing, Annual Cost of the Infant-Toddler Child Care Crisis”

⁵ [Boston Consulting Group](#). “Childcare Benefits More Than Pay for Themselves at US Companies”

⁶ [Child Care Services Association](#). “2021-2022 North Carolina Infant-Toddler Child Care Landscape Study”

⁷ [NC OSBM](#)

⁸ [The Century Foundation](#). “Children in North Carolina Set to Lose Child Care Due to Child Care Cliff”

⁹ [U.S. Bureau of Labor Statistics](#). Occupational Employment and Wage Statistics

¹⁰ “Impact of North Carolina’s Early Childhood Programs and Policies on Educational Outcomes in Elementary School”

¹¹ NIEER. Barriers to Expansion of NC Pre-K: Problems and Potential Solutions

rather than what it costs to keep programs operating and to provide high quality care and competitive teacher salaries.

- **Child Care WAGE\$ Statewide Expansion:** Attracts and retains highly qualified staff to essential early childhood programs by providing \$26 million in educational attainment-based salary supplements to 4,000 additional teachers across the state. WAGE\$ supplements increase as recipients achieve higher education levels, so early childhood teachers are incentivized to gain skills and stay in the profession.
- **Smart Start:** Invests \$10 million in Smart Start to expand access to high-quality early childhood education and a continuum of evidence-based services. Smart Start increases access and quality of early care and education for young children and families statewide, especially those in under-resourced communities, and promotes early childhood workforce development. Smart Start also partners with businesses to strengthen community support for children and families.
- **Workforce Recruitment:** Invests \$1.25 million to help NC's Division of Child Development and Early Education grow and train North Carolina's child care and early education workforce by implementing recruitment strategies and professional development. Services include coaching, technical assistance, degree attainment, apprenticeships, and licensure support.

Child Care and Early Education Sustainability

- **NC Pre-K and Child Care Enhancement Grants:** Prevents closures and helps create new early childhood education opportunities by providing \$50 million nonrecurring in start-up and capital grants for NC Pre-K and child care centers across the state. Grants are available to licensed child care centers to increase capacity, strengthen quality, and promote compliance with state licensing standards. The state received over \$700 million in applications for the current grant program, which was funded with \$20 million nonrecurring in SL 2021-180.
- **Program Evaluation Funds:** Provides \$100,000 nonrecurring to the NC Community College system office to evaluate the effectiveness of the Child Care Grant Program, which was appropriated \$1.2 million in recurring funds in SL2023-134. The evaluation will assess the program's effectiveness and propose adjustments that would support more North Carolina parents seeking community college education.
- **Study Employee-Friendly Benefits:** Provides \$100,000 nonrecurring to inventory employee and family-friendly benefits offered by North Carolina employers, including the expected per employee cost of providing the benefit. In addition, the study should include the viability of providing enhanced economic development incentives to grant recipients who provide certain employee and family-friendly benefits.
- **Early Childhood Workforce Data System:** Provides \$500,000 in ongoing operations and maintenance for the real-time early childhood workforce data system. This system supports building the pipeline of early childhood educators by improving data collection and quality, improving research and evaluation, and providing information to help implement and scale effective programs and strategies.

Child Care and Early Education Access

- **NC Pre-K Reimbursement Rates:** Invests \$197 million to raise NC Pre-K slot reimbursement rates in all settings to cover the full cost of care and raise the administrative rate from 4% to 10%. By providing adequate resources to recruit and retain qualified teachers at competitive salaries, these funds address a fundamental barrier to expanding this nationally recognized model for early childhood education.

- **Wrap-Around Summer Care and Learning:** Provides \$24.4 million nonrecurring in grants to over 800 NC Pre-K Summer Learning Programs providing essential child care coverage for parents and enriching learning opportunities for children after they complete NC Pre-K but before they begin kindergarten.
- **Employer Child Care Match Pilot:** Partners with the business community to increase child care access by providing \$24.15 million to match business contributions to eligible employees' Dependent Care Flexible Spending Accounts (DCFSA). This pilot program will contribute a state match up to \$2,500 to eligible participants' DCFSA. These pre-tax funds can be used to pay for eligible dependent care services including child care, Pre-K, and after school programs. A portion of these funds shall be retained to evaluate the pilot.
- **Early Education Provider Grant Program:** Expands child care capacity for all North Carolinians by incentivizing child care providers to enter and remain in the workforce. This \$25 million grant program will enable free or reduced cost care for the children of the child care workforce and fund an evaluation of the program.
- **Tri-Share Child Care Pilot Expansion:** Adds a fourth region to the state's Tri-Share pilot program and funds an evaluation of the pilot. Tri-Share provides affordable access to child care and incentivizes business participation by sharing the cost of child care among employers, families, and the state.
- **Refundable Child & Dependent Care Tax Credit:** Reduces the burden of child care costs by providing a refundable child and dependent care tax credit worth up to \$600 for the average family of four. Since this credit is refundable, it helps North Carolina parents with child care costs, even if the full value of the credit is higher than their state income tax bill.

Expected Impact

- Helps prevent the closure of as many as 1,778 North Carolina child care centers serving 155,539 children that research finds may close without stabilization support.
- Secures child care for approximately 50,000 children per year by creating a statewide rate floor starting in July 2024. About 3,500 child care sites in over 75% of NC counties will be able to raise salaries with the child care subsidy rate floor that better reflects the true cost of care.
- Provides additional education-based Child Care WAGE\$ compensation increases to 4,000 child care teachers across all 100 counties.
- Provides affordable care for child care providers, helping 2,200 providers enter and remain in the workforce to care for more than 20,000 children.
- Matches business' DCFSA contributions to make child care more affordable for over 10,000 families across the state.
- Strengthens the NC Pre-K program and teacher workforce by reimbursing the full cost of care in all public school and child care center settings, and helps 7,500 families access NC Pre-K Summer Learning Programs after their children graduate from NC Pre-K.
- Propels North Carolina to become a leader in child care policy by finding what works through better data collection and evaluation. This includes studying how businesses support child care and other benefits and how the state can support and incentivize this in the future.
- Supports early education and kindergarten readiness by providing tax relief to over 215,000 working- and middle-class families to help them afford high-quality child care.

Recognizing the State’s Talent

Recommendation

Addresses the major issues facing the state workforce: employee recruitment and retention, a competitive marketplace for labor, and loss of purchasing power. All state employees and state-funded local employees are provided with a compensation increase as well as a one-time bonus payment. Retirees are provided with a nonrecurring cost-of-living adjustment. In addition, employees are provided additional annual leave days earlier in their career.

Table 1: Allocation of Funds to Support State Employees

	Recurring	Nonrecurring
Employee Purchasing Power		
Compensation Increases for Most State-supported Employees	\$251,867,000	
Increases for Teachers and School-based Administrators	\$348,152,000	
Master’s Pay for Educators	\$10,000,000	
Sub Total	\$610,019,000	
Competitive Market for Labor		
Enhanced Labor Market Adjustment Fund	\$195,809,000	
Position Fundshift Reserve	\$14,160,000	
Sub Total	\$209,969,000	
Employee Retention		
Retention Bonus		\$399,685,000
Annual Leave		
Sub Total		\$399,685,000
Retiree Cost of Living Adjustment		
		\$109,555,000
Totals for Recurring and Nonrecurring	\$819,988,000	\$509,240,000
Grand Total		\$1,329,228,000

Statement of Need

North Carolina state government faces a highly competitive job market, leading to high turnover and difficulty finding qualified candidates. A major challenge to hiring and retaining the state’s workforce is low wages and decreasing purchasing power as prices outstrip legislative increases. The state also has more employees reaching retirement age than ever before, further increasing the need to attract a younger workforce into joining government service.

- For calendar year 2023, the turnover rate for first year state employees was 32.8%. The total turnover rate for state agencies was 13.7%.
- The December 2023 average statewide vacancy rate was 22.6%, compared to a pre-pandemic vacancy rate of 12.5%.
- The cost of goods and services has increased by 5.6% on average each year for the past three years yet across-the board increases for a typical state employee have averaged 3.33% annually over the same period.^{1,2}

¹ [Federal Reserve Bank of Minneapolis](#)

² [Fiscal Research Division’s Annotated Conference Committee Report 2023](#)

- The hiring rate, which describes the number of monthly hires as a percent of total employment, for state and local government employment was 1.8% in December 2023; the private sector hiring rate was 3.9%.³
- Nationally, 41% of state and local workers are considering changing jobs, retiring, or leaving the workforce.⁴
- As of November 2023, 8.3% of agency employees are eligible to retire with full, unreduced benefits. 25.7% of agency employees will be eligible to retire with full, unreduced benefits in 5 years. The median age of a North Carolina state government employee is 47, compared to 42 for employees in the national workforce.⁵

Recommendation Detail

Employee Purchasing Power

- **Compensation Increase for Most State-supported Employees:** Guarantees at least a 5% across-the-board increase for all state-funded employees. In addition to the 3% provided in SL 2023-134, most state employees receive an additional 2%, while employees paid on an experience-based salary schedule or with a salary set in law receive an additional 3%. The increases will go to employees of state agencies, the University of North Carolina (UNC) system, state-funded local community college employees, and state-funded non-certified and central office personnel within public schools (teacher, state agency teacher, and school-based administrator increases are described below).
- **Educator and School-Based Administrator Compensation Increase:** Adjusts the Teachers Salary Schedule to provide an 8.5% average total raise for all existing teachers, including the salary increase provided in SL 2023-134. Increases include state agency teachers who are paid in accordance with the teacher salary schedule. The proposed teacher salary schedule increases retention for veteran teachers by minimizing pay plateaus and makes starting pay the highest in the Southeast, increasing it to over \$47,500 (including state and local supplements). Assistant principal compensation is tied to the teacher salary schedule, and their salaries increase accordingly. Existing principals will receive a 6% total increase in FY 2024-25.
- **Educator Master's Pay:** Provides \$10 million for a 10% master's degree salary supplement for educators who have or obtain a master's degree in the subject they teach.

Competitive Marketplace for Labor

- **Enhanced Labor Market Adjustment Reserve (ELMAR):** Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported and receipt-supported payroll. The inclusion of funds for receipt-supported positions provides flexibility to agencies to address labor market concerns across all positions regardless of funding source. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.
- **Position Fundshift Reserve:** Establishes a Position Fundshift Reserve to provide agency management with additional flexibility to manage funding sources for positions. Agencies may

³ [Bureau of Labor Statistics](#)

⁴ [Mission Square Research Institute](#)

⁵ NC Office of State Human Resources, [Bureau of Labor Statistics](#)

use this reserve to fundshift a limited number of positions, in whole or in part, from receipts to net-appropriation support. Fundshifting positions will free up receipts, providing much needed availability for receipt-supported operations and required increases. For example, required compensation and benefit increases are often a significant challenge for agencies; many agencies have fees that are already at maximum statutory amounts and federal agencies typically do not increase grants to cover legislative increases. Thus, agencies often must hold receipt-supported positions vacant or curtail necessary operational spending to meet required increases, impacting agency efficiency and customer services. State agencies and the University of North Carolina (UNC) system both receive the position fundshift reserve.

Employee Retention

- **Retention Bonuses:** Provides bonuses to net appropriation-supported state employees and state-funded local employees. These funds will be used to provide a \$1,500 bonus to employees making \$75,000 per year or less and a \$1,000 bonus to all state employees making more than \$75,000 per year. The bonus will be paid in two equal installments, the first in October 2024 to employees continuously employed since July 1, 2024, and the second in April 2025 to employees continuously employed since October 1, 2024.
- **Annual Leave:** Increases annual leave days for employees earlier in their career to increase the appeal of state service and improve retention among employees with fewer years of service.

Table 2: Proposed Changes to Annual Leave

Years of Total State Service	Current Days / Year	Proposed Days / Year
Less than 1 year	14	15
1 but less than 5 years	14	17
5 but less than 10 years	17	20
10 but less than 15 years	20	22
15 but less than 20 years	23	24
20 but less than 25 years	26	26

Expected Impact

These proposals address the multifaceted problem of recruitment and retention of personnel in state government, helping deliver safe, effective, and efficient programs and services to North Carolinians. The proposed changes will support the state’s workforce by offering targeted increases in compensation and benefits. Expected impacts include:

- Providing over 320,000 employees with a minimum of a 9% total compensation increase over the biennium, helping to keep talent, recruit new applicants, and address declining purchasing power.
- Giving agencies flexible funds, via the ELMAR, to target compensation increases where they are most needed to help attract and retain employees. From July 1, 2022, through Feb 26, 2024, agencies awarded 19,494 LMARs to 17,596 people (out of 61,208 eligible). Among state agencies, 90% of LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.
- Improving retention by rewarding employees who remain with the state or a public school unit.
- Increasing pay for over 80,000 existing teachers by an average of 8.5%, including raises of 10% to 19.5% for those in their first nine years of teaching and more frequent raises for veteran educators.

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Supercharging North Carolina's Economy

Recommendation

Accelerates North Carolina's economy by growing small businesses, investing in the state's workforce, and supporting workers while finding new employment. These investments help the state remain a top place for business and continue its robust economic growth by ensuring that small businesses continue to thrive, that the labor force is prepared to fill high-demand jobs, and, when layoffs happen, that North Carolinians have the support they need.

Table 1: Allocation of Funds to Support the State's Economy

	Agency	Recurring	Nonrecurring
Supporting Small Businesses			
Small Business Unemployment Insurance Tax Reduction*		\$49,000,000	
One NC Small Business (GF, EDPR)	DOC	\$1,000,000	\$8,000,000
NC Defense Innovation Network (EDPR)	DOC		\$2,000,000
Small Business Services	SOS	\$453,000	
Sub Total		\$50,453,000	\$10,000,000
Workforce Investment Summary			
Job Readiness Recommendations	DPI, DOC, NCCCS	\$17,050,000	\$43,250,000
Healthcare Recommendations	NCICU, AHEC, DHHS	\$8,500,000	\$10,000,000
Reentry Recommendations	DAC, DPS, NCCCS	\$11,512,348	\$1,398,904
Other Recommendations	DOC, DOT, NCCCS	\$144,000	\$225,000,000
Sub Total		\$37,206,348	\$279,648,904
Totals for Recurring and Nonrecurring		\$87,659,348	\$289,648,904
Unemployment Insurance Enhancements			
Unemployment Insurance Benefit Changes		\$65,400,000	
Grand Total			\$442,708,252

*The small business unemployment insurance tax reductions are the estimated savings for the 2025 calendar year

Statement of Need

North Carolina must navigate shifting labor market needs throughout the state's economy. The most immediate priorities include growing small businesses, enhancing unemployment benefits to support workers after layoffs, and developing a workforce that meets industry needs. With historically low unemployment and a tight labor market, this means prioritizing increasing the supply of talent and focusing on priority sectors, especially assisting formerly incarcerated people returning to employment and ensuring sufficient staff to meet the state's health care needs.

- Small businesses make up 98% of North Carolina employers and employ nearly half of all workers in the state. In a March survey, one in four small business owners reported rising costs as the top problem facing their business.^{1,2}
- North Carolina's strong recovery from the COVID-19 recession enabled the state's unemployment insurance (UI) trust fund balance to reach a new record high of more than \$4 billion. However, businesses are paying more than twice as much in unemployment insurance taxes than laid-off workers claim in benefits, resulting in more funds sitting idle in a federal trust fund that could be deployed in North Carolina's economy.³
- Laid-off workers in 2023 received UI benefits that averaged only 28-34% of their earnings prior to losing their job, making it difficult to make ends meet while looking for a new job. Additionally, more than half of North Carolina workers laid off through no fault of their own exhaust their UI benefits before finding a new job despite unemployment being below 4% for over two years.^{4,5}
- The current UI weekly benefit formula disadvantages workers who experienced reduced hours or pay prior to separation.
- 43% of respondents to the June 2023 Business Pulse Survey expressed concerns about adequate staffing.⁶
- In 2024, for every person approaching retirement ages (ages 60 to 64), there were 1.1 people entering into the primary working ages (ages 20 to 24). This compares to 1.8 in 2000 and 2.3 in 1970. Many regions of North Carolina have fewer job seekers than there are jobs available, which highlights the importance of supporting individuals developing skills and entering the workforce.
- As of 2021, only 49% of individuals who were previously incarcerated are employed within one year of release.⁷
- Previously incarcerated individuals who can find employment earn a median income of only \$7,500 per year (as opposed to \$32,710 amongst all workers).⁷
- A recent report found the state will face shortages of 12,500 Registered Nurses and 5,000 Licensed Practical Nurses by 2033.⁸
- Evidence shows that work-based learning programs improve employee retention and bottom lines.⁹

¹ <https://strgnfibcom.blob.core.windows.net/nfibcom/SBET-Mar-2024.pdf>

² <https://advocacy.sba.gov/wp-content/uploads/2023/11/2023-Small-Business-Economic-Profile-NC.pdf>

³ US Department of Labor, Employment and Training Administration. Unemployment Insurance Data. Accessed 04/13/2024. https://oui.doleta.gov/unemploy/data_summary/DataSum.asp

⁴ https://oui.doleta.gov/unemploy/ui_replacement_rates.asp

⁵ US Department of Labor, Employment and Training Administration. Unemployment Insurance Data. Accessed 04/13/2024. https://oui.doleta.gov/unemploy/data_summary/DataSum.asp

⁶ <https://analytics.nccommerce.com/pulse-survey/>

⁷ Insights on Post-Prison Employment from the NC Reentry Outcome Reporting System <https://www.commerce.nc.gov/news/the-lead-feed/nc-post-prison-employment-outcomes>

⁸ <https://ncnewline.com/briefs/nc-report-defines-healthcare-worker-shortage-and-recommends-solutions/#:~:text=North%20Carolina%20faces%20a%20shortage,strengthen%20North%20Carolina's%20nursing%2C%20direct>

⁹ <https://www.commerce.nc.gov/blog/2020/11/04/new-survey-identifies-benefits-apprenticeship-programs-and-how-they-differ-across>

- The average registered apprenticeship program in North Carolina yields a 170% return on investment for the employer. This means that for every \$1 invested in apprentices, employers receive an average of \$1.70 in additional value.¹⁰
- The offshore wind industry is expected to create a \$140 billion supply chain and tens of thousands of new jobs in the United States by 2035. A 2021 report by leading industry consulting group BVG Associates highlighted North Carolina’s advantages as a manufacturing location for offshore wind, ranking first among East Coast states and fifth in the nation in the value of its manufacturing sector’s GDP.¹¹

Supporting Small Business Growth and Development

Supporting the growth and development of small businesses is essential to North Carolina’s economy. These recommendations support existing small businesses and invest in small business growth and development.

Recommendation Detail

Small Business UI Tax Reduction - Reduces UI taxes for businesses with 500 or fewer employees. UI taxes will be cut the most for the smallest businesses—those with 50 or fewer employees in the state. Table 2 shows how the UI tax cuts will phase out for larger businesses.

Table 2: Unemployment Insurance Tax Reductions by Business Size

Number of NC Employees	Number of Employers	Percent of Total NC Payroll	UI Tax Cut*
1 to 50	278,469	29%	15%
51 to 100	6,597	9%	10%
101 to 250	3,846	13%	10%
251 to 500	1,270	10%	5%
More than 500	1,053	40%	0%

* UI tax cut is in addition to offsetting each employer’s proposed Strategic Workforce Trust (SWFT) assessment with an equal reduction in UI taxes.

One NC Small Business - Fosters job creation and economic development by providing \$1 million annually and \$8 million nonrecurring to help North Carolina small businesses obtain and leverage highly competitive funding from the federal Small Business Innovative Research (SBIR) and Small Business Technology Transfer program. Nonrecurring funding is provided for this program from the Economic Development Project Reserve (EDPR).

NC Defense Innovation Network - Establishes the Defense Innovation Network by providing \$2 million nonrecurring of EDPR funds. This network will work to grow and increase federal funding for the state’s defense innovation economy. North Carolina lags in defense research and development contracts relative to defense-related personnel, ranking 26th in contracts but 4th in personnel. Funds would support a strategic defense review council, a virtual business accelerator, a marketing campaign, and grants for defense-focused companies applying for the One North Carolina Small Business Program.

¹⁰ <https://www.commerce.nc.gov/blog/2020/10/28/new-survey-shows-apprenticeships-are-impactful-and-growing-north-carolina>

¹¹ BVG Associates, [Building North Carolina’s Offshore Wind Supply Chain](#)

Small Business Services - Provides \$453 million in positions to the Department of the Secretary of State (SOS) to enhance business registration processes and improve customer services. Since 2020, SOS has experienced a 57% increase in business transactions and, in 2023, SOS saw a 22% increase in service center calls.

Enhancing Unemployment Benefits

Recommendation Detail

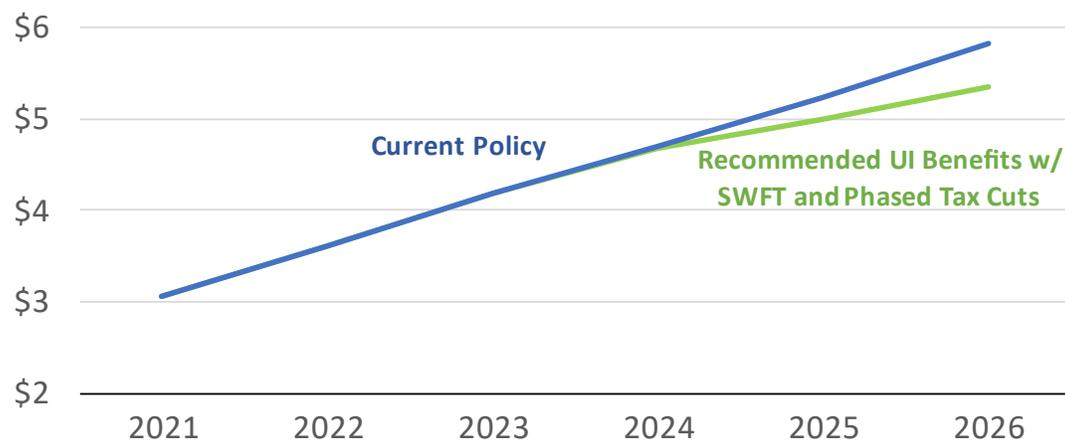
Adapts unemployment insurance benefits to better support laid-off workers and maintain consumer spending in areas hit by layoffs.

- Restores purchasing power of benefits by increasing the maximum weekly benefit to \$450 from \$350 for new claims filed on or after July 1, 2024, with annual adjustments for inflation;
- Protects workers whose hours were cut prior to being laid off by calculating the weekly benefit based on the quarter with the highest earnings in the past year rather than the last six months;
- Raises the minimum weekly benefit from \$15 to \$100 to ensure laid-off workers receive a meaningful benefit that exceeds the administrative costs to process a claim;
- Retains current maximum weekly benefit duration of 12-20 weeks, but starts increasing the maximum duration above 12 weeks when the unemployment rate rises above 4.5% and provides up to 20 weeks when the unemployment rate rises above 6.0%;
- Protects workers laid off early in a recession by increasing the maximum duration to 20 weeks when the three-month average unemployment rate rises more than 0.5 percentage points above the lowest level of over the past year; and
- Continues to grow the UI Trust Fund while enhancing benefits, cutting small business taxes, and investing in workforce development initiatives through the Strategic Workforce Trust (SWFT).

Figure 1: UI Trust Fund Balance Projections

NC UI Trust Fund Projected to Grow Even With a Small Business Tax Cut and Enhanced Benefits

Projected Year-End Trust Fund Balance in Billions of Dollars



Source: OSBM calculations based on the economic forecast underlying the April 2024 consensus revenue forecast, which assumes unemployment rising above 4% by 2025, and US DOL and DES data.

Notes: UI base tax rate is 1.9% in 2023 and is projected to remain at that rate in all future years.

Investing in the State’s Workforce

Invests in the state’s workforce by expanding career training and readiness programs, growing the healthcare workforce, and increasing the labor force through investing in new employment, training, and workforce opportunities for currently and previously incarcerated individuals. These investments are funded through a combination of General Fund net appropriation, the Economic Development Project Reserve (EDPR) and SWFT within the Department of Commerce Division of Employment Security (DES).

Strategic Workforce Trust (SWFT)

Creates the SWFT to expand and improve the state’s labor supply. The SWFT is funded by pairing an assessment based on employers’ UI taxes that is offset by a UI tax cut that is larger than the assessment for small businesses (with 500 or fewer North Carolina employees) and equal to the assessment for large businesses. Each year, DES will calculate the assessment as part of its annual employer tax rate assignments and set the percentage at the level necessary to raise \$100 million in the 2025 UI tax year. By statute, the total amount raised will grow by 3.5% each subsequent year. Each small business’s UI taxes are then reduced by 5% or more of the assessment, depending on business size. See Table 2 for the phased tax reductions that would apply by business size. DES would suspend the SWFT assessment and UI tax reduction if the UI Trust Fund balance falls below \$1 billion.

Workforce Investments

Table 3: Workforce Investment Details

Item	Agency	FY 2024-25	
		Recurring	Nonrecurring
Job Readiness			
1. Advanced Manufacturing and Biotech Workforce (EDPR)	NCCCS		\$40,000,000
2. NC Job Ready Grants (SWFT)	DOC	\$7,500,000	
3. Job Coaches for Priority Populations (SWFT)	DOC	\$5,000,000	
4. Rural Youth Apprenticeships - Youth Works	DOC		\$3,250,000
5. Local Innovation Technical Assistance Grants (SWFT)	DOC	\$2,500,000	
6. Prosperity Zones Business Services Representative (SWFT)	DOC	\$1,200,000	
7. Whole Systems Apprenticeship Model	DPI DOC NCCCS	\$400,000	
8. Credential Certification Capacity (SWFT)	DOC	\$300,000	
9. Advance NC Training Programs Lead	NCCCS	\$150,000	
Subtotal-Job Readiness		\$17,050,000	\$43,250,000
Health Care (from SWFT)			
10. Health Care Workforce Training Capacity	NCICU		\$10,000,000
11. Direct Support Profession Development	DHHS	\$5,000,000	
12. NC Center on the Workforce for Health	AHEC	\$2,500,000	
13. Nursing Workforce Expansion	AHEC	\$1,000,000	
Subtotal-Health Care		\$8,500,000	\$10,000,000
Reentry			

14. Post Secondary College Funding	DAC	\$5,000,000	
15. Community College Instructor Bonuses	NCCCS	\$3,100,000	
16. Local Area Reentry Councils	DAC	\$2,725,000	
17. Digital Literacy in Prisons	DAC		\$1,197,000
18. Juvenile Justice Reentry Programming	DPS	\$687,348	\$201,904
Subtotal-Reentry		\$11,512,348	\$1,398,904
Other Investments			
19. Randolph Megasite Road Work (EDPR)	DOT		\$150,000,000
20. Radio Island Infrastructure Improvements (EDPR)	DOC		\$50,000,000
21. Chatham-Siler City Advanced Manufacturing Site (EDPR)	DOC		\$20,000,000
22. Community College EV Workforce	NCCCS		\$4,000,000
23. Southeast U.S./Japan Conference 2024 (EDPR)	DOC		\$1,000,000
24. Clean Energy Workforce Development (EDPR)	DOC	\$144,000	
Subtotal-Other Investments		\$144,000	\$225,000,000
Total		\$37,206,348	\$279,648,904

Recommendation Detail

Addresses North Carolina’s economic needs with an emphasis on reentry programs, skill training, clean energy development, and apprenticeships. These recommendations invest in new and existing state programs in the Department of Adult Correction (DAC), North Carolina Community College System (NCCCS), Department of Public Instruction (DPI), University of North Carolina System (UNC), Department of Commerce (DOC), and North Carolina Independent Colleges and Universities (NCICU). These investments address the changing employment landscape and target the needs of priority populations.

Job Readiness

Advanced Manufacturing and Biotech Workforce – Invests \$40 million nonrecurring from the EDPR to complete construction of the Moore Center at Central Carolina Community College. The Moore Center will be shared with the college’s Advance NC partners to train staff for new and expanding employers in the electric vehicle manufacturing supply chain, semiconductors, and life sciences.

NC Job Ready Grants - Provides \$7.5 million for work-based learning services to enhance economic development projects. These grants will fund customized training to upskill current employees in targeted industry sectors. Funding will come from the SWFT fund.

Job Coaches for Priority Populations - Provides \$5 million from the SWFT fund for Job Placement Coaches at local career centers. The coaches will serve as recruiters and provide outreach to connect talent to businesses. The coaches will focus on supporting people with barriers to employment, including but not limited to veterans, justice-involved individuals, public assistance recipients, and jobseekers in marginalized communities.

Rural Youth Apprenticeships – Youth Works - Provides \$3.25 million nonrecurring for the establishment of a rural youth apprenticeship program across five regions based on the successful Surry-Yadkin Works model developed by Surry and Yadkin counties. The Department of Commerce will administer these funds. After the initial two years, local authorities will be expected to take responsibility for continued

funding of successful programs. A portion of these funds shall be used for continuing evaluation of the program's impact on youth job outcomes.

Local Innovation Technical Assistance Grants - Invests \$2.5 million for grants to assist with innovative workforce development training and education projects focused on under-resourced populations. These grants will allow Local Area Workforce Development Boards to address common workforce recruitment challenges with innovative approaches. Funding will come from the SWFT fund.

Prosperity Zones Business Services Representatives - Provides \$1.2 million from the SWFT fund for one Business Services Representative per prosperity zone. These positions will work to establish apprenticeship and work-based learning opportunities. The National Association of Colleges and Employers research indicates that work-based programs assist in securing talent in entry-level positions and improve retainment of that talent.

Whole System Apprenticeships Model - Adds three positions, one each at the Departments of Commerce and Public Instruction and one for ApprenticeshipNC. Together these departments will use \$400,000 to develop a coordinated, whole system model of apprenticeships from high school through higher education, leveraging funds provided by the Workforce Innovation and Opportunity Act and other sources.

Credential Certification Capacity - Moves the Credential Certification program, which works to increase attainment of industry-valued credentials, from myFutureNC to the Division of Workforce Solutions and invests \$300,000 from the SWFT fund for positions to manage the program. Increased credential attainment will result in more North Carolinians earning a living wage and lead to more productive businesses.

Advance NC Training Programs Lead – Provides \$150,000 to add one FTE at Advance NC to work with program partners to establish training programs to meet the needs of new and existing employers. Advance NC is a coalition of community colleges and state universities across 18 counties. This coalition works with the UNC System and workforce development boards to train more than 10,000 employees required for new advanced manufacturing facilities.

Healthcare

Health Care Workforce Capacity - Provides \$10 million nonrecurring from the SWFT fund to the North Carolina Independent Colleges and Universities (NCICU) to bolster the programs at NCICU campuses. These campuses award 62% of medical degrees, 90% of physician assistant degrees, and 62% of pharmacist degrees in North Carolina.

Direct Support Profession Development - Provides \$5 million from the SWFT fund to strengthen the Direct Support Professional (DSP) workforce. Funding will support the creation of high school and community college courses for DSPs, offer scholarships and paid apprenticeships, and create incentive programs to improve retention rates for DSPs.

NC Center on the Workforce for Health - Provides \$2.5 million from the SWFT fund to the North Carolina Area Health Education Centers (AHEC) to establish the NC Center on the Workforce for Health. The Center will pull together data-driven analysis and other critical resources to target interventions to ensure the supply of health and direct care workers meets demand across the state. The Center will also create two FTE positions to strengthen the direct care workforce statewide.

Nursing Workforce Expansion - Provides \$1 million to AHEC from the SWFT fund to expand the Clinical Instructor Partnership, Clinical Site Development, and the Educational Mobility programs. These programs expand the nursing workforce by creating new clinical training sites, increasing the nursing faculty workforce, providing continued professional development, and developing new pathways into nursing.

Reentry

Postsecondary College Funding – Supplements current Pell Grant funding with \$5 million to assist incarcerated individuals in completing higher education degree programs. Evidence shows that obtaining a degree reduces recidivism and improves outcomes for individuals re-entering communities. The department shall use a portion of these funds to evaluate the impact of higher education on recidivism and post-release outcomes.

Community College Instructor Bonuses - Provides \$3.1 million for a 10% per course bonus for full-time and adjunct instructors who teach courses inside correctional facilities. This item also includes funds to evaluate the effectiveness of bonuses to attract faculty to teach inside prisons. Obtaining an associate's degree significantly reduces recidivism rates. Currently, over 75 community college courses are offered in NC prisons.

Expand Local Area Reentry Councils – Invests \$2.7 million to expand local reentry councils and supportive services, including housing, transportation, educational training, and other basic needs assistance. These services support justice involved people returning to their communities after incarceration. The department shall use a portion of these funds to evaluate the impact of local reentry councils on recidivism and other reentry outcomes.

Digital Literacy in Correctional Institutions – Provides \$1.2 million in nonrecurring funds to equip each correctional institution with 15 laptops and one charging cart. These resources provide digital literacy and life skills programming to prepare people in prison for reentry.

Juvenile Justice Reentry Programming - Creates and expands transitional living and life skills programming for juveniles in youth development centers through positions dedicated to juvenile reentry services and expanded educational and life skills programming through \$700,000 in recurring funds and \$200,000 in nonrecurring funds. These services improve outcomes for youth returning to their communities.

Other Investments

Radio Island Infrastructure Improvements – Invests \$50 million from the EDPR in infrastructure improvements and readiness preparation at Radio Island to support economic development at the site. The estimated cost of construction ranges from \$250-\$285 million. The department will work with the Department of Transportation in utilizing these funds.

Chatham-Siler City Advanced Manufacturing Site – Invests \$20 million from the EDPR in the Chatham-Siler City Advanced Manufacturing (CAM) Megasite by providing reimbursements to entities incurring costs for public utility infrastructure improvements.

Community College Electric Vehicle Workforce - Provides \$4 million in nonrecurring funding to the NCCCS to be allocated on a competitive basis to community colleges for fast chargers and electric vehicle (EV) servicing equipment. This equipment will enable community colleges to train the next generation of mechanics, auto-repair workers, and electricians working on EVs and EV charging networks. Registered zero emission vehicles grew by more than 80,000 in NC since 2018, with a goal of 1.25 million by 2030.

Southeast U.S. (SEUS)/Japan conference 2024 – Invest \$1 million nonrecurring from the EDPR in the annual joint meeting of SEUS/Japan, which will be held in Charlotte in October 2024. The conference serves as a premier marketing opportunity for North Carolina to attract additional Japanese business investment. North Carolina last served as host 16 years ago. Japan is the state’s number one foreign investor.

Clean Energy Workforce Development - Establishes one position to better enable North Carolina to compete in the estimated \$14 billion, cross-sector clean energy market. The \$144,000 in support will also allow the department to design high-quality, data-driven programming to help meet training needs of the growing clean energy economy workforce.

Expected Impact

These proposals supercharge the state’s economy by equipping North Carolinians for high quality jobs, aiding individuals returning from incarceration, and supporting critical healthcare workforce needs.

Expected impacts include:

- Reduced costs for North Carolina’s small businesses, supporting additional investment. Compared to current law, over 99% of employers will pay lower UI taxes, and small businesses will pay an estimated \$49 million less in UI taxes in 2025.
- Continued growth in the state’s UI Trust Fund balance (see Figure 1 above) while reducing UI contributions, cutting small business UI taxes, enhancing benefits, and investing in workforce development.
- Increased consumer spending in communities hit by mass layoffs, making local economies more resilient.
- Expanded local business support with increased participation in work-based learning opportunities, apprenticeships, and new employee mentoring.
- Customized training to upskill existing employees to increase employee retention and productivity.
- Strengthened talent pipelines for in-demand and/or high-wage occupations.
- Engaged underserved communities or populations currently disconnected from the education and workforce system.
- Improved financial security for laid-off workers and their families as they seek new job opportunities.
- Enhanced education, digital literacy, and employment skills for individuals in all correctional institutions.
- Retained and expanded community college instructors who teach inside correctional institutions, providing necessary skills across 75 courses.
- Increased support services at local career centers for priority populations serving an additional 14,000 job seekers each year.

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Protecting Natural Resources and Communities for the Future

Recommendation

Invests over \$148 million to conserve the state’s land and water resources and to build community resilience to natural disasters. These investments promote land conservation through tax credits, reinforce ongoing efforts to preserve the state’s natural and working lands, and aim to mitigate future damages from storms, flooding, and wildfires. General Fund net appropriation and receipts from the State Emergency Response and Disaster Relief Fund (SERDRF) and the State Capital Infrastructure Fund (SCIF) support these important investments.

Table 1: Allocation of Funds to Support Conservation/Natural and Working Lands and Resiliency

	Agency	Recurring	Nonrecurring
Conservation/Natural and Working Lands			
Parks and Recreation Trust Fund (PARTF)	DNCR	\$2,000,000	\$30,000,000
North Carolina Land and Water Fund (NCLWF)	DNCR	\$2,000,000	\$30,000,000
Agricultural Development and Farmland Preservation Trust Fund (ADFPTF)	DACS	\$2,461,757	\$12,267,132
Agricultural Water Resources Assistance Program	DACS		\$1,000,000
Sustainability and Energy Efficiency	DAC	\$1,000,000	
Natural and Working Lands Coordinator	DNCR	\$101,000	
Sub Total		\$7,562,757	\$73,267,132
Resiliency			
Streamflow Rehabilitation Assistance Program	DACS		\$20,000,000
State Property Fire Fund	OSFM		\$20,000,000
Coastal Resilient Roof Grant Program	OSBM		\$5,000,000
Coastal Resiliency	DEQ		\$5,000,000
NC Forest Service Emergency Response	DACS		\$4,980,000
Equipment Replacement	DEQ		\$4,000,000
Flood Resiliency Blueprint	DEQ		\$3,000,000
Water Resources Development Grants – State and Local Projects	DEQ		\$3,000,000
Emergency Programs Mobile Depopulation Unit	DACS		\$300,000
Hazardous Dam Loans	DEQ	\$269,182	\$7,000
Sub Total		\$269,182	\$62,287,000
Totals for Recurring and Nonrecurring		\$7,831,939	\$135,554,132
Tax Credits			
Conservation Tax Credit		\$4,700,000	
Grand Total			\$148,086,071

Statement of Need

With natural disasters growing in intensity and frequency, the state must implement policies and programs to mitigate damage from disasters. Natural and working lands, such as forests, agricultural lands, wetlands, and urban greenspace, need protection to maintain benefits, such as flood mitigation,

agricultural prosperity, carbon storage, and recreational opportunities, that contribute to a desirable quality of life. In 2024, Executive Order 305 set new statewide goals to conserve one million acres on natural lands with a special focus on wetlands, restore one million acres of forests and wetlands, and plant one million trees all by 2040.¹

- Agriculture is North Carolina’s top industry with an annual economic impact of \$103.2 billion as of July 2023, employing about 20% of the state’s workforce and contributing to a stable food supply.² However, North Carolina ranks second nationally for farmland loss, with a projected loss of 1.2 million acres by 2040.³
- Agricultural land provides environmental benefits when the land is managed properly. With good stewardship, agricultural land can sequester carbon in the soil, protect water quality, and provide a habitat for diverse wildlife and native species.⁴
- Parks, greenways, trails, and public water accesses across the state bolster quality of life for North Carolinians, which contributes to net population migration to our state. While North Carolina currently has more than 3.5 million acres of recreational land and water, service gaps exist due to increasing population and demand.⁵ Protecting, enhancing, and expanding natural areas and greenspace across North Carolina provides wide community benefits and supports the outdoor recreation economy.⁶
- Natural and working lands are critical to the United States Department of Defense’s mission. The conservation, restoration, and preservation of natural, working, and rural characteristics of key “sentinel” landscapes protects vital testing and training missions conducted on the many military installations across North Carolina.⁷
- The state’s approximately 12,000 miles of estuarine shoreline and 3.9 million acres of wetlands provide flood and erosion control, water quality improvements, maintenance of streamflow and groundwater levels, carbon sequestration, and habitat protection. Since 2006, wetland loss in the coastal plains has surpassed 130,000 acres, which puts coastal communities at greater risk of flooding.⁸ Changes in federal and state wetlands protections in 2023 make these ecosystems more vulnerable to degradation.
- According to the 2024 North Carolina Greenhouse Gas Inventory, the State’s natural and working lands, such as forests, wetlands, and healthy farms, sequester 34% of all of North Carolina’s greenhouse gas emissions.⁹
- Natural disasters such as hurricanes, tornadoes, and wildfires cause substantial damage. North Carolina experienced two such disasters between 2016-2018: Hurricanes Matthew and Florence

¹ Governor Roy Cooper, [Executive Order 305](#).

² NC Department of Agriculture and Consumer Services (DACS), [Press Release: Economic Impact of NC Agriculture & Agribusiness](#).

³ NC DACS, [Farmland Preservation](#).

⁴ American Farmland Trust, [Farms Under Threat 2040: Choosing an Abundant Future](#).

⁵ NC Department of Natural and Cultural Resources (DNCR) – Division of Parks & Recreation, [North Carolina Outdoor Recreation Plan 2020-2025](#).

⁶ DNCR – Division of Parks & Recreation, [North Carolina Outdoor Recreation Plan 2020-2025](#).

⁷ [Sentinel Landscapes Partnership](#).

⁸ NC Department for Environmental Quality (DEQ), [North Carolina Wetland Program Plan](#).

⁹ DEQ, [2024 Greenhouse Gas Emissions Inventory](#).

caused about \$21.5 billion in losses, predominantly in coastal counties.¹⁰ In 2023, Tropical Storms Idalia and Ophelia and other storms caused flooding in coastal counties and further inland. However, tropical storms and hurricanes threaten all areas of the state. In 2021, Tropical Storm Fred brought record-breaking floods that caused \$18 million dollars of damage and killed six people in Western North Carolina.¹¹

- Other weather events threaten North Carolina. In 2023, the state also suffered 26 tornadoes that incurred the most property and crop damage since 2011¹² and 5,101 wildfires that burned 18,748 acres. North Carolina experienced three straight years of more than 5,000 wildfires from 2021-2023 for only the second time since 1928.¹³
- The state will continue to face risks from natural disasters: the North Carolina Climate Science Report projects that North Carolina is likely to face increased heavy precipitation related to hurricanes and other storms, which would make freshwater flooding more likely. The report also notes that the conditions that lead to wildfires is likely to increase in the state.¹⁴
- Mitigation measures will help North Carolina prepare for these increasing events. The National Institute for Building Sciences found that federal mitigation grants saved \$6 in future losses for every dollar spent on construction and maintenance costs of resilience initiatives.¹⁵
- These budget provisions support the recommendations of the North Carolina Climate Risk Assessment and Resilience Plan and the 2020 North Carolina Natural and Working Lands Action Plan.¹⁶ The plans were developed in consultation with more than one hundred diverse subject matter experts and stakeholders and are specific to North Carolina’s conservation and resilience needs and challenges.

Recommendation Detail

Conservation/Natural and Working Lands

1. **Parks and Recreation Trust Fund (PARTF):** Provides an additional \$2 million recurring and \$30M nonrecurring to the Department of Natural and Cultural Resources (DNCR) to support PARTF with improvements to state parks, matching grants for local parks and recreation projects, and access to the state’s beaches and coastline. With this investment, PARTF will have a \$30M recurring budget.
2. **North Carolina Land and Water Fund (NCLWF):** Provides an additional \$2 million recurring and \$30M nonrecurring to DNCR to support NCLWF with grants for projects that protect and restore the state's land and water resources, preserve military buffers, restore degraded streams, and develop and improve stormwater treatment. With this investment, NCLWF will have a \$30M recurring budget.
3. **Agricultural Development and Farmland Preservation Trust Fund (ADFPTF):** Expands support for ADFPTF with \$2,461,757 recurring funds for the Department of Agriculture & Consumer Services (DACCS) to help the state preserve farmland through grants for conservation easements,

¹⁰ Governor Roy Cooper, [Hurricane Florence Recovery Recommendations](#).

¹¹ North Carolina Department of Public Safety, [Tropical Storm Fred Public Action Plan](#).

¹² The Citizen Times, [A History of Twisters: Tornadoes in North Carolina 2023](#).

¹³ NC Forest Service, [Wildfire and Acreage Statistics: 1928- Present](#).

¹⁴ NC Institute for Climate Studies, [North Carolina Climate Science Report](#).

¹⁵ National Institute of Building Sciences, [Natural Hazard Mitigation Saves](#).

¹⁶ State of North Carolina, [North Carolina Climate Risk Assessment and Resilience Plan](#). State of North Carolina, [North Carolina Natural and Working Lands Action Plan](#).

farmland preservation plans, and agricultural development projects. An additional \$4,767,132 nonrecurring will be provided for military partnership easements and an additional \$7.5 million nonrecurring for farmland preservation. With this investment, ADFPTF will have a \$7.5 million recurring budget.

4. **Agricultural Water Resources Assistance Program (AgWRAP):** Provides an additional \$1 million nonrecurring funds from SERDRF to DACS for AgWRAP to support agricultural water supply and efficiency increases for agricultural water use, with a focus on increasing assistance for on-farm water storage. On-farm water storage is beneficial for reducing demand on groundwater resources, increasing access to irrigation to improve farm yield, and reducing runoff from agricultural lands that significantly reduces flooding.
5. **Sustainability and Energy Efficiency:** Expands sustainability and conservation efforts, including forest preservation, enhanced water and lighting management systems, and equipment battery replacement, at the Department of Adult Correction (DAC) with \$1 million recurring. DAC manages over 1,040 acres of natural lands and 54 correctional facilities. This funding will allow the department to better incorporate sustainability into its operations, reducing utility costs.
6. **Natural and Working Lands Coordinator:** Provides \$101,000 recurring to DNCR to fund a position to update the map layers in the NC Conservation Planning Tool (CPT), which aggregates land conservation and restoration priorities of state agencies into one comprehensive map. The CPT provides a framework for future growth and conservation decisions. This position will also keep current the Natural and Working Lands Action Plan, the Biannual Protection Plan, and the Nature Heritage Program Biennial Report.

Resiliency

1. **Streamflow Rehabilitation Assistance Program:** Provides \$20 million nonrecurring from the SERDRF to DACS for grants to support organizations working to reduce flooding through the restoration and maintenance of streams, waterways, and drainage infrastructure across the state.
2. **State Property Fire Fund (SPFF):** Bolsters the SPFF with \$20 million nonrecurring from the SERDRF to the Office of the State Fire Marshal (OSFM). Of these funds, \$10M will be used to reimburse the fund for payments made to UNC-Wilmington, and \$10M will be used to sustain the SPFF so that the state can cover increased premium rates without depleting the fund.
3. **Coastal Resilient Roof Grant Program:** Continues a directed grant to the North Carolina Insurance Underwriting Association, providing \$5 million from the SERDRF for grants to create storm-resistant houses by strengthening roofs against natural disasters. To be eligible for the FY 2024-25 funding, an application must be for a primary residence in a coastal area.
4. **Coastal Resiliency:** Supports coastal resilience by providing funds to the Department of Environmental Quality (DEQ) to strengthen the application for \$68.5 million from the National Oceanic and Atmospheric Administration. The NC Coastal Federation and the Division of Coastal Management have partnered on this funding opportunity. These funds will support investments in living shorelines, the Resilient Coastal Communities Program, stormwater improvements, and land conservation to protect against extreme weather in the 20 coastal counties.
5. **North Carolina Forest Service Emergency Response Equipment Replacement:** Provides \$5 million nonrecurring for new and replacement equipment for the NC Forest Service within DACS. These investments will enable the Forest Service to effectively conduct prescribed fires and contain wildfires, which will increase the resiliency of forested ecosystems and reduce the incidence of catastrophic wildfires.

6. **Flood Resiliency Blueprint:** Supports coastal modeling for the Flood Resiliency Blueprint within DEQ with \$4 million from the SERDRF. This funding will enhance the Flood Resiliency Blueprint with more data about impacts from storm surge and coastal flooding, which will inform resilience projects in coastal communities.
7. **Water Resources Development Grants – State and Local Projects:** Provides \$3 million in nonrecurring funds from the SCIF to DEQ for matching funds to draw down federal allocations for Environmental Quality Incentives Program grants that support nature-based projects. These solutions incorporate natural features and processes in the environment, such as managing water levels and plant growth in wetlands, to promote adaptation and resilience. These funds will allow DEQ to distribute more grants to implement water resource development projects that provide significant environmental, economic, and social benefits to communities.
8. **Emergency Programs Mobile Depopulation Unit:** Provides \$300,000 nonrecurring to DACS from the SERDRF to replace the trailers required for transporting mobile units designed to quickly depopulate swine following disease outbreaks, natural disasters, or other catastrophic events.
9. **Hazardous Dam Loans:** Establishes two positions at DEQ with \$269,182 recurring and \$7,000 nonrecurring to leverage federal funds for dam repairs. These positions will administer a new loan program to take advantage of an estimated \$50 million in federal funds available.

Tax Credits

1. **Conservation Tax Credit:** Establishes a new Conservation Tax Credit to support land conservation efforts. This incentive will increase investments in farmland preservation, fish and wildlife conservation, floodplain protection, forestland preservation, historic landscape conservation, military buffer, and public trails or access to public land. Eligible taxpayers may receive a 25% tax credit of the fair market value of the donated property interest, not to exceed \$250,000 for individuals or \$500,000 for qualified married couples.
 - Land Conservation Credit Expenditure Projection: Table 2 provides a five-year projection of tax credits awarded and the fiscal impact for the tax credits. Based on the credits awarded, the projected land value conserved over the five years is between \$1.1 and \$1.3 billion with an expected land area conserved between 130,000 and 145,000 acres.

Table 2: Estimated Impact of the Conservation Tax Credit

Millions	2025	2026	2027	2028	2029
Projected Credits Awarded (Tax Year)	\$ 39.6	\$ 41.2	\$ 42.8	\$ 44.5	\$ 46.3
Projected Revenue Impact (Fiscal Year)	-\$ 4.7	-\$ 17.7	-\$ 27.5	-\$ 34.4	-\$ 39.0

Expected Impact

These investments will preserve North Carolina’s land and water resources and protect communities from natural disasters. Expected impacts from these initiatives include:

- Conserves over 130,000 acres of vulnerable land and awards landowners \$214.4 million in tax credits in the next five years.
- Fosters improvements in state park infrastructure and land protection, strengthening local parks and communities, providing more space for recreation, and increasing North Carolina’s appeal.

- Addresses the 72% increase in demand for agricultural conservation easements since the last ADFPTF grant cycle and permanently preserves over 1,922 acres of private working farms and forests in military priority zones.
- Improves conservation and sustainability at state correctional institutions, such as the seven DAC facilities with areas set aside under the NC Natural Heritage Program.
- Updates map layers in the NC Conservation Planning Tool to streamline and coordinate conservation decisions.
- Supports a minimum of ten new or repaired ponds that will provide additional stormwater storage capacity and reduce flooding risk.
- Reduces flooding from rivers and streams by funding an estimated 60 local grants to protect and restore drainage infrastructure.
- Protects homes in coastal communities from wind damage during hurricanes, replacing or strengthening about 1,875 roofs for households in coastal communities. These enhancements reduce claims reported by 34.5% and loss per building by 22.7%.¹⁷
- Enables the NC Forest Service to effectively administer prescribed burns to help maintain forestland health, support natural habitat development, and minimize wildfire risk across the nearly 18 million acres of forestland under state fire protection.
- Strengthens the effectiveness of the Flood Resiliency Blueprint (Blueprint) through high-quality coastal modeling that identifies areas with the highest potential for flood damage from storm surge, king tides, and other events. This new data will enable local communities to better prepare and provide science-based information for the prioritization of flood resiliency projects that align with the Blueprint's river basin action strategies.
- Leverages federal funding for conservation and resilience efforts, including increasing access for owners of smaller, high-hazard dams to make key safety repairs for flood, hurricane, and storm damage reduction. These loans will also help restore the environment through funding small dam removal projects.

¹⁷ NC Insurance Underwriting Association, *A Report on the North Carolina Insurance Underwriting Association's Coastal Resilient Roof Grant Pilot Program*.

Table 1
Governor's Recommended Budget Adjustments

	FY 2024-25
<u>Composition of Budget Availability</u>	
Unappropriated Balance from Prior Fiscal Year	1,564,437,931
Overcollections Consensus Estimate FY 2023-24	413,138,702
Reversions FY 2023-24 (S.L. 2023-134)	300,000,000
Additional Reversions	200,000,000
Subtotal Estimated Beginning Unreserved Balance	2,477,576,633
<u>Investments to Reserves per S.L. 2023-134</u>	
State Capital and Infrastructure Fund (SCIF statutory requirement)	(1,461,333,238)
Additional Capital Improvements (over SCIF statutory requirement)	(700,000,000)
Clean Water and Drinking Water Reserve	(1,000,000,000)
Economic Development Reserve	(100,000,000)
Transportation Reserve	(100,000,000)
State Emergency Response and Disaster Relief Fund	(75,000,000)
Housing Reserve	(60,000,000)
NC Innovation Reserve Shifted to Fund Child Care	0
Medicaid Contingency Reserve	0
Savings Reserve	0
Subtotal	(3,496,333,238)
<u>Adjustments to Reserves</u>	
Invest Inflation Reserve	1,000,000,000
Subtotal	1,000,000,000
<u>Revenues</u>	
Certified Tax Revenue (S.L. 2023-42; S.L. 2023-134)	31,884,670,000
Certified Non-Tax Revenue (S.L. 2023-7; S.L. 2023-42; S.L. 2023-93; S.L. 2023-134)	1,480,876,093
Consensus Forecast Adjustment	1,003,753,907
Subtotal	34,369,300,000
<u>Adjustments to Revenue</u>	
Individual Income Tax Fairness, Rate at 4.5% for Income >\$200K/100K (MFJ/single)	126,900,000
Maintain Lowest Corporate Income Tax Rate at 2.5%	74,200,000
Maintain General Fund Sales Tax Transfer to DOT at 4%	236,900,000
Child and Dependent Care Tax Credit	(57,800,000)
Conservation Tax Credit	(4,700,000)
Subtotal	375,500,000
<u>Adjustments to Availability</u>	
Insurance Non-Tax Transfer	19,321,482
Subtotal	19,321,482
Revised General Fund Availability	34,745,364,877

Governor's Recommended Budget Adjustments

FY 2024-25

Investments

Enacted Budget (S.L. 2023-134; S.L. 2023-14) **30,902,650,283**

Securing State Government Talent

Teacher Pay - \$47,500 starting; average 8.5% raise; Master's Pay	359,259,000
Employee Retention Bonus (\$1,500 for <\$75k; \$1,000 for >\$75k)	399,685,000
State Employee COLA to 5% (2% add'l / 3% add'l for those not eligible for ELMAR)	250,760,000
Enhanced Labor Market Adjustment Reserve (ELMAR)- 2%	195,809,000
Position Fundshift Reserve	14,160,000
Retiree One-Time Additional Payment - 3%	109,555,000
Subtotal Compensation Investments	1,329,228,000

Securing a Better Educated Future Through Public Schools

Vouchers Moratorium	(174,171,729)
Child Care and Early Education	687,400,000
K-12 Enrollment and Investments	364,434,464
Higher Education Enrollment and Investments	151,974,075
Subtotal Education Investments	1,029,636,810

Securing a Healthy, Safe, and Resilient Future for North Carolinians

Medicaid Rebase	458,001,256
Health and Human Services	466,583,235
Justice and Public Safety	88,307,504
Agriculture, Natural, and Economic Resources	233,400,060
General Government	34,478,233
Statewide Reserves	4,281,829
Subtotal Programmatic Investments	1,285,052,117

Total Recommended Adjustments **3,643,916,927**

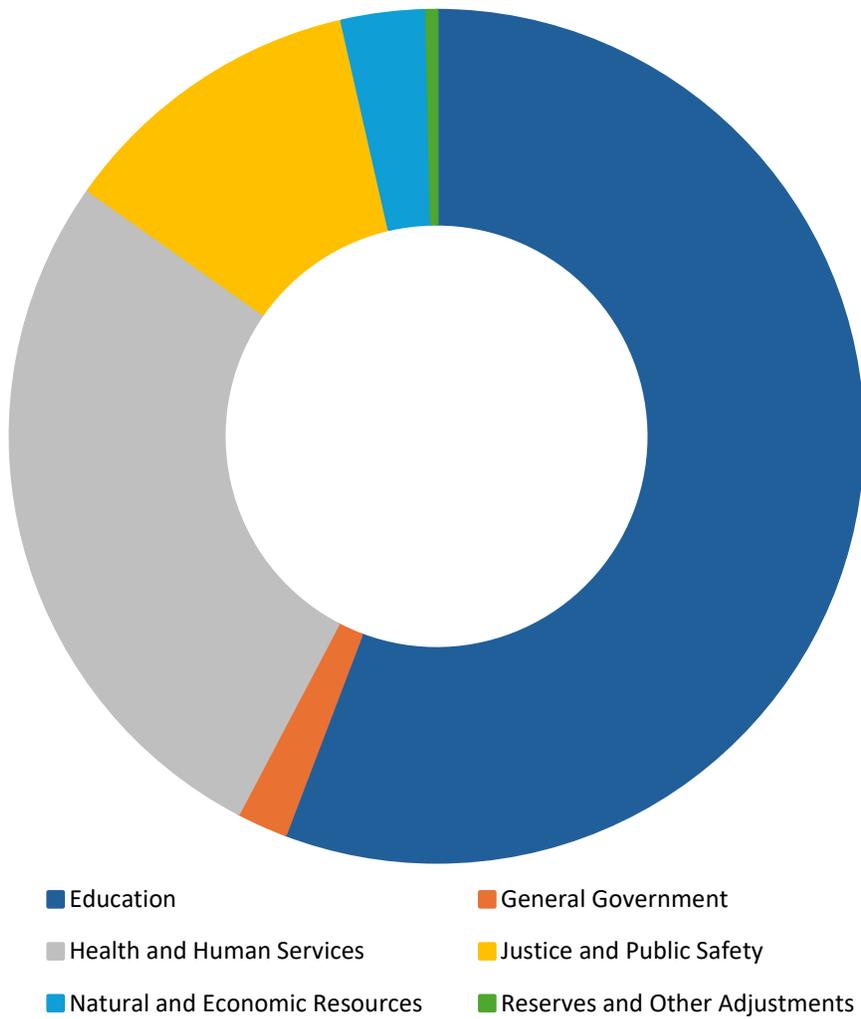
Total Recommended Appropriations **34,546,567,210**

Balance **198,797,667**

Table 2
Recommended General Fund Budget by Function 2024-25

	2024-25 Recommended	% of GF Budget
Education	19,272,320,315	55.79%
General Government	661,113,613	1.91%
Health and Human Services	9,366,017,592	27.11%
Justice and Public Safety	4,019,702,988	11.64%
Natural and Economic Resources	1,105,387,291	3.20%
Reserves and Other Adjustments	122,025,411	0.35%
Total General Fund Budget	\$ 34,546,567,210	100.00%

Figure 1
Recommended General Fund Budget by Function
FY 2024-25



**Table 3: Governor's Recommended General Fund Budget
2024-25 Adjustments**

Budget Code	Function	2024-25				Increase		2024-25		Net Position Change	
		Enacted Budget	Recurring	Nonrecurring	Positions	Recurring	Nonrecurring	Positions	Net Change		Recommended Net Appropriation
Education											
13510	Department of Public Instruction	11,959,016,128	-	-	-	633,761,114	464,166,065	30.00	1,097,927,179	13,056,943,307	30.00
16800	Community Colleges	1,515,602,757	-	-	-	122,866,685	40,587,401	3.00	163,454,086	1,679,056,843	3.00
160XX	University System	4,407,489,063	-	-	-	66,266,815	62,564,287	-	128,831,102	4,536,320,165	-
	Total Education	17,882,107,948	-	-	-	822,894,614	567,317,753	33.00	1,390,212,367	19,272,320,315	33.00
General Government											
11000	General Assembly	99,725,556	-	-	-	2,522,000	1,503,325	-	4,025,325	103,750,881	-
13000	Office of the Governor	6,771,035	-	-	-	735,000	94,434	-	829,434	7,600,469	-
13005	Office of State Budget and Management	11,531,103	-	-	-	918,132	155,158	18.00	1,073,290	12,604,393	18.00
13085	OSBM-Special Projects	10,550,000	-	-	-	-	-	-	-	10,550,000	-
13010	NC Housing Finance Agency	10,660,000	-	-	-	-	-	-	-	10,660,000	-
13050	Department of Military and Veterans Affairs	11,642,217	-	-	-	2,004,380	179,521	12.00	2,183,901	13,826,118	12.00
13100	Office of the Lieutenant Governor	1,343,471	-	-	-	44,000	16,993	-	60,993	1,404,464	-
13200	Department of Secretary of State	19,244,123	-	-	-	1,865,509	372,640	8.00	2,238,149	21,482,272	8.00
13300	Office of the State Auditor	19,271,929	-	-	-	815,000	248,071	-	1,063,071	20,335,000	-
13410	Department of State Treasurer	209,074	-	-	-	-	-	1.00	-	209,074	1.00
13412	State Treasurer - Retirement System	22,923,708	-	-	-	-	-	-	-	22,923,708	-
13900	Department of Insurance	53,288,051	-	-	-	11,739,167	7,582,315	23.00	19,321,482	72,609,533	23.00
13902	Industrial Commission	3,777,513	-	-	-	560,000	136,915	-	696,915	4,474,428	-
14100	Department of Administration	67,509,561	-	-	-	5,817,000	707,724	6.00	6,524,724	74,034,285	6.00
14111	Office of State Human Resources	11,151,323	-	-	-	755,296	318,357	3.50	1,073,653	12,224,976	3.50
14160	Office of the State Controller	35,961,579	-	-	-	1,238,316	400,282	2.00	1,638,598	37,600,177	2.00
14660	Department of Information Technology	78,971,190	-	-	-	4,421,000	1,564,120	17.00	5,985,120	84,956,310	17.00
14700	Department of Revenue	121,112,788	-	-	-	6,069,848	1,770,234	6.00	7,840,082	128,952,870	6.00
18025	State Board of Elections	9,759,207	-	-	-	2,414,612	129,094	12.00	2,543,706	12,302,913	12.00
18210	Office of Administrative Hearings	8,232,718	-	-	-	259,000	120,024	-	379,024	8,611,742	-
	Total General Government	603,636,146	-	-	-	42,178,260	15,299,207	108.50	57,477,467	661,113,613	108.50
Health and Human Services											
14410	Division of Central Management and Support	225,983,470	-	-	-	29,271,887	10,346,501	-	39,618,388	265,601,858	-
14411	Division of Aging and Adult Services	53,629,635	-	-	-	1,336,439	22,545	-	1,358,984	54,988,619	-
14420	Division of Child Development and Early Education	297,398,292	-	-	-	330,396,000	299,816,224	-	630,212,224	927,610,516	-
14430	Division of Public Health	138,215,527	-	-	-	12,743,446	1,472,312	81.00	14,215,758	152,431,285	81.00
14440	Division of Social Services	238,942,261	-	-	-	277,000	97,214	-	374,214	239,316,475	-
14445	Division of Health Benefits	5,787,435,949	-	-	-	1,001,702,321	-	20.00	910,248,461	6,697,684,410	20.00
14435	Division of Child & Family Well-being	60,558,254	-	-	-	17,592,000	151,862	1.00	17,743,862	78,302,116	1.00
14450	Division of Services for the Blind, Deaf and Hard of Hearing	9,489,592	-	-	-	1,146,610	34,722	-	1,181,332	10,670,924	-

**Table 3: Governor's Recommended General Fund Budget
2024-25 Adjustments**

Budget Code	Function	2024-25				2024-25				Net Position Change		
		Enacted Budget	Recurring	Nonrecurring	Positions	Recurring	Nonrecurring	Positions	Net Change		Recommended Net Appropriation	
		Decrease				Increase						
14460	Division of Mental Health/Developmental Disabilities/Substance Abuse Services	853,645,907	-	-	-	6,369,000	2,776,456	-	-	9,145,456	862,791,363	-
14470	Division of Health Services Regulation	25,691,577	-	-	20.00	2,540,871	280,610	-	-	2,821,481	28,513,058	20.00
14480	Division of Vocational Rehabilitation	44,172,882	-	-	-	3,782,390	151,696	-	-	3,934,086	48,106,968	-
	Total Health and Human Services	7,735,163,346	-	(91,453,860)	122.00	1,407,157,964	315,150,142	122.00	1,630,854,246	9,366,017,592	9,366,017,592	122.00
	Justice and Public Safety											
12000	Judicial Branch	778,917,942	-	-	29.00	34,723,412	12,912,165	-	-	47,635,577	826,553,519	29.00
12001	Judicial Branch - Indigent Defense	156,751,765	-	-	10.00	5,775,924	13,437,893	-	-	19,213,817	175,965,582	10.00
13600	Department of Justice	66,968,192	-	-	20.00	7,708,371	1,185,895	-	-	8,894,266	75,862,458	20.00
14550	Department of Public Safety	645,217,274	-	-	94.00	50,453,167	30,231,317	-	-	80,684,484	725,901,758	94.00
15010	Department of Adult Correction	2,046,002,926	-	-	-	72,378,000	40,558,252	-	-	112,936,252	2,158,939,178	-
15020	State Bureau of Investigation	49,960,339	-	-	9.00	5,666,154	854,000	-	-	6,520,154	56,480,493	9.00
	Total Justice and Public Safety	3,743,818,438	-	-	162.00	176,705,028	99,179,522	162.00	275,884,550	4,019,702,988	4,019,702,988	162.00
	Natural and Economic Resources											
13700	Department of Agriculture and Consumer Services	182,244,062	-	-	6.00	9,766,132	21,222,082	-	-	30,988,214	213,232,276	6.00
13800	Department of Labor	26,356,022	-	-	1.00	2,187,237	1,049,002	-	-	3,236,239	29,592,261	1.00
14300	Department of Environmental Quality	109,554,904	-	-	14.00	11,186,377	107,865,627	-	-	119,052,004	228,606,908	14.00
14350	Wildlife Resources Commission	16,730,640	-	-	1.00	2,525,880	598,787	-	-	3,124,667	19,855,307	1.00
14600	Department of Commerce	15,250,222	-	-	12.00	27,086,000	3,613,312	-	-	30,699,312	45,949,534	12.00
14601	Commerce - General State Aid	30,005,810	-	(1,500,000)	-	1,500,000	-	-	-	30,005,810	-	-
14602	Commerce - Economic Development	158,348,245	-	-	-	1,000,000	10,000,000	-	-	11,000,000	169,348,245	-
14800	Natural and Cultural Resources	281,690,918	-	-	31.00	17,000,331	70,105,701	-	-	87,106,032	368,796,950	31.00
	Total Natural and Economic Resources	820,180,823	-	(1,500,000)	65.00	72,251,957	214,454,511	65.00	285,206,468	1,105,387,291	1,105,387,291	65.00
	Debt Service											
19420	General Debt Service	-	-	-	-	-	-	-	-	-	-	-
	Total Debt Service	-	-	-	-	-	-	-	-	-	-	-
	Reserves and Other Adjustments											
19xxx	Reserves and Other Adjustments	117,743,582	(468,171)	-	-	-	4,750,000	-	-	4,281,829	122,025,411	-
	Total Reserves and Other Adjustments	117,743,582	(468,171)	-	-	-	4,750,000	-	4,281,829	122,025,411	-	-
	Direct Capital Appropriation											
	Total Direct Capital Appropriation	-	-	-	-	-	-	-	-	-	-	-
Total		30,902,650,283	(468,171)	(92,953,860)	-	2,521,187,823	1,216,151,135	490.50	3,643,916,927	34,546,567,210	34,546,567,210	490.50

**Table 4: Highway Fund and Highway Trust Fund Budget
2024-25 Adjustments**

Function	2024-25 Base		Decreases Net		Increases Net		Net Change	2024-25 Recommended Net Appropriation	Net Position Change
	Appropriation	Positions	Net Recurring	Nonrecurring	Net Recurring	Nonrecurring			
Highway Fund									
DOT Administration	122,151,146	-	-	-	20,971,865	4,500,000	4.00	147,623,011	4.00
Division of Highways									
Administration	40,389,207	-	-	-	-	-	2.00	40,389,207	2.00
Construction	77,543,078	-	-	-	-	-	-	77,543,078	-
Maintenance	\$1,776,047,972	-	-	-	401,503,110	-	-	2,177,551,082	-
Planning and Research	-	-	-	-	-	-	-	-	-
OSHA Program	358,030	-	-	-	-	-	-	358,030	-
Total Division of Highways	1,894,338,287	-	-	-	401,503,110	-	2.00	2,295,841,397	2.00
State Aid to Municipalities	154,875,000	-	-	-	31,000,000	-	-	185,875,000	-
Multi-Modal									
Airports	160,274,429	-	-	-	-	-	-	160,274,429	-
Bicycle	-	-	-	-	10,000,000	-	-	10,000,000	-
Ferry	58,614,849	-	-	-	12,640,000	5,675,000	-	76,929,849	-
Public Transportation	69,510,286	-	-	-	3,000,000	-	-	72,510,286	-
Railroads	45,299,938	-	-	-	10,000,000	-	-	55,299,938	-
Total Multi-Modal	333,699,502	-	-	-	35,640,000	5,675,000	-	375,014,502	-
Governor's Highway Safety Program	324,111	-	-	-	289,280	-	-	613,391	-
Division of Motor Vehicles	163,796,614	-	(19,220,000)	-	2,161,282	2,428,000	20.00	149,165,896	20.00
Other State Agencies	16,961,164	-	-	-	223,751	-	-	17,184,915	-
Transfer to General Fund	-	-	-	-	-	-	-	-	-
Other Reserves	5,471,434	-	-	-	40,694,591	21,498,000	-	67,664,025	-
Capital Improvements	-	-	-	-	-	43,571,863	-	43,571,863	-
Total Highway Fund	2,691,617,258	(19,220,000)	-	-	532,483,879	77,672,863	26.00	3,282,554,000	26.00
Highway Trust Fund									
Administration	42,184,023	-	-	-	225,278	-	-	42,409,301	-
Construction									
Strategic Prioritization Program	\$2,187,651,914	-	-	-	-	-	-	2,060,701,358	-
Intrastate System	-	-	(126,950,556)	-	-	-	-	-	-
Urban Loop System	-	-	-	-	-	-	-	-	-
Secondary Roads	-	-	-	-	-	-	-	-	-
Total Construction	2,187,651,914	(127,050,556)	-	-	-	-	-	2,060,601,358	-
State Aid to Municipalities	-	-	-	-	-	-	-	-	-
Bonds									
Bond Redemption	72,930,000	-	-	-	-	-	-	72,930,000	-
Bond Interest	48,506,775	-	-	-	-	-	-	48,506,775	-
Total Bonds	121,436,775	-	-	-	-	-	-	121,436,775	-
NC Turnpike Authority	49,000,000	-	-	-	-	-	-	49,000,000	-
Transfer to Ports	45,000,000	-	-	-	-	-	-	45,000,000	-
NC Mobility Fund	-	-	-	-	-	-	-	-	-
Transfer to Visitor's Centers	640,000	-	-	-	-	-	-	640,000	-
Uncommitted Trust Fund Admin	58,566	-	-	-	-	-	-	58,566	-
Total Highway Trust Fund	2,445,971,278	(126,950,556)	-	-	225,278	-	-	2,319,146,000	-

Economic Outlook

Economy Remains Resilient

The labor market remains steady both nationally and within North Carolina, while inflation has decelerated notably throughout the last year. These trends and the resulting economic growth have slightly exceeded expectations from last spring. Our baseline economic outlook reflects a “soft landing,” where inflation gradually decreases to the Federal Reserve’s 2% target without disrupting economic growth and employment gains. However, significant uncertainty remains around inflation and labor market trends going forward.

Pandemic and Recovery Wage Growth: Robust Recovery for Lower Wage Workers

Wage growth during the COVID-19 pandemic initially fell but then rose to levels not experienced in decades before trending lower starting in the middle of 2022. The early pandemic wage trends, with a growth slowdown for lower-wage workers and steady growth for higher-wage counterparts, reversed from mid-2021 through the end of 2022. While the lowest-wage workers saw the highest wage growth in 2022, by the end of 2023, the wage growth rates had stabilized and were similar across all wage groups.

Wage Growth Over Time by Income Level in the South Atlantic Region



Source: OSBM analysis of Federal Reserve Bank of Atlanta data, accessed 4/1/2024
Notes: "Low-wage" wage growth is the median year-over-year wage growth for workers with hourly earnings in the bottom quartile. "Lower-middle" is median wage growth for the second quartile, and "high-wage" is median wage growth for workers with earnings in the top half.

In the Southeast, wage growth by income level has not been on par with national trends in recent years. Wage growth at the start of the pandemic was around 3.5% both nationally and in the Southeast. Workers in the Southeast with below-average wages experienced a more pronounced slowdown in wage growth versus comparable workers in other parts of the country. Lower-wage workers in the Southeast also experienced a faster and stronger rebound than other workers. This is likely a result of the hospitality and transportation sectors seeing larger increases in wage growth in the Southeast compared to the nation.

As of the beginning of 2024, with job growth slowing and inflation easing across the U.S., national wage-growth rates for all income levels are dipping but remain well above pre-pandemic levels. In the Southeast, however, lower-middle-wage workers have yet to see a slowdown in wage growth.

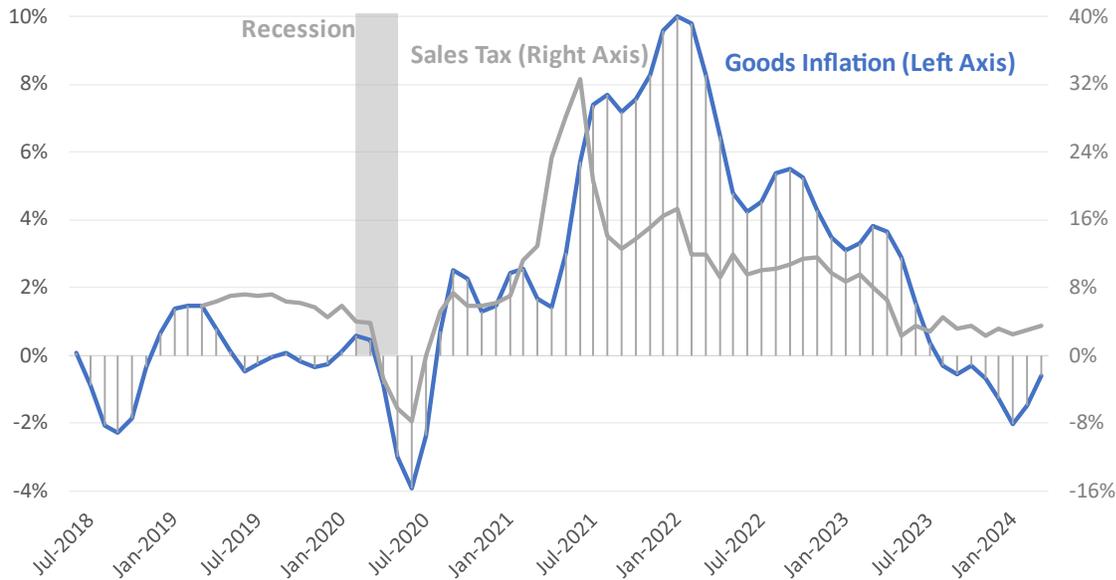
Goods Inflation is No Longer Boosting Sales Tax Revenues

Year-over-year growth in inflation, as measured by the Consumer Price Index (CPI), fell to 3.0% in 2023 from the 9.1% peak it hit in June 2022 and has hovered between 3.0% and 3.7% since. Core inflation, which excludes changes in volatile food and energy prices, peaked at 6.6% in September 2022 and has trended downward to 3.8% as of February 2024.

The rise in goods inflation, as shown in the chart below, provided a significant boost to state and local sales tax revenue from the middle of 2021 until early 2023. Improving supply chains and falling input prices have begun to modestly reverse a portion of the pandemic-era price increases for taxable goods. This has also slowed the growth of state and local sales tax revenues. With pandemic-era goods inflation in the rearview mirror, price increases for services not subject to sales taxes—especially housing—have been the primary factor keeping inflation above pre-pandemic levels.

Goods Inflation No Longer Boosting Sales Tax Revenues

Blue: Consumer price index for commodities less food, energy, and used vehicles, 3-month moving average annualized rate
 Grey: Year-over-year percent change in gross sales tax collections, 3-month moving average



Sources: Bureau of Labor Statistics, Accessed 4/10/2024; Department of Revenue

Risks to the Economic Forecast

Over the last year, inflation has steadily decelerated while economic growth and employment have remained robust, but the path ahead remains uncertain. Looking through the end of the biennium, one of three potential scenarios is likely: no landing, hard landing, and soft landing.

In the case of a “no landing” scenario, where economic and employment growth do not decline and interest rates remain elevated, rising prices and persistent demand would result in higher-than-expected revenue collections. A “hard landing,” where interest rates decrease but economic and employment growth falter, would result in an economic slowdown or outright recession and lower-than-expected revenue collections.

Many economic forecasts, including those of the Federal Reserve and large private investment banks, point to a “soft landing,” where price increases ebb even as the economy continues growing, as the likeliest outcome. However, geopolitical risk and resulting supply-chain disruptions represent moderate risk to the economy. The closure of the Port of Baltimore due to the collapse of the Key Bridge, low water levels in the Panama Canal, and security risks around the Suez Canal are just a few examples of recent supply-chain disruptions that could raise prices and reduce the availability of some goods.

Major elections across the world in 2024, particularly in the U.S. and key U.S. trading partners like Mexico and the U.K., will also factor into global economic policy, with potential impacts on private investment and international trade.

A Longer View: From Clothes to Cars, North Carolina’s Manufacturing Evolution

Throughout much of the 20th Century, the textile and furniture industries powered boomtown-like growth of manufacturing centers like Greensboro and Hickory. Even today, more than 24,000 North Carolinians work at nearly 400 textile manufacturing establishments throughout the state, representing a quarter of this sector’s entire U.S. workforce.¹

Now North Carolina is transitioning to a new era of manufacturing. Cars, particularly electric vehicles (EVs), are poised to drive the state’s manufacturing job growth. Companies have announced a total of \$19.2 billion in EV or battery manufacturing project investments in North Carolina, placing the state behind only Georgia (\$31.2B) and Michigan (\$20.4B).² Combining the “battery-belt” states of Georgia, North Carolina, and South Carolina, total announced investment exceeds \$63 billion. Even if only half of this investment occurs, the scale of these announcements, along with likely secondary investments from EV manufacturer suppliers, signals North Carolina’s manufacturing economy will change profoundly in the years to come.

¹ Sharp, Sara and Sarah Stone. 2021. *Exploring the Textile Economy: North Carolina Leads Nation in Textile Manufacturing* [Blog]. North Carolina State University Wilson College of Textiles.

² Environmental Defense Fund, March 2024. *U.S. Electric Vehicle Manufacturing Investments and Jobs: Characterizing the Impacts of the Inflation Reduction Act after 18 Months*.

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General Fund Revenue Forecast

More than 80% of General Fund revenues are derived from the individual income tax and the sales and use tax. Other important sources of revenue include corporate income and franchise taxes, taxes on insurance premiums, excise taxes on alcohol and tobacco products, and revenue from nontax sources, such as judicial fees and earnings from investing state funds.

OSBM and the General Assembly's Fiscal Research Division (FRD) issued a revised consensus revenue forecast for the 2023-25 biennium on April 17, 2024. The revised forecast includes a modest upward revision to collections in the current fiscal year (FY 2023-24) and a moderate upward revision in the next fiscal year (FY 2024-25).

Current Year Revenue

The revised forecast projects net General Fund revenue of \$34.14 billion in FY 2023-24, an upward revision of \$413 million (1.2%) from certified revenues and a 1.8% increase over FY 2022-23 revenues. Most of this year's anticipated overcollections are the result of economic growth proving more resilient than anticipated at the time of the last consensus forecast in May 2023. That forecast assumed a significant economic slowdown that has not occurred and shows no signs of being imminent. This year's stronger economy has fueled higher collections from individual income taxes (+\$438 million) and sales and use tax (+\$179 million), which together account for more than all of the anticipated overcollections.

Outlook for Fiscal Year 2024-25

For FY 2024-25, the revised forecast, adjusted for the Governor's recommended revenue changes and other adjustments to nontax revenues, anticipates net General Fund revenue of \$34.76 billion, an increase of \$1.4 billion (4.2%) from certified revenues and an 1.8% increase from FY 2023-24 revenues. The April 2024 economic forecast anticipates a so-called "soft landing," with inflation gradually cooling toward the Federal Reserve's 2% target while the economy continues to grow. That contrasts with the economic forecast underlying the May 2023 consensus forecast, which assumed a "slowcession" characterized by stagnant economic growth in late 2023 and much of 2024. The resilience of the economy despite headwinds from higher interest rates accounts for most of the upward revision to the consensus revenue forecast.

Growth in General Fund revenues in the budget recommendation is \$375.5 million higher than in the April 2024 consensus due to recommended revenue changes that increase revenue compared to current law by maintaining the corporate income and top individual income tax rates at 2024 levels and maintaining the Highway Fund/Highway Trust Fund sales tax transfer at 4%.

Recommended Revenue Changes

Individual Income Tax Reduction Fairness by Maintaining 4.5% Rate for Higher Incomes

The Governor recommends implementing a two-tiered income tax bracket at the \$200,000 threshold for married couples filing jointly (and 50% and 75% of this level for single filers and head of household filers, respectively). Income below these levels would be taxed at 4.25% in 2025 and 3.99% in 2026, while the current 4.5% tax rate—down from 4.75% in 2023— would continue to apply to income above the

thresholds. This change would raise \$126.9 million in FY 2024-25. North Carolina’s income tax rates would remain among the lowest in the Southeast among states that have an individual income tax.

Maintain the Corporate Tax Rate at 2.5%

The Governor also recommends maintaining the corporate income tax rate at 2.5%. This would raise \$74.2 million in FY 2024-25 and support growth in General Fund revenues in the years beyond the biennium. North Carolina already has the lowest corporate income tax rate among all states with a corporate income tax, and decreasing the tax rate further would mostly benefit large, multinational corporations.

Maintain the Sales Tax Transfer to Transportation at 4%

The Governor recommends maintaining the sales tax transfer from the General Fund to the Highway Fund and Highway Trust Fund at the FY 2023-24 level of 4% of revenues. This change increases General Fund revenues by \$236.9 million in FY 2024-25 compared to current law.

Refundable Child and Dependent Care Credit

The Governor recommends providing a refundable child and dependent care tax credit for families for eligible care expenses. Making the credit refundable will enable families to access the full benefit of the credit even if it exceeds their state income tax liability. The credit is equal to 50% of the federal credit for families with incomes up to \$150,000 if married and filing jointly and \$112,500 if filing as head of household. The credit phases out for married couples with incomes above \$200,000 and heads of household with incomes above \$150,000. This change decreases General Fund revenues by \$57.8 million in 2024-25.

Conservation Tax Credit

The Governor recommends providing a non-refundable tax credit equal to 25% of the value of land donated for eligible conservation purposes, with a cap of \$250,000 for individuals and \$500,000 for couples and businesses. This change decreases General Fund revenues by \$4.7 million in FY 2024-25. The revenue impact would rise to an estimated \$39 million in FY 2028-29.

General Fund Revenue by Fiscal Year: Recent History and Recommended Changes (\$M)*

Amounts in Millions	2022-23	2023-24			2024-25		
	Actual	Budget	Revised	Change	Budget	Revised	Change
Individual Income	16,762.5	16,583.7	17,021.6	437.9	16,280.8	17,048.5	767.7
Sales and Use	10,801.2	10,749.4	10,928.6	179.2	10,776.3	11,273.3	497.0
Corporate Income & Franchise	2,482.9	2,428.3	2,265.4	-162.9	2,381.2	2,396.6	15.4
All Other Taxes	2,136.4	2,241.3	2,286.9	45.6	2,446.4	2,436.1	-10.3
Total Tax Revenue	32,182.9	32,002.7	32,502.5	499.8	31,884.7	33,154.5	1,269.8
Total Nontax Revenue	1,352.5	1,722.9	1,636.3	-86.6	1,480.9	1,609.6	128.7
Total General Fund Revenue	33,535.4	33,725.7	34,138.8	413.1	33,365.5	34,764.1	1,398.6

*Totals may differ from the sum of their parts due to rounding.

Highway Fund and Highway Trust Fund Revenue Forecast

The largest overall revenue source for the Highway Fund and Highway Trust Fund, comprising approximately half of the total revenue, is the state excise tax on motor fuels. Both funds also receive revenue from Division of Motor Vehicle (DMV) licenses and fees, interest earned on investments of the fund's cash balances, and a transfer of a portion of the state's general sales and use tax. Additionally, the Highway Trust Fund receives all the revenue from the Highway Use Tax (i.e., sales tax on new and used vehicles sold or transferred).

Current Year Revenue

The revised consensus forecast for FY 2023-24 anticipates total Highway Fund and Highway Trust Fund revenue at \$5.27 billion (9.1% above FY 2022-23). The consensus has Highway Fund revenues finishing this year at \$3.03 billion, 1.2% above FY 2022-23 revenues and \$64 million (+2.1%) above budget. Highway Trust Fund revenues are expected to total \$2.24 billion in the current year, an increase of 21.8% over last year and 1.9% (\$43 million) higher than budgeted revenues due mostly to higher than anticipated motor fuel and sales tax transfer revenues.

SL 2022-74 transferred 2%, or \$205.5 million, of General Fund sales tax revenues to the Highway Fund in FY 2022-23. This transfer increased to 4% in FY 2023-24 (split 1% and 3% between the Highway Fund and Highway Trust Fund, respectively).

Revenue Outlook for 2025

Total Highway Fund revenue is expected to grow considerably in FY 2024-25 due primarily to higher DMV revenue resulting from the quadrennial DMV fee inflation adjustment required by SL 2015-241. (Most fees will go up by 19.2% in July 2024). The forecast also projects higher motor fuel tax, short-term lease tax, investment income, and sales tax transfer revenue in FY 2024-25. Overall, Highway Fund revenue is expected to increase by 6.1% in FY 2024-25.

The forecast anticipates total Highway Trust Fund revenue to increase by 2.1% in FY 2024-25. This increase is due primarily to growth in Highway Use Tax collections as consumers continue to take advantage of cooling prices to replace their aging cars. The quadrennial inflation adjustment for DMV fees discussed above will also result in a significant increase in revenue relative to FY 2023-24.

Two major trends provide uncertainty for future transportation revenue. In the near-term, most economic forecasts suggest new and used auto prices will continue to cool throughout FY 2024-25. One consequence of high vehicle prices during the pandemic era is that many consumers delayed purchasing a new vehicle. As auto prices continue to stabilize, more consumers will likely enter the market for a new vehicle. The extent to which consumers will satisfy this pent-up demand, however, is uncertain.

Technological advancements in recent decades and rules limiting vehicle emissions have led to gradual improvements in fuel economy since 2005.¹ Widespread adoption of vehicle electrification, spurred by rapid innovation in battery technology and manufacturing and stricter tailpipe emissions rules set to take effect in 2027, will accelerate the trend toward greater efficiency in the coming years. This trend

¹ US Environmental Protection Agency. Automotive Trends Report – 2023. <https://www.epa.gov/automotive-trends/highlights-automotive-trends-report>

will reduce motor fuel consumption and tax revenue while simultaneously increasing revenue from annual fees on electric vehicles and plug-in hybrid vehicles.

Recommended Revenue Changes

The Governor recommends maintaining the sales tax transfer from the General Fund to the Highway Fund at 4% for FY 2024-25. For the Highway Fund and the Highway Trust Fund, the recommended change represents lower availability in FY 2024-25 of \$59.2 million and \$177.7 million, respectively.

Highway Fund and Highway Trust Fund Revenue by Fiscal Year: Recent History and Forecast (\$M)*

	2022-23	2023-24			2024-25		
	Actual	Budget	Revised	Change	Budget	Revised	Change
Highway Fund							
Motor Fuels Taxes**	1,752.8	1,791.9	1,816.5	1%	1,802.7	1,836.2	2%
Highway Short Term Lease	106.5	116.7	110.9	-5%	121.5	118.8	-2%
Licenses and Fees	886.3	897.8	914.0	2%	1,059.1	1,077.7	2%
Investment Income	32.0	40.7	60.8	49%	35.7	52.4	47%
Aviation Fuel Tax	11.3	13.3	13.2	-1%	13.9	12.0	-14%
Transfers from General Fund***	205.5	106.2	114.7	8%	162.7	118.5	-27%
Total Highway Fund Availability	2,994.3	2,966.6	3,030.1	2%	3,195.6	3,215.6	1%
Highway Trust Fund							
Highway Use Tax	1,079.5	1,112.4	1,112.4	0%	1,160.8	1,131.4	-3%
Motor Fuels Tax	591.7	598.9	607.4	1%	602.5	613.9	2%
Title Fees & Lien	147.8	140.6	146.8	4%	168.9	169.0	0%
Transfers from General Fund***	-	318.4	344.2	8%	488.2	355.3	-27%
Investment Income	21.0	28.9	31.2	8%	25.3	20.2	-20%
Total Trust Fund Availability	1,840.1	2,199.2	2,242.0	2%	2,445.7	2,289.8	-6%
Total HF & HTF Availability	4,834.4	5,165.8	5,272.1	2%	5,641.3	5,505.4	-2%

**Totals may differ from the sum of their parts due to rounding.

**Includes Gas Inspection and Highway Usage Registration.

***Estimated transfer based on Governor's proposal.

Population Dynamics

North Carolina on track to become 7th largest state in the nation

North Carolina's [strong population growth continues](#). Since 2020, the state's population has grown by 396,000 people—equivalent to adding the population of Forsyth County. This population growth was surpassed by gains in only two other states: Florida and Texas. If these trends continue, then North Carolina will likely [become the 7th largest state](#) in the nation by the early 2030s, surpassing the populations of Georgia and Ohio.

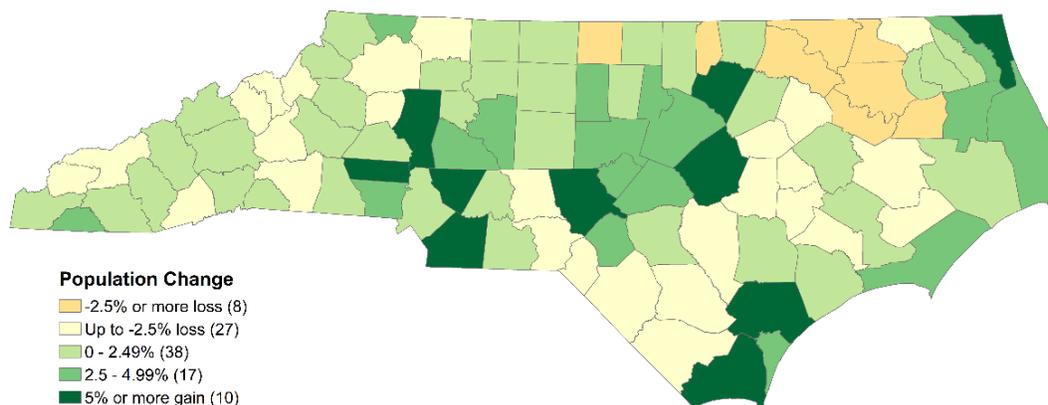
Between 2022 and 2023, North Carolina added 140,000 people (1.3%), mostly through migration. During this period, 97,000 more people moved to North Carolina from other states than those who moved away, and 29,000 more people moved to the state from other nations than moved abroad. An aging population, combined with low fertility rates, means future population growth will depend almost exclusively on [migration](#).

The State Demographer's latest [population projections](#) predict an increase of 132,000 people over the remaining year of this biennium, an equivalent of adding population slightly larger than the population of Wilmington. By July 1, 2025, an estimated **11.1 million people** will be living in North Carolina.¹

Urban and rural counties growing

The State Demographer's latest [population estimates](#) revealed that 78 counties grew between 2021 and 2022.² So far this decade, North Carolina's population growth has been more broadly distributed throughout the state than in the previous decade. Between April 1, 2020, and July 1, 2022, Wake and Mecklenburg Counties accounted for 26% of North Carolina's population growth, compared to 47% in the previous decade. Johnston, Brunswick, Cabarrus, Union, and Iredell Counties accounted for another 26%. The remaining 48% of the state's population growth occurred in 58 counties located in all regions of the state.

County Population Change, 2020-2022



Source: NC OSBM, Population Estimates, Vintage 2022

¹ North Carolina Office of State Budget & Management Population Projections, Vintage 2023

² North Carolina Office of State Budget & Management Population Estimates, Vintage 2022

Early and school age populations will begin to grow steadily

Fertility rates have remained low but relatively stable since about 2012, after last peaking in 2007.³ This, along with slower growth in the population aged 25 to 44, resulted in little to no growth in the [childhood population](#) over the last several years. By 2025, there will be 1.67 million school-age children (aged 5 to 17) – virtually unchanged since 2020. In contrast, the early childhood age population (from birth to age 4) will increase to 611,000 by July 1, 2025, representing a 3% increase since 2020. The State Demographer projects the early-childhood population to experience steady growth during the latter part of this decade. By 2030, there will be 656,000 children aged 0 to 4 and 1.68 million children aged 5 to 17, an increase of 7% and 1% respectively.

Unlike the school-age population, the young-adult population, aged 18 to 24, experienced steady growth over the course of the past decade, primarily due to the rapid growth in the childhood population that occurred in the 2000s. By the end of the 2023-25 biennium, there are projected to be 1.09 million people in this age group, representing an increase of 58,000 (5%) since 2020.

Labor force impacted by slow growing working age population

Changes in the age structure of the population will affect the age distribution of the state’s labor force. In 2024, for every person approaching retirement ages (ages 60 to 64), there were 1.1 people entering into the primary working ages (ages 20 to 24). This compares to 1.8 in 2000 and 2.3 in 1970. Overall, the population in the prime working ages (ages 25 to 64) is increasing at a slower rate than the total population between 2020 and 2025 (a 5.0% projected increase compared to 6.1% increase in total population), and this trend will continue between 2025 and 2030 (a 4.9% increase compared to 5.6%).

The number of older workers (ages 45 to 64) will increase more slowly than that of younger workers (age 25 to 44) – impacted by the fact that every year more than 120,000 North Carolina Baby Boomers will age out of that older working-age group. Between 2020 and 2025, the number of older working-age adults will increase by 3.1% and the number of younger working-age adults will increase by 6.9%. Similarly, between 2025 and 2030, these two age groups will increase in size by 3.5% and 6.2% respectively.

Population aging continues

The older adult population (age 65+) is increasing at a rate more than double that of the total population, primarily due to aging North Carolinians but also due to [retirees moving](#) to the state. At the end of the 2023-25 biennium, an expected 2.1 million older adults will be living in North Carolina, an increase of 289,000 people (16%) since 2020. By the end of this decade, [1 in 5 North Carolinians](#) will be at least 65 years old. Increases in the older population will increase demand for healthcare, social, transportation, and other services.

³ With a brief drop at the beginning of the COVID-19 pandemic.

Mission

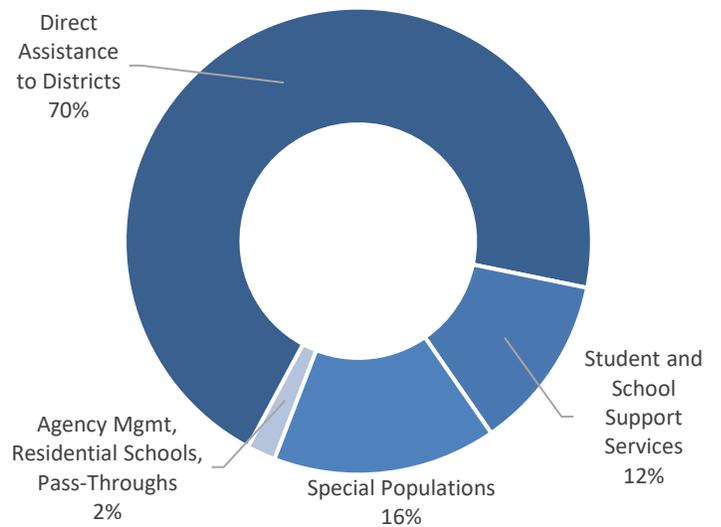
To use the North Carolina State Board of Education’s constitutional authority to guard and maintain the right of a sound, basic education for every child in North Carolina Public Schools.

1. Eliminate opportunity gaps by 2027.
2. Improve school and district performance by 2027.
3. Increase educator preparedness to meet the needs of every student by 2027.

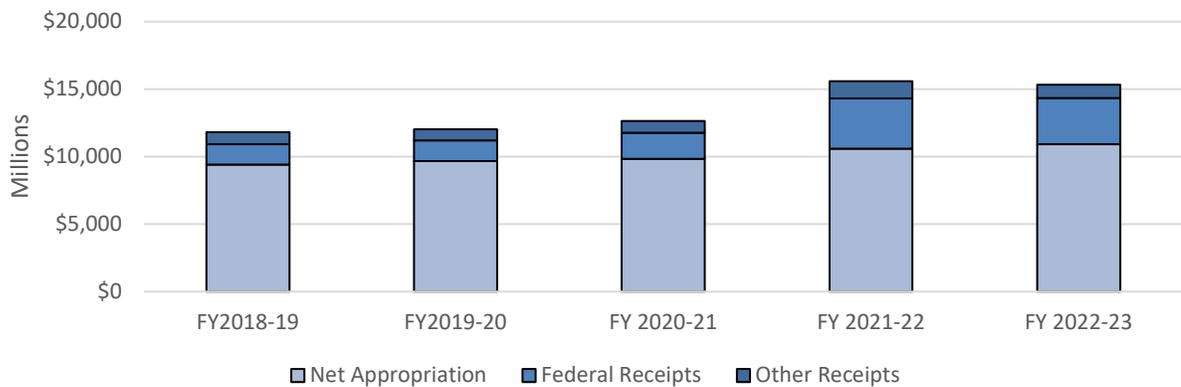
Agency Profile

- Implement the state’s public school laws, policies, and procedures governing public education for Pre-K through 12th grade at the direction of the State Board of Education and Superintendent of Public Instruction.
- Provide leadership and service to 115 local public-school districts and 2,600+ traditional public schools, 200+ charters schools, lab and regional schools, the North Carolina Virtual Public School, the North Carolina Governor’s School, and three residential schools for students with hearing and visual impairments, serving about 1.5 million Pre-K-12 students across the state.
- Administer state and federal funds totaling \$15.6 billion, and license and support the development of the 117,000 teachers and administrators that serve public schools.

FY 2022-23 Actual Expenditures



5-Year Historical Expenditures



Charts include General Fund budget code only.

Department of Public Instruction (13510)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	15,321,049,246	13,502,320,541	13,709,714,749	682,861,114	483,166,065	1,166,027,179	14,875,741,928
Receipts	4,404,492,531	1,927,760,615	1,750,698,621	49,100,000	19,000,000	68,100,000	1,818,798,621
Net Appropriation	10,916,556,715	11,574,559,926	11,959,016,128	633,761,114	464,166,065	1,097,927,179	13,056,943,307
Positions (FTE)	1,076.587	1,203.977	1,203.977			30.000	1,233.977

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments

Reserve for Salaries and Benefits

1 Compensation Increase - Teachers and Instructional Support

Updates the teacher salary schedule to raise starting teacher salaries to the highest in the Southeast and provide an 8.5% average raise for all existing teachers. This schedule reduces salary plateaus for experienced teachers, instructional support personnel, school psychologists, speech pathologists, and audiologists. State agency teacher salaries are increased in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.

Req	\$ 322,709,000	\$ -	\$ 322,709,000
Rec	\$ -	\$ -	\$ -
App	\$ 322,709,000	\$ -	\$ 322,709,000
FTE			0.000

2 Compensation Increase - School-based Administrators

Provides funds to improve recruitment and retention for school-based administrators through salary increases. Assistant Principal salaries are tied to the teacher salary schedule. Funding supports a 6% total increase for existing principals. Corresponding special provisions show additional details on these compensation increases.

Req	\$ 25,443,000	\$ -	\$ 25,443,000
Rec	\$ -	\$ -	\$ -
App	\$ 25,443,000	\$ -	\$ 25,443,000
FTE			0.000

3 Compensation Increase Reserve - Central Office and Noncertified Employees

Guarantees at least a 5% across-the-board increase for all state-funded employees. In addition to the 3% provided in SL 2023-134, most state employees receive an additional 2%, while employees paid on an experience-based salary schedule or with a salary set in law receive an additional 3%. State agency teacher salaries are increased in accordance with the statewide salary schedules. Corresponding special provisions show additional details on compensation increases.

Req	\$ 56,018,000	\$ -	\$ 56,018,000
Rec	\$ -	\$ -	\$ -
App	\$ 56,018,000	\$ -	\$ 56,018,000
FTE			0.000

4 Compensation Increase Reserve - DPI

Guarantees at least a 5% across-the-board increase for all state-funded employees. In addition to the 3% provided in SL 2023-134, most state employees receive an additional 2%, while employees paid on an experience-based salary schedule or with a salary set in law receive an additional 3%. State agency teacher salaries are increased in accordance with the statewide salary schedules. Corresponding special provisions show additional details on compensation increases.

Req	\$ 1,736,000	\$ -	\$ 1,736,000
Rec	\$ -	\$ -	\$ -
App	\$ 1,736,000	\$ -	\$ 1,736,000
FTE			0.000

5 Master's Pay

Respects the teaching profession by restoring master's pay for over 1,000 teachers whose advanced degrees are in the subjects they teach.

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

6 Position Fundshift Reserve - DPI

Establishes a Position Fundshift Reserve to provide the agency with additional flexibility to manage. The agency may use these funds to fundshift a limited number of positions, in whole or in part, from receipts to net appropriation support. Fundshifting positions will free up receipts, providing much needed availability for receipt-supported compensation increases. Agencies are required to provide legislative increases to receipt-supported positions but are often not able to raise the additional revenue needed to do so.

Req	\$ 762,000	\$ -	\$ 762,000
Rec	\$ -	\$ -	\$ -
App	\$ 762,000	\$ -	\$ 762,000
FTE			0.000

		R Changes	NR Changes	Adjustments
7 Retention Bonus - Public School Personnel				
Provides a \$1,000 bonus to net appropriation-supported employees and an additional \$500 bonus to employees with an annual salary of less than \$75,000. To address retention, the retention bonus will be paid in two installments with half of the bonus paid in October 2024 and half in April 2025.	Req \$	-	\$ 250,404,000	\$ 250,404,000
	Rec \$	-	-	-
	App \$	-	\$ 250,404,000	\$ 250,404,000
	FTE			0.000
8 Retention Bonus				
Provides a \$1,000 bonus to net appropriation-supported employees and an additional \$500 bonus to employees with an annual salary of less than \$75,000. To address retention, the retention bonus will be paid in two installments with half of the bonus paid in October 2024 and half in April 2025.	Req \$	-	\$ 1,031,000	\$ 1,031,000
	Rec \$	-	-	-
	App \$	-	\$ 1,031,000	\$ 1,031,000
	FTE			0.000
9 Enhanced Labor Market Retention and Adjustment Reserve				
Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported and receipt-supported payroll. The inclusion of funds for receipt-supported positions provides flexibility to agencies to address labor market concerns across all positions regardless of funding source. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. Among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.	Req \$	2,161,000	-	\$ 2,161,000
	Rec \$	-	-	-
	App \$	2,161,000	-	\$ 2,161,000
	FTE			0.000
10 Retiree Cost-of-Living Adjustment - Public School Personnel				
Provides a 3% one-time retiree supplement in FY 2024-25 for over 240,000 retired members and survivors of deceased members.	Req \$	-	\$ 62,738,020	\$ 62,738,020
	Rec \$	-	-	-
	App \$	-	\$ 62,738,020	\$ 62,738,020
	FTE			0.000
11 Retiree Cost-of-Living Adjustment - DPI				
Provides a 3% one-time retiree supplement in FY 2024-25 for over 240,000 retired members and survivors of deceased members.	Req \$	-	\$ 490,695	\$ 490,695
	Rec \$	-	-	-
	App \$	-	\$ 490,695	\$ 490,695
	FTE			0.000
Funding in Arrears Contingency Reserve				
12 Funding in Arrears ADM Contingency Reserve				
Appropriates funds to the ADM Contingency Reserve as directed in SL 2023-134 Section 7.20. These funds support public school unit (PSU) average daily membership (ADM) increases due to population growth, growing districts and charter schools, and new charter schools. A corresponding provision provides additional details.	Req \$	-	\$ 133,000,000	\$ 133,000,000
	Rec \$	-	-	-
	App \$	-	\$ 133,000,000	\$ 133,000,000
	FTE			0.000
Technical Adjustments				
13 ADM Technical Adjustment				
Increases funding for public school allotments based on ADM, including Low-Wealth, Children with Disabilities, and Limited English Proficiency, to reflect changes in student population. This adjustment includes a one-time \$200M decrease to comply with the legislatively mandated conversion to the funding in arrears model established in SL 2023-134 Section 7.20. This adjustment is necessary since the new model funds projected PSU growth through the ADM Contingency Reserve, instead of the ADM Technical Adjustment.	Req \$	(125,000,000)	-	\$ (125,000,000)
	Rec \$	-	-	-
	App \$	(125,000,000)	-	\$ (125,000,000)
	FTE			0.000
14 Average Salary Technical Adjustment				
Adjusts funding for teacher and instructional support salaries using school year 2023-24 actual sixth pay period average salary data as the revised projection base.	Req \$	16,500,000	-	\$ 16,500,000
	Rec \$	-	-	-
	App \$	16,500,000	-	\$ 16,500,000
	FTE			0.000
15 Non-ADM Technical Adjustment				
Adjusts funding for multiple public school allotments not based on ADM, such as transportation and school business systems. A corresponding special provision provides additional details on the Transportation Emergency Reserve funded through the nonrecurring portion of this item.	Req \$	27,000,000	10,000,000	\$ 37,000,000
	Rec \$	-	-	-
	App \$	27,000,000	10,000,000	\$ 37,000,000
	FTE			0.000

		R Changes	NR Changes	Adjustments
Staffing and Capacity Investments				
16 Teacher Recruitment Programs				
Provides funds to reduce teacher vacancy rates by expanding teacher candidate recruitment programs and funding a study to improve recruitment strategies. The study will include research and recommendations for a statewide system or entity to coordinate teacher recruitment and support.	Req	\$ 300,000	\$ 25,000	\$ 325,000
	Rec	\$ -	\$ -	\$ -
	App	\$ 300,000	\$ 25,000	\$ 325,000
	FTE			0.000
17 Residencies for High-Need Districts				
Establishes a matching grant program to support high-quality teacher preparation residency programs in high-need rural and urban districts. Evidence shows that teacher residency programs provide better hands-on training, lead to higher teacher retention rates, and can improve student outcomes. The State Board of Education may award grants for up to ten local school administrative units. An accompanying provision establishes research-based parameters, as well as evaluation and reporting requirements, to study the effectiveness of the program in North Carolina.	Req	\$ 5,000,000	\$ -	\$ 5,000,000
	Rec	\$ -	\$ -	\$ -
	App	\$ 5,000,000	\$ -	\$ 5,000,000
	FTE			0.000
18 NC Center for the Advancement of Teaching				
Provides funds for the NC Center for the Advancement of Teaching (NCCAT) to support the continued professional development of teachers in all regions and districts of the state. NCCAT provides teaching methods, content, mental health, and STEM training for teachers to use in their classrooms. These funds support operations and two faculty positions, an administrative support position, and a program associate position.	Req	\$ 500,000	\$ -	\$ 500,000
	Rec	\$ -	\$ -	\$ -
	App	\$ 500,000	\$ -	\$ 500,000
	FTE			4.000
19 Read to Achieve for Middle Grades Students				
Expands the Read to Achieve program to middle grades students. Data indicates that the program, grounded in the Science of Reading, has had a positive impact for North Carolina students in early grades. Recurring funds provide professional development to all middle school core teachers, extending state diagnostic reading assessments and literacy intervention plans to 4th and 5th graders, and adding nine secondary literacy positions for coordination and regional support. Nonrecurring funds include professional development and bonuses for teachers who complete the training. This item is funded through the State Public School Fund using receipts from the Civil Penalty and Forfeiture Fund.	Req	\$ 13,260,000	\$ 21,477,350	\$ 34,737,350
	Rec	\$ 10,000,000	\$ 15,000,000	\$ 25,000,000
	App	\$ 3,260,000	\$ 6,477,350	\$ 9,737,350
	FTE			9.000
20 Advanced Teaching Roles Program				
Expands the Advanced Teaching Roles program, which enables outstanding teachers to reach more students, by providing salary supplements for teacher leaders and supporting coaching and professional development. These investments allow additional districts to apply for one-time startup funds and enable school districts to provide clearer scopes of work, standardized common data reporting, and increased salary supplements for advanced teacher responsibilities.	Req	\$ 1,760,000	\$ -	\$ 1,760,000
	Rec	\$ -	\$ -	\$ -
	App	\$ 1,760,000	\$ -	\$ 1,760,000
	FTE			0.000
21 National Board Certification				
Funds the cost of National Board certification fees for 470 additional teachers annually with priority to educators in high-need and low-performing schools. Students of board certified teachers learn the equivalent of an extra one to two months' worth of instruction, and certified teachers earn a 12% supplement to their annual salary.	Req	\$ 900,000	\$ -	\$ 900,000
	Rec	\$ -	\$ -	\$ -
	App	\$ 900,000	\$ -	\$ 900,000
	FTE			0.000
22 Recruitment Bonuses for Small and Low-Wealth Counties				
Increases funding for district-level recruitment bonuses to attract certified teachers who will commit to teach in small and low-wealth counties. The revised net appropriation for these bonuses is \$6 million.	Req	\$ 1,700,000	\$ -	\$ 1,700,000
	Rec	\$ -	\$ -	\$ -
	App	\$ 1,700,000	\$ -	\$ 1,700,000
	FTE			0.000

		R Changes	NR Changes	Adjustments
23 Teacher Licensure Exam Preparation and Fee Support				
Provides recurring funds to sustain and expand supports for pre-service and beginning teachers in becoming fully-licensed teachers. Funds support one teacher licensure and compensation program consultant at DPI, as well as TeachNC licensure exam fee vouchers, fee reimbursement, and licensure exam preparation services.	Req \$	1,600,000	\$ -	\$ 1,600,000
	Rec \$	-	\$ -	-
	App \$	1,600,000	\$ -	\$ 1,600,000
	FTE			1.000
Targeted Student Investments				
24 Children With Disabilities				
Removes the 13% funding cap and increases funding for the Children with Disabilities allotment. Currently, children with disabilities account for more than 13% of ADM in 85 out of 115 school districts. The ADM technical adjustment adjusts funding for this allotment based on ADM changes, while these funds build on that adjustment.	Req \$	56,824,273	\$ -	\$ 56,824,273
	Rec \$	-	\$ -	-
	App \$	56,824,273	\$ -	\$ 56,824,273
	FTE			0.000
25 Disadvantaged Student Supplemental Fund				
Combines the At-Risk and Disadvantaged Student Supplemental Fund allotments and increases funding for the combined allotment. Purposes for this combined allotment include funding teachers and instructional support positions, providing intensive in-school and after school remediation, and providing professional development for teachers serving disadvantaged students.	Req \$	70,000,000	\$ -	\$ 70,000,000
	Rec \$	-	\$ -	-
	App \$	70,000,000	\$ -	\$ 70,000,000
	FTE			0.000
26 Supplemental Funding for Low-Wealth Counties				
Increases funding for 69 eligible low-wealth counties that have limited capacity to generate local revenue to support public schools. The 13% increase to this allotment helps those counties enhance instruction and student achievement by providing additional teachers and instructional support, instructional supplies and materials, and staff development. The ADM technical adjustment adjusts funding for this allotment based on ADM changes, while these funds build on that adjustment.	Req \$	40,000,000	\$ -	\$ 40,000,000
	Rec \$	-	\$ -	-
	App \$	40,000,000	\$ -	\$ 40,000,000
	FTE			0.000
27 Limited English Proficiency Allotment				
Removes the 10.6% funding cap and increases funding for the Limited English Proficiency allotment. Schools with more than 10.6% of their average daily membership qualifying for English language learning support currently receive no additional funds for classroom teachers, textbooks, staff development, and other supports needed to help these students thrive. The ADM technical adjustment adjusts funding for this allotment based on ADM changes, while these funds build on that adjustment.	Req \$	20,000,000	\$ -	\$ 20,000,000
	Rec \$	-	\$ -	-
	App \$	20,000,000	\$ -	\$ 20,000,000
	FTE			0.000
28 Teacher Assistants				
Funds 700 additional teacher assistants to support K-3 students more effectively by aligning more closely with nationally recommended student-to-staff ratios. This represents an 11% increase in the number of teacher assistants funded by the allotment. This item is supported by Education Lottery receipts.	Req \$	30,000,000	\$ -	\$ 30,000,000
	Rec \$	30,000,000	\$ -	\$ 30,000,000
	App \$	-	\$ -	-
	FTE			0.000
Targeted District Supports				
29 School Health Personnel				
Supports student mental and physical health by providing additional funding for school counselors, nurses, social workers, and psychologists through the School Health Personnel allotment. Funds also provide school districts flexibility so that they can strategically hire school health personnel to best meet student needs. This item will fund about 575 new positions and is partially supported by Education Lottery receipts.	Req \$	44,548,449	\$ -	\$ 44,548,449
	Rec \$	8,100,000	\$ -	\$ 8,100,000
	App \$	36,448,449	\$ -	\$ 36,448,449
	FTE			0.000
30 District and Regional Support				
Provides recurring funding to continue and enhance the THRIVE district and regional support model, which provides targeted and comprehensive assistance to low-performing and high poverty schools and districts through professional learning, coaching, systems design, and capacity building.	Req \$	19,000,000	\$ -	\$ 19,000,000
	Rec \$	-	\$ -	-
	App \$	19,000,000	\$ -	\$ 19,000,000
	FTE			0.000

		R Changes	NR Changes	Adjustments
31 Community Schools				
Establishes a pilot grant program providing funding to high poverty schools that adopt a Community Schools or other evidence-based model to address out of school barriers to learning. This investment includes funding a full-time school-based coordinator to assess local needs and assets and to integrate social, academic, and health supports in coordination with school support personnel.	Req \$	6,000,000	\$ -	\$ 6,000,000
	Rec \$	-	\$ -	\$ -
	App \$	6,000,000	\$ -	\$ 6,000,000
	FTE			1.000
32 Reduced-Price Lunch Co-Pays				
Provides funds to offset the co-pays for students eligible for reduced-price lunches in schools participating in the National School Lunch Program. Research shows that receiving free lunch improves school attendance and decreases food insecurity and suspensions.	Req \$	900,000	\$ -	\$ 900,000
	Rec \$	-	\$ -	\$ -
	App \$	900,000	\$ -	\$ 900,000
	FTE			0.000
33 Classroom Materials				
Provides funds to help schools access high-quality instructional materials and supplies through the Classroom Materials Allotment. Schools often rely on parents, teachers, and community drives for needed supplies, which disadvantages low-wealth school districts. This item is supported by receipts from the Indian Gaming Education Fund.	Req \$	1,000,000	\$ 4,000,000	\$ 5,000,000
	Rec \$	1,000,000	\$ 4,000,000	\$ 5,000,000
	App \$	-	\$ -	\$ -
	FTE			0.000
34 North Carolina Virtual Public School				
Revises the funding approach for the NC Virtual Public School (NCVPS) and offsets the costs for local school administrative units and charter schools to participate. This change removes the fundamental cost barrier that prevents students in low-wealth districts from accessing a wide range of NCVPS classes, from credit recovery to Advanced Placement.	Req \$	3,000,000	\$ -	\$ 3,000,000
	Rec \$	-	\$ -	\$ -
	App \$	3,000,000	\$ -	\$ 3,000,000
	FTE			0.000
35 Career Development Coordinators				
Provides funds for a Career and Postsecondary Planning Director in DPI's Career and Technical Education Division to focus on career planning in grades 5-12 and phases in funding to increase the number of school-based Career Development Coordinators (CDCs) for grades 6-12. CDCs facilitate linkages with parents, business/industry, postsecondary institutions, workforce boards, and community organizations to support students' transition to postsecondary education and employment.	Req \$	10,000,000	\$ -	\$ 10,000,000
	Rec \$	-	\$ -	\$ -
	App \$	10,000,000	\$ -	\$ 10,000,000
	FTE			1.000
Agency Capacity and IT Upgrades				
36 Uniform Education Reporting System Cost Increases				
Increases funding for the Uniform Education Reporting System (UERS), which enables consistent statewide reporting on student grades, attendance, graduation rates, and other student data. North Carolina's student information systems help educators, students, and their families track academic progress and tailor supports.	Req \$	12,820,392	\$ -	\$ 12,820,392
	Rec \$	-	\$ -	\$ -
	App \$	12,820,392	\$ -	\$ 12,820,392
	FTE			0.000
37 K12 Cybersecurity Services - Endpoint				
Promotes school cybersecurity by funding endpoint protection licenses for 250,000 K-12 business servers and staff computers.	Req \$	3,400,000	\$ -	\$ 3,400,000
	Rec \$	-	\$ -	\$ -
	App \$	3,400,000	\$ -	\$ 3,400,000
	FTE			0.000
38 Network Asset Discovery				
Provides funds for 1.5 million network asset discovery licenses for PSUs to scan internal networks and identify cybersecurity risks.	Req \$	800,000	\$ -	\$ 800,000
	Rec \$	-	\$ -	\$ -
	App \$	800,000	\$ -	\$ 800,000
	FTE			0.000
39 K12 Regional Cybersecurity Support				
Funds four regional IT Security and Compliance Specialist II positions to work with PSUs to drive adoption of cybersecurity program initiatives, develop tailored cybersecurity improvement plans, and provide general guidance and support.	Req \$	547,000	\$ -	\$ 547,000
	Rec \$	-	\$ -	\$ -
	App \$	547,000	\$ -	\$ 547,000
	FTE			4.000

		R Changes	NR Changes	Adjustments
40 School Business Systems Modernization ERP Grant Program				
Invests funds from the IT Reserve to support PSUs migrating to cloud-based Enterprise Resource Planning (ERP) systems. Funds for this project will be allocated to the department over the life of the project.	Req \$	-	-	-
	Rec \$	-	-	-
	App \$	-	-	-
	FTE			0.000
41 Office of Equity Affairs				
Establishes the Office of Equity Affairs at DPI to direct the recruitment and retention of a diverse educator workforce that is representative of the state's student population.	Req \$	400,000	-	400,000
	Rec \$	-	-	-
	App \$	400,000	-	400,000
	FTE			1.000
42 Whole System Apprenticeships Model				
Funds one FTE at the Department of Public Instruction to work with the Department of Commerce and ApprenticeshipNC to develop a 'whole system' model of apprenticeships from high school through higher education, leveraging funds provided by the Workforce Innovation and Opportunity Act (WIOA) as well as from other sources. The Department of Commerce and ApprenticeshipNC will each create a similar position to support this work, as set out in their respective sections of the budget.	Req \$	134,000	-	134,000
	Rec \$	-	-	-
	App \$	134,000	-	134,000
	FTE			1.000
43 Agency Financial Services Staffing				
Provides funds for positions to support DPI's central financial infrastructure. Funds support three full-time equivalent positions within DPI's Agency Financial Services: Charter Schools Program Analyst, Auditor, and Accounting Systems Program Analyst.	Req \$	453,000	-	453,000
	Rec \$	-	-	-
	App \$	453,000	-	453,000
	FTE			3.000
Residential Schools				
44 Residential Schools Coordinators				
Provides for the effective and efficient operation and support of North Carolina's residential schools. This proposal funds five full-time equivalent positions to meet residential schools' operational needs: Business Officer II, HR Division Director I, IT Director I, Procurement Specialist III, and Administrative Specialist II. A corresponding special provision provides additional details on this change.	Req \$	685,000	-	685,000
	Rec \$	-	-	-
	App \$	685,000	-	685,000
	FTE			5.000
Total Change to Requirements		\$ 682,861,114	\$ 483,166,065	\$ 1,166,027,179
Total Change to Receipts		\$ 49,100,000	\$ 19,000,000	\$ 68,100,000
Total Change to Net Appropriation		\$ 633,761,114	\$ 464,166,065	\$ 1,097,927,179
Total Change to Full-Time Equivalent (FTE)				30.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$	1,097,927,179	
Recommended Total FTE Changes				30.000

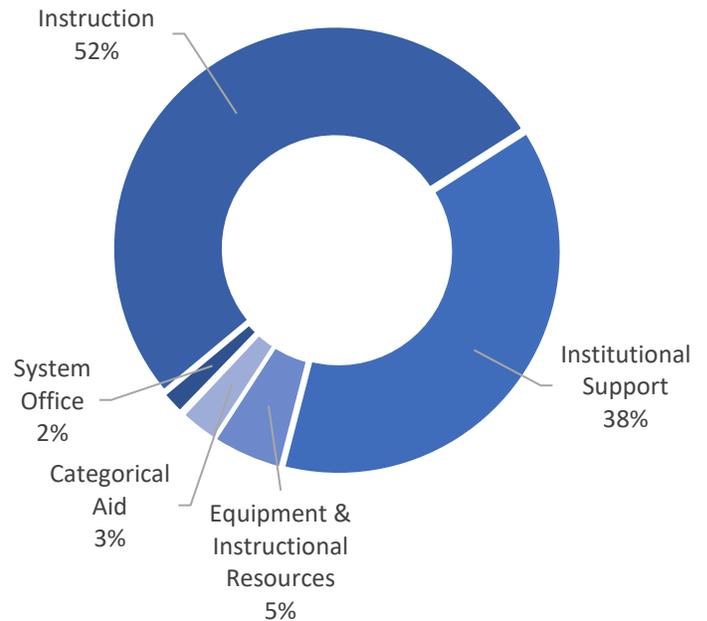
Mission

To open the door to high-quality, accessible educational opportunities that minimize barriers to post-secondary education; maximize student success; develop a globally and multi-culturally competent workforce; and improve the lives and well-being of individuals by providing education, training and retraining for the workforce, support for economic development, and services to communities and individuals.

Goals

1. Recruit and retain top talent to enable the North Carolina Community College System to educate and prepare the state’s workforce.
2. Increase access and enrollment at North Carolina community colleges to meet the state’s educational attainment goal and expand postsecondary opportunities.
3. Provide resources inside and outside the classroom for all students to successfully enroll, persist, and complete a career program of study.
4. Provide education, training, and credentials to develop the most competitive workforce in the nation.
5. Increase state funding, streamline the allocation formula, and implement practices to improve system effectiveness.

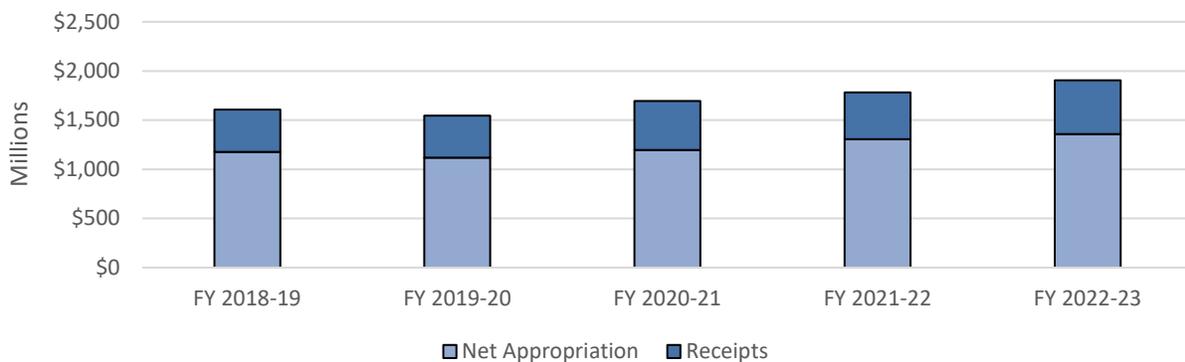
FY 2022-23 Actual Expenditures



Agency Profile

- In 2021-22, NCCCS served almost 575,000 students, enrolled in academic, workforce continuing education, and literacy courses, at 58 colleges across the state.
- In 2021-22, more than 65,000 certificates, diplomas, and associate degrees were awarded.
- Supports economic development and job creation in every county in the state through the Customized Training Program and Small Business Center Network.

5-Year Historical Expenditures



Charts include General Fund budget codes only.

NC Community Colleges System (16800)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	1,847,256,176	1,879,425,960	1,904,011,556	122,866,685	80,587,401	203,454,086	2,107,465,642
Receipts	493,990,512	403,685,353	388,408,799	-	40,000,000	40,000,000	428,408,799
Net Appropriation	1,353,265,664	1,475,740,607	1,515,602,757	122,866,685	40,587,401	163,454,086	1,679,056,843
Positions (FTE)	232.550	216.010	216.010			3.000	219.010

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments

Reserve for Salaries and Benefits

1 Compensation Increase Reserve - System Office

Guarantees at least a 5% across-the-board increase for all state-funded employees. In addition to the 3% provided in SL 2023-134, most state employees receive an additional 2%, while employees paid on an experience-based salary schedule or with a salary set in law receive an additional 3%. State agency teacher salaries are increased in accordance with the statewide salary schedules. Corresponding special provisions show additional details on compensation increases.

Req \$	463,000	\$	-	\$	463,000
Rec \$	-	\$	-	\$	-
App \$	463,000	\$	-	\$	463,000
FTE					0.000

2 Compensation Increase Reserve - Community Colleges

Guarantees at least a 5% across-the-board increase for all state-funded employees. In addition to the 3% provided in SL 2023-134, most state employees receive an additional 2%, while employees paid on an experience-based salary schedule or with a salary set in law receive an additional 3%. State agency teacher salaries are increased in accordance with the statewide salary schedules. Corresponding special provisions show additional details on compensation increases.

Req \$	27,925,000	\$	-	\$	27,925,000
Rec \$	-	\$	-	\$	-
App \$	27,925,000	\$	-	\$	27,925,000
FTE					0.000

3 Position Fundshift Reserve - System Office

Establishes a Position Fundshift Reserve to provide the agency with additional flexibility to manage. The agency may use these funds to fundshift a limited number of positions, in whole or in part, from receipts to net appropriation support. Fundshifting positions will free up receipts, providing much needed availability for receipt-supported compensation increases. Agencies are required to provide legislative increases to receipt-supported positions but are often not able to raise the additional revenue needed to do so.

Req \$	123,000	\$	-	\$	123,000
Rec \$	-	\$	-	\$	-
App \$	123,000	\$	-	\$	123,000
FTE					0.000

4 Retention Bonus - System Office

Provides a \$1,000 bonus to net appropriation-supported employees and an additional \$500 bonus to employees with an annual salary of less than \$75,000. To address retention, the retention bonus will be paid in two installments with half of the bonus paid in October 2024 and half in April 2025.

Req \$	-	\$	233,000	\$	233,000
Rec \$	-	\$	-	\$	-
App \$	-	\$	233,000	\$	233,000
FTE					0.000

5 Retention Bonus - Community Colleges

Provides a \$1,000 bonus to net appropriation-supported employees and an additional \$500 bonus to employees with an annual salary of less than \$75,000. To address retention, the retention bonus will be paid in two installments with half of the bonus paid in October 2024 and half in April 2025.

Req \$	-	\$	26,872,000	\$	26,872,000
Rec \$	-	\$	-	\$	-
App \$	-	\$	26,872,000	\$	26,872,000
FTE					0.000

6 Enhanced Labor Market Retention and Adjustment Reserve - System Office

Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported and receipt-supported payroll. The inclusion of funds for receipt-supported positions provides flexibility to agencies to address labor market concerns across all positions regardless of funding source. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. Among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.

Req \$	586,000	\$	-	\$	586,000
Rec \$	-	\$	-	\$	-
App \$	586,000	\$	-	\$	586,000
FTE					0.000

		R Changes		NR Changes		Adjustments
7 Enhanced Labor Market Retention and Adjustment Reserve - Community Colleges						
Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported and receipt-supported payroll. The inclusion of funds for receipt-supported positions provides flexibility to agencies to address labor market concerns across all positions regardless of funding source. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. Among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.	Req \$	27,925,000	\$	-	\$	27,925,000
	Rec \$	-	\$	-	\$	-
	App \$	27,925,000	\$	-	\$	27,925,000
	FTE					0.000
8 Retiree Cost-of-Living Adjustment - System Office						
Provides a 3% one-time retiree supplement in FY 2024-25 for over 240,000 retired members and survivors of deceased members.	Req \$	-	\$	162,538	\$	162,538
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	162,538	\$	162,538
	FTE					0.000
9 Retiree Cost-of-Living Adjustment - Community Colleges						
Provides a 3% one-time retiree supplement in FY 2024-25 for over 240,000 retired members and survivors of deceased members.	Req \$	-	\$	9,216,363	\$	9,216,363
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	9,216,363	\$	9,216,363
	FTE					0.000
10 Community College Instructor Bonuses						
Provides a 10% per course bonus for full-time and adjunct instructors who teach courses inside correctional facilities. This item also includes funds to evaluate the effectiveness of bonuses to attract faculty to teach inside correctional facilities. Community Colleges play a key role in education for incarcerated individuals. Obtaining an associate's degree significantly reduces recidivism rates. Currently, over 75 community college courses are offered in prisons across the state.	Req \$	3,100,000	\$	-	\$	3,100,000
	Rec \$	-	\$	-	\$	-
	App \$	3,100,000	\$	-	\$	3,100,000
	FTE					0.000
Student Investment						
11 Enrollment Growth Adjustment						
Adjusts funds for FY 2024-25 based on the increase in community college enrollment. Community college enrollment increased by 4.6%, or 10,435 full-time equivalent students.	Req \$	25,000,000	\$	-	\$	25,000,000
	Rec \$	-	\$	-	\$	-
	App \$	25,000,000	\$	-	\$	25,000,000
	FTE					0.000
12 Propel NC Funding Model Adjustment						
Provides funding to implement a new labor-market driven funding model, Propel NC. The State Board of Community Colleges will work with the Department of Commerce to allocate these funds to the workforce sectors aligned with the State's high-demand, high-salary jobs. This new funding model will help streamline degree attainment and prepare a well-trained workforce to meet the demands of the State's growing economy.	Req \$	34,291,805	\$	-	\$	34,291,805
	Rec \$	-	\$	-	\$	-
	App \$	34,291,805	\$	-	\$	34,291,805
	FTE					0.000
13 Enrollment Increase Reserve						
Invests recurring funds to establish an enrollment increase reserve. This reserve will provide funding for individual colleges experiencing an enrollment increase greater than budgeted enrollment levels.	Req \$	3,000,000	\$	-	\$	3,000,000
	Rec \$	-	\$	-	\$	-
	App \$	3,000,000	\$	-	\$	3,000,000
	FTE					0.000
14 Advance NC Training Programs Lead						
Expands the capacity of Advance NC to work with program partners to establish training programs that meet the needs of new and existing employers. This investment funds one position at Advance NC, a coalition of community colleges across 18 counties. This coalition works with the UNC system and workforce development boards to train more than 10,000 employees required for new advanced manufacturing facilities.	Req \$	150,000	\$	-	\$	150,000
	Rec \$	-	\$	-	\$	-
	App \$	150,000	\$	-	\$	150,000
	FTE					1.000

		R Changes		NR Changes		Adjustments
15 Central Carolina Community College – Moore Center						
Provides funds from the Economic Development Reserve to complete construction of the Moore Center at Central Carolina Community College. The Moore Center will be used as a shared training center by Advance NC to train staff for new and expanding employers in the electric vehicle manufacturing supply chain, semiconductors, and life sciences.	Req \$	-	\$	40,000,000	\$	40,000,000
	Rec \$	-	\$	40,000,000	\$	40,000,000
	App \$	-	\$	-	\$	-
	FTE					0.000
16 Community College Electric Vehicle Workforce						
Provides funding to the North Carolina Community College System to be allocated on a competitive basis to community colleges for fast chargers and electric vehicle (EV) servicing equipment. This equipment will enable community colleges to train the next generation of mechanics, auto-repair workers, and electricians working on EVs and EV charging networks. Registered zero emission vehicles grew by more than 80,000 in NC, since 2018, with a goal of 1.25 million by 2030.	Req \$	-	\$	4,000,000	\$	4,000,000
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	4,000,000	\$	4,000,000
	FTE					0.000
17 Whole System Apprenticeships Model						
Funds one FTE at ApprenticeshipNC to work with the Departments of Commerce and Public Instruction to develop a 'whole system' model of apprenticeships from high school through higher education, leveraging funds provided by the Workforce Innovation and Opportunity Act (WIOA) as well as from other sources.	Req \$	133,000	\$	-	\$	133,000
	Rec \$	-	\$	-	\$	-
	App \$	133,000	\$	-	\$	133,000
	FTE					1.000
18 Program Evaluation Funds						
Provides funds to the NC Community College System Office to evaluate the effectiveness of the Child Care Grant Program that was appropriated an additional \$1.2 million in recurring funds in SL 2023-134. The evaluation will assess the program's effectiveness and propose adjustments that would support more parents seeking community college education.	Req \$	-	\$	100,000	\$	100,000
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	100,000	\$	100,000
	FTE					0.000
Department-wide						
19 Internal Auditor Position						
Funds an Internal Audit Manager as recommended by the Council of Internal Auditing. This position will oversee the delivery of current workload and ensure the office has at least two internal auditors. Regardless of budget size, the Council of Internal Auditing recommends that all agencies have at least two auditors for quality assurance and review purposes. Additional audit staff will improve efficiency, effectiveness, and compliance with state laws and internal policies within the agency.	Req \$	169,880	\$	3,500	\$	173,380
	Rec \$	-	\$	-	\$	-
	App \$	169,880	\$	3,500	\$	173,380
	FTE					1.000
Total Change to Requirements		\$ 122,866,685		\$ 80,587,401		\$ 203,454,086
Total Change to Receipts		\$ -		\$ 40,000,000		\$ 40,000,000
Total Change to Net Appropriation		\$ 122,866,685		\$ 40,587,401		\$ 163,454,086
Total Change to Full-Time Equivalent (FTE)						3.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$		163,454,086		
Recommended Total FTE Changes						3.000

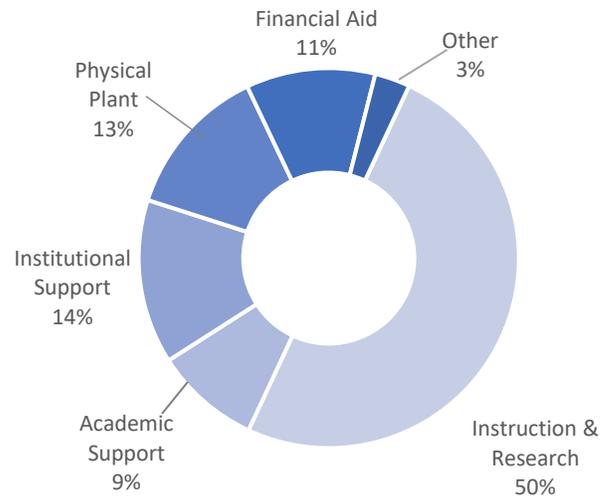
Mission

To discover, create, transmit, and apply knowledge to address the needs of individuals and society. This is accomplished through instruction, which communicates knowledge and values and imparts the skills necessary for individuals to lead responsible, productive, and personally satisfying lives; through research, scholarship, and creative activities, which advance knowledge and enhance the educational process; and through public service, which contributes to the solution of societal problems and enriches the quality of life in the state.

Goals

1. Increase access to higher education for underserved populations.
2. Increase undergraduate student success.
3. Make progress on equity gaps by race/ethnicity and income.
4. Increase graduate student success.
5. Improve student mental health.
6. Increase affordability.
7. Improve University productivity.
8. Increase the System’s contribution to the state’s critical workforces.
9. Increase research productivity.
10. Increase military partnerships.
11. Improve the employee experience.
12. Improve faculty and staff retention.

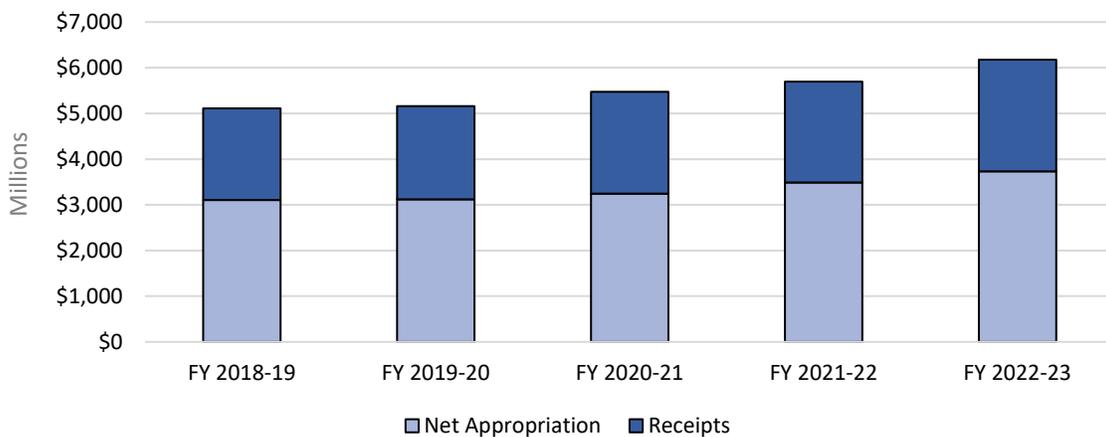
FY 2022-23 Actual Expenditures



Agency Profile

- Served 242,500 students enrolled in the 17 System institutions across the state in 2023.
- In 2023, brought in more than \$1.9 billion in grants for innovative research and scholarship across the UNC System.

5-Year Historical Expenditures



Charts include General Fund budget codes only.

The University of North Carolina (160XX)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	6,279,550,637	6,490,678,264	6,623,783,509	80,266,815	70,564,287	150,831,102	6,774,614,611
Receipts	2,466,198,176	2,225,535,020	2,216,294,446	14,000,000	8,000,000	22,000,000	2,238,294,446
Net Appropriation	3,813,352,461	4,265,143,244	4,407,489,063	66,266,815	62,564,287	128,831,102	4,536,320,165
Positions (FTE)	35,589.314	36,187.649	36,187.649			0.000	36,187.649

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments
Reserve for Salaries and Benefits			
1 Compensation Increase Reserve			
Guarantees at least a 5% across-the-board increase for all state-funded employees. In addition to the 3% provided in SL 2023-134, most state employees receive an additional 2%, while employees paid on an experience-based salary schedule or with a salary set in law receive an additional 3%. State agency teacher salaries are increased in accordance with the statewide salary schedules. Corresponding special provisions show additional details on compensation increases.	Req \$	75,744,000	\$ - \$ 75,744,000
	Rec \$	-	\$ - \$ -
	App \$	75,744,000	\$ - \$ 75,744,000
	FTE		0.000
2 Position Fundshift Reserve			
Establishes a Position Fundshift Reserve to provide the agency with additional flexibility to manage. The agency may use these funds to fundshift a limited number of positions, in whole or in part, from receipts to net appropriation support. Fundshifting positions will free up receipts, providing much needed availability for receipt-supported compensation increases. Agencies are required to provide legislative increases to receipt-supported positions but are often not able to raise the additional revenue needed to do so.	Req \$	3,944,000	\$ - \$ 3,944,000
	Rec \$	-	\$ - \$ -
	App \$	3,944,000	\$ - \$ 3,944,000
	FTE		0.000
3 Retention Bonus			
Provides a \$1,000 bonus to net appropriation-supported employees and an additional \$500 bonus to employees with an annual salary of less than \$75,000. To address retention, the retention bonus will be paid in two installments with half of the bonus paid in October 2024 and half in April 2025.	Req \$	-	\$ 50,908,000 \$ 50,908,000
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 50,908,000 \$ 50,908,000
	FTE		0.000
4 Enhanced Labor Market Retention and Adjustment Reserve			
Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported and receipt-supported payroll. The inclusion of funds for receipt-supported positions provides flexibility to agencies to address labor market concerns across all positions regardless of funding source. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. Among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.	Req \$	79,319,000	\$ - \$ 79,319,000
	Rec \$	-	\$ - \$ -
	App \$	79,319,000	\$ - \$ 79,319,000
	FTE		0.000
5 Retiree Cost-of-Living Adjustment			
Provides a 3% one-time retiree supplement in FY 2024-25 for over 240,000 retired members and survivors of deceased members.	Req \$	-	\$ 10,961,941 \$ 10,961,941
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 10,961,941 \$ 10,961,941
	FTE		0.000
Systemwide			
6 Performance-Weighted Enrollment Funding			
Provides funds to the UNC Board of Governors to reflect the change in enrollment and performance of the constituent institutions of the University of North Carolina.	Req \$	46,564,200	\$ - \$ 46,564,200
	Rec \$	-	\$ - \$ -
	App \$	46,564,200	\$ - \$ 46,564,200
	FTE		0.000
7 Additional HBCU and HMSI Enrollment Adjustment			
Provides additional funds allocated to Elizabeth City State University, North Carolina Central University, UNC Pembroke, and Winston-Salem State University as the UNC System shifts to the Performance-Weighted Enrollment Model.	Req \$	-	\$ 637,140 \$ 637,140
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 637,140 \$ 637,140
	FTE		0.000

		R Changes		NR Changes		Adjustments
8 Completion Assistance Program						
Invests funds from the Escheats Fund for the program to increase graduation rates at Elizabeth City State University, Fayetteville State University, North Carolina Central University, UNC-Asheville, UNC-Pembroke, and Winston-Salem State University. This investment will provide aid to students who are on track to graduate but are in danger of dropping out due to financial shortfalls.	Req \$	10,500,000	\$	(2,000,000)	\$	8,500,000
	Rec \$	10,500,000	\$	(2,000,000)	\$	8,500,000
	App \$	-	\$	-	\$	-
	FTE					0.000
9 HBCU Student Success Initiatives						
Provides additional funding to be utilized for academic advising, mentoring, supplemental instruction, cohort-based student supports, and other student success strategies at Historically Black Colleges and Universities (HBCUs) in the UNC System. Each HBCU will receive approximately \$100 per undergraduate FTE.	Req \$	2,809,800	\$	-	\$	2,809,800
	Rec \$	-	\$	-	\$	-
	App \$	2,809,800	\$	-	\$	2,809,800
	FTE					0.000
10 Mental Health and Suicide Prevention Supports for Postsecondary Students						
Provides funds for the UNC System to continue the expansion of evidence-based strategies, such as Mental Health First Aid Training; Question, Persuade, Respond (QPR) suicide prevention training; and Hilsinski's Hope. Strategies like these support student mental health needs and assist in suicide prevention efforts across the state's public and private colleges and universities and community colleges.	Req \$	1,000,000	\$	-	\$	1,000,000
	Rec \$	-	\$	-	\$	-
	App \$	1,000,000	\$	-	\$	1,000,000
	FTE					0.000
11 Building Reserves						
Provides maintenance and operational funding for the Joiner Hall academic building, and for other buildings on the North Carolina School of Science and Mathematics Morganton Campus that are opening in Fall 2024.	Req \$	709,282	\$	50,206	\$	759,488
	Rec \$	-	\$	-	\$	-
	App \$	709,282	\$	50,206	\$	759,488
	FTE					0.000
12 Internal Auditor Positions						
Funds internal auditors in the UNC System to meet recommendations of the Council of Internal Auditing. Additional audit staff will improve efficiency, effectiveness, and compliance with state laws and internal policies. Fayetteville State University and UNC Asheville will each receive one auditor position.	Req \$	248,262	\$	7,000	\$	255,262
	Rec \$	-	\$	-	\$	-
	App \$	248,262	\$	7,000	\$	255,262
	FTE					0.000
13 Opportunity Scholarship Moratorium						
Reduces funding to reflect an Opportunity Scholarship Program moratorium that freezes vouchers at 2023-24 levels and offers no new awards, adds program accountability, and gradually decreases future appropriations. These public funds will instead fund public school students and teachers.	Req \$	(174,171,729)	\$	-	\$	(174,171,729)
	Rec \$	-	\$	-	\$	-
	App \$	(174,171,729)	\$	-	\$	(174,171,729)
	FTE					0.000
14 College Advising Corps						
Provides matching funds to the College Advising Corps to expand the placement of college advisers in low wealth districts in North Carolina public schools. This investment increases public school students' access to postsecondary degree or certificate attainment at community colleges and universities, and a corresponding special provision extends these benefits to all 100 counties of the state.	Req \$	3,000,000	\$	-	\$	3,000,000
	Rec \$	-	\$	-	\$	-
	App \$	3,000,000	\$	-	\$	3,000,000
	FTE					0.000
15 NC Principal Fellows Program						
Expands funding for North Carolina Principal Fellows Program to prepare up to 300 new principals annually to invest in training school leaders who will help improve the quality of public schools.	Req \$	8,200,000	\$	-	\$	8,200,000
	Rec \$	-	\$	-	\$	-
	App \$	8,200,000	\$	-	\$	8,200,000
	FTE					0.000
16 NC New Teacher Support Program						
Expands support for the North Carolina Teacher Support Program to mentor, increase effectiveness, enhance skills, and reduce attrition among beginning teachers at low-performing and high-poverty schools.	Req \$	4,000,000	\$	-	\$	4,000,000
	Rec \$	-	\$	-	\$	-
	App \$	4,000,000	\$	-	\$	4,000,000
	FTE					0.000

		R Changes		NR Changes		Adjustments
17 Partnership Teach						
Provides funding for the expansion of Partnership Teach, an online degree program at ECU's College of Education that increases the number of high-quality teachers in local communities by encouraging students to engage in the teaching profession and supporting their professional development.	Req \$	2,200,000	\$	-	\$	2,200,000
	Rec \$	-	\$	-	\$	-
	App \$	2,200,000	\$	-	\$	2,200,000
	FTE					0.000
18 North Carolina Teaching Fellows						
Increases funding for the NC Teaching Fellows program to expand the pipeline of well-prepared teachers committed to teaching in North Carolina. Additional funds could provide support for up to 490 new candidates. A corresponding special provision extends eligibility for the program to all institutions with an approved educator preparation program and to students preparing for any licensure area, improves opportunities for candidates of color, and expands program support and enhancement.	Req \$	4,700,000	\$	-	\$	4,700,000
	Rec \$	-	\$	-	\$	-
	App \$	4,700,000	\$	-	\$	4,700,000
	FTE					0.000
19 NC Center on the Workforce for Health						
Provides support from the Strategic Workforce Trust (SWFT) fund to the North Carolina Area Health Education Centers (NC AHEC) to establish the NC Center on the Workforce for Health. The Center will utilize data-driven analysis and other critical resources to better understand and target interventions to help address the estimated shortage of 12,500 Registered Nurses and 5,000 Licensed Practical Nurses by 2033. Funds will help ensure the supply of other health and direct care workers meets demand across the state. The Center will also create two positions to lead statewide work on strengthening the direct care workforce across multiple settings and populations.	Req \$	2,500,000	\$	-	\$	2,500,000
	Rec \$	2,500,000	\$	-	\$	2,500,000
	App \$	-	\$	-	\$	-
	FTE					0.000
20 Expanding the Nursing Workforce						
Provides funds to NC AHEC from the SWFT fund to expand the Clinical Instructor Partnership, Clinical Site Development, and the Educational Mobility programs. These programs are designed to expand the nursing workforce by creating new clinical training sites, increasing the nursing faculty workforce, providing continued professional development, and developing new pathways into nursing.	Req \$	1,000,000	\$	-	\$	1,000,000
	Rec \$	1,000,000	\$	-	\$	1,000,000
	App \$	-	\$	-	\$	-
	FTE					0.000
North Carolina Independent Colleges and Universities						
21 NCICU Principal Preparation Program						
Provides support for the North Carolina Independent Colleges and Universities (NCICU) member institutions that offer principal preparation programs. NCICU member institutions have produced 828 graduates from principal preparation programs since 2019.	Req \$	3,000,000	\$	-	\$	3,000,000
	Rec \$	-	\$	-	\$	-
	App \$	3,000,000	\$	-	\$	3,000,000
	FTE					0.000
22 Growing the Healthcare Workforce						
Provides funds from the SWFT fund to the UNC Board of Governors to make a grant to NCICU to increase the number of health care professionals trained at private colleges and universities across the state.	Req \$	-	\$	10,000,000	\$	10,000,000
	Rec \$	-	\$	10,000,000	\$	10,000,000
	App \$	-	\$	-	\$	-
	FTE					0.000
23 NC Needs Based Scholarship for Private Colleges and Universities						
Increases scholarship funds for North Carolina residents attending North Carolina Independent Colleges and Universities member institutions.	Req \$	5,000,000	\$	-	\$	5,000,000
	Rec \$	-	\$	-	\$	-
	App \$	5,000,000	\$	-	\$	5,000,000
	FTE					0.000
Total Change to Requirements		\$ 80,266,815		\$ 70,564,287		\$ 150,831,102
Total Change to Receipts		\$ 14,000,000		\$ 8,000,000		\$ 22,000,000
Total Change to Net Appropriation		\$ 66,266,815		\$ 62,564,287		\$ 128,831,102
Total Change to Full-Time Equivalent (FTE)						0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$		128,831,102		
Recommended Total FTE Changes				0.000		

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Mission

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

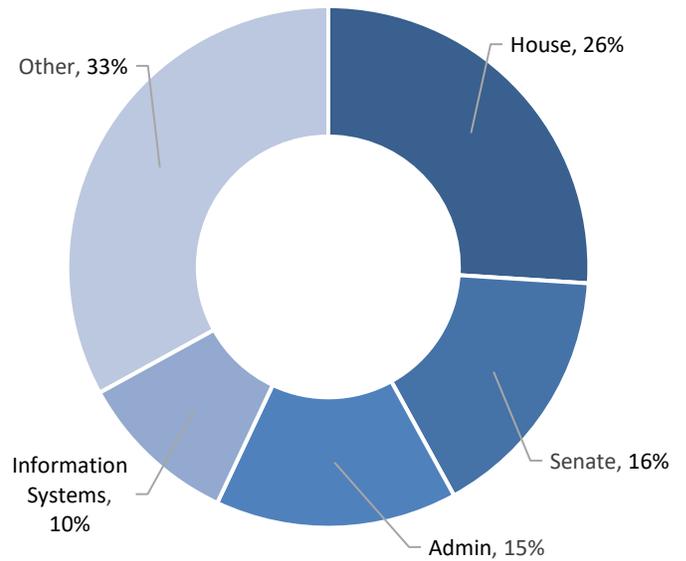
Goals

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.

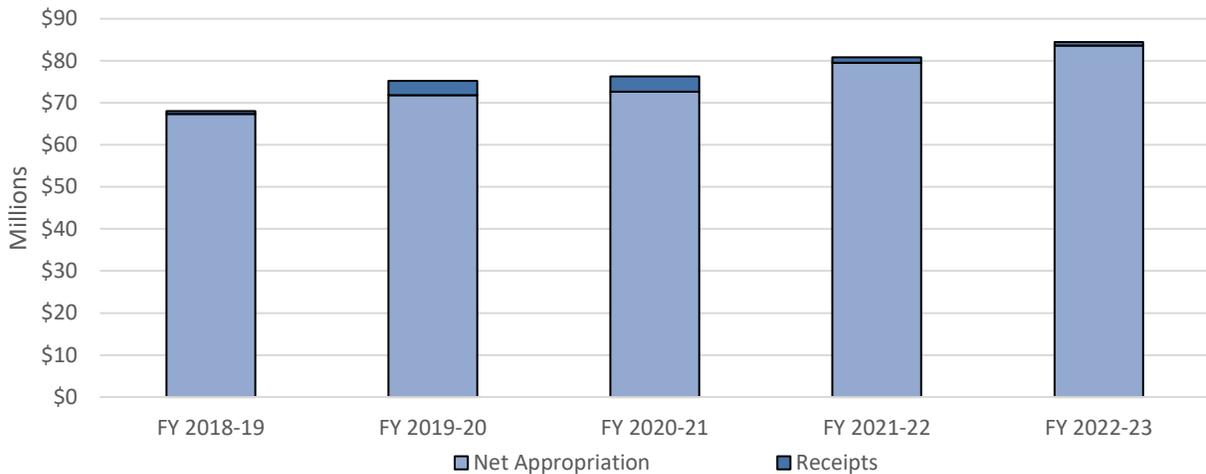
Agency Profile

- 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 2022-23 Actual Expenditures



5-Year Historical Expenditures



Charts include General Fund budget code only.

General Assembly (11000)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	84,477,192	100,869,872	100,286,556	2,522,000	1,503,325	4,025,325	104,311,881
Receipts	878,032	1,180,928	561,000	-	-	-	561,000
Net Appropriation	83,599,159	99,688,944	99,725,556	2,522,000	1,503,325	4,025,325	103,750,881
Positions (FTE)	521.350	577.460	577.460			0.000	577.460

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments
Reserve for Salaries and Benefits			
1 Compensation Increase Reserve			
Guarantees at least a 5% across-the-board increase for all state-funded employees. In addition to the 3% provided in SL 2023-134, most state employees receive an additional 2%, while employees paid on an experience-based salary schedule or with a salary set in law receive an additional 3%. State agency teacher salaries are increased in accordance with the statewide salary schedules. Corresponding special provisions show additional details on compensation increases.	Req \$	1,261,000	\$ - \$ 1,261,000
	Rec \$	-	\$ - \$ -
	App \$	1,261,000	\$ - \$ 1,261,000
	FTE		0.000
2 Retention Bonus			
Provides a \$1,000 bonus to net appropriation-supported employees and an additional \$500 bonus to employees with an annual salary of less than \$75,000. To address retention, the retention bonus will be paid in two installments with half of the bonus paid in October 2024 and half in April 2025.	Req \$	-	\$ 1,107,000 \$ 1,107,000
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 1,107,000 \$ 1,107,000
	FTE		0.000
3 Enhanced Labor Market Retention and Adjustment Reserve			
Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported and receipt-supported payroll. The inclusion of funds for receipt-supported positions provides flexibility to agencies to address labor market concerns across all positions regardless of funding source. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. Among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.	Req \$	1,261,000	\$ - \$ 1,261,000
	Rec \$	-	\$ - \$ -
	App \$	1,261,000	\$ - \$ 1,261,000
	FTE		0.000
4 Retiree Cost-of-Living Adjustment			
Provides a 3% one-time retiree supplement in FY 2024-25 for over 240,000 retired members and survivors of deceased members.	Req \$	-	\$ 396,325 \$ 396,325
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 396,325 \$ 396,325
	FTE		0.000
Total Change to Requirements	\$	2,522,000	\$ 1,503,325 \$ 4,025,325
Total Change to Receipts	\$	-	\$ - \$ -
Total Change to Net Appropriation	\$	2,522,000	\$ 1,503,325 \$ 4,025,325
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		4,025,325
Recommended Total FTE Changes			0.000

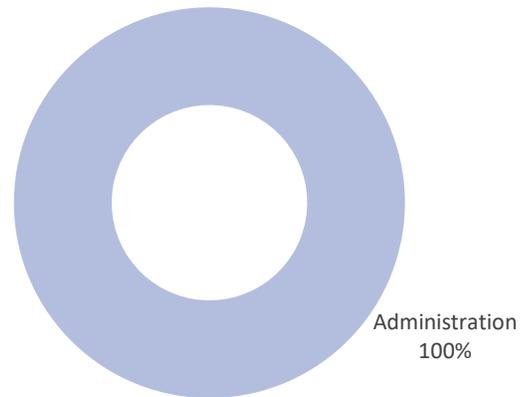
Mission

To provide a North Carolina where everyone can be better educated, healthier, and have more money in their pockets so they can live more abundant, purposeful lives.

Goals

1. Represent and advocate for the people of North Carolina.
2. Coordinate cabinet and other agencies to make North Carolina thrive.
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.

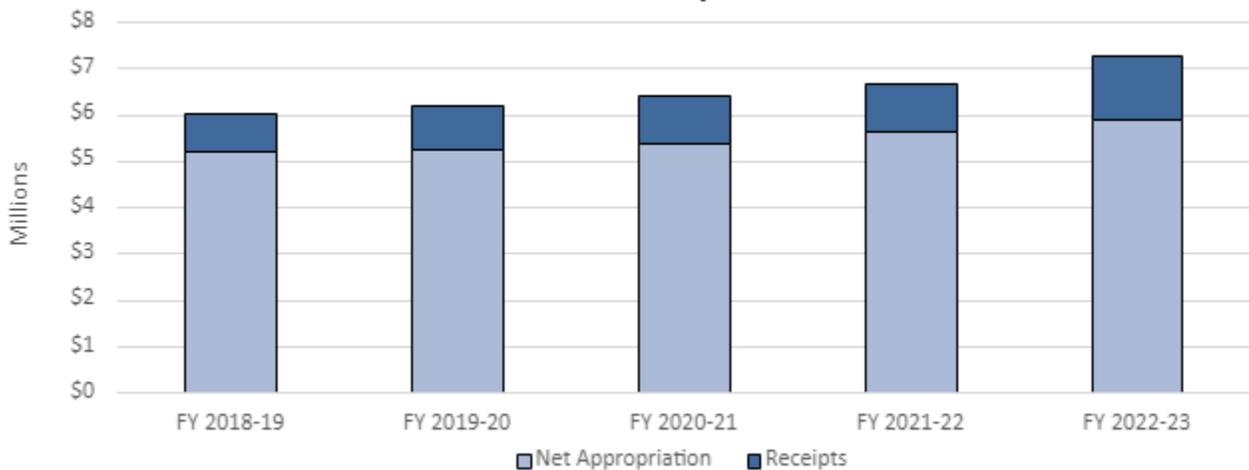
FY 2022-23 Actual Expenditures



Agency Profile

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

5-Year Historical Expenditures



Charts include General Fund budget codes only.

Office of the Governor (13000)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	7,259,010	7,638,436	7,771,765	735,000	94,434	829,434	8,601,199
Receipts	1,357,414	1,045,683	1,000,730	-	-	-	1,000,730
Net Appropriation	5,901,595	6,592,753	6,771,035	735,000	94,434	829,434	7,600,469
Positions (FTE)	52.000	50.000	50.000			0.000	50.000

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments

Reserve for Salaries and Benefits

1 Compensation Increase Reserve

Guarantees at least a 5% across-the-board increase for all state-funded employees. In addition to the 3% provided in SL 2023-134, most state employees receive an additional 2%, while employees paid on an experience-based salary schedule or with a salary set in law receive an additional 3%. State agency teacher salaries are increased in accordance with the statewide salary schedules. Corresponding special provisions show additional details on compensation increases.

Req \$	103,000	\$	-	\$	103,000
Rec \$	-	\$	-	\$	-
App \$	103,000	\$	-	\$	103,000
FTE					0.000

2 Position Fundshift Reserve

Establishes a Position Fundshift Reserve to provide the agency with additional flexibility to manage. The agency may use these funds to fundshift a limited number of positions, in whole or in part, from receipts to net appropriation support. Fundshifting positions will free up receipts, providing much needed availability for receipt-supported compensation increases. Agencies are required to provide legislative increases to receipt-supported positions but are often not able to raise the additional revenue needed to do so.

Req \$	19,000	\$	-	\$	19,000
Rec \$	-	\$	-	\$	-
App \$	19,000	\$	-	\$	19,000
FTE					0.000

3 Retention Bonus

Provides a \$1,000 bonus to net appropriation-supported employees and an additional \$500 bonus to employees with an annual salary of less than \$75,000. To address retention, the retention bonus will be paid in two installments with half of the bonus paid in October 2024 and half in April 2025.

Req \$	-	\$	58,000	\$	58,000
Rec \$	-	\$	-	\$	-
App \$	-	\$	58,000	\$	58,000
FTE					0.000

4 Enhanced Labor Market Retention and Adjustment Reserve

Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported and receipt-supported payroll. The inclusion of funds for receipt-supported positions provides flexibility to agencies to address labor market concerns across all positions regardless of funding source. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. Among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.

Req \$	123,000	\$	-	\$	123,000
Rec \$	-	\$	-	\$	-
App \$	123,000	\$	-	\$	123,000
FTE					0.000

5 Retiree Cost-of-Living Adjustment

Provides a 3% one-time retiree supplement in FY 2024-25 for over 240,000 retired members and survivors of deceased members.

Req \$	-	\$	36,434	\$	36,434
Rec \$	-	\$	-	\$	-
App \$	-	\$	36,434	\$	36,434
FTE					0.000

		R Changes		NR Changes		Adjustments
Department-wide						
6 Flex Cut Restoration						
Reduces the budget shortfall resulting from the 2017 flex cut of \$979,205 to the Office of the Governor, for use by the new administration. A corresponding special provision directs the Office of State Budget and Management to make up the remainder of the shortfall in the Base Budget.	Req	\$ 490,000	\$	-	\$	490,000
	Rec	-	\$	-	\$	-
	App	490,000	\$	-	\$	490,000
	FTE					0.000
Total Change to Requirements		\$ 735,000	\$	94,434	\$	829,434
Total Change to Receipts		\$ -	\$	-	\$	-
Total Change to Net Appropriation		\$ 735,000	\$	94,434	\$	829,434
Total Change to Full-Time Equivalent (FTE)						0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$		829,434		
Recommended Total FTE Changes				0.000		

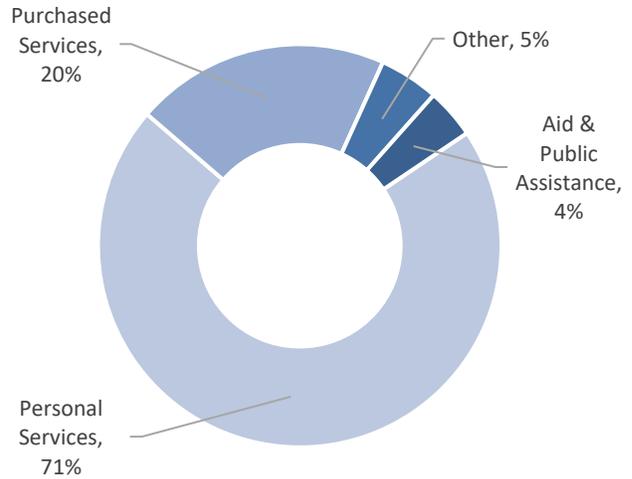
Mission

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

Goals

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

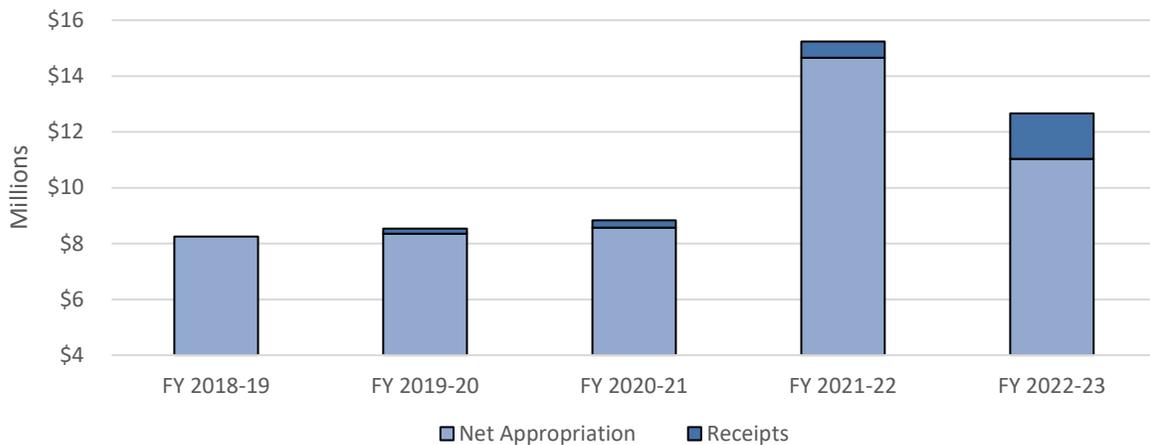
FY 2022-23 Actual Expenditures



Agency Profile

- Delivers 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.
- Offers facilitative and consultative services to agencies to support the use of evidence-based policymaking across state government.
- Continues 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.

Office of State Budget and Management (13005)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	12,659,454	22,353,628	12,567,620	3,541,587	155,158	3,696,745	16,264,365
Receipts	1,632,795	11,110,708	1,036,517	2,623,455	-	2,623,455	3,659,972
Net Appropriation	11,026,660	11,242,920	11,531,103	918,132	155,158	1,073,290	12,604,393
Positions (FTE)	63.000	74.000	74.000			18.000	92.000

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments

Reserve for Salaries and Benefits

1 Compensation Increase Reserve

Guarantees at least a 5% across-the-board increase for all state-funded employees. In addition to the 3% provided in SL 2023-134, most state employees receive an additional 2%, while employees paid on an experience-based salary schedule or with a salary set in law receive an additional 3%. State agency teacher salaries are increased in accordance with the statewide salary schedules. Corresponding special provisions show additional details on compensation increases.

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

2 Position Fundshift Reserve

Establishes a Position Fundshift Reserve to provide the agency with additional flexibility to manage. The agency may use these funds to fundshift a limited number of positions, in whole or in part, from receipts to net appropriation support. Fundshifting positions will free up receipts, providing much needed availability for receipt-supported compensation increases. Agencies are required to provide legislative increases to receipt-supported positions but are often not able to raise the additional revenue needed to do so.

Req \$	16,000	\$	-	\$	16,000
Rec \$	-	\$	-	\$	-
App \$	16,000	\$	-	\$	16,000
FTE					0.000

3 Retention Bonus

Provides a \$1,000 bonus to net appropriation-supported employees and an additional \$500 bonus to employees with an annual salary of less than \$75,000. To address retention, the retention bonus will be paid in two installments with half of the bonus paid in October 2024 and half in April 2025.

Req \$	-	\$	94,000	\$	94,000
Rec \$	-	\$	-	\$	-
App \$	-	\$	94,000	\$	94,000
FTE					0.000

4 Enhanced Labor Market Retention and Adjustment Reserve

Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported and receipt-supported payroll. The inclusion of funds for receipt-supported positions provides flexibility to agencies to address labor market concerns across all positions regardless of funding source. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. Among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.

Req \$	190,000	\$	-	\$	190,000
Rec \$	-	\$	-	\$	-
App \$	190,000	\$	-	\$	190,000
FTE					0.000

5 Retiree Cost-of-Living Adjustment

Provides a 3% one-time retiree supplement in FY 2024-25 for over 240,000 retired members and survivors of deceased members.

Req \$	-	\$	61,158	\$	61,158
Rec \$	-	\$	-	\$	-
App \$	-	\$	61,158	\$	61,158
FTE					0.000

Office of State Budget and Management

6 Chief Scientist

Fundshifts a portion of the chief scientist position from receipts to net appropriations due to a decline in receipts funding in 2024. This position is central to promoting and enabling the use of data and evidence across state government. This position will advise leadership and support OSBM analysts and state agency staff on projects such as the Performance Management Advisory Committee, the Performance Management Academy, and evidence components of budgeting and strategic planning.

Req \$	246,910	\$	-	\$	246,910
Rec \$	123,455	\$	-	\$	123,455
App \$	123,455	\$	-	\$	123,455
FTE					1.000

		R Changes		NR Changes		Adjustments
7 Statewide Training and Support						
Creates three new State Budget and Management Analysts. Given the transition to the North Carolina Financial System (NCFS) and high turnover and staffing challenges in fiscal offices statewide, two positions will focus on supporting state agencies and universities through technical assistance and training. The third position will focus on internal technical support, issues with the Integrated Budget Information System (IBIS), and plans for its replacement.	Req \$	414,677	\$	-	\$	414,677
	Rec \$	-	\$	-	\$	-
	App \$	414,677	\$	-	\$	414,677
	FTE					3.000
8 Grants Management Staff						
Provides up to \$2.5 million recurring from the State Capital and Infrastructure Fund (SCIF) to create up to 14 positions, including accounting technicians and grant administrators, to support grant recipients with reporting and compliance. OBSM manages \$3.8 billion across 1,786 legislatively directed grants that have been appropriated since 2021. These positions will enable OSBM to more effectively monitor the use of these state resources and to support recipients by responding faster to queries, conducting trainings, reviewing reports, and providing accounting and other technical assistance.	Req \$	2,500,000	\$	-	\$	2,500,000
	Rec \$	2,500,000	\$	-	\$	2,500,000
	App \$	-	\$	-	\$	-
	FTE					14.000
Total Change to Requirements		\$ 3,541,587		\$ 155,158		\$ 3,696,745
Total Change to Receipts		\$ 2,623,455		\$ -		\$ 2,623,455
Total Change to Net Appropriation		\$ 918,132		\$ 155,158		\$ 1,073,290
Total Change to Full-Time Equivalent (FTE)						18.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$		1,073,290		
Recommended Total FTE Changes				18.000		

OSBM-Special Projects (13085)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	98,817,300	1,384,305,000	57,275,000	-	5,000,000	5,000,000	62,275,000
Receipts	83,308,707	1,344,205,000	46,725,000	-	5,000,000	5,000,000	51,725,000
Net Appropriation	15,508,593	40,100,000	10,550,000	-	-	-	10,550,000
Positions (FTE)	0.000	0.000	0.000			0.000	0.000

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments
Directed Grants			
1 Coastal Resilient Roof Grant Program			
Budgets receipts from the State Emergency Response and Disaster Relief Fund (SERDRF) to the North Carolina Insurance Underwriting Association to continue the Coastal Resilient Roof Grant Program. The program provides grants in coastal areas to make roofs more storm resistant. Grants will be available for roofs of primary residences, and the grant amount will vary based on income.	Req \$	- \$	5,000,000 \$
	Rec \$	- \$	5,000,000 \$
	App \$	- \$	- \$
	FTE		0.000
Total Change to Requirements	\$	- \$	5,000,000 \$
Total Change to Receipts	\$	- \$	5,000,000 \$
Total Change to Net Appropriation	\$	- \$	- \$
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		-
Recommended Total FTE Changes			0.000

State Budget and Management - Fines and Penalties (23005)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	235,087,563	275,589,098	215,589,098	10,000,000	15,000,000	25,000,000	240,589,098
Receipts	236,107,401	212,735,408	212,735,408	10,000,000	15,000,000	25,000,000	237,735,408
Δ in Fund Balance	(1,019,838)	(62,853,690)	(2,853,690)	-	-	-	(2,853,690)
Positions (FTE)	0.000	0.000	0.000			0.000	0.000

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments
Civil Penalty and Forfeiture			
1 Budget Adjustment			
Adjusts the budget to increase receipts to projected levels based on historical collections.	Req \$ -	\$ -	\$ -
	Rec \$ 10,000,000	\$ 15,000,000	\$ 25,000,000
	CFB \$ 10,000,000	\$ 15,000,000	\$ 25,000,000
	FTE		0.000
2 Transfer to the Department of Public Instruction			
Increases the transfer of civil fines, penalties, and assessment fees to the State Public School Fund within the Department of Public Instruction (DPI) to expand the Read to Achieve program to middle grades students. Further details are provided in DPI's section of this document.	Req \$ 10,000,000	\$ 15,000,000	\$ 25,000,000
	Rec \$ -	\$ -	\$ -
	CFB \$ (10,000,000)	\$ (15,000,000)	\$ (25,000,000)
	FTE		0.000
Total Change to Requirements	\$ 10,000,000	\$ 15,000,000	\$ 25,000,000
Total Change to Receipts	\$ 10,000,000	\$ 15,000,000	\$ 25,000,000
Total Change to Net Appropriation	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$		-
Recommended Total FTE Changes			0.000

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

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	361,377,710	9,901,356	9,901,356	-	75,000,000	75,000,000	84,901,356
Receipts	316,656,785	6,469,962	6,469,962	-	75,000,000	75,000,000	81,469,962
Δ in Fund Balance	44,720,925	(3,431,394)	(3,431,394)	-	-	-	(3,431,394)
Positions (FTE)	85.000	101.400	101.400			0.000	101.400

			FY 2024-25 Recommended		
			R Changes	NR Changes	Adjustments

1 Budget System Replacement

Invests funds from the IT Reserve to replace the state's Integrated Budget Information System (IBIS). IBIS is over a decade old and experiences frequent technical issues that impact every state agency's ability to quickly and accurately oversee budgets. Funds will be allocated to the department over the life of the project.

Req	\$	-	\$	-	\$	-
Rec	\$	-	\$	-	\$	-
CFB	\$	-	\$	-	\$	-
FTE						0.000

2 Hurricane Matthew and Florence Recovery

Budgets receipts from the SERDRF to assist households and communities recovering from Hurricanes Matthew and Florence. This funding supports households that still require assistance but are ineligible for federal aid. These funds will also be used to provide directed grants to local organizations, housing authorities, and units of government to complete disaster recovery projects, such as developing land outside of floodplains.

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

Total Change to Requirements	\$	-	\$	75,000,000	\$	75,000,000
Total Change to Receipts	\$	-	\$	75,000,000	\$	75,000,000
Total Change to Net Appropriation	\$	-	\$	-	\$	-
Total Change to Full-Time Equivalent (FTE)						0.000

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

OSBM - Tropical Storm Fred DR (23024)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	29,132,058	119,469	119,469	-	2,500,000	2,500,000	2,619,469
Receipts	10,000,000	-	-	-	2,500,000	2,500,000	2,500,000
Δ in Fund Balance	19,132,058	(119,469)	(119,469)	-	-	-	(119,469)
Positions (FTE)	0.000	2.000	2.000			0.000	2.000

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments
1 Tropical Storm Fred Recovery			
Budgets receipts from the SERDRF to complete repairs and renovations of critical roads and bridges damaged during Tropical Storm Fred. This funding will support the repair and replacement of roads and bridges that serve multiple households.	Req \$ -	\$ 2,500,000	\$ 2,500,000
	Rec \$ -	\$ 2,500,000	\$ 2,500,000
	CFB \$ -	\$ -	\$ -
	FTE		0.000
Total Change to Requirements	\$ -	\$ 2,500,000	\$ 2,500,000
Total Change to Receipts	\$ -	\$ 2,500,000	\$ 2,500,000
Total Change to Net Appropriation	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$ -		
Recommended Total FTE Changes			0.000

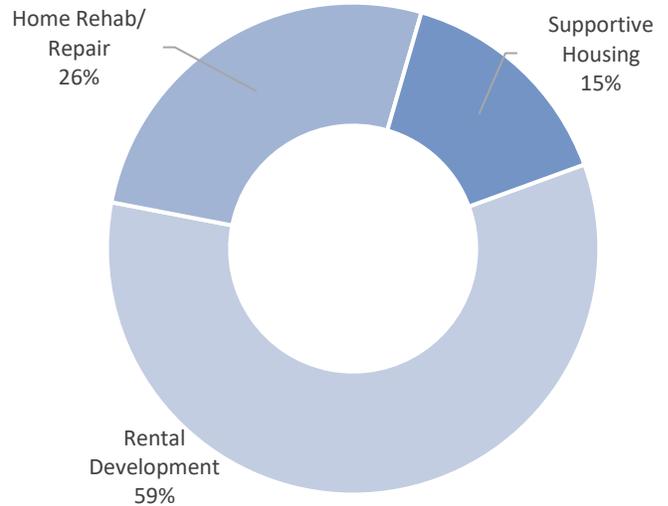
Mission

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 2022-23 Actual Expenditures



Agency Profile

- Creates affordable housing through rental development, supportive housing investment, home buyer lending, home ownership rehabilitation, and rental assistance, working with over 500 organizations.
- Financed 310,000 affordable homes and apartments, producing real estate valued at over \$31.9 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

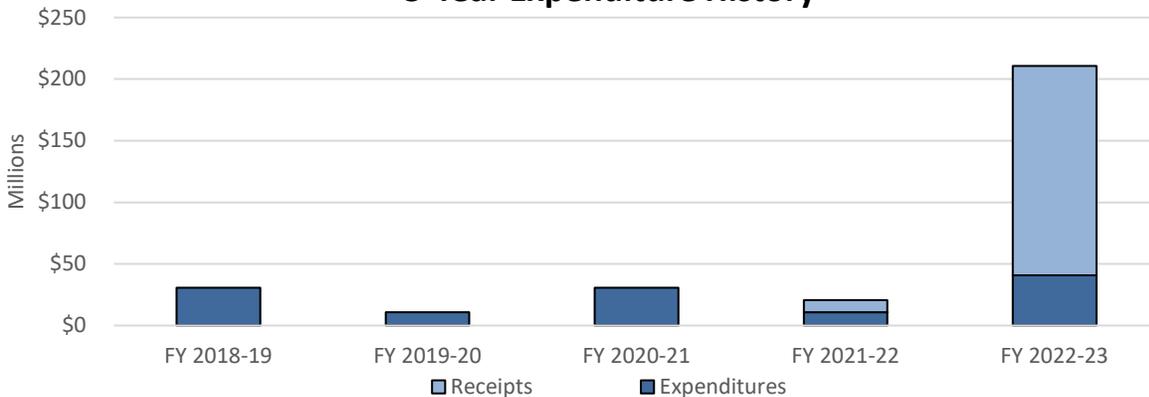


Chart includes General Fund budget code only. In FY 2022-23, NCHFA received \$170M from the Housing Reserve to support the Workforce Housing Loan Program, replacing \$170M in ARPA funds originally provided for this purpose in FY 2021-22.

NC Housing Finance Agency (13010)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	40,660,000	55,660,000	55,660,000	-	64,380,000	64,380,000	120,040,000
Receipts	-	45,000,000	45,000,000	-	64,380,000	64,380,000	109,380,000
Net Appropriation	40,660,000	10,660,000	10,660,000	-	-	-	10,660,000
Positions (FTE)	0.000	0.000	0.000			0.000	0.000

			FY 2024-25 Recommended		
			R Changes	NR Changes	Adjustments

1 Housing Trust Fund

Redirects the remaining Emergency Rental Assistance 2 (ERA2) funds to the Housing Trust Fund. These funds will be used to develop new affordable rental housing units and will comply with the US Department of the Treasury's Emergency Rental Assistance guidelines.	Req \$	-	\$ 49,380,000	\$ 49,380,000
	Rec \$	-	\$ 49,380,000	\$ 49,380,000
	App \$	-	\$ -	\$ -
	FTE			0.000

2 Workforce Housing Loan Program

Budgets receipts from the Housing Reserve for the Workforce Housing Loan Program (WHLP) to construct or substantially rehabilitate multifamily affordable housing units across the state. These funds are used in combination with federal low-income housing tax credits, the largest funding source for creating affordable housing in the United States. WHLP provides gap funding to make affordable housing development financially feasible in difficult-to-serve markets.	Req \$	-	\$ 15,000,000	\$ 15,000,000
	Rec \$	-	\$ 15,000,000	\$ 15,000,000
	App \$	-	\$ -	\$ -
	FTE			0.000

Total Change to Requirements	\$	-	\$ 64,380,000	\$ 64,380,000
Total Change to Receipts	\$	-	\$ 64,380,000	\$ 64,380,000
Total Change to Net Appropriation	\$	-	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)				0.000

Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		\$ -	\$ -
Recommended Total FTE Changes				0.000

NC Housing Finance Agency - Partnership (63011)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	227,695,088	276,500,000	276,500,000	-	64,380,000	64,380,000	340,880,000
Receipts	221,300,951	279,642,000	279,642,000	-	64,380,000	64,380,000	344,022,000
Δ in Fund Balance	6,394,137	3,142,000	3,142,000	-	-	-	3,142,000
Positions (FTE)	0.000	0.000	0.000			0.000	0.000

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments
1 Transfer - Housing Trust Fund			
Budgets the transfer from budget code 13010 for the Housing Trust Fund.			
	Req \$	- \$	49,380,000 \$
	Rec \$	- \$	49,380,000 \$
	CFB \$	- \$	- \$
	FTE		0.000
2 Transfer - Workforce Housing Loan Program			
Budgets the transfer from budget code 13010 for the WHLP.			
	Req \$	- \$	15,000,000 \$
	Rec \$	- \$	15,000,000 \$
	CFB \$	- \$	- \$
	FTE		0.000
Total Change to Requirements	\$	- \$	64,380,000 \$
Total Change to Receipts	\$	- \$	64,380,000 \$
Total Change to Net Appropriation	\$	- \$	- \$
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$		-
Recommended Total FTE Changes			0.000

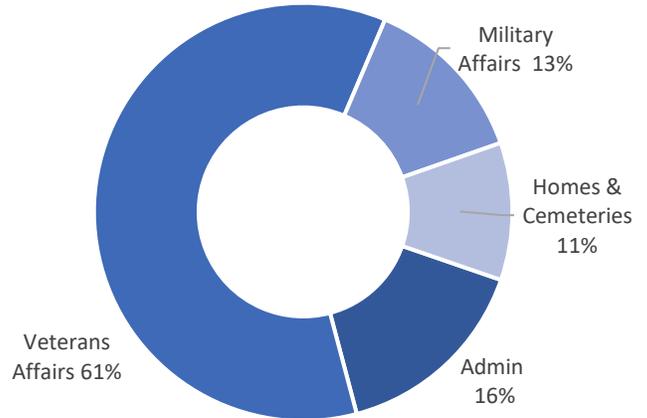
Mission

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

Goals

1. Increase capacity to deliver veterans services.
2. Enhance the capacity of NC State Veterans Cemeteries and Homes programs.
3. Develop the capacity to deliver resources to Veterans Service Organizations.
4. Establish a common communication platform for all field offices to conduct supportive services internally and externally.
5. Support and enhance North Carolina’s existing military installations and missions to ensure their continuing resiliency.

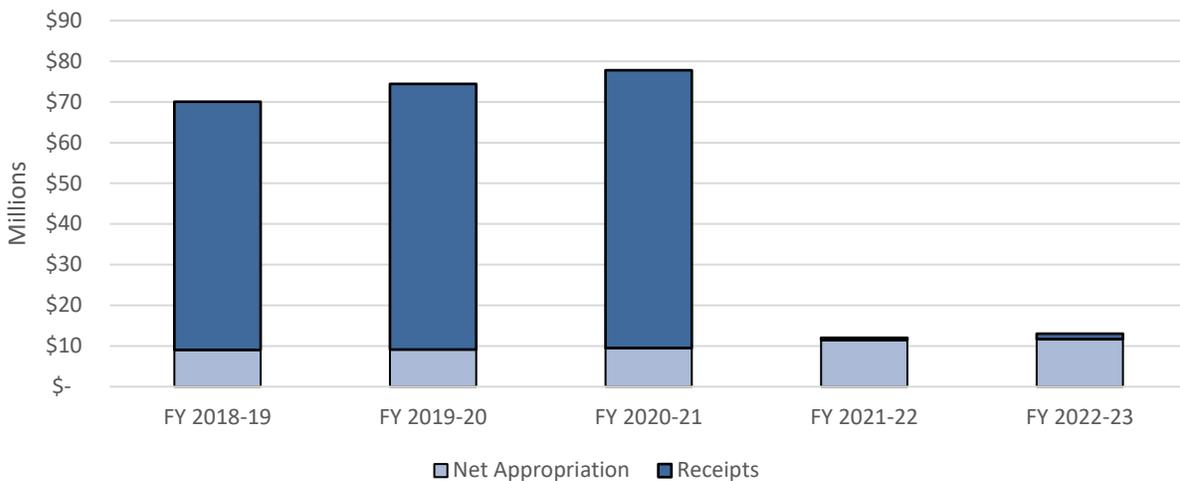
FY 2022-23 Actual Expenditures



Agency Profile

- Provides outreach and support to Military Connected Communities including Service Members, Veterans and their families across the state.
- Operates 13 field offices providing outreach while working with veterans across the state.
- Provides skilled nursing home services at five veterans homes.
- Operates four state cemeteries for veterans across the state.
- Operates a scholarship program for children of wartime veterans.

5-Year Historical Expenditures*



Charts include General Fund budget code 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)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	13,069,729	14,131,285	11,642,217	2,404,380	179,521	2,583,901	14,226,118
Receipts	1,369,482	54,662	-	400,000	-	400,000	400,000
Net Appropriation	11,700,247	14,076,623	11,642,217	2,004,380	179,521	2,183,901	13,826,118
Positions (FTE)	88.000	86.650	86.650			12.000	98.650

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments
Reserve for Salaries and Benefits			
1 Compensation Increase Reserve			
Guarantees at least a 5% across-the-board increase for all state-funded employees. In addition to the 3% provided in SL 2023-134, most state employees receive an additional 2%, while employees paid on an experience-based salary schedule or with a salary set in law receive an additional 3%. State agency teacher salaries are increased in accordance with the statewide salary schedules. Corresponding special provisions show additional details on compensation increases.	Req \$	126,000	\$ - \$ 126,000
	Rec \$	-	\$ - \$ -
	App \$	126,000	\$ - \$ 126,000
	FTE		0.000
2 Retention Bonus			
Provides a \$1,000 bonus to net appropriation-supported employees and an additional \$500 bonus to employees with an annual salary of less than \$75,000. To address retention, the retention bonus will be paid in two installments with half of the bonus paid in October 2024 and half in April 2025.	Req \$	-	\$ 135,000 \$ 135,000
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 135,000 \$ 135,000
	FTE		0.000
3 Enhanced Labor Market Retention and Adjustment Reserve			
Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported and receipt-supported payroll. The inclusion of funds for receipt-supported positions provides flexibility to agencies to address labor market concerns across all positions regardless of funding source. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. Among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.	Req \$	126,000	\$ - \$ 126,000
	Rec \$	-	\$ - \$ -
	App \$	126,000	\$ - \$ 126,000
	FTE		0.000
4 Retiree Cost-of-Living Adjustment			
Provides a 3% one-time retiree supplement in FY 2024-25 for over 240,000 retired members and survivors of deceased members.	Req \$	-	\$ 44,521 \$ 44,521
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 44,521 \$ 44,521
	FTE		0.000
Department-wide			
5 Departmental Affairs and Outreach			
Enhances the state's ability to provide services to over 700,000 North Carolina veterans and their families as well as active military personnel by investing in departmental operations and oversight. These funds may be used to hire up to five positions including a Safety Officer, an Accountant II, and an Internal Auditor to support veterans services officers and focus on programmatic oversight.	Req \$	750,000	\$ - \$ 750,000
	Rec \$	-	\$ - \$ -
	App \$	750,000	\$ - \$ 750,000
	FTE		0.000
6 Veterans Services			
Invests in the state-county collaboration that connects veterans and their families to benefits. Only 200,000, or 28.5%, of veterans eligible for disability compensation are receiving it, at an average of \$28,000 per year. These positions, which will be located in the department's field offices or other veteran-oriented locations, are projected to increase the number of veterans receiving benefits to 350,000, thereby increasing the compensation coming into North Carolina by \$4.2 billion.	Req \$	1,002,380	\$ - \$ 1,002,380
	Rec \$	-	\$ - \$ -
	App \$	1,002,380	\$ - \$ 1,002,380
	FTE		12.000

		R Changes		NR Changes		Adjustments
Department-wide						
7 Veterans Affairs-Cemeteries						
Maintains the state's four veterans cemeteries by authorizing the department to use up to \$400,000 in interest earned on the Veterans Cemeteries Trust Fund. The department may create up to six positions with these funds. These funds and positions are needed to keep pace with burials, which have increased by an average of 300 annually over the past few years, and associated maintenance to ensure the grounds honor veterans.	Req \$	400,000	\$	-	\$	400,000
	Rec \$	400,000	\$	-	\$	400,000
	App \$	-	\$	-	\$	-
	FTE					0.000
Total Change to Requirements	\$	2,404,380	\$	179,521	\$	2,583,901
Total Change to Receipts	\$	400,000	\$	-	\$	400,000
Total Change to Net Appropriation	\$	2,004,380	\$	179,521	\$	2,183,901
Total Change to Full-Time Equivalent (FTE)						12.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$		2,183,901		
Recommended Total FTE Changes				12.000		

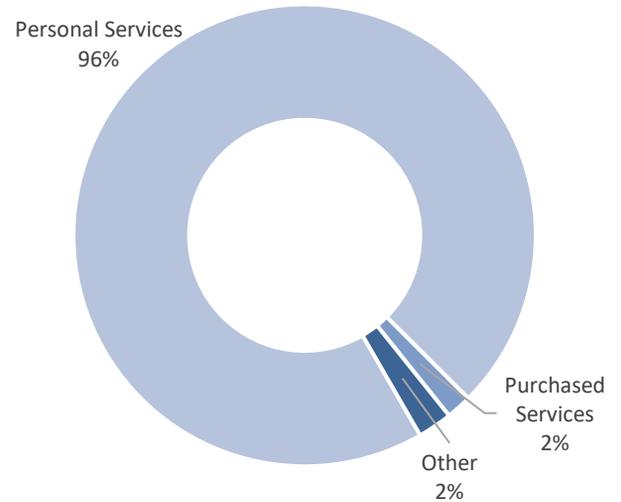
Mission

To develop a North Carolina that connects young and old, rural, and urban, and the present to the future with a limited government focused on removing barriers to individual freedom, empowering citizens, educating students, and encouraging personal responsibility.

Goals

1. Continue to promote sound fiscal and tax policies for the state of North Carolina to ensure continued economic growth for all North Carolinians.
2. Work to ensure every student in North Carolina receives a high-quality education and viable options are available for every student.
3. Provide excellent customer service to the people of North Carolina.
4. Continue to work with other agencies, boards and commissions, and the General Assembly to develop and promote policies to make North Carolina a better place to live, work, and learn.

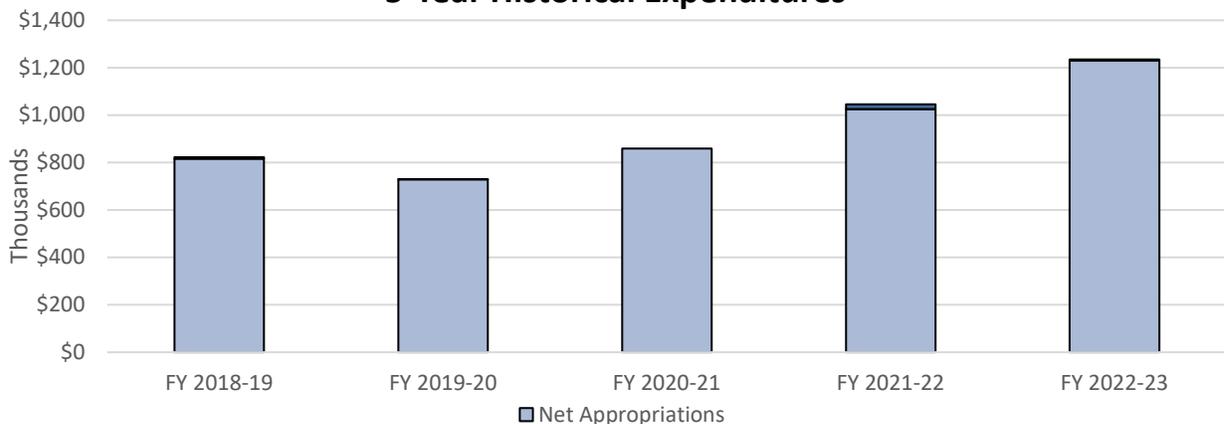
FY 2022-23 Actual Expenditures



Agency Profile

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

5-Year Historical Expenditures



Charts include General Fund budget code only.

Office of the Lieutenant Governor (13100)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	1,209,204	1,322,435	1,343,471	44,000	16,993	60,993	1,404,464
Receipts	4,473	9,756	-	-	-	-	-
Net Appropriation	1,204,731	1,312,679	1,343,471	44,000	16,993	60,993	1,404,464
Positions (FTE)	9.000	9.000	9.000			0.000	9.000

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments
Reserve for Salaries and Benefits			
1 Compensation Increase Reserve			
Guarantees at least a 5% across-the-board increase for all state-funded employees. In addition to the 3% provided in SL 2023-134, most state employees receive an additional 2%, while employees paid on an experience-based salary schedule or with a salary set in law receive an additional 3%. State agency teacher salaries are increased in accordance with the statewide salary schedules. Corresponding special provisions show additional details on compensation increases.	Req \$	22,000	\$ - \$ 22,000
	Rec \$	-	\$ - \$ -
	App \$	22,000	\$ - \$ 22,000
	FTE		0.000
2 Retention Bonus			
Provides a \$1,000 bonus to net appropriation-supported employees and an additional \$500 bonus to employees with an annual salary of less than \$75,000. To address retention, the retention bonus will be paid in two installments with half of the bonus paid in October 2024 and half in April 2025.	Req \$	-	\$ 9,000 \$ 9,000
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 9,000 \$ 9,000
	FTE		0.000
3 Enhanced Labor Market Retention and Adjustment Reserve			
Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported and receipt-supported payroll. The inclusion of funds for receipt-supported positions provides flexibility to agencies to address labor market concerns across all positions regardless of funding source. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. Among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.	Req \$	22,000	\$ - \$ 22,000
	Rec \$	-	\$ - \$ -
	App \$	22,000	\$ - \$ 22,000
	FTE		0.000
4 Retiree Cost-of-Living Adjustment			
Provides a 3% one-time retiree supplement in FY 2024-25 for over 240,000 retired members and survivors of deceased members.	Req \$	-	\$ 7,993 \$ 7,993
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 7,993 \$ 7,993
	FTE		0.000
Total Change to Requirements	\$	44,000	\$ 16,993 \$ 60,993
Total Change to Receipts	\$	-	\$ - \$ -
Total Change to Net Appropriation	\$	44,000	\$ 16,993 \$ 60,993
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		60,993
Recommended Total FTE Changes			0.000

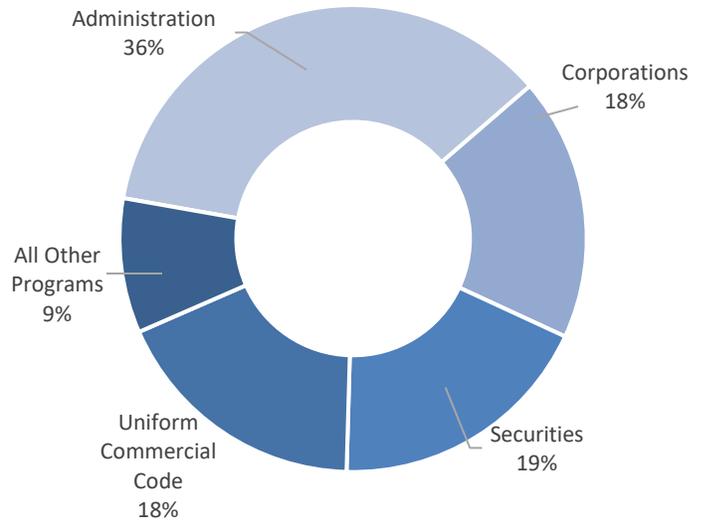
Mission

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

Goals

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

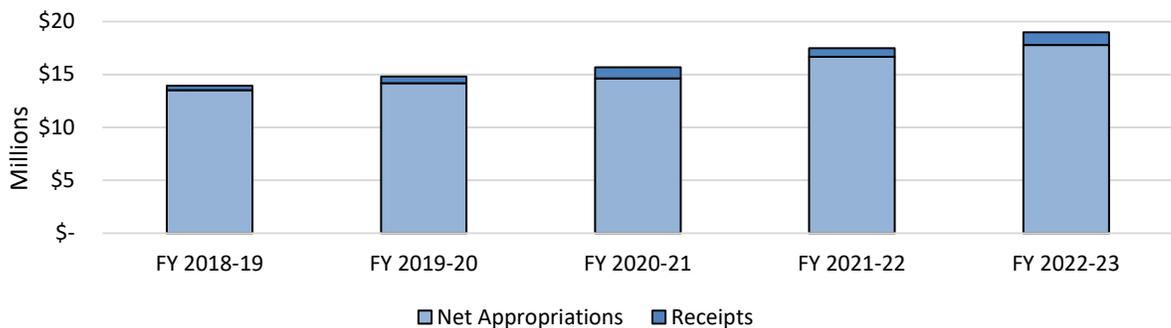
FY 2022-23 Actual Expenditures



Agency Profile

- Facilitates economic development through business and capital formation – registering 171,025 new businesses and nonprofits last year and reviewing 636,623 annual reports.
- Provides business data to the marketplace for leveraging risk and assisting millions of transactions.
- Administers the state’s Securities laws by regulating over \$314 billion in securities offerings and investigating and prosecuting white-collar crimes.
- Provides for transparent registration and enforcement of charitable solicitation laws, and registration and reporting of lobbyists and their principals.
- Coordinates Land Records Management, supporting one of the state’s largest assets valued at almost \$1.2 trillion, according to the NC State Property Tax Commission.

5-Year Historical Expenditures



Charts include General Fund budget code only.

Department of Secretary of State (13200)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	18,994,353	19,301,082	19,574,159	1,865,509	372,640	2,238,149	21,812,308
Receipts	1,202,727	457,008	330,036	-	-	-	330,036
Net Appropriation	17,791,626	18,844,074	19,244,123	1,865,509	372,640	2,238,149	21,482,272
Positions (FTE)	180.553	182.053	182.053			8.000	190.053

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments

Reserve for Salaries and Benefits

1 Compensation Increase Reserve

Guarantees at least a 5% across-the-board increase for all state-funded employees. In addition to the 3% provided in SL 2023-134, most state employees receive an additional 2%, while employees paid on an experience-based salary schedule or with a salary set in law receive an additional 3%. State agency teacher salaries are increased in accordance with the statewide salary schedules. Corresponding special provisions show additional details on compensation increases.

Req \$	299,000	\$	-	\$	299,000
Rec \$	-	\$	-	\$	-
App \$	299,000	\$	-	\$	299,000
FTE					0.000

2 Position Fundshift Reserve

Establishes a Position Fundshift Reserve to provide the agency with additional flexibility to manage. The agency may use these funds to fundshift a limited number of positions, in whole or in part, from receipts to net appropriation support. Fundshifting positions will free up receipts, providing much needed availability for receipt-supported compensation increases. Agencies are required to provide legislative increases to receipt-supported positions but are often not able to raise the additional revenue needed to do so.

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

3 Retention Bonus

Provides a \$1,000 bonus to net appropriation-supported employees and an additional \$500 bonus to employees with an annual salary of less than \$75,000. To address retention, the retention bonus will be paid in two installments with half of the bonus paid in October 2024 and half in April 2025.

Req \$	-	\$	268,000	\$	268,000
Rec \$	-	\$	-	\$	-
App \$	-	\$	268,000	\$	268,000
FTE					0.000

4 Enhanced Labor Market Retention and Adjustment Reserve

Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported and receipt-supported payroll. The inclusion of funds for receipt-supported positions provides flexibility to agencies to address labor market concerns across all positions regardless of funding source. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. Among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.

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

5 Retiree Cost-of-Living Adjustment

Provides a 3% one-time retiree supplement in FY 2024-25 for over 240,000 retired members and survivors of deceased members.

Req \$	-	\$	104,640	\$	104,640
Rec \$	-	\$	-	\$	-
App \$	-	\$	104,640	\$	104,640
FTE					0.000

IT Investments

6 Data Modernization

Provides funds from the IT Reserve to finish data infrastructure updates. Increased business activity has placed high demand on the department's ability to serve the business community. Once completed, this upgrade will enable the department to leverage existing data to provide new insights and deliver actionable intelligence.

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

		R Changes		NR Changes		Adjustments
7 Automation of Certain Business Service Processes						
Supports implementation of mail processing equipment and database upgrades, including use of programming contractors. In addition, nonrecurring funding is provided to continue upgrades to the department's mail processing infrastructure through the IT Reserve.	Req \$	80,000	\$	-	\$	80,000
	Rec \$	-	\$	-	\$	-
	App \$	80,000	\$	-	\$	80,000
	FTE					0.000
8 User Support Analyst						
Fundshifts a User Support Analyst position that is 60% reliant on a depleted receipt fund. This position supports the technological needs of the department's Atlantic Avenue office.	Req \$	70,109	\$	-	\$	70,109
	Rec \$	-	\$	-	\$	-
	App \$	70,109	\$	-	\$	70,109
	FTE					0.000
9 IT Position						
Provides funds for a Database Administrator. This position will manage and analyze department data, providing insights that optimize the department's ability to best serve the business community.	Req \$	162,000	\$	-	\$	162,000
	Rec \$	-	\$	-	\$	-
	App \$	162,000	\$	-	\$	162,000
	FTE					1.000
10 Cybersecurity and Infrastructure Enhancement						
Provides funds to support cybersecurity and infrastructure enhancements needed to protect sensitive business registration and financial data. Increased national and international threat levels and the department's administrative relationship with the State Board of Elections warrant greater protective efforts of the department's data.	Req \$	175,000	\$	-	\$	175,000
	Rec \$	-	\$	-	\$	-
	App \$	175,000	\$	-	\$	175,000
	FTE					0.000
Business Support						
11 Cash Management Positions						
Provides funds for administrative specialists to process paper documentation sent to the department. Despite automation efforts, the department conducted more than 550,000 transactions via paper in 2023.	Req \$	150,000	\$	-	\$	150,000
	Rec \$	-	\$	-	\$	-
	App \$	150,000	\$	-	\$	150,000
	FTE					2.000
12 Service Center Representatives						
Provides funds for Service Center Representatives. Calls to the department's call center increased by 22% in 2023. To serve the needs of the business community, the department needs more staff to accommodate this increased workload.	Req \$	153,000	\$	-	\$	153,000
	Rec \$	-	\$	-	\$	-
	App \$	153,000	\$	-	\$	153,000
	FTE					2.000
13 Business Registration Positions						
Creates new Document Examiners to support the department's increased workload resulting from a 57% increase in business transactions since 2020. These positions will review and process paper filings that are sent via mail.	Req \$	150,000	\$	-	\$	150,000
	Rec \$	-	\$	-	\$	-
	App \$	150,000	\$	-	\$	150,000
	FTE					2.000
Administration						
14 International Affairs Director						
Creates a permanent position to manage business, diplomatic, and cultural international engagements and coordinate the North Carolina-Moldova Bilateral Partnership. This Partnership facilitates cooperation between North Carolina and Moldova on civil emergency operations, market expansion, humanitarian efforts, and economic, scientific and academic exchanges.	Req \$	188,000	\$	-	\$	188,000
	Rec \$	-	\$	-	\$	-
	App \$	188,000	\$	-	\$	188,000
	FTE					1.000
Forensics						
15 Forensic Scientist I						
Continues funding for a Forensic Scientist position that supports electronic investigations by the department's law enforcement agents. This position was previously supported by a federal grant and was funded for one year in SL 2023-134. The funds cover the salary and benefits as well as operating costs associated with the position.	Req \$	129,400	\$	-	\$	129,400
	Rec \$	-	\$	-	\$	-
	App \$	129,400	\$	-	\$	129,400
	FTE					0.000
Total Change to Requirements		\$ 1,865,509		\$ 372,640		\$ 2,238,149
Total Change to Receipts		\$ -		\$ -		\$ -
Total Change to Net Appropriation		\$ 1,865,509		\$ 372,640		\$ 2,238,149
Total Change to Full-Time Equivalent (FTE)						8.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$		2,238,149		
Recommended Total FTE Changes				8.000		

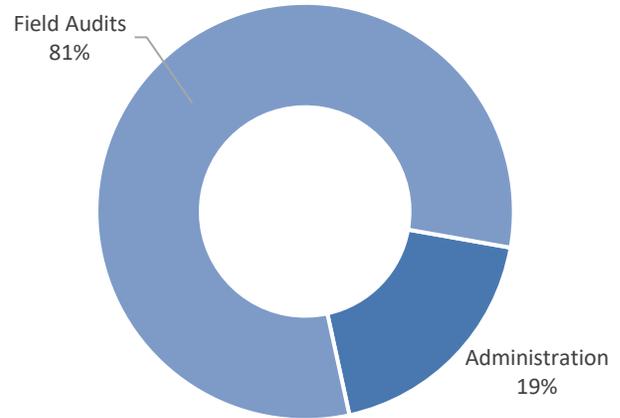
Mission

To provide unbiased and irrefutable 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 those who can use the information to improve state government ensuring an effective, accountable, well-run 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.

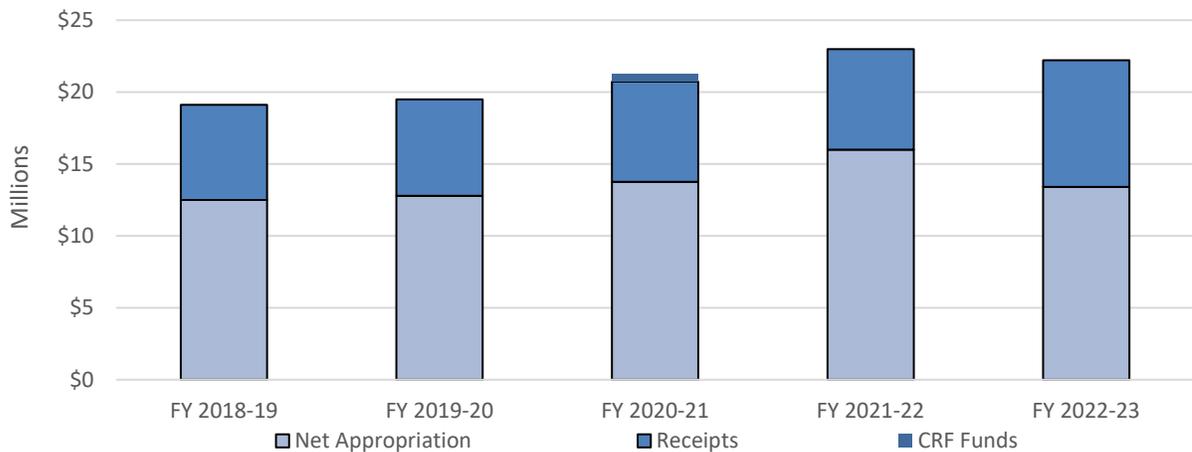
FY 2022-23 Actual Expenditures



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.

Office of the State Auditor (13300)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	22,213,009	25,780,581	26,171,092	815,000	248,071	1,063,071	27,234,163
Receipts	8,808,330	7,029,524	6,899,163	-	-	-	6,899,163
Net Appropriation	13,404,679	18,751,057	19,271,929	815,000	248,071	1,063,071	20,335,000
Positions (FTE)	160.000	161.000	161.000			0.000	161.000

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments
Reserve for Salaries and Benefits			
1 Compensation Increase Reserve			
Guarantees at least a 5% across-the-board increase for all state-funded employees. In addition to the 3% provided in SL 2023-134, most state employees receive an additional 2%, while employees paid on an experience-based salary schedule or with a salary set in law receive an additional 3%. State agency teacher salaries are increased in accordance with the statewide salary schedules. Corresponding special provisions show additional details on compensation increases.	Req \$	299,000	\$ - \$ 299,000
	Rec \$	-	\$ - \$ -
	App \$	299,000	\$ - \$ 299,000
	FTE		0.000
2 Position Fundshift Reserve			
Establishes a Position Fundshift Reserve to provide the agency with additional flexibility to manage. The agency may use these funds to fundshift a limited number of positions, in whole or in part, from receipts to net appropriation support. Fundshifting positions will free up receipts, providing much needed availability for receipt-supported compensation increases. Agencies are required to provide legislative increases to receipt-supported positions but are often not able to raise the additional revenue needed to do so.	Req \$	108,000	\$ - \$ 108,000
	Rec \$	-	\$ - \$ -
	App \$	108,000	\$ - \$ 108,000
	FTE		0.000
3 Retention Bonus			
Provides a \$1,000 bonus to net appropriation-supported employees and an additional \$500 bonus to employees with an annual salary of less than \$75,000. To address retention, the retention bonus will be paid in two installments with half of the bonus paid in October 2024 and half in April 2025.	Req \$	-	\$ 143,000 \$ 143,000
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 143,000 \$ 143,000
	FTE		0.000
4 Enhanced Labor Market Retention and Adjustment Reserve			
Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported and receipt-supported payroll. The inclusion of funds for receipt-supported positions provides flexibility to agencies to address labor market concerns across all positions regardless of funding source. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. Among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.	Req \$	408,000	\$ - \$ 408,000
	Rec \$	-	\$ - \$ -
	App \$	408,000	\$ - \$ 408,000
	FTE		0.000
5 Retiree Cost-of-Living Adjustment			
Provides a 3% one-time retiree supplement in FY 2024-25 for over 240,000 retired members and survivors of deceased members.	Req \$	-	\$ 105,071 \$ 105,071
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 105,071 \$ 105,071
	FTE		0.000
Total Change to Requirements	\$	815,000	\$ 248,071 \$ 1,063,071
Total Change to Receipts	\$	-	\$ - \$ -
Total Change to Net Appropriation	\$	815,000	\$ 248,071 \$ 1,063,071
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		1,063,071
Recommended Total FTE Changes			0.000

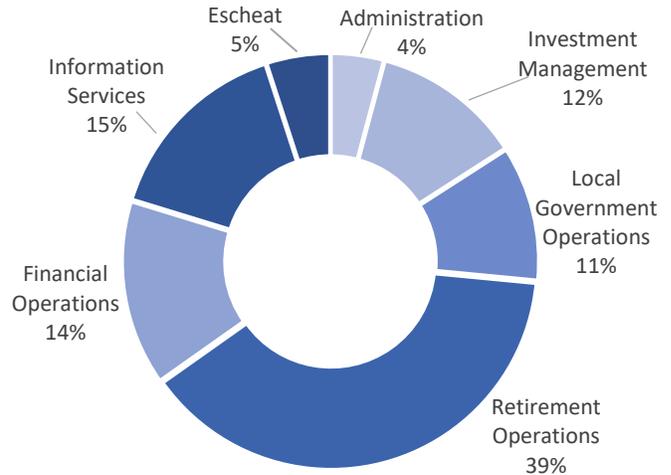
Mission

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

Goals

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

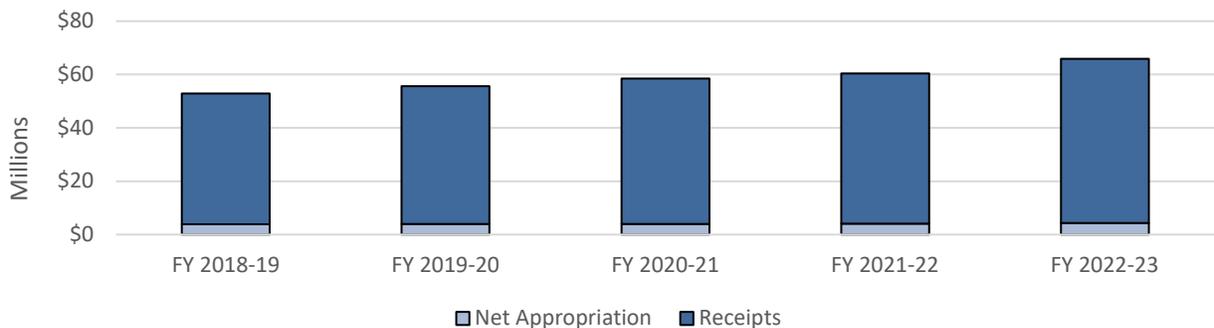
FY 2022-23 Actual Expenditures



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.

5-Year Historical Expenditures



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

Department of State Treasurer (13410)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	65,917,394	74,082,340	74,099,682	3,590,555	3,150,000	6,740,555	80,840,237
Receipts	61,525,933	73,873,266	73,890,608	3,590,555	3,150,000	6,740,555	80,631,163
Net Appropriation	4,391,461	209,074	209,074	-	-	-	209,074
Positions (FTE)	410.600	409.200	409.200			1.000	410.200

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments

Retirement Systems

1 Retirement Imaging and Workflow System

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

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

2 ORBIT System

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

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

Banking

3 Banking System Upgrade and Maintenance

Upgrades software for the state's banking system, which is used by all state agencies. The upgrade will result in a more secure system with less downtime and faster support. Also, budgets receipts to support ongoing maintenance of the state banking system. Increased costs in recent years have exceeded the department's budget for system maintenance.

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

Department-wide

4 IT Infrastructure, Security Software, and Help Desk System

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

Req	\$ 1,100,000	\$ 1,150,000	\$ 2,250,000
Rec	\$ 1,100,000	\$ 1,150,000	\$ 2,250,000
App	\$ -	\$ -	\$ -
FTE			0.000

Unclaimed Property

5 Unclaimed Property Investigator

Funds a position to identify individuals, estates, and businesses with unclaimed property to return it more quickly to its rightful owner without the owner incurring the substantial fees charged by private property finders. This position will also investigate potentially fraudulent unclaimed property claims.

Req	\$ 79,995	\$ -	\$ 79,995
Rec	\$ 79,995	\$ -	\$ 79,995
App	\$ -	\$ -	\$ -
FTE			1.000

Total Change to Requirements	\$ 3,590,555	\$ 3,150,000	\$ 6,740,555
Total Change to Receipts	\$ 3,590,555	\$ 3,150,000	\$ 6,740,555
Total Change to Net Appropriation	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)			1.000

Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$ -
Recommended Total FTE Changes	1.000

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.

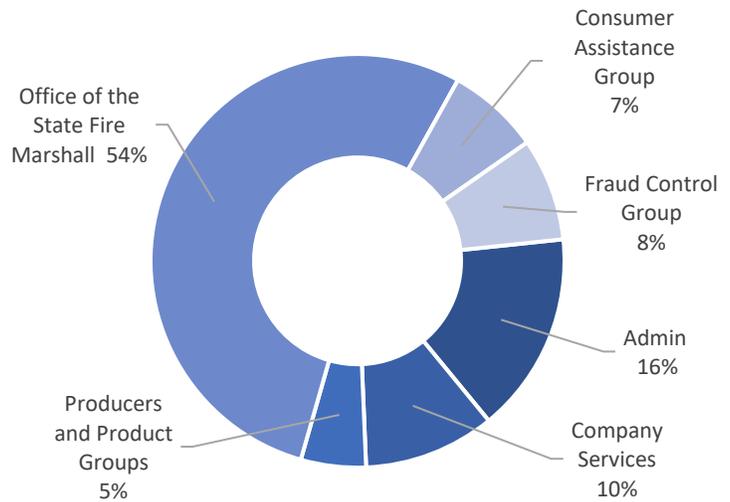
Goals

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

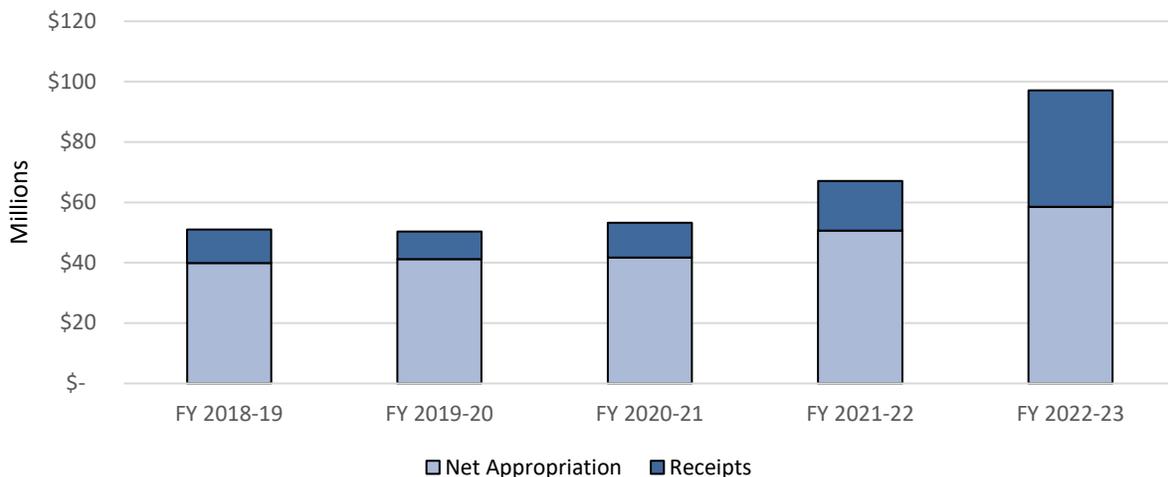
Agency Profile

- Focuses on consumers through fair ratemaking, injury prevention efforts, thorough regulation of insurance company solvency and industry practices, and protecting consumers against insurance fraud.
- Protects the lives and property of North Carolinians through education, risk management, code enforcement, and fire investigations.
- In 2022, had 277 arrests for insurance fraud, 180 convictions and a total of \$7,773,936 in restitutions and/or recoveries.
- Provides North Carolinians assistance with health insurance questions, complaints, and appeals.
- Our award-winning DOI Captive Insurance Program is among the top four in the nation.
- DOI received the STAR (State Transformation in Action Recognition) Award as Best in the South from the Southern Council of State Government.

FY 2022-23 Actual Expenditures



5-Year Historical Expenditures



Charts include General Fund budget code only.

Department of Insurance (13900)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	97,113,297	57,332,708	58,428,398	11,739,167	27,582,315	39,321,482	97,749,880
Receipts	38,584,221	5,493,452	5,140,347	-	20,000,000	20,000,000	25,140,347
Net Appropriation	58,529,076	51,839,256	53,288,051	11,739,167	7,582,315	19,321,482	72,609,533
Positions (FTE)	465.137	435.748	435.748			23.000	458.748

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments
Reserve for Salaries and Benefits			
1 Compensation Increase Reserve			
Guarantees at least a 5% across-the-board increase for all state-funded employees. In addition to the 3% provided in SL 2023-134, most state employees receive an additional 2%, while employees paid on an experience-based salary schedule or with a salary set in law receive an additional 3%. State agency teacher salaries are increased in accordance with the statewide salary schedules. Corresponding special provisions show additional details on compensation increases.	Req \$	847,000	\$ - \$ 847,000
	Rec \$	-	\$ - \$ -
	App \$	847,000	\$ - \$ 847,000
	FTE		0.000
2 Retention Bonus			
Provides a \$1,000 bonus to net appropriation-supported employees and an additional \$500 bonus to employees with an annual salary of less than \$75,000. To address retention, the retention bonus will be paid in two installments with half of the bonus paid in October 2024 and half in April 2025.	Req \$	-	\$ 606,000 \$ 606,000
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 606,000 \$ 606,000
	FTE		0.000
3 Enhanced Labor Market Retention and Adjustment Reserve			
Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported and receipt-supported payroll. The inclusion of funds for receipt-supported positions provides flexibility to agencies to address labor market concerns across all positions regardless of funding source. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. Among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.	Req \$	871,000	\$ - \$ 871,000
	Rec \$	-	\$ - \$ -
	App \$	871,000	\$ - \$ 871,000
	FTE		0.000
4 Retiree Cost-of-Living Adjustment			
Provides a 3% one-time retiree supplement in FY 2024-25 for over 240,000 retired members and survivors of deceased members.	Req \$	-	\$ 296,315 \$ 296,315
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 296,315 \$ 296,315
	FTE		0.000
Department-wide			
5 Internal Auditor			
Funds an Internal Audit Manager as recommended by the Council of Internal Auditing. This position will oversee the delivery of current workload and ensure the office has at least two internal auditors. Regardless of budget size, the Council of Internal Auditing recommends that all agencies have at least two auditors for quality assurance and review purposes. Additional audit staff will improve efficiency, effectiveness, and compliance with state laws and internal policies within the agency.	Req \$	169,880	\$ 3,500 \$ 173,380
	Rec \$	-	\$ - \$ -
	App \$	169,880	\$ 3,500 \$ 173,380
	FTE		1.000
6 Cybersecurity System Support			
Provides funding to bolster the department's cybersecurity systems. These funds will cover the cost of a security management tool, cybersecurity hardware and software, and data sharing to detect potential threats. This will also fund additional positions to support the system.	Req \$	2,437,240	\$ 4,500 \$ 2,441,740
	Rec \$	-	\$ - \$ -
	App \$	2,437,240	\$ 4,500 \$ 2,441,740
	FTE		3.000

		R Changes	NR Changes	Adjustments
Bail Bond Division				
7 Bail Bond Regulatory Division Positions				
Creates additional positions in the Bail Bond Regulatory Division. The department is transitioning to an internal licensing system to improve the licensing process and customer service. These positions will allow the department to provide in-house testing for bail bondsmen to obtain their license.	Req	\$ 369,931	\$ 6,000	\$ 375,931
	Rec	\$ -	\$ -	\$ -
	App	\$ 369,931	\$ 6,000	\$ 375,931
	FTE			4.000
Criminal Investigations				
8 Criminal Investigators				
Establishes additional Insurance Criminal Investigator positions. These officers investigate large fraud schemes, collect intelligence, and seek monetary restitution for victims of insurance fraud.	Req	\$ 244,558	\$ -	\$ 244,558
	Rec	\$ -	\$ -	\$ -
	App	\$ 244,558	\$ -	\$ 244,558
	FTE			2.000
Consumer Services				
9 Consumer Protection Fund				
Provides funds for resources needed to support the Rate Bureau, including funds to support their actuarial contract, court reporters, outside council, filing fees, and travel expenses.	Req	\$ 275,000	\$ -	\$ 275,000
	Rec	\$ -	\$ -	\$ -
	App	\$ 275,000	\$ -	\$ 275,000
	FTE			0.000
Criminal Investigations				
10 Fire Investigation Unit				
Provides funds for Special Agents and dogs to support the department's Fire Investigation Unit. This unit assists federal, state, and local agencies in determining the origin, cause and circumstances of fires, and fire-related deaths. The new agents and dogs will add capacity to the unit, which currently only has one K-9 agent and dog, allowing broader statewide investigation support.	Req	\$ 274,558	\$ 156,000	\$ 430,558
	Rec	\$ -	\$ -	\$ -
	App	\$ 274,558	\$ 156,000	\$ 430,558
	FTE			2.000
Office of the State Fire Marshal				
11 Building Evaluation				
Provides funds for a contractor to perform a complete evaluation of the over 18,000 state owned buildings. These buildings are not accurately valued for insurance purposes resulting in inaccurate insurance premiums and rates. The office will work with the Department of Administration to complete this evaluation. These funds will be transferred to Budget Code 63903.	Req	\$ -	\$ 5,000,000	\$ 5,000,000
	Rec	\$ -	\$ -	\$ -
	App	\$ -	\$ 5,000,000	\$ 5,000,000
	FTE			0.000
12 Code Official Administrative Positions				
Funds additional positions to process Code Official Certificate applications. These positions will allow the Office of the State Fire Marshal (OSFM) to respond to an expansion of the program and increased applications resulting from SL 2023-143 (SB 677) which permits non-local government employees to become Code Officials.	Req	\$ 250,000	\$ 10,000	\$ 260,000
	Rec	\$ -	\$ -	\$ -
	App	\$ 250,000	\$ 10,000	\$ 260,000
	FTE			2.000
13 Fire Department Reporting Software				
Provides funds for software to collect information on fire hotspots, low smoke alarm areas, and community education needs. This office provides this information to fire departments statewide and pays all software licensing and maintenance fees with lapsed salary for positions the office is trying to fill. Per state mandate 11 NCAC 05A.0910(f)(1), all fire departments must report these incidents in 120 days and many local fire departments are volunteer run and do not have the resources to cover these costs.	Req	\$ 500,000	\$ -	\$ 500,000
	Rec	\$ -	\$ -	\$ -
	App	\$ 500,000	\$ -	\$ 500,000
	FTE			0.000
14 Office of the State Fire Marshal Lease				
Provides funds to relocate the office to a facility that better meets their operational needs. The new office space will accommodate all OSFM employees as well as specialized equipment on site.	Req	\$ 1,000,000	\$ 1,500,000	\$ 2,500,000
	Rec	\$ -	\$ -	\$ -
	App	\$ 1,000,000	\$ 1,500,000	\$ 2,500,000
	FTE			0.000
15 Stanly County Emergency Training Center Operating Support				
Provides funds to cover basic operating expenses for the office's Training Center in Stanly County. The Aircraft Rescue Firefighting Section and Water Rescue Facility are scheduled to open in January and June 2025, respectively. These funds will support staff and expenses, including program supervisors, a maintenance technician, furniture, and security and safety needs. Staff are needed onsite before the facility opens to assist with set-up operations.	Req	\$ 4,500,000	\$ -	\$ 4,500,000
	Rec	\$ -	\$ -	\$ -
	App	\$ 4,500,000	\$ -	\$ 4,500,000
	FTE			9.000

		R Changes	NR Changes	Adjustments
State Property Fire Fund				
16 State Property Fire Fund				
Budgets receipts from the State Emergency Response and Disaster Relief Fund (SERDRF) to	Req \$	-	\$ 20,000,000	\$ 20,000,000
sustain the State Property Fire Fund. These funds will provide \$10 million to reimburse the	Rec \$	-	\$ 20,000,000	\$ 20,000,000
fund for a payment to UNC Wilmington for damage caused by Hurricane Florence and \$10	App \$	-	-	-
million to shore up the fund and allow it to provide adequate and timely coverage to	FTE			0.000
insured state entities. These funds will be transferred to Budget Code 63903.				
Total Change to Requirements	\$	11,739,167	\$ 27,582,315	\$ 39,321,482
Total Change to Receipts	\$	-	\$ 20,000,000	\$ 20,000,000
Total Change to Net Appropriation	\$	11,739,167	\$ 7,582,315	\$ 19,321,482
Total Change to Full-Time Equivalent (FTE)				23.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)				
	\$		19,321,482	
Recommended Total FTE Changes				
				23.000

Insurance - Trust - Internal Service (63903)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	65,346,543	45,253,734	25,253,734	-	25,000,000	25,000,000	50,253,734
Receipts	53,350,103	45,253,734	25,253,734	-	25,000,000	25,000,000	50,253,734
Δ in Fund Balance	11,996,440	-	-	-	-	-	-
Positions (FTE)	0.000	23.100	23.100			0.000	23.100

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments
1 Transfer-State Property Fire Fund			
Budgets the transfer from Budget Code 13900 for the State Property Fire Fund.			
	Req \$	- \$	20,000,000 \$
	Rec \$	- \$	20,000,000 \$
	CFB \$	- \$	- \$
	FTE		0.000
2 Transfer-Building Evaluation			
Budgets the transfer from Budget Code 13900 for the Building Code Evaluation.			
	Req \$	- \$	5,000,000 \$
	Rec \$	- \$	5,000,000 \$
	CFB \$	- \$	- \$
	FTE		0.000
Total Change to Requirements	\$	- \$	25,000,000 \$
Total Change to Receipts	\$	- \$	25,000,000 \$
Total Change to Net Appropriation	\$	- \$	- \$
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$		-
Recommended Total FTE Changes			0.000

Industrial Commission (13902)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	123,206,605	24,334,029	24,516,649	560,000	136,915	696,915	25,213,564
Receipts	68,069,215	20,556,516	20,739,136	-	-	-	20,739,136
Net Appropriation	55,137,390	3,777,513	3,777,513	560,000	136,915	696,915	4,474,428
Positions (FTE)	721.020	143.250	143.250			0.000	143.250

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments
Reserve for Salaries and Benefits			
1 Compensation Increase Reserve			
Guarantees at least a 5% across-the-board increase for all state-funded employees. In addition to the 3% provided in SL 2023-134, most state employees receive an additional 2%, while employees paid on an experience-based salary schedule or with a salary set in law receive an additional 3%. State agency teacher salaries are increased in accordance with the statewide salary schedules. Corresponding special provisions show additional details on compensation increases.	Req \$	151,000	\$ - \$ 151,000
	Rec \$	-	\$ - \$ -
	App \$	151,000	\$ - \$ 151,000
	FTE		0.000
2 Position Fundshift Reserve			
Establishes a Position Fundshift Reserve to provide the agency with additional flexibility to manage. The agency may use these funds to fundshift a limited number of positions, in whole or in part, from receipts to net appropriation support. Fundshifting positions will free up receipts, providing much needed availability for receipt-supported compensation increases. Agencies are required to provide legislative increases to receipt-supported positions but are often not able to raise the additional revenue needed to do so.	Req \$	129,000	\$ - \$ 129,000
	Rec \$	-	\$ - \$ -
	App \$	129,000	\$ - \$ 129,000
	FTE		0.000
3 Retention Bonus			
Provides a \$1,000 bonus to net appropriation-supported employees and an additional \$500 bonus to employees with an annual salary of less than \$75,000. To address retention, the retention bonus will be paid in two installments with half of the bonus paid in October 2024 and half in April 2025.	Req \$	-	\$ 84,000 \$ 84,000
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 84,000 \$ 84,000
	FTE		0.000
4 Enhanced Labor Market Retention and Adjustment Reserve			
Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported and receipt-supported payroll. The inclusion of funds for receipt-supported positions provides flexibility to agencies to address labor market concerns across all positions regardless of funding source. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. Among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.	Req \$	280,000	\$ - \$ 280,000
	Rec \$	-	\$ - \$ -
	App \$	280,000	\$ - \$ 280,000
	FTE		0.000
5 Retiree Cost-of-Living Adjustment			
Provides a 3% one-time retiree supplement in FY 2024-25 for over 240,000 retired members and survivors of deceased members.	Req \$	-	\$ 52,915 \$ 52,915
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 52,915 \$ 52,915
	FTE		0.000
Total Change to Requirements	\$	560,000	\$ 136,915 \$ 696,915
Total Change to Receipts	\$	-	\$ - \$ -
Total Change to Net Appropriation	\$	560,000	\$ 136,915 \$ 696,915
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		696,915
Recommended Total FTE Changes			0.000

Mission

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

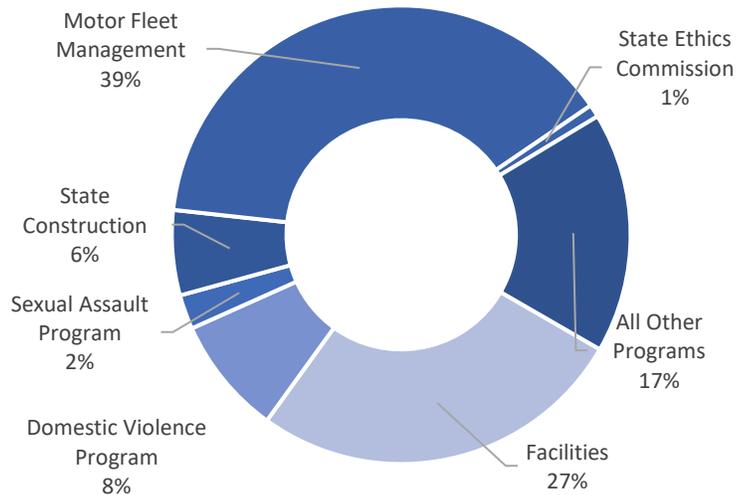
Goals

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

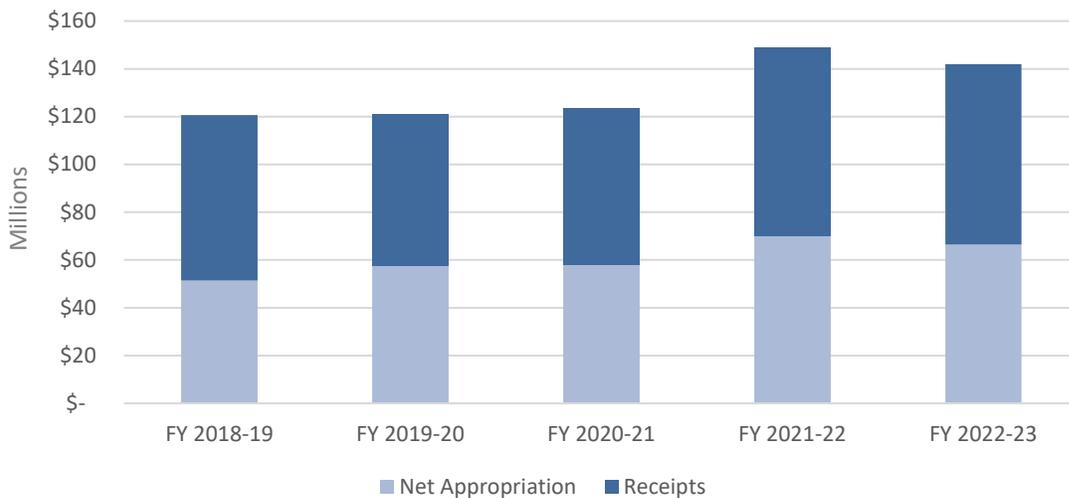
Agency Profile

- Provides 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.
- Provides advocacy and services to underserved populations and admin support to various boards and commissions including Indian Affairs, Historically Underutilized Businesses, Inclusion, MLK Jr., Youth Council, State Internships, Women and Domestic Violence.
- Registers and monitors all non-public schools in the state.

FY 2022-23 Actual Expenditures



5-Year Historical Expenditures



Charts do not include expenditures from the Office of State Human Resources in any year. Charts include General Fund and Internal Service Funds.

Department of Administration (14100)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	79,930,578	78,838,024	80,145,616	5,817,000	707,724	6,524,724	86,670,340
Receipts	17,954,292	12,893,084	12,636,055	-	-	-	12,636,055
Net Appropriation	61,976,286	65,944,940	67,509,561	5,817,000	707,724	6,524,724	74,034,285
Positions (FTE)	364.149	378.023	378.023			6.000	384.023

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments

Reserve for Salaries and Benefits

1 Compensation Increase Reserve

Guarantees at least a 5% across-the-board increase for all state-funded employees. In addition to the 3% provided in SL 2023-134, most state employees receive an additional 2%, while employees paid on an experience-based salary schedule or with a salary set in law receive an additional 3%. State agency teacher salaries are increased in accordance with the statewide salary schedules. Corresponding special provisions show additional details on compensation increases.

Req	\$ 597,000	\$ -	\$ 597,000
Rec	\$ -	\$ -	\$ -
App	\$ 597,000	\$ -	\$ 597,000
FTE			0.000

2 Position Fundshift Reserve

Establishes a Position Fundshift Reserve to provide the agency with additional flexibility to manage. The agency may use these funds to fundshift a limited number of positions, in whole or in part, from receipts to net appropriation support. Fundshifting positions will free up receipts, providing much needed availability for receipt-supported compensation increases. Agencies are required to provide legislative increases to receipt-supported positions but are often not able to raise the additional revenue needed to do so.

Req	\$ 86,000	\$ -	\$ 86,000
Rec	\$ -	\$ -	\$ -
App	\$ 86,000	\$ -	\$ 86,000
FTE			0.000

3 Retention Bonus

Provides a \$1,000 bonus to net appropriation-supported employees and an additional \$500 bonus to employees with an annual salary of less than \$75,000. To address retention, the retention bonus will be paid in two installments with half of the bonus paid in October 2024 and half in April 2025.

Req	\$ -	\$ 498,000	\$ 498,000
Rec	\$ -	\$ -	\$ -
App	\$ -	\$ 498,000	\$ 498,000
FTE			0.000

4 Enhanced Labor Market Retention and Adjustment Reserve

Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported and receipt-supported payroll. The inclusion of funds for receipt-supported positions provides flexibility to agencies to address labor market concerns across all positions regardless of funding source. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. Among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.

Req	\$ 684,000	\$ -	\$ 684,000
Rec	\$ -	\$ -	\$ -
App	\$ 684,000	\$ -	\$ 684,000
FTE			0.000

5 Retiree Cost-of-Living Adjustment

Provides a 3% one-time retiree supplement in FY 2024-25 for over 240,000 retired members and survivors of deceased members.

Req	\$ -	\$ 209,724	\$ 209,724
Rec	\$ -	\$ -	\$ -
App	\$ -	\$ 209,724	\$ 209,724
FTE			0.000

Department-wide

6 Small Business Enterprise Rural Outreach

Provides positions and operating funds for training, technical assistance, and outreach to support small business development in rural communities. The NC Small Business Enterprise Certification Program helps state and local government buyers identify small businesses to contract with, creating economic opportunities for business owners and reducing state and local costs by increasing the supplier pool. To be eligible, a small business must be organized for profit, have fewer than 100 employees, and have an annual net income less than \$1,500,000. The program has certified over 2,700 small businesses since it started in 2020. In FY 2022-23 the state contracts for goods and services from certified small businesses totaled over \$49 million.

Req	\$ 500,000	\$ -	\$ 500,000
Rec	\$ -	\$ -	\$ -
App	\$ 500,000	\$ -	\$ 500,000
FTE			4.000

		R Changes		NR Changes		Adjustments
7 Support for Facilities Management						
Provides funding to the Facilities Management Division to compensate for loss of funds due to the replacement of a receipt-supported tenant (Department of Insurance) with one supported by net appropriations. Funding will enable the division to properly maintain state buildings.	Req \$	2,100,000	\$	-	\$	2,100,000
	Rec \$	-	\$	-	\$	-
	App \$	2,100,000	\$	-	\$	2,100,000
	FTE					0.000
8 Utility Cost Increases						
Provides funding for the Facilities Management Division to cover increased utility costs for state-maintained buildings. The price of natural gas has risen by 42% and commercial electricity has risen by 15% in the past two years, without a corresponding increase to the division's budget.	Req \$	1,500,000	\$	-	\$	1,500,000
	Rec \$	-	\$	-	\$	-
	App \$	1,500,000	\$	-	\$	1,500,000
	FTE					0.000
9 American Indian Youth Leadership						
Provides funding to develop an American Indian Youth Leadership Program. Program activities will include leadership development, mentorship, university campus tours, and paid internships. The high school dropout rate for American Indian students at 3.46% is the highest among ethnic groups in the state. The state's average dropout rate is 2.25%.	Req \$	300,000	\$	-	\$	300,000
	Rec \$	-	\$	-	\$	-
	App \$	300,000	\$	-	\$	300,000
	FTE					2.000
10 Tribal Recognition						
Provides funding for the State Tribal Recognition Program. The funding will allow the program to provide technical assistance for groups seeking state and federal recognition, including converting and storing physical and electronic records, responding to requests from the public and legislature, and contracting for genealogical support.	Req \$	50,000	\$	-	\$	50,000
	Rec \$	-	\$	-	\$	-
	App \$	50,000	\$	-	\$	50,000
	FTE					0.000
Total Change to Requirements		\$ 5,817,000	\$	707,724	\$	6,524,724
Total Change to Receipts		\$ -	\$	-	\$	-
Total Change to Net Appropriation		\$ 5,817,000	\$	707,724	\$	6,524,724
Total Change to Full-Time Equivalent (FTE)						6.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$		6,524,724		
Recommended Total FTE Changes				6.000		

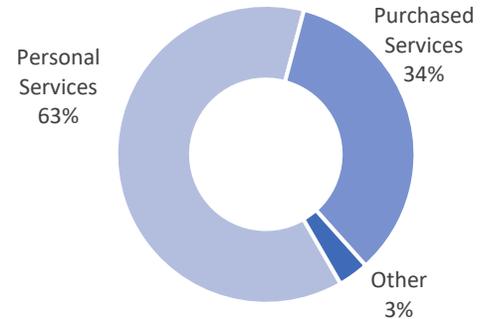
Mission

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

Goals

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

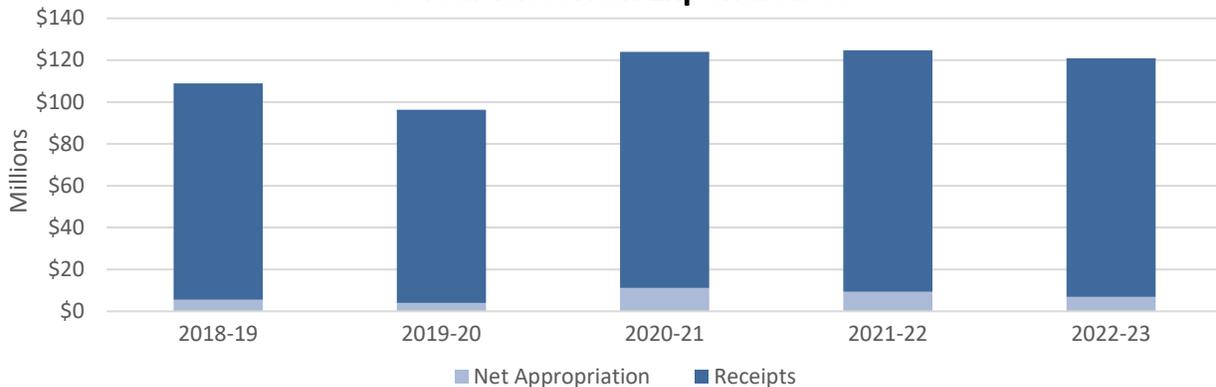
FY 2022-23 Actual Expenditures



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)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	33,823,149	16,653,363	11,252,211	755,296	318,357	1,073,653	12,325,864
Receipts	3,546,435	5,767,638	100,888	-	-	-	100,888
Net Appropriation	30,276,714	10,885,725	11,151,323	755,296	318,357	1,073,653	12,224,976
Positions (FTE)	0.000	61.100	61.100			3.500	64.600

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments

Reserve for Salaries and Benefits

1 Compensation Increase Reserve

Guarantees at least a 5% across-the-board increase for all state-funded employees. In addition to the 3% provided in SL 2023-134, most state employees receive an additional 2%, while employees paid on an experience-based salary schedule or with a salary set in law receive an additional 3%. State agency teacher salaries are increased in accordance with the statewide salary schedules. Corresponding special provisions show additional details on compensation increases.

Req \$	157,000	\$	-	\$	157,000
Rec \$	-	\$	-	\$	-
App \$	157,000	\$	-	\$	157,000
FTE					0.000

2 Retention Bonus

Provides a \$1,000 bonus to net appropriation-supported employees and an additional \$500 bonus to employees with an annual salary of less than \$75,000. To address retention, the retention bonus will be paid in two installments with half of the bonus paid in October 2024 and half in April 2025.

Req \$	-	\$	81,000	\$	81,000
Rec \$	-	\$	-	\$	-
App \$	-	\$	81,000	\$	81,000
FTE					0.000

3 Enhanced Labor Market Retention and Adjustment Reserve

Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported and receipt-supported payroll. The inclusion of funds for receipt-supported positions provides flexibility to agencies to address labor market concerns across all positions regardless of funding source. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. Among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.

Req \$	157,000	\$	-	\$	157,000
Rec \$	-	\$	-	\$	-
App \$	157,000	\$	-	\$	157,000
FTE					0.000

4 Retiree Cost-of-Living Adjustment

Provides a 3% one-time retiree supplement in FY 2024-25 for over 240,000 retired members and survivors of deceased members.

Req \$	-	\$	55,185	\$	55,185
Rec \$	-	\$	-	\$	-
App \$	-	\$	55,185	\$	55,185
FTE					0.000

Administration

5 Data Analytics

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

Req \$	149,431	\$	-	\$	149,431
Rec \$	-	\$	-	\$	-
App \$	149,431	\$	-	\$	149,431
FTE					1.000

6 Special Initiatives Lead

Funds a position to implement initiatives recommended by the Performance Management Advisory Committee. Duties will include coordinating marketing efforts for state positions, broadening internship opportunities within the state, and increasing employment opportunities for formerly incarcerated people.

Req \$	-	\$	120,000	\$	120,000
Rec \$	-	\$	-	\$	-
App \$	-	\$	120,000	\$	120,000
FTE					1.000

		R Changes		NR Changes		Adjustments
7 Internal Auditor						
Funds an Internal Audit Manager as recommended by the Council of Internal Auditing. This position will oversee the delivery of current workload and ensure the office has at least two internal auditors. Regardless of budget size, the Council of Internal Auditing recommends that all agencies have at least two auditors for quality assurance and review purposes. Additional audit staff will improve efficiency, effectiveness, and compliance with state laws and internal policies within the agency.	Req \$	169,880	\$	3,500	\$	173,380
	Rec \$	-	\$	-	\$	-
	App \$	169,880	\$	3,500	\$	173,380
	FTE					1.000
Information Technology						
8 HR Digital Transformation Project						
Invests funds from the IT Program Reserve to continue the replacement of the State's Human Capital Management (HCM) System. These funds will cover the compiling of archival HR data, contract positions needed to support HCM development and implementation, and planning for the next phase of the project. Funds for this project are provided from the IT Project Reserve and will be allocated to the department over the life of the project.	Req \$	-	\$	-	\$	-
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	-	\$	-
	FTE					0.000
9 Contract Cost Increases for Key HR Applications						
Covers the rising software expenses for essential human resource software applications used by all state agencies such as the NEOGOV hiring platform, the Content Anytime learning platform, and the State's employee performance management system, NCVIP. The Human Capital Management (HCM) Project will replace NEOGOV within the next 2 years. The remaining software will be replaced in the next phase of the project.	Req \$	121,985	\$	-	\$	121,985
	Rec \$	-	\$	-	\$	-
	App \$	121,985	\$	-	\$	121,985
	FTE					0.000
10 IT Security						
Funds a part-time, time-limited position to standardize system application security roles and permissions for the state's learning and performance platforms.	Req \$	-	\$	58,672	\$	58,672
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	58,672	\$	58,672
	FTE					0.500
Total Change to Requirements	\$	755,296	\$	318,357	\$	1,073,653
Total Change to Receipts	\$	-	\$	-	\$	-
Total Change to Net Appropriation	\$	755,296	\$	318,357	\$	1,073,653
Total Change to Full-Time Equivalent (FTE)						3.500
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$				1,073,653
Recommended Total FTE Changes						3.500

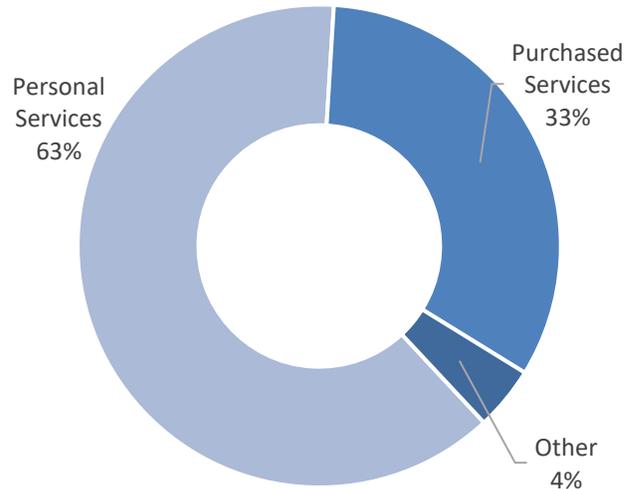
Mission

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

Goals

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

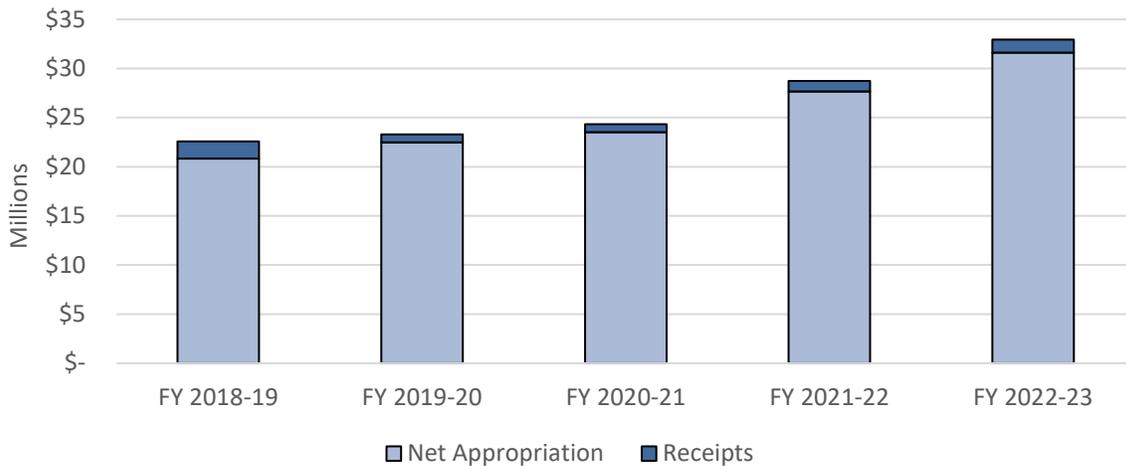
FY 2022-23 Actual Expenditures



Agency Profile

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

5-Year Historical Expenditures



Charts include General Fund budget code 14160 only. Budget growth in FY 2021-22 and FY 2022-23 reflects costs of NCFs implementation.

Office of the State Controller (14160)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	32,938,759	36,259,940	36,837,536	1,238,316	400,282	1,638,598	38,476,134
Receipts	1,329,475	1,071,185	875,957	-	-	-	875,957
Net Appropriation	31,609,284	35,188,755	35,961,579	1,238,316	400,282	1,638,598	37,600,177
Positions (FTE)	167.454	192.545	192.545			2.000	194.545

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments

Reserve for Salaries and Benefits

1 Compensation Increase Reserve

Guarantees at least a 5% across-the-board increase for all state-funded employees. In addition to the 3% provided in SL 2023-134, most state employees receive an additional 2%, while employees paid on an experience-based salary schedule or with a salary set in law receive an additional 3%. State agency teacher salaries are increased in accordance with the statewide salary schedules. Corresponding special provisions show additional details on compensation increases.

Req \$	459,000	\$	-	\$	459,000
Rec \$	-	\$	-	\$	-
App \$	459,000	\$	-	\$	459,000
FTE					0.000

2 Position Fundshift Reserve

Establishes a Position Fundshift Reserve to provide the agency with additional flexibility to manage. The agency may use these funds to fundshift a limited number of positions, in whole or in part, from receipts to net appropriation support. Fundshifting positions will free up receipts, providing much needed availability for receipt-supported compensation increases. Agencies are required to provide legislative increases to receipt-supported positions but are often not able to raise the additional revenue needed to do so.

Req \$	7,000	\$	-	\$	7,000
Rec \$	-	\$	-	\$	-
App \$	7,000	\$	-	\$	7,000
FTE					0.000

3 Retention Bonus

Provides a \$1,000 bonus to net appropriation-supported employees and an additional \$500 bonus to employees with an annual salary of less than \$75,000. To address retention, the retention bonus will be paid in two installments with half of the bonus paid in October 2024 and half in April 2025.

Req \$	-	\$	239,000	\$	239,000
Rec \$	-	\$	-	\$	-
App \$	-	\$	239,000	\$	239,000
FTE					0.000

4 Enhanced Labor Market Retention and Adjustment Reserve

Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported and receipt-supported payroll. The inclusion of funds for receipt-supported positions provides flexibility to agencies to address labor market concerns across all positions regardless of funding source. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. Among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.

Req \$	467,000	\$	-	\$	467,000
Rec \$	-	\$	-	\$	-
App \$	467,000	\$	-	\$	467,000
FTE					0.000

5 Retiree Cost-of-Living Adjustment

Provides a 3% one-time retiree supplement in FY 2024-25 for over 240,000 retired members and survivors of deceased members.

Req \$	-	\$	161,282	\$	161,282
Rec \$	-	\$	-	\$	-
App \$	-	\$	161,282	\$	161,282
FTE					0.000

Department-wide

6 IT Cloud-Based Security Position

Establishes a senior level IT security position. This role will be responsible for overseeing security controls and technologies, detecting cyberthreats, and implementing changes to protect and secure sensitive financial and personal data stored within the office's platforms.

Req \$	184,185	\$	-	\$	184,185
Rec \$	-	\$	-	\$	-
App \$	184,185	\$	-	\$	184,185
FTE					1.000

		R Changes		NR Changes		Adjustments
7 Internal Auditor						
Funds an Internal Auditor III as recommended by the Council of Internal Auditing. This position will support current workload and ensure the office has at least two internal auditors. Regardless of budget size, the Council of Internal Auditing recommends that all agencies have at least two auditors for quality assurance and review purposes. Additional audit staff will improve efficiency, effectiveness, and compliance with state laws and internal policies within the agency.	Req \$	121,131	\$	-	\$	121,131
	Rec \$	-	\$	-	\$	-
	App \$	121,131	\$	-	\$	121,131
	FTE					1.000
Total Change to Requirements	\$	1,238,316	\$	400,282	\$	1,638,598
Total Change to Receipts	\$	-	\$	-	\$	-
Total Change to Net Appropriation	\$	1,238,316	\$	400,282	\$	1,638,598
Total Change to Full-Time Equivalent (FTE)						2.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$			1,638,598		
Recommended Total FTE Changes						2.000

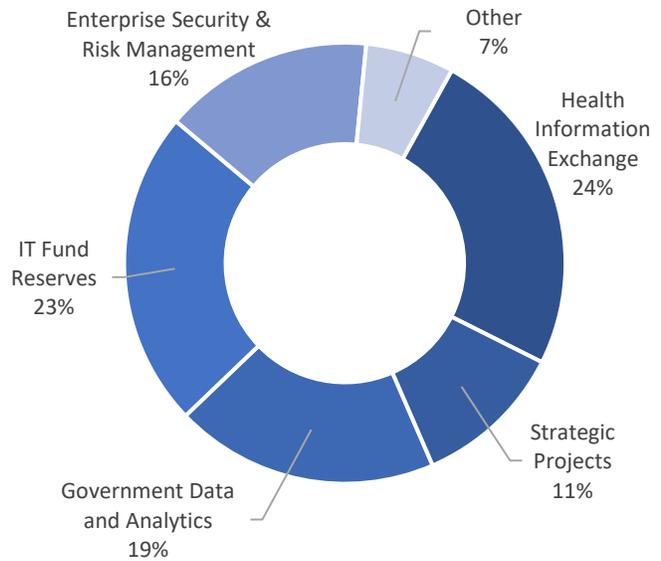
Mission

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

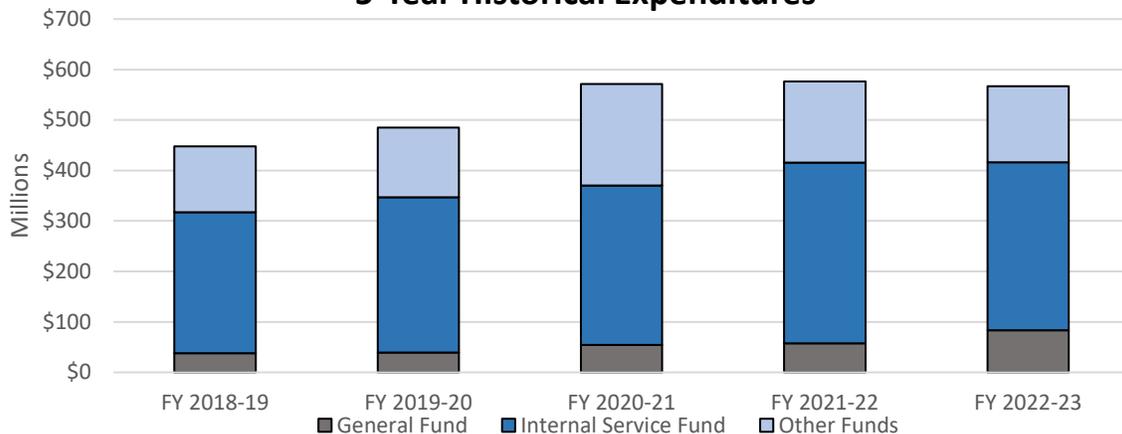
FY 2022-23 Actual Expenditures*



Agency Profile

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

5-Year Historical Expenditures**



*Chart includes General Fund budget code only.

**Chart includes General Fund and Special Funds.

Department of Information Technology (14660)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	166,802,948	141,695,168	110,450,423	4,421,000	1,564,120	5,985,120	116,435,543
Receipts	18,013,706	60,392,638	31,479,233	-	-	-	31,479,233
Net Appropriation	148,789,244	81,302,530	78,971,190	4,421,000	1,564,120	5,985,120	84,956,310
Positions (FTE)	223.500	130.750	130.750			17.000	147.750

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments

Reserve for Salaries and Benefits

1 Compensation Increase Reserve

Guarantees at least a 5% across-the-board increase for all state-funded employees. In addition to the 3% provided in SL 2023-134, most state employees receive an additional 2%, while employees paid on an experience-based salary schedule or with a salary set in law receive an additional 3%. State agency teacher salaries are increased in accordance with the statewide salary schedules. Corresponding special provisions show additional details on compensation increases.

Req \$	406,000	\$	-	\$	406,000
Rec \$	-	\$	-	\$	-
App \$	406,000	\$	-	\$	406,000
FTE					0.000

2 Position Fundshift Reserve

Establishes a Position Fundshift Reserve to provide the agency with additional flexibility to manage. The agency may use these funds to fundshift a limited number of positions, in whole or in part, from receipts to net appropriation support. Fundshifting positions will free up receipts, providing much needed availability for receipt-supported compensation increases. Agencies are required to provide legislative increases to receipt-supported positions but are often not able to raise the additional revenue needed to do so.

Req \$	4,000	\$	-	\$	4,000
Rec \$	-	\$	-	\$	-
App \$	4,000	\$	-	\$	4,000
FTE					0.000

3 Retention Bonus

Provides a \$1,000 bonus to net appropriation-supported employees and an additional \$500 bonus to employees with an annual salary of less than \$75,000. To address retention, the retention bonus will be paid in two installments with half of the bonus paid in October 2024 and half in April 2025.

Req \$	-	\$	151,000	\$	151,000
Rec \$	-	\$	-	\$	-
App \$	-	\$	151,000	\$	151,000
FTE					0.000

4 Enhanced Labor Market Retention and Adjustment Reserve

Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported and receipt-supported payroll. The inclusion of funds for receipt-supported positions provides flexibility to agencies to address labor market concerns across all positions regardless of funding source. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. Among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.

Req \$	411,000	\$	-	\$	411,000
Rec \$	-	\$	-	\$	-
App \$	411,000	\$	-	\$	411,000
FTE					0.000

5 Retiree Cost-of-Living Adjustment

Provides a 3% one-time retiree supplement in FY 2024-25 for over 240,000 retired members and survivors of deceased members.

Req \$	-	\$	142,712	\$	142,712
Rec \$	-	\$	-	\$	-
App \$	-	\$	142,712	\$	142,712
FTE					0.000

Privacy & Security

6 Privacy Office Staff

Fundshifts and makes the additional permanent support authorized in SL 2023-134 for the Office of Privacy and Data Protection. All other staff in the office are already net-appropriation supported and provide statewide support for data privacy and protection. Additional staff are needed to support agencies with implementing technical privacy controls, conducting privacy assessments, establishing privacy measures, and responding to privacy issues.

Req \$	1,550,000	\$	-	\$	1,550,000
Rec \$	-	\$	-	\$	-
App \$	1,550,000	\$	-	\$	1,550,000
FTE					5.000

		R Changes		NR Changes		Adjustments
7 Security Office Staff						
Fundshifts and makes the additional permanent support authorized in SL 2023-134 for the Enterprise Security and Risk Management Office. All other office staff are already net-appropriation supported and the office provides statewide support for detecting and responding to security threats.	Req \$	2,000,000	\$	-	\$	2,000,000
	Rec \$	-	\$	-	\$	-
	App \$	2,000,000	\$	-	\$	2,000,000
	FTE					12.000
8 Tanium Endpoint Detection and Response Modernization						
Budgets receipts from the IT Reserve to transition the Tanium Endpoint Detection and Response security platform to the cloud. This platform enables critical security alerts and response activities for state agencies.	Req \$	-	\$	-	\$	-
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	-	\$	-
	FTE					0.000
9 FirstNet Program						
Provides operating support for FirstNet training, supplies, and related expenses. FirstNet is a nationwide public safety broadband network. The training that staff receive from FirstNet is critical to ensure local first responders are receiving the latest resources on FirstNet technology.	Req \$	50,000	\$	-	\$	50,000
	Rec \$	-	\$	-	\$	-
	App \$	50,000	\$	-	\$	50,000
	FTE					0.000
Center for Geographic Information and Analysis						
10 CGIA and GICC Support						
Provides resources to support the Center for Geographic Information and Analysis (CGIA) in providing professional services to NC Geographic Information Coordinating Council (GICC). CGIA supports GICC working groups and assists with geospatial data requests to ensure reliable geographic information for decision making in economic development, emergency response planning, and other priorities. These efforts have contributed to the state's A rating with the National Geographic Information Council.	Req \$	-	\$	381,000	\$	381,000
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	381,000	\$	381,000
	FTE					0.000
Government Data Analytics Center						
11 GDAC IT Modernization Efforts						
Provides resources to support GDAC with the ongoing implementation of technology infrastructure modernization, such as cloud-based solutions, to enhance enterprise solutions and minimize security vulnerabilities. This effort will allow for improved analytic insights and reporting across criminal justice, fraud and compliance, enterprise, and health care applications.	Req \$	-	\$	671,000	\$	671,000
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	671,000	\$	671,000
	FTE					0.000
12 GDAC Production Services Team						
Provides resources to support the GDAC Production Services Team providing operational support for critical applications, such as the Criminal Justice Law Enforcement Data Services database, and other applications supported by GDAC.	Req \$	-	\$	218,408	\$	218,408
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	218,408	\$	218,408
	FTE					0.000
Total Change to Requirements	\$	4,421,000	\$	1,564,120	\$	5,985,120
Total Change to Receipts	\$	-	\$	-	\$	-
Total Change to Net Appropriation	\$	4,421,000	\$	1,564,120	\$	5,985,120
Total Change to Full-Time Equivalent (FTE)						17.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)						
	\$			5,985,120		
Recommended Total FTE Changes						
						17.000

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.

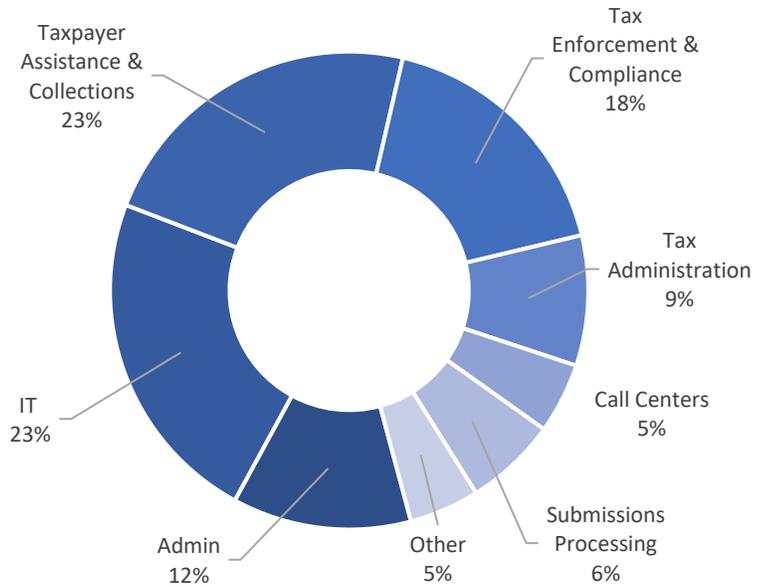
Goals

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

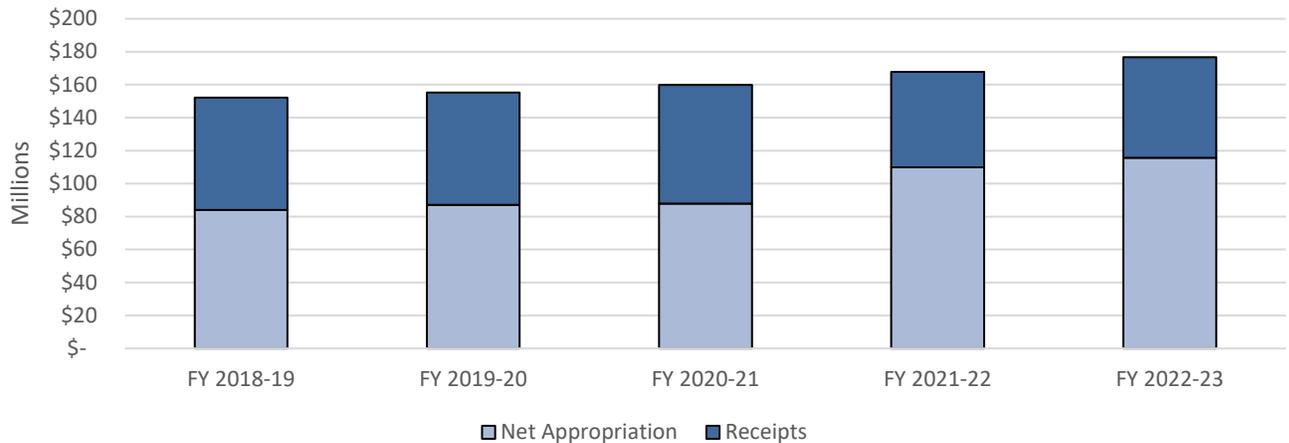
Agency Profile

- Administers over 20 different taxes, including individual income, corporate income, sales and use, motor fuel, alcoholic beverage, and tobacco taxes.
- Provides compliance and enforcement efforts that yielded nearly \$685 million during FY 2022-23.
- Collected \$44.6 billion in revenue during FY 2022-23 and deposited nearly \$32.2 billion into the state’s General Fund.
- Received 87% of payments electronically during FY 2022-23.
- The individual income tax represents the largest source of revenue for the state General Fund, followed by the sales tax.

FY 2022-23 Actual Expenditures



5-Year Historical Expenditures



Charts include General Fund budget code only.

Department of Revenue (14700)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	176,766,956	189,349,897	189,810,136	6,069,848	1,770,234	7,840,082	197,650,218
Receipts	61,078,751	70,984,788	68,697,348	-	-	-	68,697,348
Net Appropriation	115,688,205	118,365,109	121,112,788	6,069,848	1,770,234	7,840,082	128,952,870
Positions (FTE)	1,456.015	1,453.646	1,453.646			6.000	1,459.646

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments
Reserve for Salaries and Benefits			
1 Compensation Increase Reserve			
Guarantees at least a 5% across-the-board increase for all state-funded employees. In addition to the 3% provided in SL 2023-134, most state employees receive an additional 2%, while employees paid on an experience-based salary schedule or with a salary set in law receive an additional 3%. State agency teacher salaries are increased in accordance with the statewide salary schedules. Corresponding special provisions show additional details on compensation increases.	Req \$	1,520,000	\$ - \$ 1,520,000
	Rec \$	-	\$ - \$ -
	App \$	1,520,000	\$ - \$ 1,520,000
	FTE		0.000
2 Position Fundshift Reserve			
Establishes a Position Fundshift Reserve to provide the agency with additional flexibility to manage. The agency may use these funds to fundshift a limited number of positions, in whole or in part, from receipts to net appropriation support. Fundshifting positions will free up receipts, providing much needed availability for receipt-supported compensation increases. Agencies are required to provide legislative increases to receipt-supported positions but are often not able to raise the additional revenue needed to do so.	Req \$	855,000	\$ - \$ 855,000
	Rec \$	-	\$ - \$ -
	App \$	855,000	\$ - \$ 855,000
	FTE		0.000
3 Retention Bonus			
Provides a \$1,000 bonus to net appropriation-supported employees and an additional \$500 bonus to employees with an annual salary of less than \$75,000. To address retention, the retention bonus will be paid in two installments with half of the bonus paid in October 2024 and half in April 2025.	Req \$	-	\$ 1,208,000 \$ 1,208,000
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 1,208,000 \$ 1,208,000
	FTE		0.000
4 Enhanced Labor Market Retention and Adjustment Reserve			
Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported and receipt-supported payroll. The inclusion of funds for receipt-supported positions provides flexibility to agencies to address labor market concerns across all positions regardless of funding source. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. Among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.	Req \$	2,375,000	\$ - \$ 2,375,000
	Rec \$	-	\$ - \$ -
	App \$	2,375,000	\$ - \$ 2,375,000
	FTE		0.000
5 Retiree Cost-of-Living Adjustment			
Provides a 3% one-time retiree supplement in FY 2024-25 for over 240,000 retired members and survivors of deceased members.	Req \$	-	\$ 532,841 \$ 532,841
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 532,841 \$ 532,841
	FTE		0.000
Department-wide			
6 Document Management System Licenses and Update			
Provides funding for ongoing costs to maintain the Document Management System, which processes electronic forms, paper forms, taxpayer correspondence, and Power of Attorney (POA) submissions. Without this system, DOR would have to handle all POA and paper correspondence manually, which will greatly delay responses and refunds to taxpayers.	Req \$	473,566	\$ - \$ 473,566
	Rec \$	-	\$ - \$ -
	App \$	473,566	\$ - \$ 473,566
	FTE		0.000

		R Changes		NR Changes		Adjustments
7 New Tax System Implementation and Support						
Funds additional positions to support the implementation of the state's new tax system.	Req \$	603,937	\$	17,143	\$	621,080
The tax system processes all major taxes and runs other applications and systems that	Rec \$	-	\$	-	\$	-
support payment management and tax administration. These positions will provide testing	App \$	603,937	\$	17,143	\$	621,080
and quality assurance and support both the ongoing operations of the current system and	FTE					5.000
migration to the new tax system.						
8 IT Budget Adjustment						
Adjusts the department's IT budget to account for expected FY 2024-25 Department of	Req \$	116,787	\$	-	\$	116,787
Information Technology service and subscription rates and fund computer hardware	Rec \$	-	\$	-	\$	-
replacement and software licenses and support.	App \$	116,787	\$	-	\$	116,787
	FTE					0.000
9 HR Position						
Funds an additional position in the HR Division to meet operational and compliance	Req \$	125,558	\$	12,250	\$	137,808
objectives. This position will focus on employee relations, Equal Employment Opportunity	Rec \$	-	\$	-	\$	-
functions, and recruitment for the Tax Enforcement and Collections Division, which has	App \$	125,558	\$	12,250	\$	137,808
high turnover and vacancies.	FTE					1.000
Total Change to Requirements	\$	6,069,848	\$	1,770,234	\$	7,840,082
Total Change to Receipts	\$	-	\$	-	\$	-
Total Change to Net Appropriation	\$	6,069,848	\$	1,770,234	\$	7,840,082
Total Change to Full-Time Equivalent (FTE)						6.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$			7,840,082		
Recommended Total FTE Changes				6.000		

Mission

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

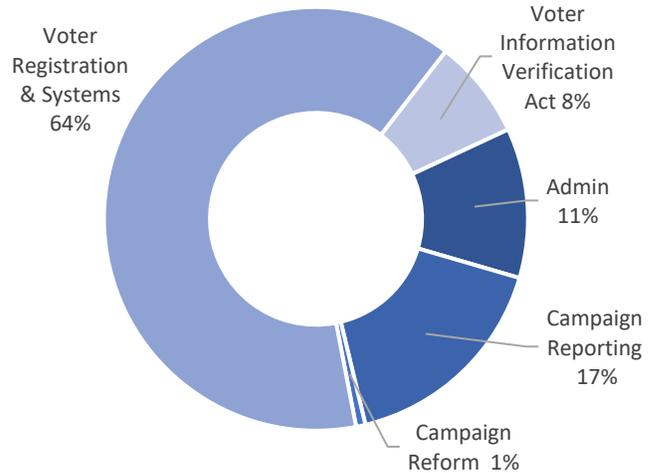
Goals

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

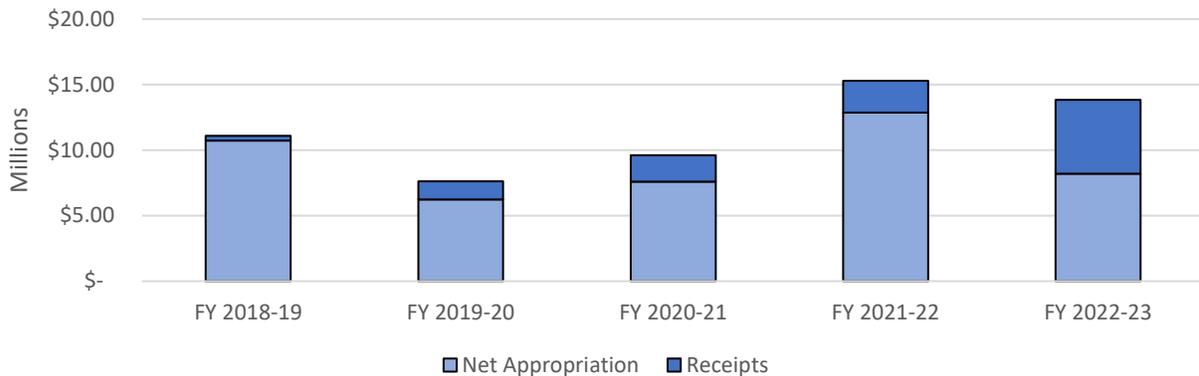
Agency Profile

- Supervises elections and campaign finance disclosure in the state. Elections are conducted by 100 county boards under SBE oversight.
- Governed by a five-member Board appointed by the Governor. No more than three members may belong to the same party.
- Appoints four of the five members for each county’s elections board. The Governor names the fifth member, who serves the chair.
- Evaluates and certifies voting equipment used by county boards to administer elections.
- Is upgrading the Statewide Election Information Management System to automate processes for voter registration, voting, election site operations, and other key functions.

FY 2022-23 Actual Expenditures



5-Year Historical Expenditures*



Charts include General Fund budget codes only.

**FY 2019-20 decrease reflects additional nonrecurring net appropriations to support the Voter Information Verification Act (VIVA). FY 2022-23 reflects additional nonrecurring receipts to replace SBE’s Statewide Election Information Management System (SEIMS).*

State Board of Elections (18025)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	13,835,502	17,841,169	9,861,207	2,414,612	129,094	2,543,706	12,404,913
Receipts	5,630,809	5,763,121	102,000	-	-	-	102,000
Net Appropriation	8,204,693	12,078,048	9,759,207	2,414,612	129,094	2,543,706	12,302,913
Positions (FTE)	66.000	60.100	60.100			12.000	72.100

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments
Reserve for Salaries and Benefits			
1 Compensation Increase Reserve			
Guarantees at least a 5% across-the-board increase for all state-funded employees. In addition to the 3% provided in SL 2023-134, most state employees receive an additional 2%, while employees paid on an experience-based salary schedule or with a salary set in law receive an additional 3%. State agency teacher salaries are increased in accordance with the statewide salary schedules. Corresponding special provisions show additional details on compensation increases.	Req \$	137,000	\$ - \$ 137,000
	Rec \$	-	\$ - \$ -
	App \$	137,000	\$ - \$ 137,000
	FTE		0.000
2 Retention Bonus			
Provides a \$1,000 bonus to net appropriation-supported employees and an additional \$500 bonus to employees with an annual salary of less than \$75,000. To address retention, the retention bonus will be paid in two installments with half of the bonus paid in October 2024 and half in April 2025.	Req \$	-	\$ 81,000 \$ 81,000
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 81,000 \$ 81,000
	FTE		0.000
3 Enhanced Labor Market Retention and Adjustment Reserve			
Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported and receipt-supported payroll. The inclusion of funds for receipt-supported positions provides flexibility to agencies to address labor market concerns across all positions regardless of funding source. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. Among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.	Req \$	137,000	\$ - \$ 137,000
	Rec \$	-	\$ - \$ -
	App \$	137,000	\$ - \$ 137,000
	FTE		0.000
4 Retiree Cost-of-Living Adjustment			
Provides a 3% one-time retiree supplement in FY 2024-25 for over 240,000 retired members and survivors of deceased members.	Req \$	-	\$ 48,094 \$ 48,094
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 48,094 \$ 48,094
	FTE		0.000
Department-wide			
5 County Boards of Elections Support			
Establishes additional regional support technician positions to help meet local Board of Elections' needs. These added positions will provide security assistance and election administration support for all 100 county boards of elections.	Req \$	632,396	\$ - \$ 632,396
	Rec \$	-	\$ - \$ -
	App \$	632,396	\$ - \$ 632,396
	FTE		3.000
6 Improving Voter Services			
Funds operational needs to improve voter services, including a Web Manager to modernize the Board's website, auditors to more quickly and efficiently review campaign finance reports, and funds for increased postage and mailing costs.	Req \$	522,923	\$ - \$ 522,923
	Rec \$	-	\$ - \$ -
	App \$	522,923	\$ - \$ 522,923
	FTE		3.000
7 Securing Election Integrity			
Fundshifts the Chief Information Security Officer, a Network Engineer, a Systems Administration, and an IT Security & Compliance Analyst from Help America Vote Act (HAVA) funds to net appropriation. All HAVA funds will be expended by June 2024. These positions are critical to monitoring and responding to election technology system threats.	Req \$	625,293	\$ - \$ 625,293
	Rec \$	-	\$ - \$ -
	App \$	625,293	\$ - \$ 625,293
	FTE		4.000

		R Changes		NR Changes		Adjustments
8 New Election System						
Invests funds from the IT Reserve to complete the first stage and begin the second stage of modernizing the election management system. This system is used to manage multiple election-related processes throughout the state. Funds for this project will be allocated to the board as needed.	Req \$	-	\$	-	\$	-
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	-	\$	-
	FTE					0.000
9 State Election Legal Compliance						
Provides funds for two attorney positions to support State Board of Election's legal compliance needs. The agency has seen a rise in the number of election and campaign finance related legal matters over the past several years. These additional attorneys will perform the work necessary to respond to and ensure compliance with all inquiries.	Req \$	360,000	\$	-	\$	360,000
	Rec \$	-	\$	-	\$	-
	App \$	360,000	\$	-	\$	360,000
	FTE					2.000
Total Change to Requirements	\$	2,414,612	\$	129,094	\$	2,543,706
Total Change to Receipts	\$	-	\$	-	\$	-
Total Change to Net Appropriation	\$	2,414,612	\$	129,094	\$	2,543,706
Total Change to Full-Time Equivalent (FTE)						12.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$			2,543,706	
Recommended Total FTE Changes						12.000

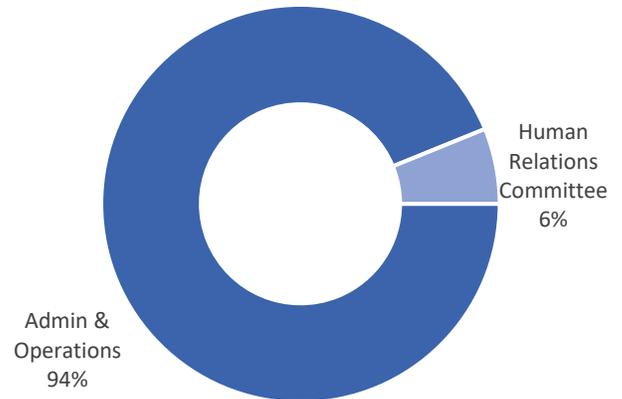
Mission

To serve North Carolinians with quality and efficiency by providing an independent forum for prompt and impartial resolution of administrative law contested cases involving citizens and state agencies; functioning as the state’s codifier, publisher, and reviewer of all administrative rules; and 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. Publish rules, Rules Review Commission review of rules and rulemaking training.
5. Reduce the time to formalize a charge of discrimination.

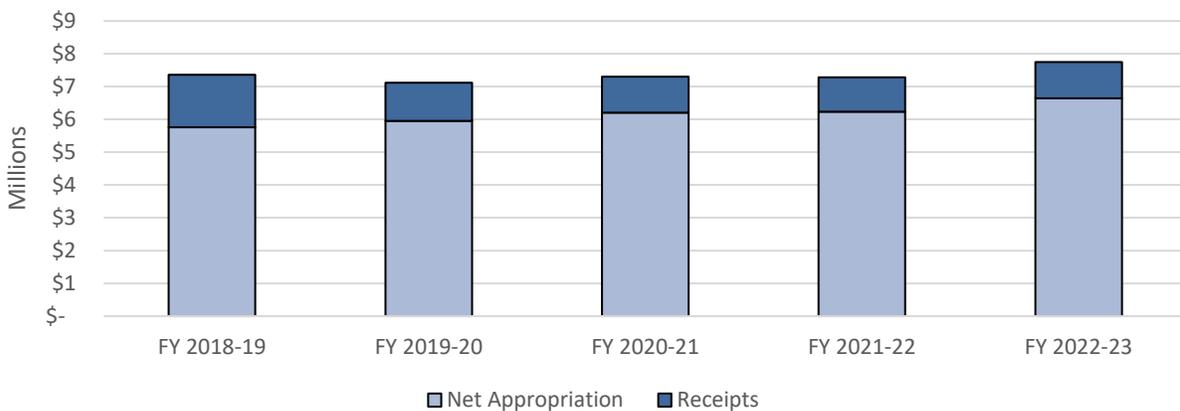
FY 2022-23 Actual Expenditures



Agency Profile

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

5-Year Historical Expenditures



Charts include General Fund budget codes only.

Office of Administrative Hearings (18210)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	7,746,780	9,280,684	9,449,343	259,000	120,024	379,024	9,828,367
Receipts	1,109,213	1,268,311	1,216,625	-	-	-	1,216,625
Net Appropriation	6,637,567	8,012,373	8,232,718	259,000	120,024	379,024	8,611,742
Positions (FTE)	59.290	58.290	58.290			0.000	58.290

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments
Reserve for Salaries and Benefits			
1 Compensation Increase Reserve			
Guarantees at least a 5% across-the-board increase for all state-funded employees. In addition to the 3% provided in SL 2023-134, most state employees receive an additional 2%, while employees paid on an experience-based salary schedule or with a salary set in law receive an additional 3%. State agency teacher salaries are increased in accordance with the statewide salary schedules. Corresponding special provisions show additional details on compensation increases.	Req \$	122,000	\$ - \$ 122,000
	Rec \$	-	\$ - \$ -
	App \$	122,000	\$ - \$ 122,000
	FTE		0.000
2 Position Fundshift Reserve			
Establishes a Position Fundshift Reserve to provide the agency with additional flexibility to manage. The agency may use these funds to fundshift a limited number of positions, in whole or in part, from receipts to net appropriation support. Fundshifting positions will free up receipts, providing much needed availability for receipt-supported compensation increases. Agencies are required to provide legislative increases to receipt-supported positions but are often not able to raise the additional revenue needed to do so.	Req \$	7,000	\$ - \$ 7,000
	Rec \$	-	\$ - \$ -
	App \$	7,000	\$ - \$ 7,000
	FTE		0.000
3 Retention Bonus			
Provides a \$1,000 bonus to net appropriation-supported employees and an additional \$500 bonus to employees with an annual salary of less than \$75,000. To address retention, the retention bonus will be paid in two installments with half of the bonus paid in October 2024 and half in April 2025.	Req \$	-	\$ 77,000 \$ 77,000
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 77,000 \$ 77,000
	FTE		0.000
4 Enhanced Labor Market Retention and Adjustment Reserve			
Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported and receipt-supported payroll. The inclusion of funds for receipt-supported positions provides flexibility to agencies to address labor market concerns across all positions regardless of funding source. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. Among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.	Req \$	130,000	\$ - \$ 130,000
	Rec \$	-	\$ - \$ -
	App \$	130,000	\$ - \$ 130,000
	FTE		0.000
5 Retiree Cost-of-Living Adjustment			
Provides a 3% one-time retiree supplement in FY 2024-25 for over 240,000 retired members and survivors of deceased members.	Req \$	-	\$ 43,024 \$ 43,024
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 43,024 \$ 43,024
	FTE		0.000
Total Change to Requirements	\$	259,000	\$ 120,024 \$ 379,024
Total Change to Receipts	\$	-	\$ - \$ -
Total Change to Net Appropriation	\$	259,000	\$ 120,024 \$ 379,024
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		379,024
Recommended Total FTE Changes			0.000

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Mission

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

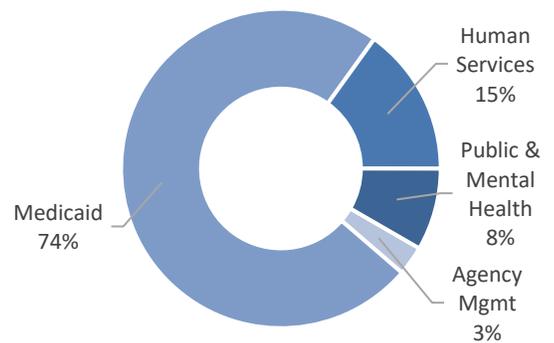
Goals

1. Advance health access by increasing opportunity and outcomes for people who face greater health and situational challenges within NCDHHS and across the state.
2. Promote child and family well-being by making it easier for children and families to access the healthcare, programs, and supports they need.
3. Support behavioral health and resilience by prioritizing investments in coordinated systems of care that make mental health services easy to access when and where they are needed and reduce stigma around accessing these services.
4. Build a strong, inclusive workforce that supports early learning, health, and wellness across North Carolina. This includes investigating opportunities to further build workforce pipelines, forge career pathways, and promote inclusive employment strategies that support a workforce that is ready for our next challenge and is reflective of our communities.
5. Achieve Operational Excellence by enabling efficient, effective, and innovative processes and services.

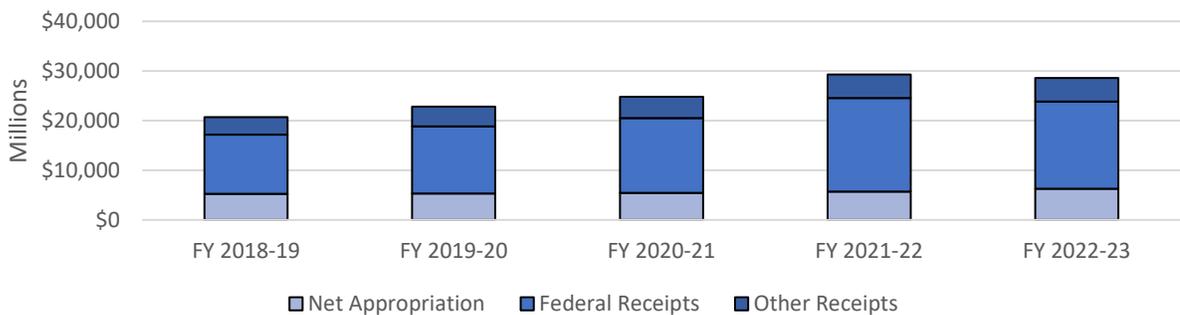
Agency Profile

- Buys health through our Medicaid program, including working with underserved communities to improve quality health care access and reduce health disparities.
- Safeguards public health by protecting communities from communicable and chronic diseases, epidemics, and contaminated food/water.
- Protects the safety, security, and well-being of children and vulnerable adults.
- Supports individuals with disabilities and older adults in leading healthy and fulfilling lives. Promotes family economic independence and self-sufficiency.
- Ensures high standards in the many health care facilities we operate or regulate.

FY 2022-23 Actual Expenditures



5-Year Historical Expenditures



Charts include General Fund budget codes only. Increased expenditures in FY2020-21, FY 2021-22, FY2022-23 are due to federal COVID-19 funding.

Division of Central Management and Support (14410)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	873,959,573	455,836,489	516,342,065	34,271,887	10,346,501	44,618,388	560,960,453
Receipts	679,548,409	237,329,668	290,358,595	5,000,000	-	5,000,000	295,358,595
Net Appropriation	194,411,164	218,506,821	225,983,470	29,271,887	10,346,501	39,618,388	265,601,858
Positions (FTE)	989.000	1,059.500	1,059.500			0.000	1,059.500

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments

Reserve for Salaries and Benefits

1 Compensation Increase Reserve

Guarantees at least a 5% across-the-board increase for all state-funded employees. In addition to the 3% provided in SL 2023-134, most state employees receive an additional 2%, while employees paid on an experience-based salary schedule or with a salary set in law receive an additional 3%. State agency teacher salaries are increased in accordance with the statewide salary schedules. Corresponding special provisions show additional details on compensation increases.

Req \$	1,346,000	\$	-	\$	1,346,000
Rec \$	-	\$	-	\$	-
App \$	1,346,000	\$	-	\$	1,346,000
FTE					0.000

2 Position Fundshift Reserve

Establishes a Position Fundshift Reserve to provide the agency with additional flexibility to manage. The agency may use these funds to fundshift a limited number of positions, in whole or in part, from receipts to net appropriation support. Fundshifting positions will free up receipts, providing much needed availability for receipt-supported compensation increases. Agencies are required to provide legislative increases to receipt-supported positions but are often not able to raise the additional revenue needed to do so.

Req \$	3,804,000	\$	-	\$	3,804,000
Rec \$	-	\$	-	\$	-
App \$	3,804,000	\$	-	\$	3,804,000
FTE					0.000

3 Retention Bonus

Provides a \$1,000 bonus to net appropriation-supported employees and an additional \$500 bonus to employees with an annual salary of less than \$75,000. To address retention, the retention bonus will be paid in two installments with half of the bonus paid in October 2024 and half in April 2025.

Req \$	-	\$	9,874,000	\$	9,874,000
Rec \$	-	\$	-	\$	-
App \$	-	\$	9,874,000	\$	9,874,000
FTE					0.000

4 Enhanced Labor Market Retention and Adjustment Reserve

Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported and receipt-supported payroll. The inclusion of funds for receipt-supported positions provides flexibility to agencies to address labor market concerns across all positions regardless of funding source. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. Among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.

Req \$	14,671,000	\$	-	\$	14,671,000
Rec \$	-	\$	-	\$	-
App \$	14,671,000	\$	-	\$	14,671,000
FTE					0.000

5 Retiree Cost-of-Living Adjustment

Provides a 3% one-time retiree supplement in FY 2024-25 for over 240,000 retired members and survivors of deceased members.

Req \$	-	\$	472,501	\$	472,501
Rec \$	-	\$	-	\$	-
App \$	-	\$	472,501	\$	472,501
FTE					0.000

Division-wide

6 Transitions to Community Living Initiative

Increases funding for the Transitions to Community Living Initiative, which supports the transition of eligible adults with mental illness from institutions to community care settings in accordance with the US Department of Justice Olmstead Settlement. Funds will provide additional housing, tenancy support, and wraparound mental health services to 1,200 individuals who are newly eligible for housing placements and maintain housing for approximately 3,500 individuals.

Req \$	9,450,887	\$	-	\$	9,450,887
Rec \$	-	\$	-	\$	-
App \$	9,450,887	\$	-	\$	9,450,887
FTE					0.000

		R Changes	NR Changes	Adjustments
7 Direct Support Profession Development				
Provides \$5 million from the Strategic Workforce Trust fund to strengthen the Direct Support Professional (DSP) workforce. Funding will support the creation of high school and community college courses for DSPs, offer scholarships and paid apprenticeships, and create incentive programs to improve retention rates for DSPs.	Req \$	5,000,000	\$ -	\$ 5,000,000
	Rec \$	5,000,000	\$ -	\$ 5,000,000
	App \$	-	\$ -	\$ -
	FTE			0.000
Total Change to Requirements	\$	34,271,887	\$ 10,346,501	\$ 44,618,388
Total Change to Receipts	\$	5,000,000	\$ -	\$ 5,000,000
Total Change to Net Appropriation	\$	29,271,887	\$ 10,346,501	\$ 39,618,388
Total Change to Full-Time Equivalent (FTE)				0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		39,618,388	
Recommended Total FTE Changes				0.000

Division of Aging and Adult Services (14411)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	158,388,608	163,902,299	163,989,332	1,336,439	10,522,545	11,858,984	175,848,316
Receipts	108,625,374	110,387,749	110,359,697	-	10,500,000	10,500,000	120,859,697
Net Appropriation	49,763,234	53,514,550	53,629,635	1,336,439	22,545	1,358,984	54,988,619
Positions (FTE)	77.000	79.000	79.000			0.000	79.000

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments
Reserve for Salaries and Benefits			
1 Compensation Increase Reserve			
Guarantees at least a 5% across-the-board increase for all state-funded employees. In addition to the 3% provided in SL 2023-134, most state employees receive an additional 2%, while employees paid on an experience-based salary schedule or with a salary set in law receive an additional 3%. State agency teacher salaries are increased in accordance with the statewide salary schedules. Corresponding special provisions show additional details on compensation increases.	Req \$ 64,000	\$ -	\$ 64,000
	Rec \$ -	\$ -	\$ -
	App \$ 64,000	\$ -	\$ 64,000
	FTE		0.000
2 Retiree Cost-of-Living Adjustment			
Provides a 3% one-time retiree supplement in FY 2024-25 for over 240,000 retired members and survivors of deceased members.	Req \$ -	\$ 22,545	\$ 22,545
	Rec \$ -	\$ -	\$ -
	App \$ -	\$ 22,545	\$ 22,545
	FTE		0.000
Division-wide			
3 Increase to Corporate Guardianship Rate			
Provides funding to increase the Corporate Guardianship rate from \$226.09 to \$289.86 to adjust for Social Security cost-of-living increases. Guardianship is assigned by the courts for individuals with complex needs who have been judged incompetent. This funding will enable the division to retain guardianship providers, ensuring that older North Carolinians have access to basic needs.	Req \$ 1,272,439	\$ -	\$ 1,272,439
	Rec \$ -	\$ -	\$ -
	App \$ 1,272,439	\$ -	\$ 1,272,439
	FTE		0.000
4 Rural Aging in Place			
Budgets receipts transferred from the American Rescue Plan Act (ARPA) Temporary Savings Fund to fund household improvements and upfitting to support older North Carolinians in rural communities preventing unnecessary institutionalization. This funding will expand services to eligible individuals and provide repairs and modifications to approximately 1,500 homes.	Req \$ -	\$ 10,500,000	\$ 10,500,000
	Rec \$ -	\$ 10,500,000	\$ 10,500,000
	App \$ -	\$ -	\$ -
	FTE		0.000
Total Change to Requirements	\$ 1,336,439	\$ 10,522,545	\$ 11,858,984
Total Change to Receipts	\$ -	\$ 10,500,000	\$ 10,500,000
Total Change to Net Appropriation	\$ 1,336,439	\$ 22,545	\$ 1,358,984
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$ 1,358,984		
Recommended Total FTE Changes	0.000		

Division of Child Development and Early Education (14420)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	1,202,814,064	926,319,983	936,346,831	363,296,000	299,816,224	663,112,224	1,599,459,055
Receipts	987,364,858	639,995,189	638,948,539	32,900,000	-	32,900,000	671,848,539
Net Appropriation	215,449,206	286,324,794	297,398,292	330,396,000	299,816,224	630,212,224	927,610,516
Positions (FTE)	332.000	349.000	349.000			0.000	349.000

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments
Reserve for Salaries and Benefits			
1 Compensation Increase Reserve			
Guarantees at least a 5% across-the-board increase for all state-funded employees. In addition to the 3% provided in SL 2023-134, most state employees receive an additional 2%, while employees paid on an experience-based salary schedule or with a salary set in law receive an additional 3%. State agency teacher salaries are increased in accordance with the statewide salary schedules. Corresponding special provisions show additional details on compensation increases.	Req \$	46,000	\$ - \$ 46,000
	Rec \$	-	\$ - \$ -
	App \$	46,000	\$ - \$ 46,000
	FTE		0.000
2 Retiree Cost-of-Living Adjustment			
Provides a 3% one-time retiree supplement in FY 2024-25 for over 240,000 retired members and survivors of deceased members.	Req \$	-	\$ 16,224 \$ 16,224
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 16,224 \$ 16,224
	FTE		0.000
Child Care and Early Education Workforce			
3 Child Care Stabilization Grants			
Ensures that North Carolina child care centers can continue to serve children and working parents when federal funding runs out on July 1, 2024 by extending for another year the critical compensation grants that support a quality workforce and keep programs open. Research shows that as many as 1,778 North Carolina child care centers serving 155,539 children may close without stabilization support.	Req \$	-	\$ 200,000,000 \$ 200,000,000
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 200,000,000 \$ 200,000,000
	FTE		0.000
4 Child Care Subsidy Rate Floor			
Secures child care for approximately 50,000 children per year by creating a statewide rate floor starting in July 2024. The rate floor will increase child care subsidy reimbursement rates in rural and lower wealth communities where local market rates are insufficient to meet the costs, especially adequate wages to maintain a quality workforce. These funds will allow about 3,500 child care sites in over 75% of NC counties to see an increase in their subsidy rate.	Req \$	128,500,000	\$ - \$ 128,500,000
	Rec \$	-	\$ - \$ -
	App \$	128,500,000	\$ - \$ 128,500,000
	FTE		0.000
5 Child Care WAGE\$ Statewide Expansion			
Attracts and retains highly qualified staff to essential early childhood programs by providing educational attainment-based salary supplements. These funds will allow this program to expand statewide and provide wage supplements to 4,000 additional teachers in all 100 counties.	Req \$	26,000,000	\$ - \$ 26,000,000
	Rec \$	-	\$ - \$ -
	App \$	26,000,000	\$ - \$ 26,000,000
	FTE		0.000
6 Smart Start			
Invests in Smart Start to expand access to high-quality early childhood education and a continuum of evidence-based services. Smart Start serves young children and families statewide, especially those in under-resourced communities, and supports a strong child care and early education workforce.	Req \$	10,000,000	\$ - \$ 10,000,000
	Rec \$	-	\$ - \$ -
	App \$	10,000,000	\$ - \$ 10,000,000
	FTE		0.000
7 Child Care and Early Education Workforce Recruitment			
Grows and trains North Carolina's child care teacher workforce by implementing recruitment strategies and professional development. Services include coaching, technical assistance, degree attainment, apprenticeships, and licensure support.	Req \$	1,250,000	\$ - \$ 1,250,000
	Rec \$	-	\$ - \$ -
	App \$	1,250,000	\$ - \$ 1,250,000
	FTE		0.000

		R Changes	NR Changes	Adjustments
Child Care and Early Education Sustainability				
8 NC Pre-K and Child Care Enhancement Grants				
Prevents closures and helps create new early childhood education opportunities by providing start-up and capital grants for NC Pre-K and child care centers across the state. Grants are available to licensed child care centers to increase capacity, strengthen quality, and promote compliance with state licensing standards. This investment includes funds to evaluate the impact of Enhancement Grants and Stabilization Grants.	Req	\$ -	\$ 50,000,000	\$ 50,000,000
	Rec	\$ -	\$ -	\$ -
	App	\$ -	\$ 50,000,000	\$ 50,000,000
	FTE			0.000
9 Early Childhood Workforce Data System				
Provides ongoing operations and maintenance for the real-time early childhood workforce data system. This system supports building the pipeline of early childhood educators by improving data collection and quality, improving research and evaluation, and providing information to help implement and scale effective programs and strategies.	Req	\$ 500,000	\$ -	\$ 500,000
	Rec	\$ -	\$ -	\$ -
	App	\$ 500,000	\$ -	\$ 500,000
	FTE			0.000
Child Care and Early Education Access				
10 Wrap-Around Summer Care and Learning				
Provides grants to over 800 NC Pre-K Summer Learning Programs to serve more than 7,500 children. These programs provide essential child care for parents and learning opportunities for children after they complete NC Pre-K but before they begin kindergarten.	Req	\$ -	\$ 24,400,000	\$ 24,400,000
	Rec	\$ -	\$ -	\$ -
	App	\$ -	\$ 24,400,000	\$ 24,400,000
	FTE			0.000
11 Early Education Provider Grant Program				
Expands child care capacity for all North Carolinians by incentivizing child care providers to enter and remain in the workforce. This program will strengthen the child care workforce by providing free or reduced cost care for the children of roughly 2,200 child care providers and to fund an evaluation of the program.	Req	\$ -	\$ 25,000,000	\$ 25,000,000
	Rec	\$ -	\$ -	\$ -
	App	\$ -	\$ 25,000,000	\$ 25,000,000
	FTE			0.000
12 Tri-Share Child Care Pilot Program Expansion				
Provides funds to add a fourth region to the state's Tri-Share pilot program and to fund an evaluation of the pilot. Tri-Share provides affordable access to child care and incentivizes business participation by sharing the cost of child care among employers, the state, and families.	Req	\$ -	\$ 400,000	\$ 400,000
	Rec	\$ -	\$ -	\$ -
	App	\$ -	\$ 400,000	\$ 400,000
	FTE			0.000
NC Pre-K				
13 NC Pre-K Reimbursement Rates				
Raises NC Pre-K slot reimbursement rates in all settings to cover the full cost of operating all current slots, and raises the administrative rate to 10%. These funds support NC Pre-K classrooms in every county to ensure the program is financially sustainable. Funds address the fundamental barriers to expanding this nationally recognized model for early childhood education by providing more adequate resources for rising operating costs and costs of recruiting and retaining qualified teachers at competitive salaries. This item is partially supported by Education Lottery receipts.	Req	\$ 197,000,000	\$ -	\$ 197,000,000
	Rec	\$ 32,900,000	\$ -	\$ 32,900,000
	App	\$ 164,100,000	\$ -	\$ 164,100,000
	FTE			0.000
Total Change to Requirements				
		\$ 363,296,000	\$ 299,816,224	\$ 663,112,224
Total Change to Receipts				
		\$ 32,900,000	\$ -	\$ 32,900,000
Total Change to Net Appropriation				
		\$ 330,396,000	\$ 299,816,224	\$ 630,212,224
Total Change to Full-Time Equivalent (FTE)				
				0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)				
		\$	630,212,224	
Recommended Total FTE Changes				
			0.000	

Division of Public Health (14430)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	567,902,440	494,265,935	501,066,054	12,743,446	1,472,312	14,215,758	515,281,812
Receipts	407,447,131	360,991,363	362,850,527	-	-	-	362,850,527
Net Appropriation	160,455,309	133,274,572	138,215,527	12,743,446	1,472,312	14,215,758	152,431,285
Positions (FTE)	1,968.960	1,205.285	1,205.285			81.000	1,286.285

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments

Reserve for Salaries and Benefits

1 Compensation Increase Reserve

Guarantees at least a 5% across-the-board increase for all state-funded employees. In addition to the 3% provided in SL 2023-134, most state employees receive an additional 2%, while employees paid on an experience-based salary schedule or with a salary set in law receive an additional 3%. State agency teacher salaries are increased in accordance with the statewide salary schedules. Corresponding special provisions show additional details on compensation increases.

Req \$	712,000	\$	-	\$	712,000
Rec \$	-	\$	-	\$	-
App \$	712,000	\$	-	\$	712,000
FTE					0.000

2 Retiree Cost-of-Living Adjustment

Provides a 3% one-time retiree supplement in FY 2024-25 for over 240,000 retired members and survivors of deceased members.

Req \$	-	\$	249,812	\$	249,812
Rec \$	-	\$	-	\$	-
App \$	-	\$	249,812	\$	249,812
FTE					0.000

Office of Vital Records

3 Vital Records Workforce Staffing Stability

Provides funding to convert nine positions from receipts to net appropriation support. This funding will stabilize the division's vital records workforce in order to timely process constituent requests for certificates and other related services within the Office of Vital Records.

Req \$	848,423	\$	-	\$	848,423
Rec \$	-	\$	-	\$	-
App \$	848,423	\$	-	\$	848,423
FTE					0.000

4 Vital Records Core Capacity

Funds 46 new positions to provide administrative and supervisory support to stabilize vital records call center staffing levels, address the 45% vacancy rate in the Office, and improve timely processing of constituent requests. These funds will also support the establishment of efficient data management systems and processes within the Office of Vital Records that are aligned with business objectives and regulatory requirements.

Req \$	3,640,629	\$	-	\$	3,640,629
Rec \$	-	\$	-	\$	-
App \$	3,640,629	\$	-	\$	3,640,629
FTE					46.000

5 Vital Records Self Service Portal

Invests funds from the IT Reserve to improve customer service and accessibility to vital records by funding a self-service portal and enhancements to the NC Database Application for Vital Events. The portal will provide real-time access to registration and order status, technical assistance, learning and informational materials, and electronic order methods for services currently requested on paper forms, improving efficiency and reducing the Office's workload. Funds for this project will be allocated to the division over the life of the project.

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

Office of the Chief Medical Examiner

6 Office of the Chief Medical Examiner Core Capacity

Stabilizes the Office's core capacity by enabling the Office to convert 25 time-limited positions to permanent positions and establish ten new positions to address the increased caseload and complexity. These positions support the toxicology, autopsy, medical examiner, and business operations of the Office of the Chief Medical Examiner.

Req \$	4,463,794	\$	122,500	\$	4,586,294
Rec \$	-	\$	-	\$	-
App \$	4,463,794	\$	122,500	\$	4,586,294
FTE					35.000

		R Changes		NR Changes		Adjustments
7 Local Medical Examiner Investigations Payment Increase						
Increases the state share of the medical examiner fee paid to counties in GS 130A-387 to reflect the actual cost of an investigation and report. This funding increases Medical Examiner fees from \$200 to \$400 per case and improves local medical examiner capacity.	Req \$	1,400,000	\$	-	\$	1,400,000
	Rec \$	-	\$	-	\$	-
	App \$	1,400,000	\$	-	\$	1,400,000
	FTE					0.000
8 Investigation Scene Kits						
Provides nonrecurring funds to purchase equipment for medical examiner scene investigations, including cameras and scene investigation bags. Invests recurring funds to ensure the division can replace 1/3 of equipment every year.	Req \$	93,600	\$	280,000	\$	373,600
	Rec \$	-	\$	-	\$	-
	App \$	93,600	\$	280,000	\$	373,600
	FTE					0.000
9 Call Center						
Establishes a 24/7 call center to provide information and access to the medical examiner system. The call center will improve accessibility for the public, allowing for timely assistance and information dissemination, resulting in improved overall service delivery.	Req \$	480,000	\$	-	\$	480,000
	Rec \$	-	\$	-	\$	-
	App \$	480,000	\$	-	\$	480,000
	FTE					0.000
10 Shift Differential						
Provides funds for a 10% shift differential pay to increase hours of operation and improve pay for those employees who work non-traditional schedules (forensic pathologists, autopsy, and medical examiner specialists) in response to the 26% increase in caseloads over the past four years.	Req \$	105,000	\$	-	\$	105,000
	Rec \$	-	\$	-	\$	-
	App \$	105,000	\$	-	\$	105,000
	FTE					0.000
11 Medical Examiner Records Access						
Invests funds from the IT Reserve to expand access to the Medical Examiner Information Technology system. This system provides direct access to decedent tracking, exam results, reports, subpoenas, and scheduling. Recurring funds will support maintenance, upgrades, and support. Funds for this project will be allocated to the division over the life of the project.	Req \$	1,000,000	\$	-	\$	1,000,000
	Rec \$	-	\$	-	\$	-
	App \$	1,000,000	\$	-	\$	1,000,000
	FTE					0.000
Epidemiology Section						
12 Critical Disease and Contaminant Prevention and Control						
Provides funding for temporary staff to assist the Epidemiology Section of the Division of Public Health. These staff will support detection and response to infections in long-term care facilities and other healthcare settings and respond to other urgent communicable disease threats.	Req \$	-	\$	320,000	\$	320,000
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	320,000	\$	320,000
	FTE					0.000
13 Statewide Program for Infection Control and Epidemiology						
Provides funding to expand an existing contract with the University of North Carolina at Chapel Hill (UNC-CH) to provide evidence-based training and consultation to health care personnel. Two UNC-CH infection prevention specialists will complete infection control assessments in long-term care facilities and support facilities in reporting to the National Healthcare Safety Network through the Statewide Program for Infection Control and Epidemiology contract.	Req \$	-	\$	500,000	\$	500,000
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	500,000	\$	500,000
	FTE					0.000
Total Change to Requirements		\$ 12,743,446		\$ 1,472,312		\$ 14,215,758
Total Change to Receipts		\$ -		\$ -		\$ -
Total Change to Net Appropriation		\$ 12,743,446		\$ 1,472,312		\$ 14,215,758
Total Change to Full-Time Equivalent (FTE)						81.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$		14,215,758		
Recommended Total FTE Changes				81.000		

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

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	14,668,900	4,207,189	4,207,189	-	20,008,090	20,008,090	24,215,279
Receipts	4,452,327	4,207,189	4,207,189	-	20,008,090	20,008,090	24,215,279
Δ in Fund Balance	10,216,573	-	-	-	-	-	-
Positions (FTE)	0.000	0.000	0.000			0.000	0.000

			FY 2024-25 Recommended		
			R Changes	NR Changes	Adjustments

1 Opioid Settlement Funds

Budgets funds from the multi-state opioid settlements to the Division of Public Health for overdose prevention, the purchase of naloxone, and to improve opioid treatment access. North Carolina experienced a 22% drug overdose increase from 2020 to 2021. These funds will ensure the division can address the growing misuse of and addiction to prescriptions and illicit opioids statewide, saving lives.

Req	\$	-	\$	20,008,090	\$	20,008,090
Rec	\$	-	\$	20,008,090	\$	20,008,090
CFB	\$	-	\$	-	\$	-
FTE						0.000

Total Change to Requirements	\$	-	\$	20,008,090	\$	20,008,090
Total Change to Receipts	\$	-	\$	20,008,090	\$	20,008,090
Total Change to Net Appropriation	\$	-	\$	-	\$	-
Total Change to Full-Time Equivalent (FTE)						0.000

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

Division of Child and Family Well Being (14435)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	1,662,906,204	598,235,409	598,865,804	24,333,683	5,551,862	29,885,545	628,751,349
Receipts	1,675,382,127	538,497,331	538,307,550	6,741,683	5,400,000	12,141,683	550,449,233
Net Appropriation	(12,475,923)	59,738,078	60,558,254	17,592,000	151,862	17,743,862	78,302,116
Positions (FTE)	0.000	868.725	868.725			1.000	869.725

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments

Reserve for Salaries and Benefits

1 Compensation Increase Reserve

Guarantees at least a 5% across-the-board increase for all state-funded employees. In addition to the 3% provided in SL 2023-134, most state employees receive an additional 2%, while employees paid on an experience-based salary schedule or with a salary set in law receive an additional 3%. State agency teacher salaries are increased in accordance with the statewide salary schedules. Corresponding special provisions show additional details on compensation increases.

Req \$	432,000	\$ -	\$ 432,000
Rec \$	-	\$ -	-
App \$	432,000	\$ -	\$ 432,000
FTE			0.000

2 Retiree Cost-of-Living Adjustment

Provides a 3% one-time retiree supplement in FY 2024-25 for over 240,000 retired members and survivors of deceased members.

Req \$	-	\$ 151,862	\$ 151,862
Rec \$	-	\$ -	-
App \$	-	\$ 151,862	\$ 151,862
FTE			0.000

Division-wide

3 Early Intervention

Invests in individualized early intervention services and supports families with children up to age three with developmental delays and established medical conditions who are currently eligible for the NC Infant Toddler Program. Funding will support increases in state and local staffing to perform responsibilities mandated by IDEA Part C, establish a centralized provider network system, and provide professional development to rehabilitation therapists and other clinicians focused on infant health and development.

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

4 Summer EBT (SUN Bucks)

Provides required state matching funds for the federal Summer Electronic Benefit Transfer Program for Children (Summer EBT). These funds will provide grocery-buying benefits to qualifying families to prevent child hunger during the summer months when school is out for children who rely on school meals for daily nutrition.

Req \$	13,651,683	\$ -	\$ 13,651,683
Rec \$	6,741,683	\$ -	\$ 6,741,683
App \$	6,910,000	\$ -	\$ 6,910,000
FTE			1.000

5 School Behavioral Health Package

Budgets receipts transferred from the ARPA Temporary Savings Fund to expand evidence-based prevention and early intervention to identify and address early signs of behavioral health challenges in K-12 students and provides workforce supports to increase capacity of school staff to address student behavioral health needs. Invests funds to expand the evidence-based Youth and Teen Mental Health First Aid (MHFA) program which will provide training and implementation support to 15 additional school districts including the certification of new youth and teen MHFA instructors across the state.

Req \$	-	\$ 5,400,000	\$ 5,400,000
Rec \$	-	\$ 5,400,000	\$ 5,400,000
App \$	-	\$ -	-
FTE			0.000

Total Change to Requirements	\$ 24,333,683	\$ 5,551,862	\$ 29,885,545
Total Change to Receipts	\$ 6,741,683	\$ 5,400,000	\$ 12,141,683
Total Change to Net Appropriation	\$ 17,592,000	\$ 151,862	\$ 17,743,862
Total Change to Full-Time Equivalent (FTE)			1.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$ 17,743,862		
Recommended Total FTE Changes	1.000		

Division of Social Services (14440)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	2,283,493,579	2,218,042,167	2,241,469,520	277,000	25,097,214	25,374,214	2,266,843,734
Receipts	2,105,618,791	1,966,380,309	2,002,527,259	-	25,000,000	25,000,000	2,027,527,259
Net Appropriation	177,874,788	251,661,858	238,942,261	277,000	97,214	374,214	239,316,475
Positions (FTE)	402.000	373.000	373.000			0.000	373.000

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments
Reserve for Salaries and Benefits			
1 Compensation Increase Reserve			
Guarantees at least a 5% across-the-board increase for all state-funded employees. In addition to the 3% provided in SL 2023-134, most state employees receive an additional 2%, while employees paid on an experience-based salary schedule or with a salary set in law receive an additional 3%. State agency teacher salaries are increased in accordance with the statewide salary schedules. Corresponding special provisions show additional details on compensation increases.	Req \$	277,000	\$ - \$ 277,000
	Rec \$	-	\$ - \$ -
	App \$	277,000	\$ - \$ 277,000
	FTE		0.000
2 Retiree Cost-of-Living Adjustment			
Provides a 3% one-time retiree supplement in FY 2024-25 for over 240,000 retired members and survivors of deceased members.	Req \$	-	\$ 97,214 \$ 97,214
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 97,214 \$ 97,214
	FTE		0.000
Division-wide			
3 State Aid to County Departments of Social Services			
Budgets receipts transferred from the ARPA Temporary Savings Fund to invest in county departments of social services to address critical staffing shortages in Adult Protective Services, Child Protective Services, Medicaid application processing, and other mandated services. This flexible funding allows counties to address the specific challenges facing their local workforce including increasing pay, offering hiring and retention bonuses, and creating new positions to ease workload burden on existing staff and reduce turnover.	Req \$	-	\$ 25,000,000 \$ 25,000,000
	Rec \$	-	\$ 25,000,000 \$ 25,000,000
	App \$	-	\$ - \$ -
	FTE		0.000
Total Change to Requirements	\$	277,000	\$ 25,097,214 \$ 25,374,214
Total Change to Receipts	\$	-	\$ 25,000,000 \$ 25,000,000
Total Change to Net Appropriation	\$	277,000	\$ 97,214 \$ 374,214
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		374,214
Recommended Total FTE Changes			0.000

Division of Health Benefits (14445)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	21,496,057,317	28,709,046,967	31,617,082,685	1,219,538,196	(57,301,233)	1,162,236,963	32,779,319,648
Receipts	16,890,344,698	23,237,989,023	25,829,646,736	217,835,875	34,152,627	251,988,502	26,081,635,238
Net Appropriation	4,605,712,620	5,471,057,944	5,787,435,949	1,001,702,321	(91,453,860)	910,248,461	6,697,684,410
Positions (FTE)	469.000	460.000	460.000			20.000	480.000

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments

Reserve for Salaries and Benefits

1 Compensation Increase Reserve

Guarantees at least a 5% across-the-board increase for all state-funded employees. In addition to the 3% provided in SL 2023-134, most state employees receive an additional 2%, while employees paid on an experience-based salary schedule or with a salary set in law receive an additional 3%. State agency teacher salaries are increased in accordance with the statewide salary schedules. Corresponding special provisions show additional details on compensation increases.

Req \$	406,000	\$	-	\$	406,000
Rec \$	-	\$	-	\$	-
App \$	406,000	\$	-	\$	406,000
FTE					0.000

2 Retiree Cost-of-Living Adjustment

Provides a 3% one-time retiree supplement in FY 2024-25 for over 240,000 retired members and survivors of deceased members.

Req \$	-	\$	142,613	\$	142,613
Rec \$	-	\$	-	\$	-
App \$	-	\$	142,613	\$	142,613
FTE					0.000

Division-wide

3 Innovation Waiver Slots

Creates 1,000 new Innovation Waiver slots, effective January 1, 2025, with plans for additional slots each year through FY 2031-32 to reduce the waitlist for care. This waiver provides individualized services in the home and community for individuals who qualify for institutional level care due to intellectual or developmental disabilities. DHHS proposes to continue adding slots, including 1,800 slots each fiscal year of the 2025-27 biennium, 2,200 slots each fiscal year of 2027-29, and 2,400 slots each fiscal year of 2029-32.

Req \$	50,461,860	\$	-	\$	50,461,860
Rec \$	32,936,456	\$	-	\$	32,936,456
App \$	17,525,404	\$	-	\$	17,525,404
FTE					0.000

4 Direct Care Worker Wage Increase

Invests funds to build on the Home and Community Based Services Direct Care Worker wage increases in SL 2021-180. Funds will be used to increase wages by four dollars per hour, bringing the average wage to \$18 per hour.

Req \$	518,283,906	\$	-	\$	518,283,906
Rec \$	338,283,906	\$	-	\$	338,283,906
App \$	180,000,000	\$	-	\$	180,000,000
FTE					0.000

5 Provider Rate Increase

Invests funds to increase Medicaid reimbursement rates for physicians, specialty providers and all derivative fee schedules to 90% of 2023 Medicare rates. In cases where current provider rates are higher than 2023 Medicare rates, their rates will remain the same. These funds will also enable the division to raise reimbursement rates for dentists. Funds will sustain provider participation within the Medicaid program, supporting access to care statewide.

Req \$	763,341,466	\$	-	\$	763,341,466
Rec \$	498,232,975	\$	-	\$	498,232,975
App \$	265,108,491	\$	-	\$	265,108,491
FTE					0.000

6 Healthy Opportunities Statewide Expansion

Provides funding for the statewide expansion of Healthy Opportunities. Healthy Opportunities is a promising program that reduces social needs and lowers health care costs by connecting eligible individuals enrolled in Medicaid Managed Care programs to community resources that address non-medical needs including access to healthy food, safe housing, and transportation. The nonfederal share, \$20.8 million, will be transferred from the ARPA Temporary Savings Fund.

Req \$	-	\$	43,331,649	\$	43,331,649
Rec \$	-	\$	43,331,649	\$	43,331,649
App \$	-	\$	-	\$	-
FTE					0.000

		R Changes	NR Changes	Adjustments
7 Medicaid Administration				
Provides funds to support the state's transition to Medicaid Managed Care. These nonrecurring funds will enable the division to sustain contracts needed to implement managed care while recurring funding will allow the division to transition up to 20 positions from time-limited to permanent. The nonfederal share, \$27.0 million, will be transferred from the ARPA Temporary Savings Fund.	Req \$	2,262,340	\$ 54,719,428	\$ 56,981,768
	Rec \$	1,131,170	\$ 54,719,428	\$ 55,850,598
	App \$	1,131,170	-	1,131,170
	FTE			20.000
8 Medicaid Enterprise System				
Provides funds to support the division's transition to the Medicaid Enterprise System, as required by the Centers for Medicare and Medicaid Services, in addition to the \$3.8 million appropriated for this purpose in SL 2023-134.	Req \$	-	\$ 45,212,773	\$ 45,212,773
	Rec \$	-	\$ 37,977,246	\$ 37,977,246
	App \$	-	\$ 7,235,527	\$ 7,235,527
	FTE			0.000
9 Medicaid Rebase				
Provides funds to reflect changes in the federal medical assistance percentage, as well as changes in enrollment, utilization, costs, capitation rates, and services associated with the Medicaid program for the upcoming fiscal year. Tailored Plans in managed care are projected to begin July 1, 2024.	Req \$	1,442,998,624	\$ (279,707,696)	\$ 1,163,290,928
	Rec \$	886,165,368	\$ (180,875,696)	\$ 705,289,672
	App \$	556,833,256	\$ (98,832,000)	\$ 458,001,256
	FTE			0.000
NC Health Works				
10 NC Health Works Services				
Funds the service costs for the new Medicaid population authorized in SL 2023-7, in addition to the funds appropriated in SL 2023-134. The nonfederal share, \$513.6 million in FY 2024-25, will be transferred from the Health Advancement Receipts Special Fund.	Req \$	(386,410,000)	-	\$ (386,410,000)
	Rec \$	(386,410,000)	-	\$ (386,410,000)
	App \$	-	-	-
	FTE			0.000
11 Healthcare Access and Stabilization Program				
Adjusts federal receipts to support the increased Medicaid managed care hospital reimbursements generated from the Healthcare Access and Stabilization Program (HASP). The nonfederal share for the increased reimbursements will be paid with departmental receipts from hospitals deposited in the Health Advancement Receipts Special Fund.	Req \$	(1,152,504,000)	-	\$ (1,152,504,000)
	Rec \$	(1,152,504,000)	-	\$ (1,152,504,000)
	App \$	-	-	-
	FTE			0.000
12 Transfer of Gross Premiums Tax Offset				
Transfers funds to the Health Advancement Receipts Special Fund in accordance with SL 2023-7. The transfer represents the increase in gross premiums tax revenue that results from the new Medicaid coverage authorized in SL 2023-7.	Req \$	(19,302,000)	-	\$ (19,302,000)
	Rec \$	-	-	-
	App \$	(19,302,000)	-	\$ (19,302,000)
	FTE			0.000
13 American Rescue Plan Act (ARPA) Temporary Savings				
Budgets \$88 million in savings for FY 2024-25, in addition to the \$838 million budgeted in SL 2023-134, generated from the ARPA 5 percentage point Medicaid match for states that expanded Medicaid after March 11, 2021. The additional savings for FY 2024-25 result from higher-than-expected enrollment in the Medicaid program. The state expects to recognize \$1.5 billion dollars in general fund savings across the FY 2023-25 biennium as a result of the ARPA temporary match.	Req \$	-	\$ (9,800,000)	\$ (9,800,000)
	Rec \$	-	\$ 79,000,000	\$ 79,000,000
	App \$	-	\$ (88,800,000)	\$ (88,800,000)
	FTE			0.000
14 Transfer of Temporary Savings from Expansion Incentive				
Transfers additional savings generated from the ARPA expansion incentive for FY 2024-25 to the ARPA Temporary Savings Fund.	Req \$	-	\$ 88,800,000	\$ 88,800,000
	Rec \$	-	-	-
	App \$	-	\$ 88,800,000	\$ 88,800,000
	FTE			0.000
Total Change to Requirements		\$ 1,219,538,196	\$ (57,301,233)	\$ 1,162,236,963
Total Change to Receipts		\$ 217,835,875	\$ 34,152,627	\$ 251,988,502
Total Change to Net Appropriation		\$ 1,001,702,321	\$ (91,453,860)	\$ 910,248,461
Total Change to Full-Time Equivalent (FTE)				20.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$	910,248,461	
Recommended Total FTE Changes			20.000	

Health Advancement Receipts (24448)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	-	368,208,000	627,235,000	(88,224,000)	-	(88,224,000)	539,011,000
Receipts	-	449,327,000	614,564,000	(51,647,000)	-	(51,647,000)	562,917,000
Δ in Fund Balance	-	81,119,000	(12,671,000)	36,577,000	-	36,577,000	23,906,000
Positions (FTE)	0.000	0.000	0.000			0.000	0.000

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments
1 Transfer for NC Health Works			
Transfers funds to the Division of Health Benefits (DHB) to pay for the service and capitation costs associated with the NC Health Works Medicaid population.	Req \$ (41,602,000)	\$ -	\$ (41,602,000)
	Rec \$ -	\$ -	\$ -
	CFB \$ 41,602,000	\$ -	\$ 41,602,000
	FTE		0.000
2 Gross Premiums Tax Offset Transfer			
Deposits the transfer of the gross premiums tax offset from DHB into the Health Advancement Receipts special fund.	Req \$ -	\$ -	\$ -
	Rec \$ (19,302,000)	\$ -	\$ (19,302,000)
	CFB \$ (19,302,000)	\$ -	\$ (19,302,000)
	FTE		0.000
3 Health Advancement Assessment Hospital Receipts			
Budgets hospital receipts from the Health Advancement Assessments structure established in SL 2023-7.	Req \$ -	\$ -	\$ -
	Rec \$ (32,345,000)	\$ -	\$ (32,345,000)
	CFB \$ (32,345,000)	\$ -	\$ (32,345,000)
	FTE		0.000
4 Transfer for NC Health Works HASP			
Transfers funds to DHB to make the HASP directed payments to prepaid health plans for hospital services provided to the NC Health Works Medicaid population.	Req \$ (46,622,000)	\$ -	\$ (46,622,000)
	Rec \$ -	\$ -	\$ -
	CFB \$ 46,622,000	\$ -	\$ 46,622,000
	FTE		0.000
Total Change to Requirements	\$ (88,224,000)	\$ -	\$ (88,224,000)
Total Change to Receipts	\$ (51,647,000)	\$ -	\$ (51,647,000)
Total Change to Net Appropriation	\$ 36,577,000	\$ -	\$ 36,577,000
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$	36,577,000	
Recommended Total FTE Changes		0.000	

ARPA Temporary Savings (24449)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	-	625,500,000	838,000,000	-	88,800,000	88,800,000	926,800,000
Receipts	-	625,500,000	838,000,000	-	88,800,000	88,800,000	926,800,000
Δ in Fund Balance	-	-	-	-	-	-	-
Positions (FTE)	0.000	0.000	0.000			0.000	0.000

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments
1 Savings from Expansion Incentive			
Deposits the additional General Fund savings generated by the ARPA expansion incentive for FY 24-25.	Req \$ -	\$ -	\$ -
	Rec \$ -	\$ 88,800,000	\$ 88,800,000
	CFB \$ -	\$ 88,800,000	\$ 88,800,000
	FTE		0.000
2 School Behavioral Health Package			
Transfers funds to the Department of Health and Human Services, Division of Child and Family Well Being for the expansion of evidence-based prevention and early intervention supports, including Youth and Teen Mental Health First Aid, to ensure students can access mental health resources at school.	Req \$ -	\$ 5,400,000	\$ 5,400,000
	Rec \$ -	\$ -	\$ -
	CFB \$ -	\$ (5,400,000)	\$ (5,400,000)
	FTE		0.000
3 Rural Aging in Place			
Transfers funds to the Department of Health and Human Services, Division of Aging and Adult Services to fund household improvements and upfitting to support older North Carolinians in rural communities.	Req \$ -	\$ 10,500,000	\$ 10,500,000
	Rec \$ -	\$ -	\$ -
	CFB \$ -	\$ (10,500,000)	\$ (10,500,000)
	FTE		0.000
4 State Aid to County Departments of Social Services			
Transfers funds to the Department of Health and Human Services, Division of Social Services to address critical staffing shortages in Adult Protective Services, Child Protective Services, Medicaid application processing, and other mandated services.	Req \$ -	\$ 25,000,000	\$ 25,000,000
	Rec \$ -	\$ -	\$ -
	CFB \$ -	\$ (25,000,000)	\$ (25,000,000)
	FTE		0.000
5 Medicaid Administration			
Transfers funds to the Department of Health and Human Services, Division of Health Benefits to support the transition to Medicaid Managed Care.	Req \$ -	\$ 27,068,047	\$ 27,068,047
	Rec \$ -	\$ -	\$ -
	CFB \$ -	\$ (27,068,047)	\$ (27,068,047)
	FTE		0.000
6 Healthy Opportunities Statewide Expansion			
Transfers funds to the Department of Health and Human Services, Division of Health Benefits for the statewide expansion of Healthy Opportunities.	Req \$ -	\$ 20,831,953	\$ 20,831,953
	Rec \$ -	\$ -	\$ -
	CFB \$ -	\$ (20,831,953)	\$ (20,831,953)
	FTE		0.000
Total Change to Requirements	\$ -	\$ 88,800,000	\$ 88,800,000
Total Change to Receipts	\$ -	\$ 88,800,000	\$ 88,800,000
Total Change to Net Appropriation	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)			0.000

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

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

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	39,514,601	45,351,158	45,470,847	5,061,695	34,722	5,096,417	50,567,264
Receipts	31,331,494	36,012,108	35,981,255	3,915,085	-	3,915,085	39,896,340
Net Appropriation	8,183,107	9,339,050	9,489,592	1,146,610	34,722	1,181,332	10,670,924
Positions (FTE)	336.510	336.500	336.500			0.000	336.500

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments
Reserve for Salaries and Benefits			
1 Compensation Increase Reserve			
Guarantees at least a 5% across-the-board increase for all state-funded employees. In addition to the 3% provided in SL 2023-134, most state employees receive an additional 2%, while employees paid on an experience-based salary schedule or with a salary set in law receive an additional 3%. State agency teacher salaries are increased in accordance with the statewide salary schedules. Corresponding special provisions show additional details on compensation increases.	Req \$	87,000	\$ - \$ 87,000
	Rec \$	-	\$ - \$ -
	App \$	87,000	\$ - \$ 87,000
	FTE		0.000
2 Retiree Cost-of-Living Adjustment			
Provides a 3% one-time retiree supplement in FY 2024-25 for over 240,000 retired members and survivors of deceased members.	Req \$	-	\$ 34,722 \$ 34,722
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 34,722 \$ 34,722
	FTE		0.000
Division-wide			
3 State Match for Rehabilitation Services Administration Federal Grant			
Provides state matching funds to ensure the division can access an additional \$3.9 million in Rehabilitation Services Administration federal grant funds. The division will use the funds to increase rehabilitation counselor pay to address a 26% vacancy rate, sustaining the vocational rehabilitation workforce, and ensuring individuals with disabilities seeking paid employment can continue to access services. This grant provides total federal funding of \$16.6M across the Division of Services for the Blind, Deaf, and Hard of Hearing and the Division of Employment and Independence for People with Disabilities.	Req \$	4,974,695	\$ - \$ 4,974,695
	Rec \$	3,915,085	\$ - \$ 3,915,085
	App \$	1,059,610	\$ - \$ 1,059,610
	FTE		0.000
Total Change to Requirements	\$	5,061,695	\$ 34,722 \$ 5,096,417
Total Change to Receipts	\$	3,915,085	\$ - \$ 3,915,085
Total Change to Net Appropriation	\$	1,146,610	\$ 34,722 \$ 1,181,332
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		1,181,332
Recommended Total FTE Changes			0.000

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

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	1,787,159,165	1,910,273,634	1,952,695,867	6,369,000	4,776,456	11,145,456	1,963,841,323
Receipts	982,046,778	1,067,611,251	1,099,049,960	-	2,000,000	2,000,000	1,101,049,960
Net Appropriation	805,112,387	842,662,383	853,645,907	6,369,000	2,776,456	9,145,456	862,791,363
Positions (FTE)	11,274.100	11,280.300	11,280.300			0.000	11,280.300

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments

Reserve for Salaries and Benefits

1 Compensation Increase Reserve

Guarantees at least a 5% across-the-board increase for all state-funded employees. In addition to the 3% provided in SL 2023-134, most state employees receive an additional 2%, while employees paid on an experience-based salary schedule or with a salary set in law receive an additional 3%. State agency teacher salaries are increased in accordance with the statewide salary schedules. Corresponding special provisions show additional details on compensation increases.

Req \$	6,369,000	\$ -	\$ 6,369,000
Rec \$	-	\$ -	-
App \$	6,369,000	\$ -	\$ 6,369,000
FTE			0.000

2 Retiree Cost-of-Living Adjustment

Provides a 3% one-time retiree supplement in FY 2024-25 for over 240,000 retired members and survivors of deceased members.

Req \$	-	\$ 2,776,456	\$ 2,776,456
Rec \$	-	\$ -	-
App \$	-	\$ 2,776,456	\$ 2,776,456
FTE			0.000

Division-wide

3 Critical IT Systems Upgrade

Authorizes the division to use Mixed Beverage Tax revenue established in GS 18B-805(b)(3) to replace outdated IT systems that support the division's substance use prevention and treatment goals. The new system will integrate existing platforms, improve processes, and enable data collection within one system to enhance the Driving While Impaired Services, Drug Education School, and the Drug Control Unit programs.

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

Total Change to Requirements	\$ 6,369,000	\$ 4,776,456	\$ 11,145,456
Total Change to Receipts	\$ -	\$ 2,000,000	\$ 2,000,000
Total Change to Net Appropriation	\$ 6,369,000	\$ 2,776,456	\$ 9,145,456
Total Change to Full-Time Equivalent (FTE)			0.000

Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$ 9,145,456
Recommended Total FTE Changes	0.000

Opioid Abatement Fund (24491)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	11,180,466	3,692,461	4,478,462	-	11,682,260	11,682,260	16,160,722
Receipts	20,074,500	3,692,461	4,478,462	-	11,682,260	11,682,260	16,160,722
Δ in Fund Balance	(8,894,034)	-	-	-	-	-	-
Positions (FTE)	0.000	0.000	0.000			0.000	0.000

			FY 2024-25 Recommended		
			R Changes	NR Changes	Adjustments

1 Opioid Settlement Funds

Budgets funds from the multi-state opioid settlements to the Division of Mental Health to be allocated within the allowable uses of the Opioid Abatement Fund, including overdose prevention and response, the purchase of naloxone, and to improve opioid treatment access. North Carolina experienced a 22% drug overdose increase from 2020 to 2021. These funds will ensure the division can address the growing misuse of and addiction to prescriptions and illicit opioids statewide, saving lives.

Req	\$	-	\$	11,682,260	\$	11,682,260
Rec	\$	-	\$	11,682,260	\$	11,682,260
CFB	\$	-	\$	-	\$	-
FTE						0.000

Total Change to Requirements	\$	-	\$	11,682,260	\$	11,682,260
Total Change to Receipts	\$	-	\$	11,682,260	\$	11,682,260
Total Change to Net Appropriation	\$	-	\$	-	\$	-
Total Change to Full-Time Equivalent (FTE)						0.000

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

Division of Health Services Regulation (14470)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	73,502,370	81,765,736	82,341,123	2,976,183	280,610	3,256,793	85,597,916
Receipts	58,445,481	56,854,010	56,649,546	435,312	-	435,312	57,084,858
Net Appropriation	15,056,889	24,911,726	25,691,577	2,540,871	280,610	2,821,481	28,513,058
Positions (FTE)	578.500	588.500	588.500			20.000	608.500

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments
Reserve for Salaries and Benefits			
1 Compensation Increase Reserve			
Guarantees at least a 5% across-the-board increase for all state-funded employees. In addition to the 3% provided in SL 2023-134, most state employees receive an additional 2%, while employees paid on an experience-based salary schedule or with a salary set in law receive an additional 3%. State agency teacher salaries are increased in accordance with the statewide salary schedules. Corresponding special provisions show additional details on compensation increases.	Req \$ 467,000	\$ -	\$ 467,000
	Rec \$ -	\$ -	\$ -
	App \$ 467,000	\$ -	\$ 467,000
	FTE		0.000
2 Retiree Cost-of-Living Adjustment			
Provides a 3% one-time retiree supplement in FY 2024-25 for over 240,000 retired members and survivors of deceased members.	Req \$ -	\$ 207,110	\$ 207,110
	Rec \$ -	\$ -	\$ -
	App \$ -	\$ 207,110	\$ 207,110
	FTE		0.000
Division-wide			
3 Acute Care Workforce Capacity			
Creates positions to ensure the section can investigate the rising number of acute care and psychiatric hospitals complaints, and meet federal and state requirements, protecting patient safety and health within acute care facilities across the state.	Req \$ 1,151,621	\$ 31,500	\$ 1,183,121
	Rec \$ 172,743	\$ -	\$ 172,743
	App \$ 978,878	\$ 31,500	\$ 1,010,378
	FTE		9.000
4 Adult Care Workforce Capacity			
Creates a position to enhance the section's capacity to investigate the growing number of complex complaints and address serious violations within adult care facilities across the state. This position is needed to ensure the section can comply with state and federal regulations and prevent negative outcomes in adult and family care home facilities.	Req \$ 123,683	\$ 3,500	\$ 127,183
	Rec \$ 30,921	\$ -	\$ 30,921
	App \$ 92,762	\$ 3,500	\$ 96,262
	FTE		1.000
5 Complaint Intake Workforce Capacity			
Establishes positions to increase the section's capacity to determine the severity and urgency of complaints, and to process and refer complaints and facility reported incidents in a timely manner and within federal requirements.	Req \$ 371,510	\$ 10,500	\$ 382,010
	Rec \$ 74,302	\$ -	\$ 74,302
	App \$ 297,208	\$ 10,500	\$ 307,708
	FTE		3.000
6 Nursing Home Workforce Capacity			
Creates positions to increase the section's capacity to eliminate the existing backlog and address the growing number of nursing home related complaints in accordance with state and federal requirements, ensuring the safety of nursing home residents statewide.	Req \$ 267,751	\$ 7,000	\$ 274,751
	Rec \$ 66,938	\$ -	\$ 66,938
	App \$ 200,813	\$ 7,000	\$ 207,813
	FTE		2.000
7 Licensing and Regulation Workforce Capacity			
Funds positions to enable the section to complete all required annual building inspection and address the growing demand for the licensure mental health facilities across the state. These positions are critical in ensuring that facilities are safe and adequate, protecting residents and preventing harm.	Req \$ 232,984	\$ 10,500	\$ 243,484
	Rec \$ -	\$ -	\$ -
	App \$ 232,984	\$ 10,500	\$ 243,484
	FTE		2.000

		R Changes		NR Changes		Adjustments
8 Mental Health Workforce Capacity						
Creates positions to increase timely processing of expedited applications for residential facilities, conduct mandated annual surveys for residential mental health services, and investigate allegations related to unlicensed mental health facilities as required by Michelle's Law, SL 2021-77.	Req	\$ 361,634	\$	10,500	\$	372,134
	Rec	\$ 90,408	\$	-	\$	90,408
	App	\$ 271,226	\$	10,500	\$	281,726
	FTE					3.000
Total Change to Requirements		\$ 2,976,183	\$	280,610	\$	3,256,793
Total Change to Receipts		\$ 435,312	\$	-	\$	435,312
Total Change to Net Appropriation		\$ 2,540,871	\$	280,610	\$	2,821,481
Total Change to Full-Time Equivalent (FTE)						20.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$		2,821,481		
Recommended Total FTE Changes				20.000		

Division of Employment and Independence for People with Disabilities (14480)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	165,996,967	186,405,070	184,426,242	16,494,067	151,696	16,645,763	201,072,005
Receipts	129,017,577	142,882,705	140,253,360	12,711,677	-	12,711,677	152,965,037
Net Appropriation	36,979,390	43,522,365	44,172,882	3,782,390	151,696	3,934,086	48,106,968
Positions (FTE)	989.250	1,001.750	1,001.750			0.000	1,001.750

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments
Reserve for Salaries and Benefits			
1 Compensation Increase Reserve			
Guarantees at least a 5% across-the-board increase for all state-funded employees. In addition to the 3% provided in SL 2023-134, most state employees receive an additional 2%, while employees paid on an experience-based salary schedule or with a salary set in law receive an additional 3%. State agency teacher salaries are increased in accordance with the statewide salary schedules. Corresponding special provisions show additional details on compensation increases.	Req \$	342,000	\$ - \$ 342,000
	Rec \$	-	\$ - \$ -
	App \$	342,000	\$ - \$ 342,000
	FTE		0.000
2 Retiree Cost-of-Living Adjustment			
Provides a 3% one-time retiree supplement in FY 2024-25 for over 240,000 retired members and survivors of deceased members.	Req \$	-	\$ 151,696 \$ 151,696
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 151,696 \$ 151,696
	FTE		0.000
Division-wide			
3 State Match for Rehabilitation Services Administration Federal Grant			
Provides state matching funds to ensure the division can access an additional \$12.7 million in Rehabilitation Services Administration federal grant funds. The division will use the funds to increase rehabilitation counselor pay to address a nearly 40% vacancy rate. This investment will sustain the vocational rehabilitation workforce, ensuring individuals with disabilities seeking paid employment can continue to access services. This grant provides total federal funding of \$16.6M across the Division of Employment and Independence for People with Disabilities and the Division of Services for the Blind, Deaf, and Hard of Hearing.	Req \$	16,152,067	\$ - \$ 16,152,067
	Rec \$	12,711,677	\$ - \$ 12,711,677
	App \$	3,440,390	\$ - \$ 3,440,390
	FTE		0.000
Total Change to Requirements	\$	16,494,067	\$ 151,696 \$ 16,645,763
Total Change to Receipts	\$	12,711,677	\$ - \$ 12,711,677
Total Change to Net Appropriation	\$	3,782,390	\$ 151,696 \$ 3,934,086
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		3,934,086
Recommended Total FTE Changes			0.000

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Mission

To protect and preserve the rights and liberties of all the people, as guaranteed by the Constitutions and laws of the United States and North Carolina, by providing a fair, independent, and accessible forum for the just, timely, and economical resolution of their legal affairs.

Administrative Office of the Courts assists and equips the General Court of Justice in fulfilling its constitutional mandate to timely dispense equal justice under the law.

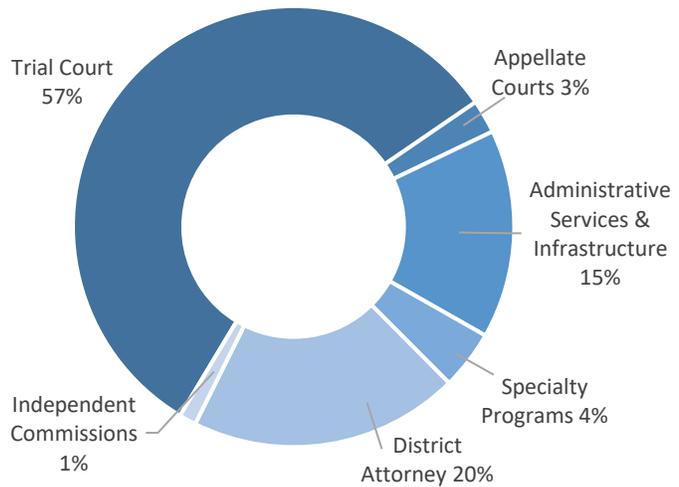
Goals

1. Strengthen fairness in the state court system.
2. Improve meaningful access to the courts for all North Carolinians.
3. Promote efficient case management that saves time and supports good stewardship of taxpayer dollars.

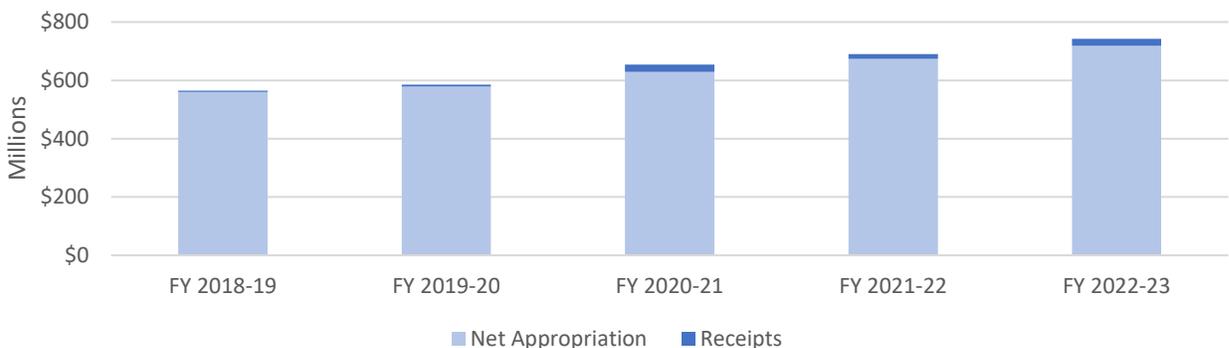
Agency Profile

- Employs nearly 400 NCAOC staff positions to support the needs of 555 independently elected court officials and over 7,000 total court personnel.
- Provides centralized operations and support for the field, including Human Resources, Financial Services, Training, and Technology Services.
- Budgets and authorizes expenditures, identifying staffing needs statewide, procuring and distributing equipment and supplies, prescribing uniform practices for clerks, and making recommendations for the overall improvement of the Judicial Branch.

FY 2022-23 Actual Expenditures



5-Year Historical Expenditures



Charts include General Fund budget code only.

Judicial Branch (12000)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	742,566,131	763,146,146	785,128,108	34,723,412	12,912,165	47,635,577	832,763,685
Receipts	24,395,772	12,441,730	6,210,166	-	-	-	6,210,166
Net Appropriation	718,170,359	750,704,416	778,917,942	34,723,412	12,912,165	47,635,577	826,553,519
Positions (FTE)	6,119.250	6,452.625	6,460.625			29.000	6,489.625

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments

Reserve for Salaries and Benefits

1 Compensation Increase Reserve

Guarantees at least a 5% across-the-board increase for all state-funded employees. In addition to the 3% provided in SL 2023-134, most state employees receive an additional 2%, while employees paid on an experience-based salary schedule or with a salary set in law receive an additional 3%. State agency teacher salaries are increased in accordance with the statewide salary schedules. Corresponding special provisions show additional details on compensation increases.

Req \$	17,175,000	\$	-	\$	17,175,000
Rec \$	-	\$	-	\$	-
App \$	17,175,000	\$	-	\$	17,175,000
FTE					0.000

2 Position Fundshift Reserve

Establishes a Position Fundshift Reserve to provide the agency with additional flexibility to manage. The agency may use these funds to fundshift a limited number of positions, in whole or in part, from receipts to net appropriation support. Fundshifting positions will free up receipts, providing much needed availability for receipt-supported compensation increases. Agencies are required to provide legislative increases to receipt-supported positions but are often not able to raise the additional revenue needed to do so.

Req \$	3,000	\$	-	\$	3,000
Rec \$	-	\$	-	\$	-
App \$	3,000	\$	-	\$	3,000
FTE					0.000

3 Retention Bonus

Provides a \$1,000 bonus to net appropriation-supported employees and an additional \$500 bonus to employees with an annual salary of less than \$75,000. To address retention, the retention bonus will be paid in two installments with half of the bonus paid in October 2024 and half in April 2025.

Req \$	-	\$	9,647,000	\$	9,647,000
Rec \$	-	\$	-	\$	-
App \$	-	\$	9,647,000	\$	9,647,000
FTE					0.000

4 Enhanced Labor Market Retention and Adjustment Reserve

Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported and receipt-supported payroll. The inclusion of funds for receipt-supported positions provides flexibility to agencies to address labor market concerns across all positions regardless of funding source. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. Among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.

Req \$	12,717,000	\$	-	\$	12,717,000
Rec \$	-	\$	-	\$	-
App \$	12,717,000	\$	-	\$	12,717,000
FTE					0.000

5 Retiree Cost-of-Living Adjustment

Provides a 3% one-time retiree supplement in FY 2024-25 for over 240,000 retired members and survivors of deceased members.

Req \$	-	\$	3,265,165	\$	3,265,165
Rec \$	-	\$	-	\$	-
App \$	-	\$	3,265,165	\$	3,265,165
FTE					0.000

Court Technology Transformation

6 Statewide Technology and Business Process Personnel

Converts time-limited technology and business process personnel to permanent positions. These staff support the expansion of court technology transformation and the needs of local judicial officials to address the ongoing challenges of eCourts. The agency needs staff to not only assist with the transition to eCourts but also to provide support after the expansion is complete. These funds supplement nonrecurring funding provided in SL 2023-134.

Req \$	3,714,805	\$	-	\$	3,714,805
Rec \$	-	\$	-	\$	-
App \$	3,714,805	\$	-	\$	3,714,805
FTE					29.000

		R Changes		NR Changes		Adjustments
Support of Court Programs						
7 Guardian Ad Litem Contract Attorney Rate						
Provides funds to increase the Guardian Ad Litem (GAL) contract rate. This funding will align the GAL contract rate with the court-appointed public defender rate of \$65 per hour, helping to recruit and retain attorneys for the GAL program.	Req \$	1,009,265	\$	-	\$	1,009,265
	Rec \$	-	\$	-	\$	-
	App \$	1,009,265	\$	-	\$	1,009,265
	FTE					0.000
Local Courthouse Resources						
8 NC Conference of District Attorney Personnel						
Provides permanent funding for a victim services coordinator for the Conference of District Attorneys. This position will provide victim support in conflict and special prosecution cases that the Conference of District Attorneys handles and serve as a central resource for district attorney staff regarding victim-related issues.	Req \$	104,342	\$	-	\$	104,342
	Rec \$	-	\$	-	\$	-
	App \$	104,342	\$	-	\$	104,342
	FTE					0.000
Total Change to Requirements	\$	34,723,412	\$	12,912,165	\$	47,635,577
Total Change to Receipts	\$	-	\$	-	\$	-
Total Change to Net Appropriation	\$	34,723,412	\$	12,912,165	\$	47,635,577
Total Change to Full-Time Equivalent (FTE)						29.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$				47,635,577
Recommended Total FTE Changes						29.000

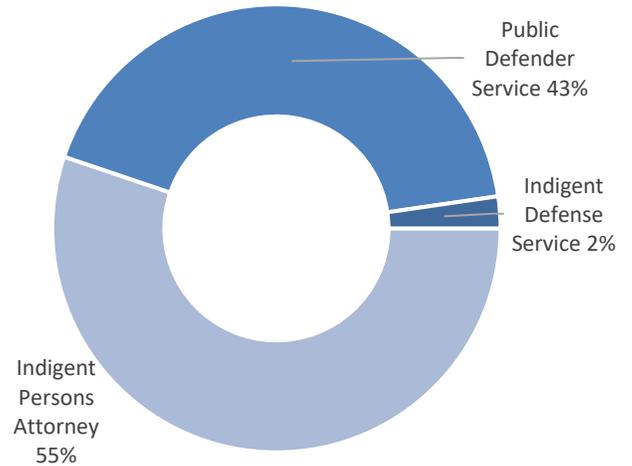
Mission

To ensure that the North Carolina public defense community has the resources it needs to achieve fair and just outcomes for clients.

Goals

1. Implement comprehensive long-term plan for provision of quality client service in all 100 counties through expansion of public defender districts supported by network of well-resourced private assigned counsel.
2. Improve compensation and resource support to all private appointed counsel to build local rosters and improve client outcomes.
3. Balance increased efficiency of court operations with effectiveness of counsel through robust, well-informed defense bar.

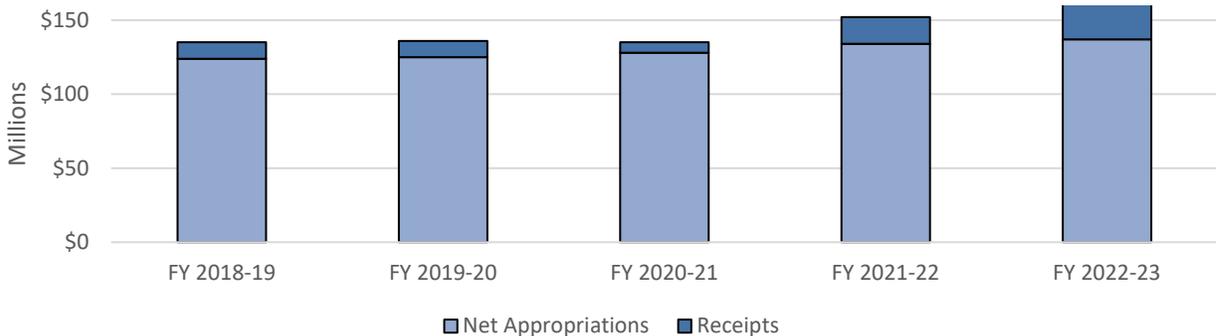
FY 2022-23 Actual Expenditures



Agency Profile

- Administers and implements policy as directed by the 13-member Indigent Defense Commission, including direct support for court-appointed counsel through resources such as Forensic Resource Counsel and Regional Defenders.
- Manages the Private Assigned Counsel Fund, which pays court-appointed attorneys to represent indigent individuals, as provisioned by a carefully monitored process to ensure speedy payment of attorney and expert fee applications.
- Administers and oversees statewide defender programs: Offices of the Appellate Defender, Capital Defender, Juvenile Defender, Parent Representation, and Special Counsel.
- Provides administrative and budget oversight for Public Defender Offices in 19 court districts.
- Develops training, and qualification and performance standards to govern the provision of legal services to indigent persons.

5-Year Historical Expenditures



Charts include General Fund budget code only.

Judicial Branch - Indigent Defense (12001)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	165,060,858	164,439,200	170,714,444	5,775,924	13,437,893	19,213,817	189,928,261
Receipts	27,793,391	14,589,207	13,962,679	-	-	-	13,962,679
Net Appropriation	137,267,467	149,849,993	156,751,765	5,775,924	13,437,893	19,213,817	175,965,582
Positions (FTE)	579.000	721.000	733.000			10.000	743.000

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments
Reserve for Salaries and Benefits			
1 Compensation Increase Reserve			
Guarantees at least a 5% across-the-board increase for all state-funded employees. In addition to the 3% provided in SL 2023-134, most state employees receive an additional 2%, while employees paid on an experience-based salary schedule or with a salary set in law receive an additional 3%. State agency teacher salaries are increased in accordance with the statewide salary schedules. Corresponding special provisions show additional details on compensation increases.	Req \$ 2,498,000	\$ -	\$ 2,498,000
	Rec \$ -	\$ -	\$ -
	App \$ 2,498,000	\$ -	\$ 2,498,000
	FTE		0.000
2 Position Fundshift Reserve			
Establishes a Position Fundshift Reserve to provide the agency with additional flexibility to manage. The agency may use these funds to fundshift a limited number of positions, in whole or in part, from receipts to net appropriation support. Fundshifting positions will free up receipts, providing much needed availability for receipt-supported compensation increases. Agencies are required to provide legislative increases to receipt-supported positions but are often not able to raise the additional revenue needed to do so.	Req \$ 13,000	\$ -	\$ 13,000
	Rec \$ -	\$ -	\$ -
	App \$ 13,000	\$ -	\$ 13,000
	FTE		0.000
3 Retention Bonus			
Provides a \$1,000 bonus to net appropriation-supported employees and an additional \$500 bonus to employees with an annual salary of less than \$75,000. To address retention, the retention bonus will be paid in two installments with half of the bonus paid in October 2024 and half in April 2025.	Req \$ -	\$ 983,000	\$ 983,000
	Rec \$ -	\$ -	\$ -
	App \$ -	\$ 983,000	\$ 983,000
	FTE		0.000
4 Enhanced Labor Market Retention and Adjustment Reserve			
Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported and receipt-supported payroll. The inclusion of funds for receipt-supported positions provides flexibility to agencies to address labor market concerns across all positions regardless of funding source. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. Among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.	Req \$ 1,843,000	\$ -	\$ 1,843,000
	Rec \$ -	\$ -	\$ -
	App \$ 1,843,000	\$ -	\$ 1,843,000
	FTE		0.000
5 Retiree Cost-of-Living Adjustment			
Provides a 3% one-time retiree supplement in FY 2024-25 for over 240,000 retired members and survivors of deceased members.	Req \$ -	\$ 418,502	\$ 418,502
	Rec \$ -	\$ -	\$ -
	App \$ -	\$ 418,502	\$ 418,502
	FTE		0.000
Administration			
6 Central Office Staff			
Provides funds for financial staff to ease workload concerns and increase the department's capacity to handle additional fee applications and manage contractual services. These positions will also help continue the transition to new software systems, including eCourts and the North Carolina Financial System.	Req \$ 240,581	\$ 10,050	\$ 250,631
	Rec \$ -	\$ -	\$ -
	App \$ 240,581	\$ 10,050	\$ 250,631
	FTE		3.000

		R Changes		NR Changes		Adjustments
7 eCourts Hardware Costs						
Funds the purchase of the necessary equipment to implement eCourts. This equipment, such as network attached storage drives, scanners, computer monitors, and printers, allows for the transition to the new system in all courtrooms.	Req \$	250,000	\$	-	\$	250,000
	Rec \$	-	\$	-	\$	-
	App \$	250,000	\$	-	\$	250,000
	FTE					0.000
Public Defender Capacity						
8 Public Defender Positions						
Establishes attorney and support staff positions in high-need public defender offices. These additional resources will enable these offices to better serve constituents and manage caseloads.	Req \$	931,343	\$	26,341	\$	957,684
	Rec \$	-	\$	-	\$	-
	App \$	931,343	\$	26,341	\$	957,684
	FTE					7.000
Support for Private Assigned Counsel						
9 Private Assigned Counsel Funding Gap						
Increases funds for private assigned counsel (PAC) representation to reduce the current deficit. Without this increase, the PAC fund will be depleted by 2025. This support will facilitate the timely repayment of PAC attorneys for their services.	Req \$	-	\$	12,000,000	\$	12,000,000
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	12,000,000	\$	12,000,000
	FTE					0.000
Total Change to Requirements		\$ 5,775,924		\$ 13,437,893		\$ 19,213,817
Total Change to Receipts		\$ -		\$ -		\$ -
Total Change to Net Appropriation		\$ 5,775,924		\$ 13,437,893		\$ 19,213,817
Total Change to Full-Time Equivalent (FTE)						10.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$		19,213,817		
Recommended Total FTE Changes				10.000		

Mission

To protect the people of North Carolina through its work to prevent crime and support law enforcement, to safeguard consumers, and to defend the state, its people, and their constitutional rights.

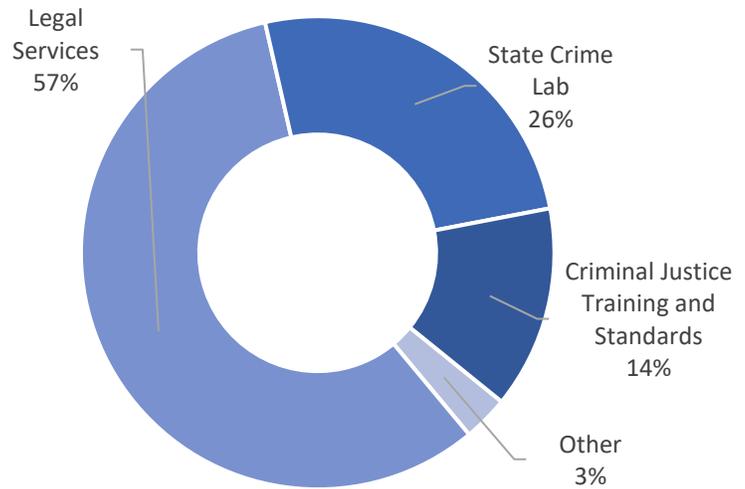
Goals

1. Use science to promote justice.
2. Provide excellent legal counsel and defense to the state.
3. Provide local law enforcement agencies with high-value, cost-effective, and responsive officer training, licensure, and certification activities.
4. Develop and lead policy implementation to protect North Carolinians.

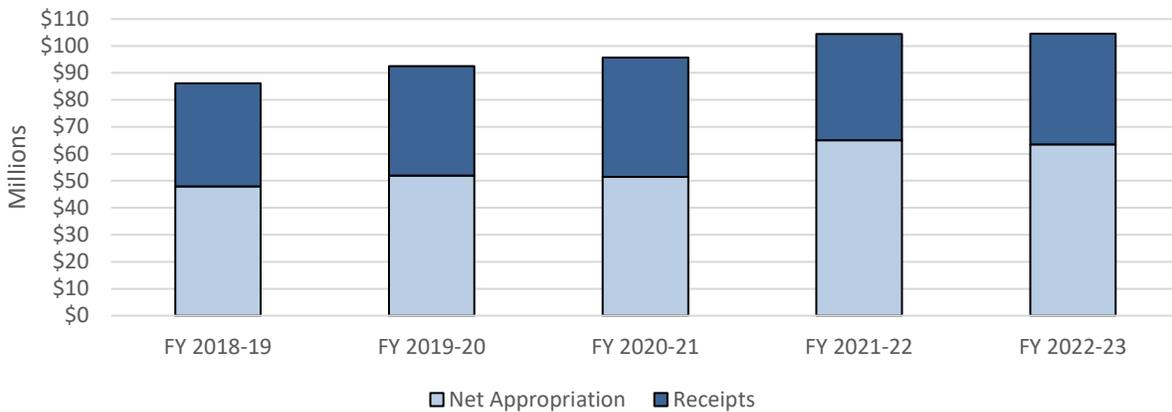
Agency Profile

- Protects consumers by working to prevent scams, investigating and taking legal action against corporations that break the law, combating Medicaid fraud, prosecuting tax cheats, and confronting the opioid crisis.
- Provides legal advice and representation to state agencies.
- Prosecutes complex criminal cases and handles all criminal appeals from state trial courts.
- Works with partners to analyze evidence at the State Crime Lab to convict the guilty and exonerate the innocent.
- Supports law enforcement through the NC Justice Academy, which trains officers, and Criminal Justice Training and Sheriffs' Standards, which certify law enforcement officers.

FY 2022-23 Actual Expenditures



5-Year Historical Expenditures



Charts include General Fund budget codes only.

Department of Justice (13600)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	104,741,622	111,302,130	112,115,754	7,708,371	1,185,895	8,894,266	121,010,020
Receipts	41,206,204	45,605,802	45,147,562	-	-	-	45,147,562
Net Appropriation	63,535,418	65,696,328	66,968,192	7,708,371	1,185,895	8,894,266	75,862,458
Positions (FTE)	807.885	843.385	843.385			20.000	863.385

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments

Reserve for Salaries and Benefits

1 Compensation Increase Reserve

Guarantees at least a 5% across-the-board increase for all state-funded employees. In addition to the 3% provided in SL 2023-134, most state employees receive an additional 2%, while employees paid on an experience-based salary schedule or with a salary set in law receive an additional 3%. State agency teacher salaries are increased in accordance with the statewide salary schedules. Corresponding special provisions show additional details on compensation increases.

Req \$	1,075,000	\$	-	\$	1,075,000
Rec \$	-	\$	-	\$	-
App \$	1,075,000	\$	-	\$	1,075,000
FTE					0.000

2 Position Fundshift Reserve

Establishes a Position Fundshift Reserve to provide the agency with additional flexibility to manage. The agency may use these funds to fundshift a limited number of positions, in whole or in part, from receipts to net appropriation support. Fundshifting positions will free up receipts, providing much needed availability for receipt-supported compensation increases. Agencies are required to provide legislative increases to receipt-supported positions but are often not able to raise the additional revenue needed to do so.

Req \$	641,000	\$	-	\$	641,000
Rec \$	-	\$	-	\$	-
App \$	641,000	\$	-	\$	641,000
FTE					0.000

3 Retention Bonus

Provides a \$1,000 bonus to net appropriation-supported employees and an additional \$500 bonus to employees with an annual salary of less than \$75,000. To address retention, the retention bonus will be paid in two installments with half of the bonus paid in October 2024 and half in April 2025.

Req \$	-	\$	757,000	\$	757,000
Rec \$	-	\$	-	\$	-
App \$	-	\$	757,000	\$	757,000
FTE					0.000

4 Enhanced Labor Market Retention and Adjustment Reserve

Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported and receipt-supported payroll. The inclusion of funds for receipt-supported positions provides flexibility to agencies to address labor market concerns across all positions regardless of funding source. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. Among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.

Req \$	1,717,000	\$	-	\$	1,717,000
Rec \$	-	\$	-	\$	-
App \$	1,717,000	\$	-	\$	1,717,000
FTE					0.000

5 Retiree Cost-of-Living Adjustment

Provides a 3% one-time retiree supplement in FY 2024-25 for over 240,000 retired members and survivors of deceased members.

Req \$	-	\$	376,395	\$	376,395
Rec \$	-	\$	-	\$	-
App \$	-	\$	376,395	\$	376,395
FTE					0.000

Department-wide

6 Flex Cut Restoration

Eliminates the budget shortfall resulting from the \$10 million 2017 flex cut to the Department of Justice (DOJ). The additional resources will support equipment and technology upgrades, personnel, and professional development. The new administration will be able to utilize this funding in January 2025. A corresponding special provision directs the Office of State Budget and Management to restore the remainder of the cut in the Base Budget so that the new Attorney General does not face operating challenges.

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

		R Changes		NR Changes		Adjustments
7 Networking Security Officer						
Provides funding for a Network Security Officer responsible for the strategic development and implementation of the department's IT and data risk management. The agency must protect both its own data and the data of agencies it represents, including sensitive information from health records, consumer complaints, and criminal cases. This position will identify, analyze, and mitigate threats to IT systems and networks.	Req \$	189,303	\$	3,500	\$	192,803
	Rec \$	-	\$	-	\$	-
	App \$	189,303	\$	3,500	\$	192,803
	FTE					1.000
8 Internal Auditor						
Funds an Internal Audit Manager as recommended by the Council of Internal Auditing. This position will oversee the delivery of current workload and ensure the office has at least two internal auditors. Regardless of budget size, the Council of Internal Auditing recommends that all agencies have at least two auditors for quality assurance and review purposes. Additional audit staff will improve efficiency, effectiveness, and compliance with state laws and internal policies within the agency.	Req \$	169,880	\$	3,500	\$	173,380
	Rec \$	-	\$	-	\$	-
	App \$	169,880	\$	3,500	\$	173,380
	FTE					1.000
Legal Services						
9 Attorney Positions						
Funds additional criminal appellate and civil attorneys to address the rise in cases. Due to an insufficient number of attorneys, North Carolina is the only state that must assign criminal appellate briefs to non-criminal attorneys. Specialized attorneys with a more manageable caseload will better handle criminal appeals and represent state agencies, boards, and commissions.	Req \$	1,316,792	\$	28,000	\$	1,344,792
	Rec \$	-	\$	-	\$	-
	App \$	1,316,792	\$	28,000	\$	1,344,792
	FTE					8.000
Criminal Justice and Sheriffs' Education and Training Standards						
10 Increased Capacity for Employee Certification						
Supports additional capacity within the Criminal Justice and Sheriffs' Training and Standards Divisions to improve turnaround time for certification of law enforcement, correctional, and juvenile justice officers. State and local agencies have lost prospective employees due to delays in receiving approvals. Faster processing of applications will allow them to onboard new staff more quickly to better protect North Carolinians and those in NC facilities.	Req \$	518,181	\$	17,500	\$	535,681
	Rec \$	-	\$	-	\$	-
	App \$	518,181	\$	17,500	\$	535,681
	FTE					5.000
Justice Academy						
11 Officer Training Materials						
Fundshifts Justice Academy positions from receipts to net appropriation. This support allows individuals seeking to become officers to obtain required training materials for Basic Law Enforcement Training (BLET) free of charge. The department will continue to charge for materials mandatory for other courses.	Req \$	581,215	\$	-	\$	581,215
	Rec \$	-	\$	-	\$	-
	App \$	581,215	\$	-	\$	581,215
	FTE					5.000
Total Change to Requirements	\$	7,708,371	\$	1,185,895	\$	8,894,266
Total Change to Receipts	\$	-	\$	-	\$	-
Total Change to Net Appropriation	\$	7,708,371	\$	1,185,895	\$	8,894,266
Total Change to Full-Time Equivalent (FTE)						20.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)						
	\$				\$	8,894,266
Recommended Total FTE Changes						
						20.000

Justice - Special (23600)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	23,810,272	22,609,055	22,609,055	(581,215)	5,000,000	4,418,785	27,027,840
Receipts	33,066,971	19,702,535	19,702,535	(581,215)	5,000,000	4,418,785	24,121,320
Δ in Fund Balance	(9,256,700)	(2,906,520)	(2,906,520)	-	-	-	(2,906,520)
Positions (FTE)	24.000	24.000	24.000			1.000	25.000

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments
Department of Justice			
1 Fentanyl Control Unit			
Budgets receipts from the Opioid Abatement Reserve to support time-limited attorney positions for the formation of a Fentanyl Control Unit. In 2022, the State Crime Lab observed fentanyl as the second most-common drug found in evidence. The Fentanyl Control Unit will help local district attorneys handle large-scale fentanyl trafficking, wiretap, and overdose cases.	Req \$	- \$	5,000,000 \$
	Rec \$	- \$	5,000,000 \$
	CFB \$	- \$	- \$
	FTE		6.000
Justice Academy			
2 Officer Training Materials			
Reduces the receipts and budget to reflect that the academy will no longer charge for BLET materials.	Req \$	(581,215) \$	- \$
	Rec \$	(581,215) \$	- \$
	CFB \$	- \$	- \$
	FTE		(5.000)
Total Change to Requirements	\$	(581,215) \$	5,000,000 \$
Total Change to Receipts	\$	(581,215) \$	5,000,000 \$
Total Change to Net Appropriation	\$	- \$	- \$
Total Change to Full-Time Equivalent (FTE)			1.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$		-
Recommended Total FTE Changes			1.000

Mission

To protect the public by collaboratively focusing on rehabilitation, protection, innovation, accountability, and professionalism.

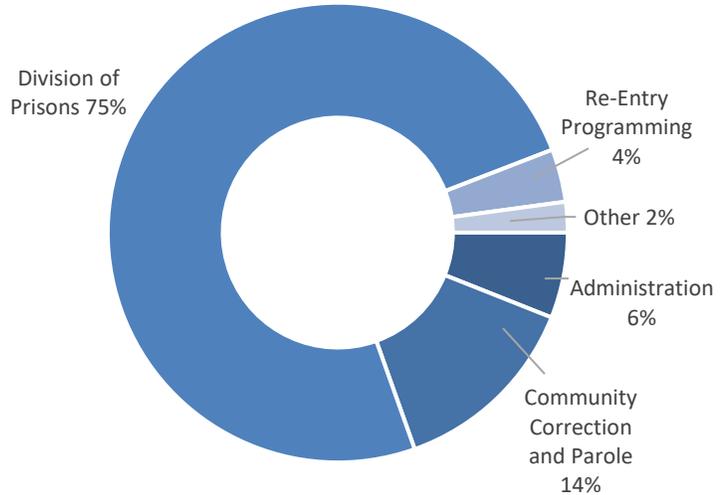
Goals

1. Support our employees.
2. Safely manage and support offenders from custody to reentry.
3. Strengthen safety and security at all DAC locations.
4. Operate effectively and efficiently.
5. Increase transparency of DAC’s mission and operations.

Agency Profile

- Manages the care and custody of approximately 30,000 people housed in 53 North Carolina Prisons.
- Protects the safety of citizens in communities throughout the state by providing viable alternatives and meaningful supervision to more than 77,000 offenders on probation, parole, or post-release supervision. The department also oversees 6,000 unsupervised offenders who are issued court ordered community service.
- Oversees a comprehensive array of re-entry programs and services to help justice-involved individuals reintegrate into their communities.
- Develops marketable jobs skills and opportunities for offenders in a professional and safe work environment.

FY 2022-23 Actual Expenditures



Budget Note

The Department of Adult Correction was established on January 1, 2023; therefore, historical figures are not available.

FY 2022-23 YTD Actuals

Total Expenditures	\$	1,946,696,539
Revenue	\$	29,481,624
Net Appropriation	\$	1,917,214,915

Charts include General Fund budget codes only.

Adult Correction - General Fund (15010)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	1,861,175,294	2,032,822,259	2,070,615,156	72,378,000	44,558,252	116,936,252	2,187,551,408
Receipts	41,701,682	36,165,743	24,612,230	-	4,000,000	4,000,000	28,612,230
Net Appropriation	1,819,473,613	1,996,656,516	2,046,002,926	72,378,000	40,558,252	112,936,252	2,158,939,178
Positions (FTE)	0.000	19,518.225	19,518.225			0.000	19,518.225

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments

Reserve for Salaries and Benefits

1 Compensation Increase Reserve

Guarantees at least a 5% across-the-board increase for all state-funded employees. In addition to the 3% provided in SL 2023-134, most state employees receive an additional 2%, while employees paid on an experience-based salary schedule or with a salary set in law receive an additional 3%. State agency teacher salaries are increased in accordance with the statewide salary schedules. Corresponding special provisions show additional details on compensation increases.

Req \$	33,059,000	\$	-	\$	33,059,000
Rec \$	-	\$	-	\$	-
App \$	33,059,000	\$	-	\$	33,059,000
FTE					0.000

2 Position Fundshift Reserve

Establishes a Position Fundshift Reserve to provide the agency with additional flexibility to manage. The agency may use these funds to fundshift a limited number of positions, in whole or in part, from receipts to net appropriation support. Fundshifting positions will free up receipts, providing much needed availability for receipt-supported compensation increases. Agencies are required to provide legislative increases to receipt-supported positions but are often not able to raise the additional revenue needed to do so.

Req \$	32,000	\$	-	\$	32,000
Rec \$	-	\$	-	\$	-
App \$	32,000	\$	-	\$	32,000
FTE					0.000

3 Retention Bonus

Provides a \$1,000 bonus to net appropriation-supported employees and an additional \$500 bonus to employees with an annual salary of less than \$75,000. To address retention, the retention bonus will be paid in two installments with half of the bonus paid in October 2024 and half in April 2025.

Req \$	-	\$	29,610,000	\$	29,610,000
Rec \$	-	\$	-	\$	-
App \$	-	\$	29,610,000	\$	29,610,000
FTE					0.000

4 Enhanced Labor Market Retention and Adjustment Reserve

Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported and receipt-supported payroll. The inclusion of funds for receipt-supported positions provides flexibility to agencies to address labor market concerns across all positions regardless of funding source. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. Among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.

Req \$	26,562,000	\$	-	\$	26,562,000
Rec \$	-	\$	-	\$	-
App \$	26,562,000	\$	-	\$	26,562,000
FTE					0.000

5 Retiree Cost-of-Living Adjustment

Provides a 3% one-time retiree supplement in FY 2024-25 for over 240,000 retired members and survivors of deceased members.

Req \$	-	\$	9,301,252	\$	9,301,252
Rec \$	-	\$	-	\$	-
App \$	-	\$	9,301,252	\$	9,301,252
FTE					0.000

Division of Prisons

6 Post Secondary College Funding

Supplements Pell Grant funding to assist incarcerated individuals in completing higher education degree programs. Evidence shows that obtaining a degree reduces recidivism and improves outcomes for individuals reentering communities. The recidivism rate for individuals with a bachelor's degree is under 6% nationally, compared to 82% overall according to the United States Department of Justice. The department shall use a portion of these funds to evaluate the impact of higher education on recidivism and post-release outcomes.

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

		R Changes	NR Changes	Adjustments
7 Digital Literacy in Correctional Institutions				
Equips each correctional institution with 15 laptops and one charging cart. These resources provide digital literacy and life skills programming to prepare incarcerated individuals for reentry.	Req \$	-	\$ 1,197,000	\$ 1,197,000
	Rec \$	-	-	-
	App \$	-	\$ 1,197,000	\$ 1,197,000
	FTE			0.000
8 Sustainability and Energy Efficiency				
Provides funds to expand sustainability and conservation efforts, ranging from forest preservation to enhanced water and lighting management systems. The department manages over 1,040 acres of natural lands and 54 correctional facilities. These investments will reduce utility costs.	Req \$	1,000,000	-	\$ 1,000,000
	Rec \$	-	-	-
	App \$	1,000,000	-	\$ 1,000,000
	FTE			0.000
9 Medication for Opioid Use Disorder Program				
Expands the use of medication to treat opioid use disorder in correctional institutions. The use of medication for opioid use disorder significantly reduces the risk of overdose death. This program is partially supported by nonrecurring funds from the Opioid Abatement Reserve.	Req \$	4,000,000	\$ 4,000,000	\$ 8,000,000
	Rec \$	-	\$ 4,000,000	\$ 4,000,000
	App \$	4,000,000	-	\$ 4,000,000
	FTE			0.000
10 Game Plan For Life				
Invests funds to expand the Game Plan for Life field minister program. Through this program, incarcerated individuals receive a four-year Bachelor of Arts degree in Pastoral Ministry with a secondary emphasis on counseling.	Req \$	-	\$ 250,000	\$ 250,000
	Rec \$	-	-	-
	App \$	-	\$ 250,000	\$ 250,000
	FTE			0.000
Reentry Programs				
11 Expand Local Reentry Councils				
Expands local reentry councils and supportive services, including housing, transportation, educational training, and other basic needs assistance. These services support justice-involved people returning to their communities after incarceration. The department shall use a portion of these funds to evaluate the impact of local reentry councils on recidivism and reentry outcomes.	Req \$	2,725,000	-	\$ 2,725,000
	Rec \$	-	-	-
	App \$	2,725,000	-	\$ 2,725,000
	FTE			0.000
12 Center for Educational Excellence				
Provides funds for a study and planning for the proposed Center for Educational Excellence in Harnett County. This center would partner with the department to help expand educational opportunities.	Req \$	-	\$ 200,000	\$ 200,000
	Rec \$	-	-	-
	App \$	-	\$ 200,000	\$ 200,000
	FTE			0.000
Total Change to Requirements		\$ 72,378,000	\$ 44,558,252	\$ 116,936,252
Total Change to Receipts		\$ -	\$ 4,000,000	\$ 4,000,000
Total Change to Net Appropriation		\$ 72,378,000	\$ 40,558,252	\$ 112,936,252
Total Change to Full-Time Equivalent (FTE)				0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$	112,936,252	
Recommended Total FTE Changes				0.000

Mission

To safeguard and preserve the lives and property of the people of North Carolina through prevention, protection, and preparation with integrity and honor.

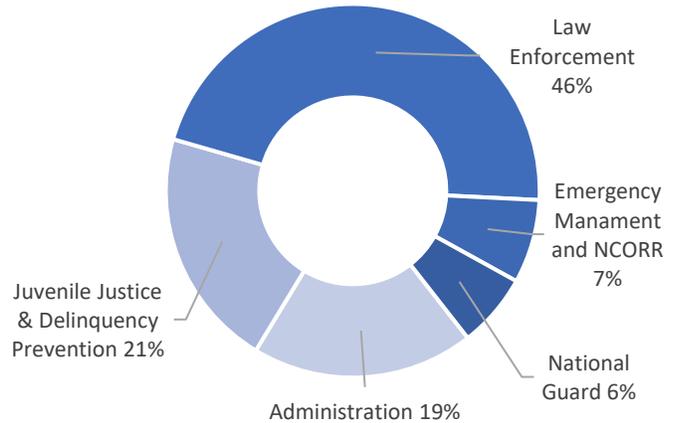
Goals

1. Strengthen the Department’s unity of effort as a consolidated and allied entity.
2. Create a true culture of prevention, protection, and preparedness.
3. Create and maintain an environment throughout the Department where employees are engaged, accountable, and recognized for the contributions they make to enhance public safety in North Carolina.

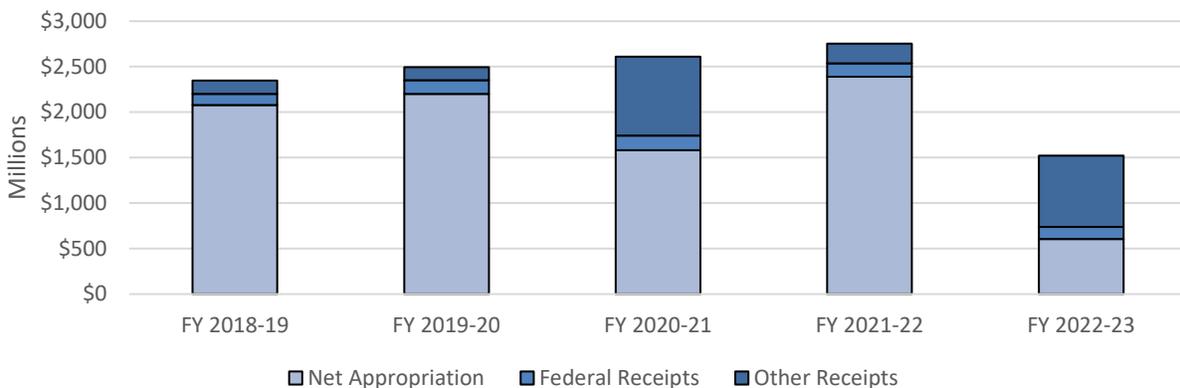
Agency Profile

- Serves as the state’s chief protector and defender of the public and is the statewide public safety and homeland security agency.
- Provides through the Division of Juvenile Justice and Delinquency Prevention care, custody, and supervision to juvenile offenders as well as interventions for court-involved youth ages 10 to 17.
- Makes the state’s highways as safe as possible, provides security for the state government complex, and enforces state laws through the Law Enforcement Divisions.
- Dedicates Emergency Management and North Carolina Office of Recovery and Resiliency (NCORR) personnel to help plan for and recover from man-made or natural disasters.
- Deploys the North Carolina National Guard (NCNG) for military capabilities to support state and/or national authorities, to protect citizens’ lives and properties, and to defend the state and nation.
- Provides basic, in-service, and advanced training at the Samarca training facility for DPS, and other state, local, and federal law enforcement agencies and is partnering with the Center for Safer Schools to create a comprehensive school safety training facility.

FY 2022-23 Actual Expenditures



5-Year Historical Expenditures*



Charts include General Fund budget codes only. SL 2021-180 created the Department of Adult Correction (DAC) as a Type I transfer effective Jan. 1, 2023. SL 2023-134 created the State Bureau of Investigation (SBI) as a Type I transfer effective Dec. 1, 2023. Charts depict expenditures inclusive of all DAC divisions transferred under the session law through Dec. 31, 2022, and inclusive of SBI through Dec. 1, 2023.

*Federal receipts include funding for Victims of Crime Act, emergency management, and NCNG programs.

Department of Public Safety (14550)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	1,446,720,994	860,193,196	861,924,571	22,399,859	35,231,317	57,631,176	919,555,747
Receipts	888,235,017	224,645,647	216,707,297	(28,053,308)	5,000,000	(23,053,308)	193,653,989
Net Appropriation	558,485,977	635,547,549	645,217,274	50,453,167	30,231,317	80,684,484	725,901,758
Positions (FTE)	24,371.416	5,155.051	5,155.051			94.000	5,249.051

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments
Reserve for Salaries and Benefits			
1 Compensation Increase Reserve			
Guarantees at least a 5% across-the-board increase for all state-funded employees. In addition to the 3% provided in SL 2023-134, most state employees receive an additional 2%, while employees paid on an experience-based salary schedule or with a salary set in law receive an additional 3%. State agency teacher salaries are increased in accordance with the statewide salary schedules. Corresponding special provisions show additional details on compensation increases.	Req \$	11,345,000	\$ - \$ 11,345,000
	Rec \$	-	\$ - \$ -
	App \$	11,345,000	\$ - \$ 11,345,000
	FTE		0.000
2 Position Fundshift Reserve			
Establishes a Position Fundshift Reserve to provide the agency with additional flexibility to manage. The agency may use these funds to fundshift a limited number of positions, in whole or in part, from receipts to net appropriation support. Fundshifting positions will free up receipts, providing much needed availability for receipt-supported compensation increases. Agencies are required to provide legislative increases to receipt-supported positions but are often not able to raise the additional revenue needed to do so.	Req \$	838,000	\$ - \$ 838,000
	Rec \$	-	\$ - \$ -
	App \$	838,000	\$ - \$ 838,000
	FTE		0.000
3 Retention Bonus			
Provides a \$1,000 bonus to net appropriation-supported employees and an additional \$500 bonus to employees with an annual salary of less than \$75,000. To address retention, the retention bonus will be paid in two installments with half of the bonus paid in October 2024 and half in April 2025.	Req \$	-	\$ 7,561,000 \$ 7,561,000
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 7,561,000 \$ 7,561,000
	FTE		0.000
4 Enhanced Labor Market Retention and Adjustment Reserve			
Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported and receipt-supported payroll. The inclusion of funds for receipt-supported positions provides flexibility to agencies to address labor market concerns across all positions regardless of funding source. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. Among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.	Req \$	10,146,000	\$ - \$ 10,146,000
	Rec \$	-	\$ - \$ -
	App \$	10,146,000	\$ - \$ 10,146,000
	FTE		0.000
5 Retiree Cost-of-Living Adjustment			
Provides a 3% one-time retiree supplement in FY 2024-25 for over 240,000 retired members and survivors of deceased members.	Req \$	-	\$ 3,208,732 \$ 3,208,732
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 3,208,732 \$ 3,208,732
	FTE		0.000
Administration			
6 Core Services Support			
Increases capacity for core responsibilities, such as central engineering, grants management, and human resources. The recent deconsolidation from the Department of Adult Correction transferred necessary staff out of the agency and caused workload levels to rise above acceptable levels. This funding will also support an internship program that connects the Department of Public Safety (DPS) with Historically Black Colleges and Universities.	Req \$	2,739,438	\$ - \$ 2,739,438
	Rec \$	-	\$ - \$ -
	App \$	2,739,438	\$ - \$ 2,739,438
	FTE		24.000

		R Changes		NR Changes		Adjustments
7 IT Services						
Addresses the department's IT funding shortfall after taking into consideration expected FY 2024-25 Department of Information Technology service and subscription rates.	Req \$	868,145	\$	-	\$	868,145
	Rec \$	-	\$	-	\$	-
	App \$	868,145	\$	-	\$	868,145
	FTE					0.000
8 Boxing Commission Operations						
Bolsters the Boxing Commission's ability to monitor and regulate combat sports. North Carolina is traditionally a top-ten state for the number of combat sporting events, including boxing, mixed martial arts, and kickboxing. This funding, which will be used to support personnel and legal services, will help the Boxing Commission ensure safer events.	Req \$	230,000	\$	-	\$	230,000
	Rec \$	-	\$	-	\$	-
	App \$	230,000	\$	-	\$	230,000
	FTE					0.000
9 Violence Prevention						
Continues critical and evidence-based community safety programs, NC SAFE (Secure All Firearms Effectively) and the Office of Violence Prevention. The NC SAFE initiative is a campaign to reduce accidental deaths by urging responsible firearm storage. The initiative also provides locks and safes to firearm owners. The Office of Violence Prevention works with communities and local, state, and federal partners to implement a public health approach to the reduction of violence and firearm misuse.	Req \$	2,459,884	\$	-	\$	2,459,884
	Rec \$	-	\$	-	\$	-
	App \$	2,459,884	\$	-	\$	2,459,884
	FTE					0.000
10 Samarcand Scheduling Software						
Provides funds for Samarcand Training Academy to implement scheduling software for its sessions. Samarcand will split the cost of the contract with the Departments of Health and Human Services and Justice. The software will help the academy more efficiently manage space and improve customer service for participants.	Req \$	150,000	\$	-	\$	150,000
	Rec \$	-	\$	-	\$	-
	App \$	150,000	\$	-	\$	150,000
	FTE					0.000
11 Princeville Recovery Projects						
Budgets receipts from the State Emergency Response and Disaster Relief Fund to the Secretary's Office to support disaster recovery projects in Princeville. Project costs have increased from initial estimates to support disaster recovery projects. This funding supports the completion of community infrastructure and public building projects that will return residents to more resilient homes. The department may transfer these funds to a special fund budget code to ensure the availability of funds through the projects' duration.	Req \$	-	\$	5,000,000	\$	5,000,000
	Rec \$	-	\$	5,000,000	\$	5,000,000
	App \$	-	\$	-	\$	-
	FTE					0.000
Governor's Crime Commission						
12 Criminal Justice Analytics Center Staff						
Fundshifts Criminal Justice Analytics Center (CJAC) positions from receipts to net appropriation. The Governor's Crime Commission (GCC) will receive less Victims of Crime Act (VOCA) federal funding for grants and operations. Without these funds, CJAC would not be able to continue its analysis of criminal justice data.	Req \$	-	\$	-	\$	-
	Rec \$	(317,324)	\$	-	\$	(317,324)
	App \$	317,324	\$	-	\$	317,324
	FTE					0.000
13 Technical Correction						
Makes a technical correction to the certified budget to reflect actual expected VOCA receipts in FY 2024-25.	Req \$	(27,791,984)	\$	-	\$	(27,791,984)
	Rec \$	(27,791,984)	\$	-	\$	(27,791,984)
	App \$	-	\$	-	\$	-
	FTE					0.000
14 Victim Services						
Provides funds to continue critical victim services programming throughout the state. This support will ensure crime victims receive necessary services such as legal and medical assistance. These services previously relied on federal VOCA funding that has significantly declined.	Req \$	-	\$	6,000,000	\$	6,000,000
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	6,000,000	\$	6,000,000
	FTE					0.000
15 NC Justice Data Portal Data Consolidation						
Invests IT Reserve funds to enhance the NC Justice Data Portal. The additional data sources, such as court data, will enable CJAC staff to better analyze the impacts of the criminal justice system on individuals and communities. Funds for the project will be allocated to the department over the life of the project.	Req \$	-	\$	-	\$	-
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	-	\$	-
	FTE					0.000

		R Changes		NR Changes		Adjustments
Alcohol Law Enforcement						
16 Nuisance Abatement Agents						
Creates new agent positions to assist communities in addressing public nuisances.	Req \$	274,738	\$	137,588	\$	412,326
Demand for the nuisance abatement team's services has doubled since 2020, and cases require a minimum of 200 hours of investigatory time. The additional agents will reduce the turnaround time to bring civil actions against detrimental neighborhood conditions.	Rec \$	-	\$	-	\$	-
	App \$	274,738	\$	137,588	\$	412,326
	FTE					2.000
State Capitol Police						
17 Security Enhancements						
Fundshifts State Capitol Police (SCP) officers, including the officer in the Old Revenue Building, from receipts to net appropriation. Reliance on agency receipts restricts SCP's ability to deploy officers to emergencies and protect both individual buildings and the Downtown State Governmental Complex. Additional net appropriations supported positions will allow SCP to reallocate and relocate officers as needed, improving public safety.	Req \$	1,478,436	\$	-	\$	1,478,436
	Rec \$	-	\$	-	\$	-
	App \$	1,478,436	\$	-	\$	1,478,436
	FTE					0.000
18 New Officers						
Creates SCP officer positions to increase security and provide adequate coverage at the Office of State Human Resources's (OSHR's) new location. OSHR recently relocated to leased space due to the closure and demolition of the Administration Building.	Req \$	203,767	\$	72,093	\$	275,860
	Rec \$	-	\$	-	\$	-
	App \$	203,767	\$	72,093	\$	275,860
	FTE					2.000
19 Budget Analyst						
Provides funding for a Budget Analyst position to manage site contracts, grants, and eProcurement purchases. SCP is the only division in the department that does not have a full-time budget or business analyst position. This added capacity will improve the division's fiscal management and enhance efficiency.	Req \$	97,231	\$	-	\$	97,231
	Rec \$	-	\$	-	\$	-
	App \$	97,231	\$	-	\$	97,231
	FTE					1.000
State Highway Patrol						
20 VIPER Equipment and Maintenance						
Provides funds to add personnel and upgrade equipment to maintain NC Voice Interoperability Plan for Emergency Responders (VIPER) network towers. The growing network requires additional resources and personnel to meet maintenance and user support needs. The VIPER network has grown to more than 180,000 users and grows at least 5% each year.	Req \$	1,866,310	\$	10,000,000	\$	11,866,310
	Rec \$	-	\$	-	\$	-
	App \$	1,866,310	\$	10,000,000	\$	11,866,310
	FTE					15.000
21 Operating Budget						
Funds operational needs that maintain the State Highway Patrol's operations and readiness. These funds will close budget shortfalls related to the cost of vehicles, fuel, body worn cameras, and other expenses incurred in protecting the nation's second longest road network.	Req \$	2,500,000	\$	-	\$	2,500,000
	Rec \$	-	\$	-	\$	-
	App \$	2,500,000	\$	-	\$	2,500,000
	FTE					0.000
Juvenile Justice						
22 Community Based Programming						
Provides funds to address vendor rate increases for transitional living facilities and multipurpose group homes. Evidence shows these programs reduce juvenile recidivism. This funding ensures that justice-involved youth can continue to receive these services as they re-enter communities.	Req \$	3,272,570	\$	-	\$	3,272,570
	Rec \$	-	\$	-	\$	-
	App \$	3,272,570	\$	-	\$	3,272,570
	FTE					0.000
23 Capacity Restoration						
Supports the full implementation of capacity restoration, which restores people's ability to understand trial proceedings to assist in their own defense and move forward in the justice system, for juveniles across the state. This investment will support training as well as service provider contracts for behavioral health, education, and basic needs.	Req \$	1,300,000	\$	-	\$	1,300,000
	Rec \$	-	\$	-	\$	-
	App \$	1,300,000	\$	-	\$	1,300,000
	FTE					0.000
24 Transformational Reentry Initiatives						
Creates and expands transitional living and life skills programming for juveniles in youth development centers, through positions dedicated to juvenile reentry services and expanded educational and life skills programming and supplies. These services aim to improve outcomes for youth returning to their communities.	Req \$	687,348	\$	201,904	\$	889,252
	Rec \$	-	\$	-	\$	-
	App \$	687,348	\$	201,904	\$	889,252
	FTE					6.000

		R Changes		NR Changes		Adjustments
25 Juvenile Justice Residential Crisis Unit						
Supports operating and start-up costs for a residential crisis unit serving justice-involved youth with mental and physical health concerns at the C.A. Dillon Juvenile Detention Center in Butner. The ongoing youth behavioral health crisis along with 2019 Raise the Age legislation has resulted in the need for additional capacity for youth with behavioral and physical health concerns.	Req \$	3,794,086	\$	100,000	\$	3,894,086
	Rec \$	-	\$	-	\$	-
	App \$	3,794,086	\$	100,000	\$	3,894,086
	FTE					44.000
Emergency Management						
26 Emergency Response Personnel and Systems						
Fundshifts emergency management personnel and systems, such as the 24-Hour Watch, from receipts to net appropriation. The division faces increasing costs and reduced flexibility to use federal grants to sustain programs. This transition will allow the division to use federal funds to support local communities' preparation for and response to natural disasters.	Req \$	5,000,000	\$	-	\$	5,000,000
	Rec \$	-	\$	-	\$	-
	App \$	5,000,000	\$	-	\$	5,000,000
	FTE					0.000
27 School Safety Program						
Provides funds to support personnel needed to implement the Panic Alarm Program, the State Emergency Response Program, and the State Risk Management Portal. Between February 2023 and February 2024, schools have activated the panic button 366 times. The additional support will ensure that schools receive notification of nearby emergencies and that all school floorplans are recorded and integrated into response systems.	Req \$	487,600	\$	-	\$	487,600
	Rec \$	-	\$	-	\$	-
	App \$	487,600	\$	-	\$	487,600
	FTE					0.000
NC National Guard						
28 Construction Project Manager						
Supports a construction project manager position with the North Carolina National Guard (NCNG). The NCNG has received state and federal funds for capital and repair and renovation projects and needs additional capacity to manage them. This funding will leverage federal funds for the currently unfunded position.	Req \$	111,000	\$	-	\$	111,000
	Rec \$	56,000	\$	-	\$	56,000
	App \$	55,000	\$	-	\$	55,000
	FTE					0.000
29 Building Reserves for McLeansville Regional Readiness Center						
Supports the opening of McLeansville Regional Readiness Center with funding for furniture, fixtures, and equipment. This support will help ensure the facility is operationally ready for its planned opening in January 2026.	Req \$	-	\$	2,950,000	\$	2,950,000
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	2,950,000	\$	2,950,000
	FTE					0.000
NC Office of Recovery and Resiliency						
30 Core Resilience Positions						
Fundshifts two positions from receipts to net appropriation in order to retain capacity at the NC Office of Recovery and Resiliency (NCORR) for technical assistance for local government and state agencies. These positions currently use grants that expire in 2024. This funding will support staff who lend expertise to local governments in Community Disaster Resilience Zones and provide modeling and data analysis to inform resilience efforts.	Req \$	174,563	\$	-	\$	174,563
	Rec \$	-	\$	-	\$	-
	App \$	174,563	\$	-	\$	174,563
	FTE					0.000
31 Resilience Team Support						
Replaces nonrecurring funds supporting NCORR's core Resilience Team, allowing them to continue their work with state and local government leaders on disaster planning and mitigation. The office has used an operational reserve, which will be depleted in December 2024, to partially support this team. This funding ensures continuity of these resilience activities.	Req \$	27,500	\$	-	\$	27,500
	Rec \$	-	\$	-	\$	-
	App \$	27,500	\$	-	\$	27,500
	FTE					0.000
32 Reporting Capacity						
Fundshifts one position to manage NCORR's state reporting requirement. NCORR cannot use federal funds for this activity. This position will allow NCORR to comply with state requirements to compile and report disaster recovery activities.	Req \$	140,227	\$	-	\$	140,227
	Rec \$	-	\$	-	\$	-
	App \$	140,227	\$	-	\$	140,227
	FTE					0.000

	R Changes	NR Changes	Adjustments
Total Change to Requirements	\$ 22,399,859	\$ 35,231,317	\$ 57,631,176
Total Change to Receipts	\$ (28,053,308)	\$ 5,000,000	\$ (23,053,308)
Total Change to Net Appropriation	\$ 50,453,167	\$ 30,231,317	\$ 80,684,484
Total Change to Full-Time Equivalent (FTE)			94.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$	80,684,484	
Recommended Total FTE Changes		94.000	

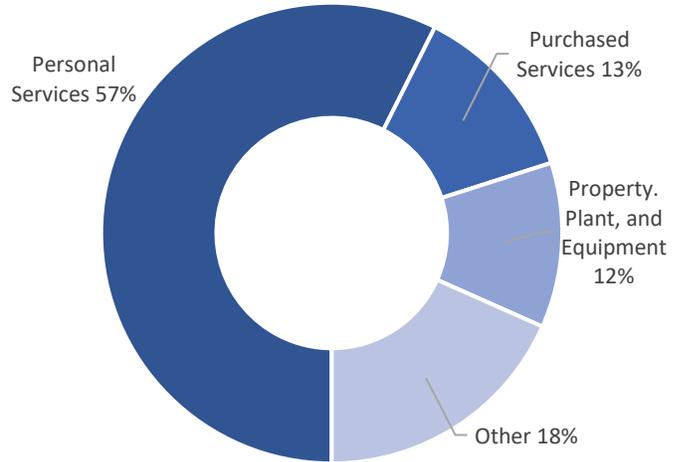
Mission

To secure a more effective administration of the criminal laws of the state by investigating crimes, identifying and apprehending criminals, and preparing evidence for use in criminal courts.

Goals

1. Continue the development of internal programs that will support and enhance the services provided by the SBI.
2. Continue to strengthen the quality and effectiveness of services the SBI provides to the criminal justice community.
3. Initiate new services and utilize the latest technology and the best practices available.
4. Ensure that all SBI employees have the resources and facilities to do their jobs, and that those resources and facilities are used effectively.
5. Ensure North Carolina’s citizens are represented and served by well-qualified, highly trained, educated, and ethical staff.

FY 2022-23 Actual Expenditures



Agency Profile

- Conducts criminal investigations of allegations in areas of jurisdiction: narcotics, arson, election laws, state property, environmental crimes, human trafficking, and child sexual abuse in day care centers.
- Aids local law enforcement agencies in the areas of criminal investigation and fingerprint identification, providing support to local agencies related to Computer Crime investigations, Officer Involved Use of Force investigations, financial crimes, missing/endangered persons, public corruption, cold cases, K9, bomb squad, and air wing.
- Manages the North Carolina Information Sharing and Analysis Center (ISAAC), which develops actionable intelligence on immediate and emerging threats and shares it with federal, state, local, and tribal partners. ISAAC is the fusion center for the state of North Carolina.
- Assesses and manages threats of mass violence through the Behavioral Threat Assessment Unit.

Budget Note

The State Bureau of Investigation was established as an independent agency on December 1, 2023; therefore, historical figures are not available.

FY 2023-24 Certified Budget

Total Expenditures	\$	71,255,743
Revenue	\$	21,057,226
Net Appropriation	\$	50,198,517

Charts include General Fund budget codes only.

State Bureau of Investigation General Fund (15020)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	74,934,521	71,255,743	71,017,565	5,666,154	854,000	6,520,154	77,537,719
Receipts	26,345,006	21,057,226	21,057,226	-	-	-	21,057,226
Net Appropriation	48,589,515	50,198,517	49,960,339	5,666,154	854,000	6,520,154	56,480,493
Positions (FTE)	451.000	470.000	470.000			9.000	479.000

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments

Reserve for Salaries and Benefits

1 Compensation Increase Reserve

Guarantees at least a 5% across-the-board increase for all state-funded employees. In addition to the 3% provided in SL 2023-134, most state employees receive an additional 2%, while employees paid on an experience-based salary schedule or with a salary set in law receive an additional 3%. State agency teacher salaries are increased in accordance with the statewide salary schedules. Corresponding special provisions show additional details on compensation increases.

Req \$	977,000	\$	-	\$	977,000
Rec \$	-	\$	-	\$	-
App \$	977,000	\$	-	\$	977,000
FTE					0.000

2 Position Fundshift Reserve

Establishes a Position Fundshift Reserve to provide the agency with additional flexibility to manage. The agency may use these funds to fundshift a limited number of positions, in whole or in part, from receipts to net appropriation support. Fundshifting positions will free up receipts, providing much needed availability for receipt-supported compensation increases. Agencies are required to provide legislative increases to receipt-supported positions but are often not able to raise the additional revenue needed to do so.

Req \$	79,000	\$	-	\$	79,000
Rec \$	-	\$	-	\$	-
App \$	79,000	\$	-	\$	79,000
FTE					0.000

3 Retention Bonus

Provides a \$1,000 bonus to net appropriation-supported employees and an additional \$500 bonus to employees with an annual salary of less than \$75,000. To address retention, the retention bonus will be paid in two installments with half of the bonus paid in October 2024 and half in April 2025.

Req \$	-	\$	554,000	\$	554,000
Rec \$	-	\$	-	\$	-
App \$	-	\$	554,000	\$	554,000
FTE					0.000

4 Enhanced Labor Market Retention and Adjustment Reserve

Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported and receipt-supported payroll. The inclusion of funds for receipt-supported positions provides flexibility to agencies to address labor market concerns across all positions regardless of funding source. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. Among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.

Req \$	903,000	\$	-	\$	903,000
Rec \$	-	\$	-	\$	-
App \$	903,000	\$	-	\$	903,000
FTE					0.000

5 Retiree Cost-of-Living Adjustment

Provides a 3% one-time retiree supplement in FY 2024-25 for over 240,000 retired members and survivors of deceased members.

Req \$	-	\$	272,000	\$	272,000
Rec \$	-	\$	-	\$	-
App \$	-	\$	272,000	\$	272,000
FTE					0.000

Administration

6 Diversity Officer

Creates a position to coordinate and monitor efforts to enhance diversity across the bureau. This funding will provide HR support to ensure that the bureau reflects the diversity of the state in its workforce.

Req \$	131,000	\$	-	\$	131,000
Rec \$	-	\$	-	\$	-
App \$	131,000	\$	-	\$	131,000
FTE					1.000

		R Changes		NR Changes		Adjustments
7 Independent Agency Operational Positions						
Creates new positions, including three internal auditors and two other administrative positions, to support the transition to an independent agency. This additional capacity will ensure the bureau expends funds properly and has sufficient operational capacity to operate efficiently.	Req \$	663,276	\$	17,500	\$	680,776
	Rec \$	-	\$	-	\$	-
	App \$	663,276	\$	17,500	\$	680,776
	FTE					5.000
Field Operations and Professional Standards						
8 Agents and Pilots for Increased Workload						
Creates new agent and pilot positions to address workload concerns. The additional pilot position will provide the necessary staffing to allow the bureau to complete longer mission-critical flights that it cannot complete with one pilot.	Req \$	402,878	\$	10,500	\$	413,378
	Rec \$	-	\$	-	\$	-
	App \$	402,878	\$	10,500	\$	413,378
	FTE					3.000
Information Sharing and Analysis Center						
9 Modernization of Investigation Platforms						
Invests funds from the IT Reserve as well as net appropriation to update the bureau's record management system. This upgrade will improve the bureau's ability to face potential threats. The new system will link data from investigations across the state, store digital evidence, and share real-time information with partners.	Req \$	2,260,000	\$	-	\$	2,260,000
	Rec \$	-	\$	-	\$	-
	App \$	2,260,000	\$	-	\$	2,260,000
	FTE					0.000
10 Cybersecurity Upgrades						
Enhances IT infrastructure to better protect sensitive data. From November 2023 to February 2024, the bureau faced more than two million attempts to access its network. This funding will allow the agency to better diagnose problems, support partner agencies, and ensure compatibility across software platforms.	Req \$	250,000	\$	-	\$	250,000
	Rec \$	-	\$	-	\$	-
	App \$	250,000	\$	-	\$	250,000
	FTE					0.000
Total Change to Requirements		\$ 5,666,154		\$ 854,000		\$ 6,520,154
Total Change to Receipts		\$ -		\$ -		\$ -
Total Change to Net Appropriation		\$ 5,666,154		\$ 854,000		\$ 6,520,154
Total Change to Full-Time Equivalent (FTE)						9.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$		6,520,154		
Recommended Total FTE Changes				9.000		

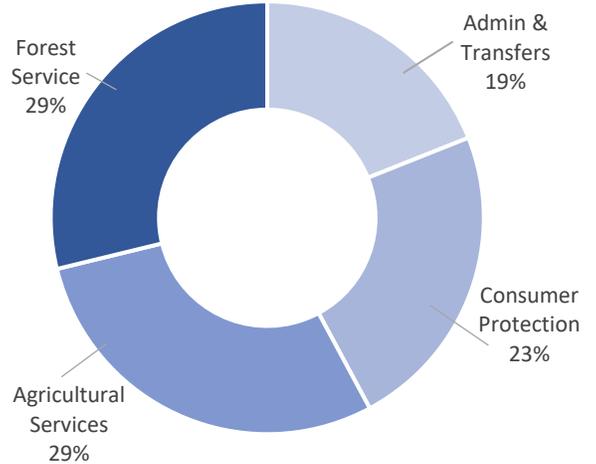
Mission

To provide services that promote and improve agriculture, agribusiness, and forests; protect consumers and businesses; and conserve farmland and natural resources for the prosperity of all North Carolinians.

Goals

1. Promote and enhance the production, marketing, and distribution of safe and healthy agricultural products and ensure sound stewardship of farmland and natural resources for North Carolinians.
2. Protect, manage, and promote forest resources for North Carolinians.
3. Protect public health, safety, and welfare, and preserve environmental quality by monitoring and managing risk for activities associated with agricultural production and marketing and prevent fraud, deception, and unfair business practices for activities within the Department’s regulatory scope.
4. Promote North Carolina agriculture and agribusiness by creating positive entertainment experiences and fostering economic opportunities through operation of available state facilities.
5. Provide services and support that help the Department achieve its mission and vision.

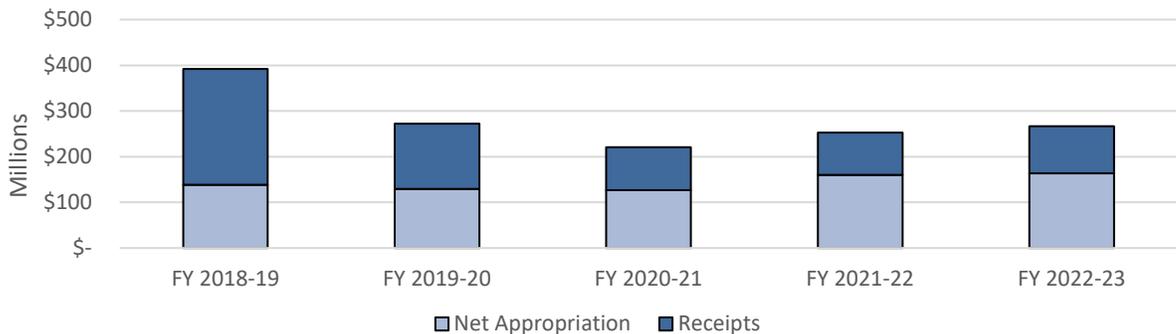
FY 2022-23 Actual Expenditures



Agency Profile

- Markets and promotes North Carolina agriculture within the state, domestically, and abroad.
- Provides regulatory oversight for areas such as animal health; weights and measures; gas and oil inspection; food, drug and cosmetic testing for purity; seed and fertilizer; structural pest control; and pesticides.
- Distributed over 100 million pounds of food assistance to schools, food banks, and other partners annually.
- Protected 5,439 homes and structures involving 4,671 wildfires in FY 2022-23.
- The Agricultural Development and Farmland Preservation Trust Fund has preserved over 34,000 acres of farmland and forestland across the state through conservation easements.

5-Year Historial Expenditures



Charts include General Fund budget code only.

Department of Agriculture and Consumer Services (13700)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	266,374,576	276,985,638	274,102,971	9,766,132	21,522,082	31,288,214	305,391,185
Receipts	102,605,109	96,058,772	91,858,909	-	300,000	300,000	92,158,909
Net Appropriation	163,769,468	180,926,866	182,244,062	9,766,132	21,222,082	30,988,214	213,232,276
Positions (FTE)	1,821.521	1,820.521	1,820.521			6.000	1,826.521

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments
Reserve for Salaries and Benefits			
1 Compensation Increase Reserve			
Guarantees at least a 5% across-the-board increase for all state-funded employees. In addition to the 3% provided in SL 2023-134, most state employees receive an additional 2%, while employees paid on an experience-based salary schedule or with a salary set in law receive an additional 3%. State agency teacher salaries are increased in accordance with the statewide salary schedules. Corresponding special provisions show additional details on compensation increases.	Req \$ 2,054,000	\$ -	\$ 2,054,000
	Rec \$ -	\$ -	\$ -
	App \$ 2,054,000	\$ -	\$ 2,054,000
	FTE		0.000
2 Position Fundshift Reserve			
Establishes a Position Fundshift Reserve to provide the agency with additional flexibility to manage. The agency may use these funds to fundshift a limited number of positions, in whole or in part, from receipts to net appropriation support. Fundshifting positions will free up receipts, providing much needed availability for receipt-supported compensation increases. Agencies are required to provide legislative increases to receipt-supported positions but are often not able to raise the additional revenue needed to do so.	Req \$ 640,000	\$ -	\$ 640,000
	Rec \$ -	\$ -	\$ -
	App \$ 640,000	\$ -	\$ 640,000
	FTE		0.000
3 Retention Bonus			
Provides a \$1,000 bonus to net appropriation-supported employees and an additional \$500 bonus to employees with an annual salary of less than \$75,000. To address retention, the retention bonus will be paid in two installments with half of the bonus paid in October 2024 and half in April 2025.	Req \$ -	\$ 2,096,000	\$ 2,096,000
	Rec \$ -	\$ -	\$ -
	App \$ -	\$ 2,096,000	\$ 2,096,000
	FTE		0.000
4 Enhanced Labor Market Retention and Adjustment Reserve			
Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported and receipt-supported payroll. The inclusion of funds for receipt-supported positions provides flexibility to agencies to address labor market concerns across all positions regardless of funding source. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. Among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.	Req \$ 2,695,000	\$ -	\$ 2,695,000
	Rec \$ -	\$ -	\$ -
	App \$ 2,695,000	\$ -	\$ 2,695,000
	FTE		0.000
5 Retiree Cost-of-Living Adjustment			
Provides a 3% one-time retiree supplement in FY 2024-25 for over 240,000 retired members and survivors of deceased members.	Req \$ -	\$ 912,479	\$ 912,479
	Rec \$ -	\$ -	\$ -
	App \$ -	\$ 912,479	\$ 912,479
	FTE		0.000
Administration			
6 IT and Cybersecurity Shortfall			
Addresses the department's cybersecurity and IT funding shortfall. This adjustment takes into account the expected FY 2024-25 DIT service and subscription rates.	Req \$ 481,380	\$ -	\$ 481,380
	Rec \$ -	\$ -	\$ -
	App \$ 481,380	\$ -	\$ 481,380
	FTE		0.000
7 Accounting Technicians			
Funds positions to support the department's estimated 65% increase in accounting workload within the past fiscal year.	Req \$ 136,505	\$ -	\$ 136,505
	Rec \$ -	\$ -	\$ -
	App \$ 136,505	\$ -	\$ 136,505
	FTE		2.000

		R Changes	NR Changes	Adjustments
Emergency Programs Division				
8 Mobile Depopulation Unit				
Budgets receipts from the State Emergency Response and Disaster Recovery Relief Fund (SERDRF) for trailers to transport the department's mobile depopulation units. This equipment is designed to quickly depopulate swine following disease outbreaks, natural disasters, or other catastrophic events. The current trailers no longer pass inspection.	Req \$	- \$	300,000 \$	300,000
	Rec \$	- \$	300,000 \$	300,000
	App \$	- \$	- \$	-
	FTE			0.000
Food Distribution Division				
9 Food Distribution Vehicles				
Funds the purchase of two tractor trailers to allow the division to meet the increasing demand for food assistance. In the past six years, the Commodity Supplemental Food Program has had a 92% increase in recipients and the Emergency Feed Assistance Program has grown from approximately \$20 million to up to \$40 million in food value per year.	Req \$	- \$	580,000 \$	580,000
	Rec \$	- \$	- \$	-
	App \$	- \$	580,000 \$	580,000
	FTE			0.000
North Carolina Forest Service				
10 Emergency Response Equipment Replacement				
Provides funds for new and replacement equipment for the NC Forest Service (NCFS) to enable it to effectively conduct prescribed fires and contain wildfires. In 2023, there were 5,101 wildfires causing damage to 18,748 acres of land. These investments will increase the resiliency of forested ecosystems and reduce the incidence of catastrophic wildfires.	Req \$	- \$	4,980,000 \$	4,980,000
	Rec \$	- \$	- \$	-
	App \$	- \$	4,980,000 \$	4,980,000
	FTE			0.000
11 Aviation Division Operating Costs				
Provides operational support for the NCFS aviation fleet. Funding supports increased costs in insurance, fuel, contracted repairs, fire suppressant tools, and leased facilities.	Req \$	900,000 \$	- \$	900,000
	Rec \$	- \$	- \$	-
	App \$	900,000 \$	- \$	900,000
	FTE			0.000
Plant Industry Division				
12 Geographic Information Specialist (GIS) Specialist				
Provides funding for a GIS Specialist to improve support for the division's rising demand for GIS services across Plant Industry initiatives. The division uses the GIS applications for many responsibilities, such as invasive species mapping, pest population predictive modeling, multi-species surveying, and insect trap placement.	Req \$	95,133 \$	- \$	95,133
	Rec \$	- \$	- \$	-
	App \$	95,133 \$	- \$	95,133
	FTE			1.000
Small Farms Division				
13 Outreach and Education				
Increases outreach and education to small, limited resource, and minority farmers by creating a position in the Small Farms program.	Req \$	74,475 \$	- \$	74,475
	Rec \$	- \$	- \$	-
	App \$	74,475 \$	- \$	74,475
	FTE			1.000
Soil and Water Conservation Division				
14 Technical Training Staff				
Invests in a position to provide training to Soil and Water Conservation District staff and partners who support cost share programs at the local district level. This position will also help meet increasing demand from local districts for technical support.	Req \$	118,875 \$	- \$	118,875
	Rec \$	- \$	- \$	-
	App \$	118,875 \$	- \$	118,875
	FTE			1.000
Standards Division				
15 Electric Vehicle Charging Station Testing				
Funds the purchase of charging station testing equipment to ensure users of public electric vehicle charging stations receive the correct amount of charge purchased. There are currently more than 80,000 registered electric vehicles in North Carolina.	Req \$	- \$	136,471 \$	136,471
	Rec \$	- \$	- \$	-
	App \$	- \$	136,471 \$	136,471
	FTE			0.000
Veterinary Division				
16 Laboratory Staffing & Operating Cost				
Provides a lab technician position and operating support for the Veterinary Division Laboratory. The lab technician is needed to maintain current regulatory and outbreak disease surveillance. Operating expenses includes lab supplies and maintenance agreements that supports laboratory operations.	Req \$	109,007 \$	250,000 \$	359,007
	Rec \$	- \$	- \$	-
	App \$	109,007 \$	250,000 \$	359,007
	FTE			1.000

		R Changes		NR Changes		Adjustments
Farmland Preservation						
17 Farmland Preservation Trust Fund						
Invests in the Agricultural Development and Farmland Preservation Trust Fund (ADFPTF) to help the state preserve farmland. Demand for ADFPTF assistance has increased 72% since the last grant cycle. These funds brings ADFPTF's recurring appropriation to \$7.5 million. North Carolina ranks second in projected agricultural land loss by the year 2040. These funds will be transferred to Budget Code 63701.	Req	\$ 2,461,757	\$	7,500,000	\$	9,961,757
	Rec	-	\$	-	\$	-
	App	\$ 2,461,757	\$	7,500,000	\$	9,961,757
	FTE					0.000
18 Military Partnership Easements						
Supports conservation easement agreements with military partners in high-priority zones. These funds will be transferred to Budget Code 63701.	Req	-	\$	4,767,132	\$	4,767,132
	Rec	-	\$	-	\$	-
	App	-	\$	4,767,132	\$	4,767,132
	FTE					0.000
Total Change to Requirements		\$ 9,766,132	\$	21,522,082	\$	31,288,214
Total Change to Receipts		\$ -	\$	300,000	\$	300,000
Total Change to Net Appropriation		\$ 9,766,132	\$	21,222,082	\$	30,988,214
Total Change to Full-Time Equivalent (FTE)						6.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$		30,988,214		
Recommended Total FTE Changes				6.000		

Agriculture and Consumer Services - Soil and Water Conservation (23704)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	19,449,071	48,192,379	22,859,379	-	21,000,000	21,000,000	43,859,379
Receipts	7,869,314	33,883,819	8,550,819	-	21,000,000	21,000,000	29,550,819
Δ in Fund Balance	11,579,757	(14,308,560)	(14,308,560)	-	-	-	(14,308,560)
Positions (FTE)	2.000	3.000	3.000			0.000	3.000

			FY 2024-25 Recommended		
			R Changes	NR Changes	Adjustments

1 Agricultural Water Resources Assistance Program

Budgets receipts from the SERDRF to provide additional support for the Agricultural Water Resources Assistance Program (AgWRAP). AgWRAP helps landowners maintain agricultural water supply and storage and increase the efficiency of agricultural water use. On-farm water supplies and storage reduce demand on groundwater resources, increase access to irrigation to improve farm yield, and reduce runoff from agricultural lands, a significant flood reduction benefit.

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

2 Streamflow Rehabilitation Assistance Program

Budgets receipts from the SERDRF for grants to support organizations working to reduce flooding through the restoration and maintenance of streams, waterways, and drainage infrastructure across the state.

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

Total Change to Requirements	\$	-	\$	21,000,000	\$	21,000,000
Total Change to Receipts	\$	-	\$	21,000,000	\$	21,000,000
Total Change to Net Appropriation	\$	-	\$	-	\$	-
Total Change to Full-Time Equivalent (FTE)						0.000

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

Agriculture and Consumer Services - Land Preservation and Trust Investment (63701)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	7,038,277	15,168,794	20,168,794	2,461,757	12,267,132	14,728,889	34,897,683
Receipts	16,747,708	15,168,794	20,168,794	2,461,757	12,267,132	14,728,889	34,897,683
Δ in Fund Balance	(9,709,431)	-	-	-	-	-	-
Positions (FTE)	3.000	5.000	5.000			0.000	5.000

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments
1 Transfer - Farmland Preservation Trust Fund			
Budgets the transfer from Budget Code 13700 for the Farmland Preservation Trust Fund.	Req \$ 2,461,757	\$ 7,500,000	\$ 9,961,757
	Rec \$ 2,461,757	\$ 7,500,000	\$ 9,961,757
	CFB \$ -	\$ -	\$ -
	FTE		0.000
2 Transfer - Military Partnership Easements			
Budgets the transfer from Budget Code 13700 for the Farmland Preservation Military Partnership Easements.	Req \$ -	\$ 4,767,132	\$ 4,767,132
	Rec \$ -	\$ 4,767,132	\$ 4,767,132
	CFB \$ -	\$ -	\$ -
	FTE		0.000
Total Change to Requirements	\$ 2,461,757	\$ 12,267,132	\$ 14,728,889
Total Change to Receipts	\$ 2,461,757	\$ 12,267,132	\$ 14,728,889
Total Change to Net Appropriation	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$		-
Recommended Total FTE Changes			0.000

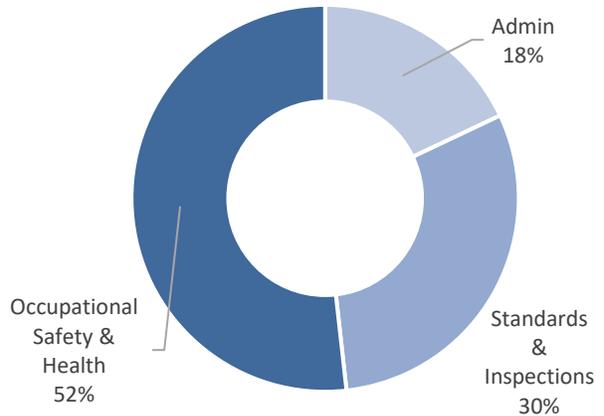
Mission

To foster a safe, healthy, fair, and productive North Carolina by providing responsive, effective, and efficient services; providing and encouraging quality education and training; administering consistently and fairly all regulatory mandates; and enhancing public confidence in the Department of Labor.

Goals

1. Protect the safety and health of North Carolina’s workforce.
2. Ensure public safety by conducting timely periodic inspections of elevators, boilers, pressure vessels, amusement devices, etc.
3. Protect employees from labor law violations by investigating allegations of wage and hour matters and retaliatory discrimination in response to protected activity.
4. Improve customer service.

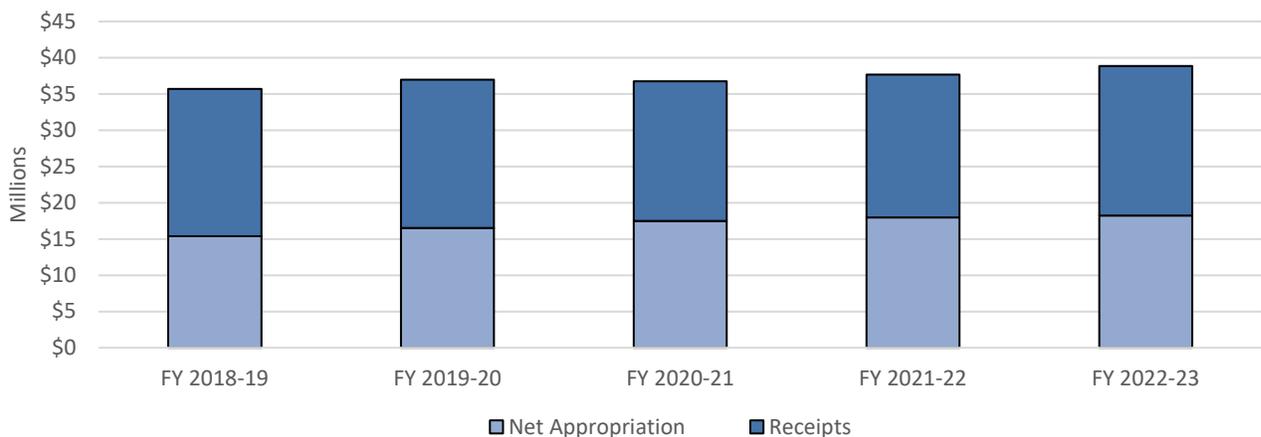
FY 2022-23 Actual Expenditures



Agency Profile

- Works to ensure the safety of employees and employers through administration of the Occupational Safety and Health (OSH) Act as well as providing education, consultation, and training opportunities.
- Sets standards and provides inspections through five bureaus: Boiler Safety; Elevator and Amusement Device; Retaliatory Employment Discrimination; Mine and Quarry; and Wage and Hour.
- Houses the Occupational Safety and Health Review Commission, which hears contested OSH cases and is an independent body within the department.

5-Year Historical Expenditures



Charts include General Fund budget code only.

Department of Labor (13800)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	43,884,963	43,902,629	44,468,963	2,187,237	1,049,002	3,236,239	47,705,202
Receipts	20,378,214	18,291,651	18,112,941	-	-	-	18,112,941
Net Appropriation	23,506,749	25,610,978	26,356,022	2,187,237	1,049,002	3,236,239	29,592,261
Positions (FTE)	377.000	370.670	370.670			1.000	371.670

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments

Reserve for Salaries and Benefits

1 Compensation Increase Reserve

Guarantees at least a 5% across-the-board increase for all state-funded employees. In addition to the 3% provided in SL 2023-134, most state employees receive an additional 2%, while employees paid on an experience-based salary schedule or with a salary set in law receive an additional 3%. State agency teacher salaries are increased in accordance with the statewide salary schedules. Corresponding special provisions show additional details on compensation increases.

Req \$	422,000	\$	-	\$	422,000
Rec \$	-	\$	-	\$	-
App \$	422,000	\$	-	\$	422,000
FTE					0.000

2 Position Fundshift Reserve

Establishes a Position Fundshift Reserve to provide the agency with additional flexibility to manage. The agency may use these funds to fundshift a limited number of positions, in whole or in part, from receipts to net appropriation support. Fundshifting positions will free up receipts, providing much needed availability for receipt-supported compensation increases. Agencies are required to provide legislative increases to receipt-supported positions but are often not able to raise the additional revenue needed to do so.

Req \$	288,000	\$	-	\$	288,000
Rec \$	-	\$	-	\$	-
App \$	288,000	\$	-	\$	288,000
FTE					0.000

3 Retention Bonus

Provides a \$1,000 bonus to net appropriation-supported employees and an additional \$500 bonus to employees with an annual salary of less than \$75,000. To address retention, the retention bonus will be paid in two installments with half of the bonus paid in October 2024 and half in April 2025.

Req \$	-	\$	325,000	\$	325,000
Rec \$	-	\$	-	\$	-
App \$	-	\$	325,000	\$	325,000
FTE					0.000

4 Enhanced Labor Market Retention and Adjustment Reserve

Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported and receipt-supported payroll. The inclusion of funds for receipt-supported positions provides flexibility to agencies to address labor market concerns across all positions regardless of funding source. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. Among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.

Req \$	711,000	\$	-	\$	711,000
Rec \$	-	\$	-	\$	-
App \$	711,000	\$	-	\$	711,000
FTE					0.000

5 Retiree Cost-of-Living Adjustment

Provides a 3% one-time retiree supplement in FY 2024-25 for over 240,000 retired members and survivors of deceased members.

Req \$	-	\$	720,502	\$	720,502
Rec \$	-	\$	-	\$	-
App \$	-	\$	720,502	\$	720,502
FTE					0.000

Administration

6 Administrative Positions

Fundshifts 4.64 positions currently funded by departmental receipts to General Fund net appropriations. This will allow the department to address increased operational costs and retain employees currently supported by boiler and elevator inspection receipts.

Req \$	466,825	\$	-	\$	466,825
Rec \$	-	\$	-	\$	-
App \$	466,825	\$	-	\$	466,825
FTE					0.000

		R Changes		NR Changes		Adjustments
7 Internal Auditor						
Funds an Internal Audit Manager as recommended by the Council of Internal Auditing. This position will oversee the delivery of current workload and ensure the office has at least two internal auditors. Regardless of budget size, the Council of Internal Auditing recommends that all agencies have at least two auditors for quality assurance and review purposes. Additional audit staff will improve efficiency, effectiveness, and compliance with state laws and internal policies within the agency.	Req \$	169,880	\$	3,500	\$	173,380
	Rec \$	-	\$	-	\$	-
	App \$	169,880	\$	3,500	\$	173,380
	FTE					1.000
Occupational Safety and Health						
8 Legal Services						
Supports an attorney within the Attorney General's (AG) Office to redistribute the workload in the AG's Labor Section to reduce the growing backlog of labor cases.	Req \$	129,532	\$	-	\$	129,532
	Rec \$	-	\$	-	\$	-
	App \$	129,532	\$	-	\$	129,532
	FTE					0.000
Total Change to Requirements	\$	2,187,237	\$	1,049,002	\$	3,236,239
Total Change to Receipts	\$	-	\$	-	\$	-
Total Change to Net Appropriation	\$	2,187,237	\$	1,049,002	\$	3,236,239
Total Change to Full-Time Equivalent (FTE)						1.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$		3,236,239		
Recommended Total FTE Changes				1.000		

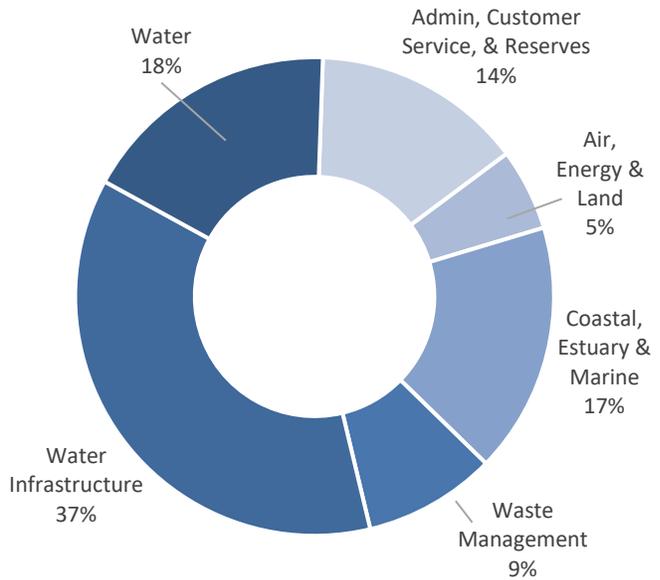
Mission

To provide science-based environmental stewardship for the health and prosperity of North Carolinians.

Goals

1. Promote and ensure environmental stewardship and provide technical, compliance, permit and financial assistance to meet or exceed regulatory requirements and prevent pollution.
2. Create a working environment where employees are empowered to be active participants in developing science-based solutions to protect public health and the environment.
3. Modernize and streamline internal processes and foster innovation to provide enhanced public service, increase transparency, and strengthen partnerships to serve the people and businesses of North Carolina.
4. Ensure fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income with respect to the development, implementation, and enforcement of laws, regulations, and policies.
5. Address climate change impacts through equitable and just engagement, accounting, mitigation efforts, and resiliency strategies.
6. Protect North Carolinians from exposures to emerging compounds using transparent and science-based decision-making.
7. Strengthen North Carolina’s infrastructure through thoughtful and strategic investments.

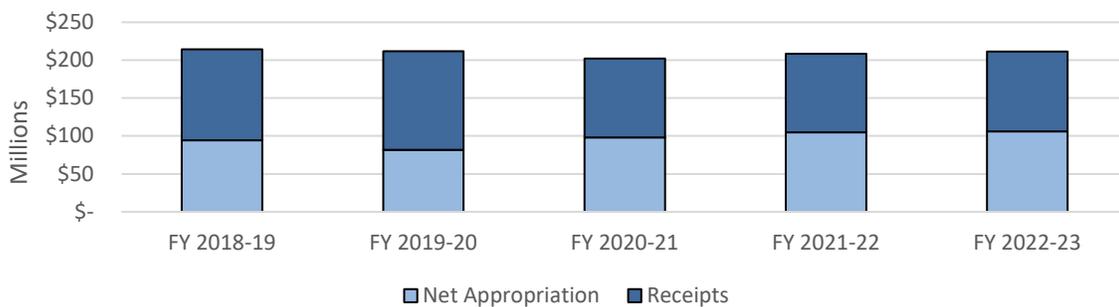
FY 2022-23 Actual Expenditures



Agency Profile

- Protects, conserves, manages, and restores North Carolina's environmental resources through planning, permitting, education, law enforcement, and research.
- Provides grants and technical assistance to local communities to improve air, land, and water quality as well as support energy efficiency through natural and built infrastructure investments.

5-Year Historical Expenditures



Charts include General Fund budget codes only.

Department of Environmental Quality (14300)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	211,205,380	312,486,149	299,399,902	11,186,377	107,865,627	119,052,004	418,451,906
Receipts	105,553,462	203,784,374	189,844,998	-	-	-	189,844,998
Net Appropriation	105,651,917	108,701,775	109,554,904	11,186,377	107,865,627	119,052,004	228,606,908
Positions (FTE)	1,141.871	1,172.946	1,172.946			14.000	1,186.946

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments

Reserve for Salaries and Benefits

1 Compensation Increase Reserve

Guarantees at least a 5% across-the-board increase for all state-funded employees. In addition to the 3% provided in SL 2023-134, most state employees receive an additional 2%, while employees paid on an experience-based salary schedule or with a salary set in law receive an additional 3%. State agency teacher salaries are increased in accordance with the statewide salary schedules. Corresponding special provisions show additional details on compensation increases.

Req \$	1,049,000	\$	-	\$	1,049,000
Rec \$	-	\$	-	\$	-
App \$	1,049,000	\$	-	\$	1,049,000
FTE					0.000

2 Position Fundshift Reserve

Establishes a Position Fundshift Reserve to provide the agency with additional flexibility to manage. The agency may use these funds to fundshift a limited number of positions, in whole or in part, from receipts to net appropriation support. Fundshifting positions will free up receipts, providing much needed availability for receipt-supported compensation increases. Agencies are required to provide legislative increases to receipt-supported positions but are often not able to raise the additional revenue needed to do so.

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

3 Retention Bonus

Provides a \$1,000 bonus to net appropriation-supported employees and an additional \$500 bonus to employees with an annual salary of less than \$75,000. To address retention, the retention bonus will be paid in two installments with half of the bonus paid in October 2024 and half in April 2025.

Req \$	-	\$	868,000	\$	868,000
Rec \$	-	\$	-	\$	-
App \$	-	\$	868,000	\$	868,000
FTE					0.000

4 Enhanced Labor Market Retention and Adjustment Reserve

Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported and receipt-supported payroll. The inclusion of funds for receipt-supported positions provides flexibility to agencies to address labor market concerns across all positions regardless of funding source. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. Among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.

Req \$	1,450,000	\$	-	\$	1,450,000
Rec \$	-	\$	-	\$	-
App \$	1,450,000	\$	-	\$	1,450,000
FTE					0.000

5 Retiree Cost-of-Living Adjustment

Provides a 3% one-time retiree supplement in FY 2024-25 for over 240,000 retired members and survivors of deceased members.

Req \$	-	\$	148,127	\$	148,127
Rec \$	-	\$	-	\$	-
App \$	-	\$	148,127	\$	148,127
FTE					0.000

Department-wide

6 Effective and Efficient Program Management

Funds critical positions, including auditors and programmatic staff, needed to evaluate and streamline agency operations and manage federal funding requirements. The three Internal Auditors will ensure compliance with the NC Internal Audit Act and federal funding requirements. The two positions for the State Energy Office will assist with administering the significant federal investment managed by that office.

Req \$	609,966	\$	17,500	\$	627,466
Rec \$	-	\$	-	\$	-
App \$	609,966	\$	17,500	\$	627,466
FTE					5.000

		R Changes		NR Changes		Adjustments
7 Emerging Compounds						
Sets aside funds for the department to assist drinking water systems in complying with new federal drinking water Per- and Polyfluoroalkyl Substances (PFAS) standards and to address gaps in available federal funding for PFAS remediation. This funding will help to protect public health by identifying, reducing, and mitigating PFAS pollution in drinking water. These funds will be transferred to a special fund.	Req \$	-	\$	100,000,000	\$	100,000,000
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	100,000,000	\$	100,000,000
	FTE					0.000
8 Emerging Compounds Sampling & Technical Assistance						
Establishes a technical assistance program to support industry and municipalities as they implement treatment and management programs to prevent the release of PFAS into the environment and to remove PFAS from drinking water supplies. This will help to protect communities by identifying, reducing, and remediating PFAS pollution. These funds will also support additional capacity to analyze samples in-house, improving turnaround time and customer services.	Req \$	2,250,000	\$	750,000	\$	3,000,000
	Rec \$	-	\$	-	\$	-
	App \$	2,250,000	\$	750,000	\$	3,000,000
	FTE					0.000
Division of Air Quality						
9 Position Fund Shift						
Fundshifts 6.5 positions to net appropriations. This will allow the division to maintain federally required activities such as timely completion of permit needs for economic development. The division is over 97% receipts and grants funded but grants and fee revenue are stagnant.	Req \$	962,577	\$	-	\$	962,577
	Rec \$	-	\$	-	\$	-
	App \$	962,577	\$	-	\$	962,577
	FTE					0.000
10 Circular Economy Grants						
Provides funds to support the Waste Reduction Partners program, which pairs retired engineers with businesses that are seeking to reduce their energy, water, and waste costs. This funding will help replace a discontinued federal grant through the Land of Sky Regional Council for \$116,000 and allow the division to expand collaboration and cost-saving technical assistance for the business community.	Req \$	200,000	\$	-	\$	200,000
	Rec \$	-	\$	-	\$	-
	App \$	200,000	\$	-	\$	200,000
	FTE					0.000
Division of Energy, Mineral, and Land Resources						
11 Hazardous Dam Loans						
Enables key safety repairs to North Carolina's dams by establishing positions in the division. The positions will leverage an estimated \$50 million in federal funds to administer a loan program. Administrative costs are a disallowed use for these federal funds.	Req \$	269,182	\$	7,000	\$	276,182
	Rec \$	-	\$	-	\$	-
	App \$	269,182	\$	7,000	\$	276,182
	FTE					2.000
12 Stormwater Permitting Capacity						
Addresses increased demand for stormwater permits, and reduced turn-around times for new permits to 70 days, in the Wilmington Regional Office by adding two new positions and converting three temporary positions to permanent. As of January 2024, there is an estimated backlog of 350 stormwater permits with a growing number of new permits exceeding existing staff capacity in high growth counties and coastal regions.	Req \$	670,652	\$	-	\$	670,652
	Rec \$	-	\$	-	\$	-
	App \$	670,652	\$	-	\$	670,652
	FTE					5.000
Division of Waste Management						
13 Bernard Allen Fund						
Invests in the Bernard Allen Fund to ensure households, especially those in rural and underserved communities, have clean drinking water. The division anticipates an increase in federal sampling requirements for drinking water, which will increase demand from the Bernard Allen Fund.	Req \$	3,000,000	\$	-	\$	3,000,000
	Rec \$	-	\$	-	\$	-
	App \$	3,000,000	\$	-	\$	3,000,000
	FTE					0.000
14 Superfund Matching Funds						
Meets the state's 10% cost share obligation to leverage \$10 million in federal funds to support cleanup of the most polluted sites in the state and promote economic growth for sites on the federal National Priorities List for cleanup. These funds will be transferred to budget code 64305.	Req \$	-	\$	1,000,000	\$	1,000,000
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	1,000,000	\$	1,000,000
	FTE					0.000

		R Changes		NR Changes		Adjustments
15 Solar Decommissioning						
Creates a position to administer and enforce the new Utility-Scale Solar Management Program requirements established by SL 2023-58. This funding will allow this program to operate as intended with timely permit processing and customer service.	Req \$	200,000	\$	-	\$	200,000
	Rec \$	-	\$	-	\$	-
	App \$	200,000	\$	-	\$	200,000
	FTE					1.000
Division of Water Resources						
16 Recreational Water Quality Assessment and Response						
Increases the ability of the division to assess and communicate water quality safety information to communities in western North Carolina by adding a position and operating support. The information the Water Quality Program provides is vital to the local economy.	Req \$	125,000	\$	75,000	\$	200,000
	Rec \$	-	\$	-	\$	-
	App \$	125,000	\$	75,000	\$	200,000
	FTE					1.000
Division of Coastal Management						
17 Coastal Resiliency						
Supports coastal resilience by providing funds to strengthen the application for \$68.5 million from the National Oceanic and Atmospheric Administration. The NC Coastal Federation and the Division of Coastal Management have partnered on this funding opportunity. These funds will support investments in living shorelines, the Resilient Coastal Communities Program, stormwater improvements, and land conservation to protect against extreme weather in the 20 coastal counties.	Req \$	-	\$	5,000,000	\$	5,000,000
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	5,000,000	\$	5,000,000
	FTE					0.000
Total Change to Requirements	\$	11,186,377	\$	107,865,627	\$	119,052,004
Total Change to Receipts	\$	-	\$	-	\$	-
Total Change to Net Appropriation	\$	11,186,377	\$	107,865,627	\$	119,052,004
Total Change to Full-Time Equivalent (FTE)						14.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$			119,052,004		
Recommended Total FTE Changes						14.000

Environmental Quality - Special (24300)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	78,552,142	124,354,880	122,448,534	-	4,000,000	4,000,000	126,448,534
Receipts	109,899,741	114,680,063	114,071,717	-	4,000,000	4,000,000	118,071,717
Δ in Fund Balance	(31,347,598)	(9,674,817)	(8,376,817)	-	-	-	(8,376,817)
Positions (FTE)	203.519	211.062	211.062			0.000	211.062

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments
Division of Mitigation Services			
1 Flood Resiliency Blueprint			
Provides funds from the State Emergency Response and Disaster Relief Fund (SERDRF) to support resiliency projects across eastern North Carolina. These funds will allow the division to model the impact from storm surge, king tides, and other coastal events on flooding. This is a current gap in the NC Flood Resiliency Blueprint efforts.	Req \$	- \$	4,000,000 \$
	Rec \$	- \$	4,000,000 \$
	CFB \$	- \$	- \$
	FTE		0.000
Total Change to Requirements	\$	- \$	4,000,000 \$
Total Change to Receipts	\$	- \$	4,000,000 \$
Total Change to Net Appropriation	\$	- \$	- \$
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$		-
Recommended Total FTE Changes			0.000

Environmental Quality - Special General Fund - Interest Bearing (24318)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	2,714,485	7,331,375	7,031,375	3,000,000	-	3,000,000	10,031,375
Receipts	2,571,353	7,393,112	7,093,112	3,000,000	-	3,000,000	10,093,112
Δ in Fund Balance	143,131	61,737	61,737	-	-	-	61,737
Positions (FTE)	2.230	1.730	1.730			0.000	1.730

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments
1 Emerging Compounds			
Budgets an additional transfer from the General Fund (Budget Code 14300) for the Bernard Allen Drinking Water Fund to address the increased need for emergency drinking water supplies resulting from emerging contaminants, such as PFAS.	Req \$ 3,000,000	\$ -	\$ 3,000,000
	Rec \$ 3,000,000	\$ -	\$ 3,000,000
	CFB \$ -	\$ -	\$ -
	FTE		0.000
Total Change to Requirements	\$ 3,000,000	\$ -	\$ 3,000,000
Total Change to Receipts	\$ 3,000,000	\$ -	\$ 3,000,000
Total Change to Net Appropriation	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$ -	\$ -	\$ -
Recommended Total FTE Changes			0.000

Environmental Quality - Waste Management Cleanup (64305)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	33,311,064	48,961,365	49,101,365	-	1,000,000	1,000,000	50,101,365
Receipts	43,355,417	44,187,446	44,327,446	-	1,000,000	1,000,000	45,327,446
Δ in Fund Balance	(10,044,354)	(4,773,919)	(4,773,919)	-	-	-	(4,773,919)
Positions (FTE)	30.750	39.050	39.050			0.000	39.050

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments
1 Superfund Matching Funds			
Budgets the transfer of funds from Budget Code 14300 for Superfund Matching Funds.	Req \$	- \$	1,000,000 \$
	Rec \$	- \$	1,000,000 \$
	CFB \$	- \$	- \$
	FTE		0.000
Total Change to Requirements	\$	- \$	1,000,000 \$
Total Change to Receipts	\$	- \$	1,000,000 \$
Total Change to Net Appropriation	\$	- \$	- \$
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$	-	
Recommended Total FTE Changes			0.000

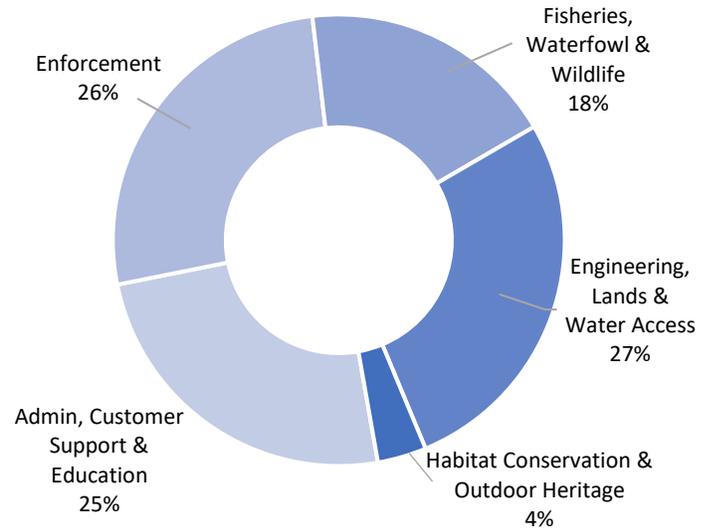
Mission

To conserve North Carolina’s wildlife resources and their habitats and provide programs and opportunities that allow hunters, anglers, boaters, and outdoor enthusiasts to enjoy wildlife-associated recreation.

Goals

1. Ensure North Carolinians have the opportunity for safe and readily available participation in hunting, fishing, boating and other wildlife-related activities.
2. Expand the constituency base by providing and promoting opportunities for everyone to experience the state’s wildlife resources.
3. Conserve and enhance the abundance and diversity of North Carolina’s fish and wildlife.
4. Be recognized as a leader in sustaining working lands, conserving wildlife habitats and diversity, and maintaining the hunting and fishing heritage of North Carolina.
5. Communicate, educate, and market wildlife conservation and management.

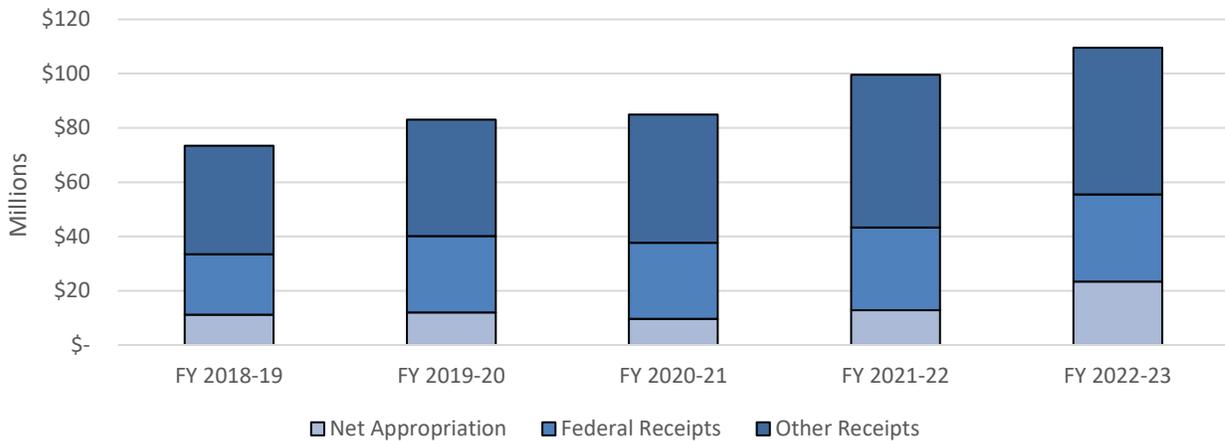
FY 2022-23 Actual Expenditures



Agency Profile

- Conserves and sustains the state’s fish and wildlife resources through research, scientific management, wise use, and public input.
- Administers and enforces North Carolina fishing, hunting, trapping, and boating laws.
- Owns and operates 72 game lands of over 500,000 acres and manages an additional 1.6 million acres through cooperative agreements for wildlife management and conservation.
- Manages over 250 boating access areas, 260 public fishing areas, nine shooting ranges, and six fish hatcheries to provide opportunity and access to the public.

5-Year Historial Expenditures



Charts include General Fund budget code only.

Wildlife Resources Commission (14350)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	109,522,273	114,715,321	98,586,402	2,525,880	598,787	3,124,667	101,711,069
Receipts	86,135,002	96,502,052	81,855,762	-	-	-	81,855,762
Net Appropriation	23,387,271	18,213,269	16,730,640	2,525,880	598,787	3,124,667	19,855,307
Positions (FTE)	655.000	694.000	694.000			1.000	695.000

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments

Reserve for Salaries and Benefits

1 Compensation Increase Reserve

Guarantees at least a 5% across-the-board increase for all state-funded employees. In addition to the 3% provided in SL 2023-134, most state employees receive an additional 2%, while employees paid on an experience-based salary schedule or with a salary set in law receive an additional 3%. State agency teacher salaries are increased in accordance with the statewide salary schedules. Corresponding special provisions show additional details on compensation increases.

Req \$	272,000	\$	-	\$	272,000
Rec \$	-	\$	-	\$	-
App \$	272,000	\$	-	\$	272,000
FTE					0.000

2 Position Fundshift Reserve

Establishes a Position Fundshift Reserve to provide the agency with additional flexibility to manage. The agency may use these funds to fundshift a limited number of positions, in whole or in part, from receipts to net appropriation support. Fundshifting positions will free up receipts, providing much needed availability for receipt-supported compensation increases. Agencies are required to provide legislative increases to receipt-supported positions but are often not able to raise the additional revenue needed to do so.

Req \$	906,000	\$	-	\$	906,000
Rec \$	-	\$	-	\$	-
App \$	906,000	\$	-	\$	906,000
FTE					0.000

3 Retention Bonus

Provides a \$1,000 bonus to net appropriation-supported employees and an additional \$500 bonus to employees with an annual salary of less than \$75,000. To address retention, the retention bonus will be paid in two installments with half of the bonus paid in October 2024 and half in April 2025.

Req \$	-	\$	228,000	\$	228,000
Rec \$	-	\$	-	\$	-
App \$	-	\$	228,000	\$	228,000
FTE					0.000

4 Enhanced Labor Market Retention and Adjustment Reserve

Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported and receipt-supported payroll. The inclusion of funds for receipt-supported positions provides flexibility to agencies to address labor market concerns across all positions regardless of funding source. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. Among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.

Req \$	1,178,000	\$	-	\$	1,178,000
Rec \$	-	\$	-	\$	-
App \$	1,178,000	\$	-	\$	1,178,000
FTE					0.000

5 Retiree Cost-of-Living Adjustment

Provides a 3% one-time retiree supplement in FY 2024-25 for over 240,000 retired members and survivors of deceased members.

Req \$	-	\$	367,287	\$	367,287
Rec \$	-	\$	-	\$	-
App \$	-	\$	367,287	\$	367,287
FTE					0.000

Department-wide

6 Internal Auditor

Funds an Internal Audit Manager as recommended by the Council of Internal Auditing. This position will oversee the delivery of current workload and ensure the office has at least two internal auditors. Regardless of budget size, the Council of Internal Auditing recommends that all agencies have at least two auditors for quality assurance and review purposes. Additional audit staff will improve efficiency, effectiveness, and compliance with state laws and internal policies within the agency.

Req \$	169,880	\$	3,500	\$	173,380
Rec \$	-	\$	-	\$	-
App \$	169,880	\$	3,500	\$	173,380
FTE					1.000

	R Changes		NR Changes		Adjustments
Total Change to Requirements	\$	2,525,880	\$	598,787	\$ 3,124,667
Total Change to Receipts	\$	-	\$	-	\$ -
Total Change to Net Appropriation	\$	2,525,880	\$	598,787	\$ 3,124,667
Total Change to Full-Time Equivalent (FTE)					1.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$			3,124,667	
Recommended Total FTE Changes					1.000

Mission

To improve the economic well-being and quality of life for all North Carolinians.

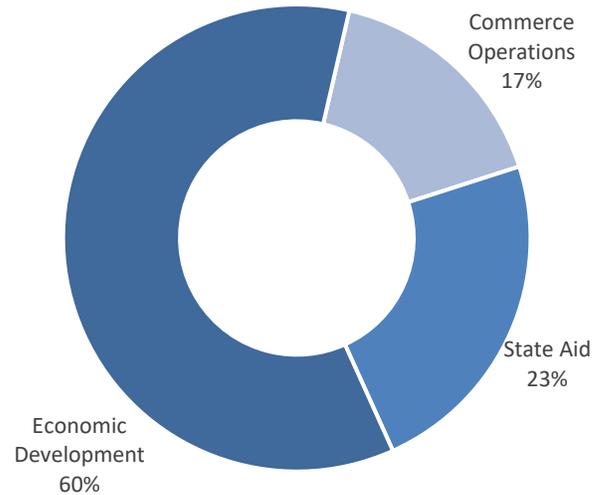
Goals

1. To support the growth of North Carolina’s economy.
2. To increase the efficiency of the Department of Commerce’s programs and service delivery.
3. Provide high quality services to businesses, individuals, and communities.

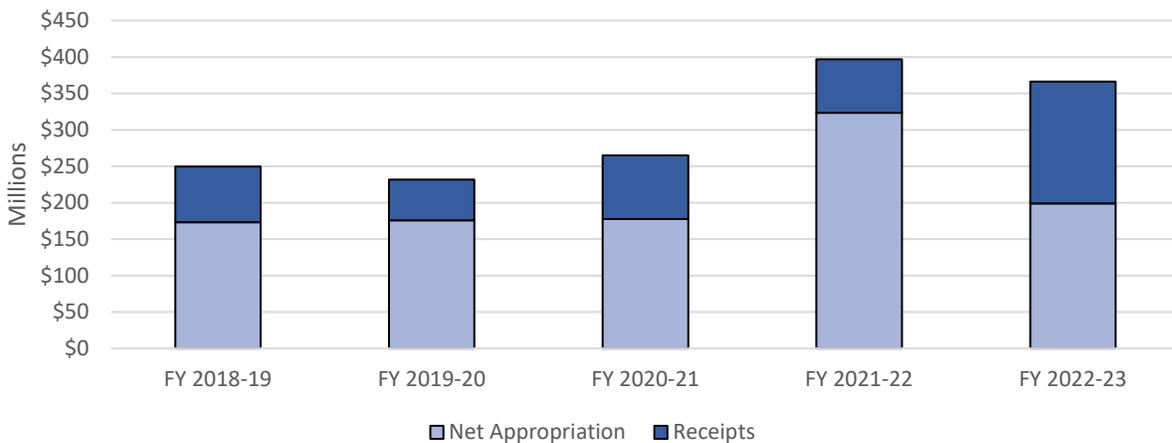
Agency Profile

- Comprises six main divisions: Employment Security; Economic Development Incentives, Labor and Economic Analysis; Rural Economic Development; Science, Technology & Innovation; and Workforce Solutions. The agency has four internal divisions: Business Technology Services; Fiscal Management; Human Resources; and Procurement.
- Connects businesses with site locations, workforce, and infrastructure needed to be set up for success; connects local communities with the grants and funding they need to attract new business and ensure future prosperity.
- Administers the state’s economic incentives program and publishes data, statistics, information, and reports for those interested in North Carolina’s economy.
- Contracts services from the Economic Development Partnership of North Carolina to market North Carolina as a business and visitor destination.

FY 2022-23 Actual Expenditures



5-Year Historical Expenditures *



Charts include General Fund budget codes only.

**FY 2021-22 & 2022-23 received substantial non-recurring funds for Economic Development and State Aid.*

Department of Commerce (14600)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	60,217,348	78,464,778	79,023,677	33,986,000	6,613,312	40,599,312	119,622,989
Receipts	46,897,914	63,902,400	63,773,455	6,900,000	3,000,000	9,900,000	73,673,455
Net Appropriation	13,319,433	14,562,378	15,250,222	27,086,000	3,613,312	30,699,312	45,949,534
Positions (FTE)	171.051	179.357	181.357			12.000	193.357

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments

Reserve for Salaries and Benefits

1 Compensation Increase Reserve

Guarantees at least a 5% across-the-board increase for all state-funded employees. In addition to the 3% provided in SL 2023-134, most state employees receive an additional 2%, while employees paid on an experience-based salary schedule or with a salary set in law receive an additional 3%. State agency teacher salaries are increased in accordance with the statewide salary schedules. Corresponding special provisions show additional details on compensation increases.

Req \$	212,000	\$	-	\$	212,000
Rec \$	-	\$	-	\$	-
App \$	212,000	\$	-	\$	212,000
FTE					0.000

2 Position Fundshift Reserve

Establishes a Position Fundshift Reserve to provide the agency with additional flexibility to manage. The agency may use these funds to fundshift a limited number of positions, in whole or in part, from receipts to net appropriation support. Fundshifting positions will free up receipts, providing much needed availability for receipt-supported compensation increases. Agencies are required to provide legislative increases to receipt-supported positions but are often not able to raise the additional revenue needed to do so.

Req \$	117,000	\$	-	\$	117,000
Rec \$	-	\$	-	\$	-
App \$	117,000	\$	-	\$	117,000
FTE					0.000

3 Retention Bonus

Provides a \$1,000 bonus to net appropriation-supported employees and an additional \$500 bonus to employees with an annual salary of less than \$75,000. To address retention, the retention bonus will be paid in two installments with half of the bonus paid in October 2024 and half in April 2025.

Req \$	-	\$	171,000	\$	171,000
Rec \$	-	\$	-	\$	-
App \$	-	\$	171,000	\$	171,000
FTE					0.000

4 Enhanced Labor Market Retention and Adjustment Reserve

Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported and receipt-supported payroll. The inclusion of funds for receipt-supported positions provides flexibility to agencies to address labor market concerns across all positions regardless of funding source. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. Among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.

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

5 Retiree Cost-of-Living Adjustment

Provides a 3% one-time retiree supplement in FY 2024-25 for over 240,000 retired members and survivors of deceased members.

Req \$	-	\$	92,312	\$	92,312
Rec \$	-	\$	-	\$	-
App \$	-	\$	92,312	\$	92,312
FTE					0.000

Administration

6 Southeast U.S. (SEUS)/Japan Conference 2024

Budgets funds from the Economic Development Project Reserve (EDPR) to invest in the annual joint meeting of the Southeast U.S. Japan Association. The conference serves as a marketing opportunity for North Carolina (NC) to attract additional Japanese business investment. Japan is the number one foreign investor in NC.

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

		R Changes		NR Changes		Adjustments
7 NC Certified Sites Due Diligence						
Provides funds for local government grants to reimburse expenses associated with the due diligence required to certify, or recertify, a site as part of the NC Certified Sites Program.	Req \$	2,000,000	\$	-	\$	2,000,000
The average cost to have a 100-acre site certified is \$100,000. This support will enable smaller sites to be completed in communities that do not currently have a site supported by the Megasite or SelectSite programs.	Rec \$	-	\$	-	\$	-
	App \$	2,000,000	\$	-	\$	2,000,000
	FTE					0.000
Office of Science and Technology						
8 NC Defense Innovation Network						
Budgets funds from the EDPR to establish the Defense Innovation Network. The network will work to increase federal funding for the state's defense innovation economy. North Carolina lags in defense research and development contracts relative to defense-related personnel, ranking 26th in contracts but 4th in personnel. Funds will support a strategic defense review council, a virtual business accelerator, information and education resources, and grants for defense-focused companies.	Req \$	-	\$	2,000,000	\$	2,000,000
	Rec \$	-	\$	2,000,000	\$	2,000,000
	App \$	-	\$	-	\$	-
	FTE					0.000
Workforce Development						
9 Business Services Representatives						
Budgets the transfer of funds from the Strategic Workforce Trust (SWFT) fund for one Business Services Representative per Prosperity Zone. These positions will work to establish apprenticeships and work-based learning opportunities. The National Association of Colleges and Employers research indicates work-based programs assist in securing talent in entry-level positions and improve retention of that talent.	Req \$	1,200,000	\$	-	\$	1,200,000
	Rec \$	1,200,000	\$	-	\$	1,200,000
	App \$	-	\$	-	\$	-
	FTE					8.000
10 Job Coaches for Priority Populations						
Budgets funds from the SWFT fund for Job Placement Coaches at local career centers. The coaches will serve as recruiters and provide outreach to connect talent to businesses. The coaches will focus on supporting people with barriers to employment, including but not limited to veterans, justice-involved individuals, public assistance recipients, and jobseekers in marginalized communities.	Req \$	5,000,000	\$	-	\$	5,000,000
	Rec \$	5,000,000	\$	-	\$	5,000,000
	App \$	-	\$	-	\$	-
	FTE					0.000
11 Credential Certification Capacity						
Moves the Credential Certification program, which works to increase the attainment of industry-valued credentials, from myFutureNC to the Division of Workforce Solutions and budgets SWFT funds for positions to manage the program. Increased credential attainment results in more North Carolinians earning a living wage and leads to more productive businesses by strengthening their competitiveness.	Req \$	300,000	\$	-	\$	300,000
	Rec \$	300,000	\$	-	\$	300,000
	App \$	-	\$	-	\$	-
	FTE					2.000
12 Youth Works						
Provides funding for the establishment of a rural youth apprenticeship program across five regions based on the successful model developed by Surry and Yadkin counties. The Department of Commerce will administer these funds. After the initial two years, local authorities will be expected to take responsibility for continued funding of successful programs. A portion of these funds shall be used for continuing evaluation of the program's impact on youth job outcomes.	Req \$	-	\$	3,250,000	\$	3,250,000
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	3,250,000	\$	3,250,000
	FTE					0.000
13 Whole System Apprenticeships Model						
Funds three positions, one each at the Departments of Commerce and Public Instruction and one at ApprenticeshipsNC, to develop a streamlined, 'whole system' model of apprenticeships from high school through higher education, leveraging funds provided by the Workforce Innovation and Opportunity Act and other sources.	Req \$	133,000	\$	-	\$	133,000
	Rec \$	-	\$	-	\$	-
	App \$	133,000	\$	-	\$	133,000
	FTE					1.000

	R Changes	NR Changes	Adjustments
14 Clean Energy Workforce Development			
Establishes one position to better enable North Carolina to compete in the estimated \$14 billion, cross-sector clean energy market. These funds will allow the department to design high-quality, data-driven programming to help meet training needs of the changing clean energy economy workforce.	Req \$ 144,000	\$ -	\$ 144,000
	Rec \$ -	\$ -	-
	App \$ 144,000	\$ -	\$ 144,000
			FTE 1.000
Child Care			
15 Employer Child Care Match Grant			
Provides funds to create a pilot matching grant program to support the business community's efforts to increase child care access. Grants will be used to match business contributions to eligible employees' Dependent Care Flexible Spending Accounts (DCFSA). This pilot program will contribute a state match up to \$2,500 to eligible participants' DCFSA's, increasing child care access and affordability for over 10,000 families. These pre-tax funds can be used to pay for eligible dependent care services including child care, Pre-K, and after-school programs. A portion of these funds shall be retained to evaluate the pilot.	Req \$ 24,150,000	\$ -	\$ 24,150,000
	Rec \$ -	\$ -	-
	App \$ 24,150,000	\$ -	\$ 24,150,000
			FTE 0.000
16 Employer Benefit Study			
Provides nonrecurring funds to the department to inventory employee and family-friendly benefits, including the expected per employee cost of providing the benefit. In addition, the study should include a summary of benefits currently provided by NC employers and the viability of providing enhanced economic development incentives to grant recipients which provide certain employee and family-friendly benefits.	Req \$ -	\$ 100,000	\$ 100,000
	Rec \$ -	\$ -	-
	App \$ -	\$ 100,000	\$ 100,000
			FTE 0.000
Commerce Finance Center			
17 Major Events, Games, and Attractions			
Budgets funds from the Major Events, Games, and Attraction Fund for the Commerce Finance Center to administer the program including processing of applications, thorough economic analysis, real-time monitoring during events, and post-award auditing.	Req \$ 400,000	\$ -	\$ 400,000
	Rec \$ 400,000	\$ -	\$ 400,000
	App \$ -	\$ -	-
			FTE 0.000
Total Change to Requirements	\$ 33,986,000	\$ 6,613,312	\$ 40,599,312
Total Change to Receipts	\$ 6,900,000	\$ 3,000,000	\$ 9,900,000
Total Change to Net Appropriation	\$ 27,086,000	\$ 3,613,312	\$ 30,699,312
Total Change to Full-Time Equivalent (FTE)			12.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$	30,699,312	
Recommended Total FTE Changes		12.000	

Commerce - General State Aid (14601)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	84,986,721	296,505,810	280,005,810	1,500,000	(251,500,000)	(250,000,000)	30,005,810
Receipts	63,280,911	267,000,000	250,000,000	-	(250,000,000)	(250,000,000)	-
Net Appropriation	21,705,810	29,505,810	30,005,810	1,500,000	(1,500,000)	-	30,005,810
Positions (FTE)	0.000	0.000	0.000			0.000	0.000

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments
1 NCIInnovation			
Eliminates the nonrecurring appropriation for NCIInnovation and repurposes the funds to strengthen the state's economy by investing in child care workforce, infrastructure, and access.	Req \$ -	\$ (250,000,000)	\$ (250,000,000)
	Rec \$ -	\$ (250,000,000)	\$ (250,000,000)
	App \$ -	\$ -	\$ -
	FTE		0.000
2 National Institute of Minority Economic Development			
Provides recurring funds to the National Institute of Minority Economic Development for technical assistance and counseling to minority and women-owned businesses, which are often small businesses. Minority owned businesses face lower revenues, profit margins, and cash liquidity than non-minority owned businesses and are more likely to close within the first three years after opening.	Req \$ 1,500,000	\$ (1,500,000)	\$ -
	Rec \$ -	\$ -	\$ -
	App \$ 1,500,000	\$ (1,500,000)	\$ -
	FTE		0.000
Total Change to Requirements	\$ 1,500,000	\$ (251,500,000)	\$ (250,000,000)
Total Change to Receipts	\$ -	\$ (250,000,000)	\$ (250,000,000)
Total Change to Net Appropriation	\$ 1,500,000	\$ (1,500,000)	\$ -
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$ -		
Recommended Total FTE Changes			0.000

Commerce - Economic Development (14602)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	442,136,472	169,933,054	283,768,245	11,000,000	88,000,000	99,000,000	382,768,245
Receipts	113,840,000	39,720,000	125,420,000	10,000,000	78,000,000	88,000,000	213,420,000
Net Appropriation	328,296,472	130,213,054	158,348,245	1,000,000	10,000,000	11,000,000	169,348,245
Positions (FTE)	0.000	0.000	0.000			0.000	0.000

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments
1 NC Job Ready Grants			
Provides funds for work-based learning services to enhance economic development projects. These grants will fund customized training to upskill current employees in targeted industry sectors. Funding will come from the SWFT fund.	Req \$ 7,500,000	\$ -	\$ 7,500,000
	Rec \$ 7,500,000	\$ -	\$ 7,500,000
	App \$ -	\$ -	\$ -
	FTE		0.000
2 Local Innovation Technical Assistance Grants			
Provides funds for grants to assist with innovative workforce development training and education projects focused on under-resourced populations. These grants will allow Local Area Workforce Development Boards to address common workforce recruitment challenges with innovative approaches. Funding will come from the SWFT fund.	Req \$ 2,500,000	\$ -	\$ 2,500,000
	Rec \$ 2,500,000	\$ -	\$ 2,500,000
	App \$ -	\$ -	\$ -
	FTE		0.000
3 Rural Transformation Grants			
Provides additional Rural Transformation Grants program funding to support local government downtown revitalization, resilient neighborhood development, and small business stabilization projects. These projects will increase economic development in rural areas. In FY 2022-23, the demand for grants of more than \$169 million in eligible projects vastly exceeded the \$48M in available funding.	Req \$ -	\$ 10,000,000	\$ 10,000,000
	Rec \$ -	\$ -	\$ -
	App \$ -	\$ 10,000,000	\$ 10,000,000
	FTE		0.000
4 One NC Small Business			
Fosters job creation and economic development by helping North Carolina small businesses obtain and leverage highly competitive funding from the federal Small Business Innovative Research (SBIR) and Small Business Technology Transfer (STTR) program. Nonrecurring funding is also provided for this program from the EDPR. The nonrecurring funds will be transferred to Budget Code 24609.	Req \$ 1,000,000	\$ 8,000,000	\$ 9,000,000
	Rec \$ -	\$ 8,000,000	\$ 8,000,000
	App \$ 1,000,000	\$ -	\$ 1,000,000
	FTE		0.000
5 Radio Island Infrastructure Improvements			
Budgets funds from the EDPR for infrastructure improvements and readiness preparation at Radio Island to support economic development at the site. The estimated cost of construction ranges from \$250-\$285 million. The department will work with the Department of Transportation in utilizing these funds.	Req \$ -	\$ 50,000,000	\$ 50,000,000
	Rec \$ -	\$ 50,000,000	\$ 50,000,000
	App \$ -	\$ -	\$ -
	FTE		0.000
6 Chatham-Siler City Advanced Manufacturing Site			
Invests in the Chatham-Siler City Advanced Manufacturing (CAM) Megasite by providing reimbursements to entities incurring costs for public utility infrastructure improvements. Funding will come from the EDPR.	Req \$ -	\$ 20,000,000	\$ 20,000,000
	Rec \$ -	\$ 20,000,000	\$ 20,000,000
	App \$ -	\$ -	\$ -
	FTE		0.000
Total Change to Requirements	\$ 11,000,000	\$ 88,000,000	\$ 99,000,000
Total Change to Receipts	\$ 10,000,000	\$ 78,000,000	\$ 88,000,000
Total Change to Net Appropriation	\$ 1,000,000	\$ 10,000,000	\$ 11,000,000
Total Change to Full-Time Equivalent (FTE)			0.000

Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$ 11,000,000
Recommended Total FTE Changes	0.000

Commerce - Special (24609)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	543,937,960	156,451,696	173,351,696	-	8,000,000	8,000,000	181,351,696
Receipts	649,186,844	127,434,380	172,969,571	-	8,000,000	8,000,000	180,969,571
Δ in Fund Balance	(105,248,884)	(29,017,316)	(382,125)	-	-	-	(382,125)
Positions (FTE)	3.250	7.613	7.613			0.000	7.613

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments
1 One NC Small Business			
Budgets the transfer of funds from the Economic Development Project Reserve for grants to small businesses. These funds will assist companies in bridging the funding gap that companies experience while researching and applying for SBIR and SBIT federal small business grants.	Req \$ -	\$ 8,000,000	\$ 8,000,000
	Rec \$ -	\$ 8,000,000	\$ 8,000,000
	CFB \$ -	\$ -	\$ -
	FTE		0.000
Total Change to Requirements	\$ -	\$ 8,000,000	\$ 8,000,000
Total Change to Receipts	\$ -	\$ 8,000,000	\$ 8,000,000
Total Change to Net Appropriation	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$ -	-	
Recommended Total FTE Changes		0.000	

Commerce - Employment Security (24650)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	507,798,396	331,778,644	331,778,644	1,000,000	-	1,000,000	332,778,644
Receipts	555,223,252	331,778,644	331,778,644	1,000,000	-	1,000,000	332,778,644
Δ in Fund Balance	(47,424,860)	-	-	-	-	-	-
Positions (FTE)	3,499.000	1,745.646	1,745.646			0.000	1,745.646

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments
1 Operations and Maintenance			
Budgets the transfer of funds from the Strategic Workforce Trust fund to support the unemployment insurance information technology systems. These funds will assist with operating and maintaining the unemployment benefit system (SCUBI).	Req \$ 1,000,000	\$ -	\$ 1,000,000
	Rec \$ 1,000,000	\$ -	\$ 1,000,000
	CFB \$ -	\$ -	\$ -
	FTE		0.000
Total Change to Requirements	\$ 1,000,000	\$ -	\$ 1,000,000
Total Change to Receipts	\$ 1,000,000	\$ -	\$ 1,000,000
Total Change to Net Appropriation	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$ -	-	
Recommended Total FTE Changes		0.000	

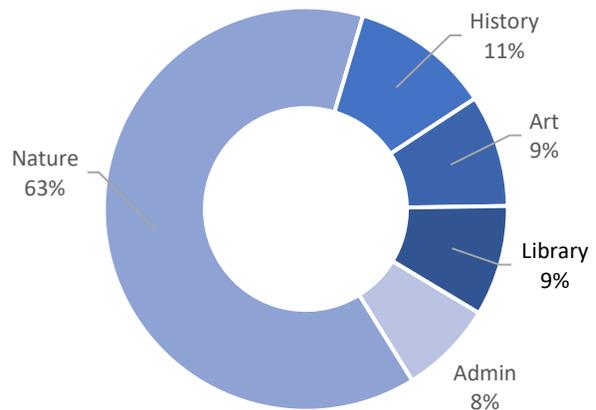
Mission

To improve quality of life in North Carolina by creating opportunities to experience excellence in the arts, history, libraries, and nature by stimulating learning, inspiring creativity, preserving the state’s history, conserving the state’s natural heritage, encouraging recreation and cultural heritage tourism, and promoting economic development.

Goals

1. Expand educational opportunities for children and families by increasing access to the state’s innovative, interactive, and inspirational natural and cultural sites, programs, and services.
2. Boost economic growth through the “Hometown Strong” initiative to support rural communities, and other efforts.
3. Preserve, enhance, and expand North Carolina’s natural and cultural resources in an effective, efficient, collaborative, and customer-friendly manner.
4. Promote diversity, equity, accessibility, and cultural inclusion in departmental programs, recruitment, administration, and community engagement.
5. Evaluate the impact of climate change and integrate climate change mitigation, adaption, education, and resiliency practices into DNCR programs and operations.

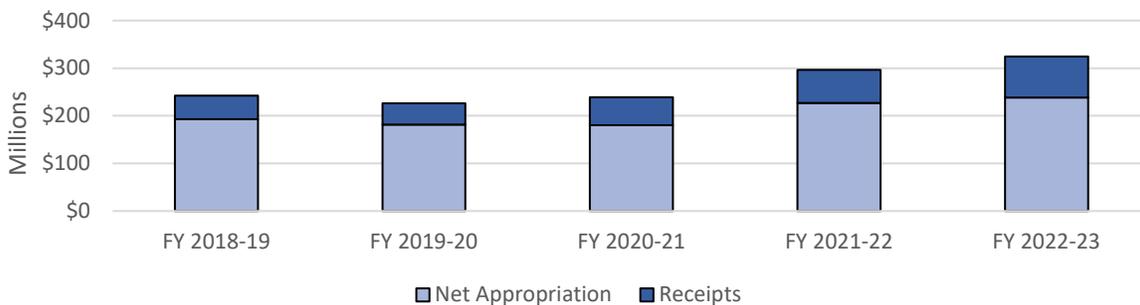
FY 2022-23 Actual Expenditures



Agency Profile

- Operates North Carolina’s state parks, aquariums, science museums, and zoo and works to preserve the state’s natural resources to provide all North Carolinians the opportunity to discover them.
- Builds the capacity of all libraries in the state, runs the Library of North Carolina, and develops and supports access to traditional and online collections.
- Celebrates the history of North Carolina from pre-colonial times to the present and preserves the state’s historical treasures and artifacts.
- Supports North Carolina’s state art museums, symphony, and arts councils to give all people access to world-class art experiences and support the state’s creative economy.

5-Year Historical Expenditures



Charts include General Fund budget code only.

Natural and Cultural Resources (14800)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	324,229,088	351,947,543	336,533,868	17,000,331	70,105,701	87,106,032	423,639,900
Receipts	85,795,131	63,129,682	54,842,950	-	-	-	54,842,950
Net Appropriation	238,433,957	288,817,861	281,690,918	17,000,331	70,105,701	87,106,032	368,796,950
Positions (FTE)	1,916.821	2,045.822	2,089.822			31.000	2,120.822

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments
Reserve for Salaries and Benefits			
1 Compensation Increase Reserve			
Guarantees at least a 5% across-the-board increase for all state-funded employees. In addition to the 3% provided in SL 2023-134, most state employees receive an additional 2%, while employees paid on an experience-based salary schedule or with a salary set in law receive an additional 3%. State agency teacher salaries are increased in accordance with the statewide salary schedules. Corresponding special provisions show additional details on compensation increases.	Req \$ 2,615,000	\$ -	\$ 2,615,000
	Rec \$ -	\$ -	\$ -
	App \$ 2,615,000	\$ -	\$ 2,615,000
	FTE		0.000
2 Position Fundshift Reserve			
Establishes a Position Fundshift Reserve to provide the agency with additional flexibility to manage. The agency may use these funds to fundshift a limited number of positions, in whole or in part, from receipts to net appropriation support. Fundshifting positions will free up receipts, providing much needed availability for receipt-supported compensation increases. Agencies are required to provide legislative increases to receipt-supported positions but are often not able to raise the additional revenue needed to do so.	Req \$ 334,000	\$ -	\$ 334,000
	Rec \$ -	\$ -	\$ -
	App \$ 334,000	\$ -	\$ 334,000
	FTE		0.000
3 Retention Bonus			
Provides a \$1,000 bonus to net appropriation-supported employees and an additional \$500 bonus to employees with an annual salary of less than \$75,000. To address retention, the retention bonus will be paid in two installments with half of the bonus paid in October 2024 and half in April 2025.	Req \$ -	\$ 2,724,000	\$ 2,724,000
	Rec \$ -	\$ -	\$ -
	App \$ -	\$ 2,724,000	\$ 2,724,000
	FTE		0.000
4 Enhanced Labor Market Retention and Adjustment Reserve			
Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported and receipt-supported payroll. The inclusion of funds for receipt-supported positions provides flexibility to agencies to address labor market concerns across all positions regardless of funding source. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. Among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.	Req \$ 2,949,000	\$ -	\$ 2,949,000
	Rec \$ -	\$ -	\$ -
	App \$ 2,949,000	\$ -	\$ 2,949,000
	FTE		0.000
5 Retiree Cost-of-Living Adjustment			
Provides a 3% one-time retiree supplement in FY 2024-25 for over 240,000 retired members and survivors of deceased members.	Req \$ -	\$ 281,701	\$ 281,701
	Rec \$ -	\$ -	\$ -
	App \$ -	\$ 281,701	\$ 281,701
	FTE		0.000
Department-wide			
6 Exhibit Updates			
Invests in enhancements to outdated exhibits across the state. Improvements will include adding online content and virtual engagement, updating tour scripts, and refurbishing outdated materials. These funds will be transferred to Budget Code 24805.	Req \$ -	\$ 2,000,000	\$ 2,000,000
	Rec \$ -	\$ -	\$ -
	App \$ -	\$ 2,000,000	\$ 2,000,000
	FTE		0.000

		R Changes		NR Changes		Adjustments
7 Attraction Marketing						
Provides funds for marketing for attractions, museums, state parks, aquariums, the zoo, and historic sites in-state. The department has no dedicated marketing funds and other funds for tourism marketing are focused on out-of-state visitors.	Req \$	250,000	\$	-	\$	250,000
	Rec \$	-	\$	-	\$	-
	App \$	250,000	\$	-	\$	250,000
	FTE					0.000
8 School Field Trips to DNCR Locations						
Supports grants to public school districts to fund school field trips to increase access to the state's natural and cultural locations, including state parks, historic sites, museums, aquariums, and the zoo. On average, a field trip for a group of 75 students costs approximately \$1,000. This funding will support 250 field trips annually and will positively impact schools, especially rural and economically disadvantaged schools.	Req \$	250,000	\$	-	\$	250,000
	Rec \$	-	\$	-	\$	-
	App \$	250,000	\$	-	\$	250,000
	FTE					0.000
9 Network Infrastructure Upgrades						
Budgets nonrecurring receipts from the IT Reserve to provide network upgrades to remote and rural departmental sites, including wireless and telephony services where emergency services notification is dependent on network infrastructure. Outdated network infrastructure is a safety vulnerability for employees and visitors. The recurring funds support ongoing service provider expenses. The nonrecurring funds from the reserve will be allocated to the department over the life of the project.	Req \$	57,073	\$	-	\$	57,073
	Rec \$	-	\$	-	\$	-
	App \$	57,073	\$	-	\$	57,073
	FTE					0.000
10 IT Services for Natural Resource Divisions						
Funds the optimization of IT services for the natural resource divisions, including Land & Water Stewardship, Parks & Recreation, Aquariums, Zoo, and the Museum of Natural Science. These divisions were not optimized prior to their transfer to the department in 2015. Consolidation will allow the department to manage IT operations more securely and efficiently.	Req \$	1,220,568	\$	-	\$	1,220,568
	Rec \$	-	\$	-	\$	-
	App \$	1,220,568	\$	-	\$	1,220,568
	FTE					0.000
Administration						
11 Budget and Finance Accounting Positions						
Creates positions to support the department's increasing financial responsibilities associated with a 78% increase of its combined operating and capital budgets since FY 2018-19.	Req \$	485,805	\$	-	\$	485,805
	Rec \$	-	\$	-	\$	-
	App \$	485,805	\$	-	\$	485,805
	FTE					4.000
12 HR Positions						
Provides additional staff to support the increased HR workload associated with a departmental staff increase of 19% since FY 2018-19.	Req \$	171,638	\$	-	\$	171,638
	Rec \$	-	\$	-	\$	-
	App \$	171,638	\$	-	\$	171,638
	FTE					2.000
13 IT Shortfall						
Addresses the department's IT funding shortfall after taking into consideration expected FY 2024-25 Department of Information Technology service and subscription rates.	Req \$	1,108,360	\$	-	\$	1,108,360
	Rec \$	-	\$	-	\$	-
	App \$	1,108,360	\$	-	\$	1,108,360
	FTE					0.000
Arts						
14 A+ Schools Matching Support						
Makes the matching funds for the Windgate Foundation grant for the A+ Schools program recurring. The A+ Schools program is a whole-school model that combines interdisciplinary teaching and daily arts instruction. Participating schools have demonstrated improvements in grade-level proficiency and overall school performance, with school performance scores increasing by a full letter grade for schools that have participated since 2013. Successful A+ schools have also reported improved attendance, fewer disciplinary problems, stronger teacher satisfaction, and higher levels of community and parental involvement.	Req \$	750,000	\$	(750,000)	\$	-
	Rec \$	-	\$	-	\$	-
	App \$	750,000	\$	(750,000)	\$	-
	FTE					0.000

		R Changes		NR Changes		Adjustments
15 Art Installation						
Funds an African American art installation on the State Capitol grounds, including planning, design, and installation expenses.	Req \$	-	\$	5,000,000	\$	5,000,000
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	5,000,000	\$	5,000,000
	FTE					0.000
History						
16 American Indian Heritage Commission						
Funds a position to support the NC Indian Schools Trail Marker Program, coordinate the American Indian Heritage Celebration event, handle logistics, and coordinate commission board activities.	Req \$	158,000	\$	-	\$	158,000
	Rec \$	-	\$	-	\$	-
	App \$	158,000	\$	-	\$	158,000
	FTE					1.000
17 America's 250th Positions						
Converts nonrecurring funding for positions to support America's 250th programming and educational resources to recurring. These positions support statewide commemorative activities in anticipation of America's 250th Anniversary in 2026. America's 250th programming is expected to continue beyond 2026; these positions will support local commemoration activities, administer the America's 250th Local Grants Program, and develop additional commemoration educational resources. Following commemoration, these positions will transition to general American history positions.	Req \$	375,000	\$	(375,000)	\$	-
	Rec \$	-	\$	-	\$	-
	App \$	375,000	\$	(375,000)	\$	-
	FTE					0.000
18 Historic Preservation and Archaeology						
Provides positions to comply with the National Historic Preservation Act and the Native American Graves Protection and Repatriation Act (NAGPRA) requirements. A Historic Preservation Specialist is needed to assist with the review of projects submitted to the State Historic Preservation Office, which has increased by nearly 40% since 2015. The Office of State Archaeology has recently begun working to inventory hundreds of Native American remains and burial goods in the office's possession for repatriation to comply with NAGPRA and requires an Archaeologist I position to perform this work.	Req \$	171,638	\$	-	\$	171,638
	Rec \$	-	\$	-	\$	-
	App \$	171,638	\$	-	\$	171,638
	FTE					2.000
19 Tryon Palace Positions						
Funds positions to support program and exhibit development at Tryon Palace. Tryon Palace has a goal of increasing their History Center programming by 80% to boost visitation. These positions will support the development of special programs, curriculum development, outreach, management of Palace grounds, and exhibit development and rotation.	Req \$	495,877	\$	-	\$	495,877
	Rec \$	-	\$	-	\$	-
	App \$	495,877	\$	-	\$	495,877
	FTE					5.000
Nature						
20 Aquariums Fort Fisher Operating Reserve						
Funds positions and operating support needed to care for new habitats and animals resulting from the expansion of the Aquariums at Fort Fisher. The expansion will be completed in 2026. This funds half of the positions needed immediately to plan and prepare for the grand re-opening.	Req \$	1,003,879	\$	-	\$	1,003,879
	Rec \$	-	\$	-	\$	-
	App \$	1,003,879	\$	-	\$	1,003,879
	FTE					13.000
21 Schools in Parks						
Provides funding for the Schools in Parks Teacher Collaborative, a free year-long professional development program that engages teachers alongside park rangers in hands-on, inquiry-based activities that cross content areas. A portion of these funds will be used for a contract with the University of North Carolina at Chapel Hill to support the program.	Req \$	503,493	\$	-	\$	503,493
	Rec \$	-	\$	-	\$	-
	App \$	503,493	\$	-	\$	503,493
	FTE					3.000
22 Natural & Working Lands Coordinator						
Funds a position to update the map layers in the NC Conservation Planning Tool (CPT), which aggregates land conservation and restoration priorities into one comprehensive map viewer. The CPT provides a framework for future growth and conservation decisions. This position will also collaborate with other state agencies and nongovernmental partners to update the Natural and Working Lands Action Plan, the Biannual Protection Plan, and the Nature Heritage Program Biennial Report.	Req \$	101,000	\$	-	\$	101,000
	Rec \$	-	\$	-	\$	-
	App \$	101,000	\$	-	\$	101,000
	FTE					1.000

		R Changes		NR Changes		Adjustments
23 Parks and Recreation Trust Fund						
Provides additional support to the Parks and Recreation Trust Fund (PARTF) for improvements to state parks, matching grants for local parks and recreation projects, and access to the state's beaches and coastline. With this investment, PARTF will have a \$30 million recurring budget. These funds will be transferred to Budget Code 24820.	Req \$	2,000,000	\$	30,000,000	\$	32,000,000
	Rec \$	-	\$	-	\$	-
	App \$	2,000,000	\$	30,000,000	\$	32,000,000
	FTE					0.000
24 North Carolina Land and Water Fund						
Provides additional funds to the North Carolina Land and Water Fund (NCLWF) for grants for projects that protect and restore the state's land and water resources, preserve military buffers, restore degraded streams, and develop and improve stormwater treatment. With this investment, NCLWF will have a \$30 million recurring budget. These funds will be transferred to Budget Code 24818.	Req \$	2,000,000	\$	30,000,000	\$	32,000,000
	Rec \$	-	\$	-	\$	-
	App \$	2,000,000	\$	30,000,000	\$	32,000,000
	FTE					0.000
State-Affiliated Museums						
25 North Carolina Museum of Natural Sciences at Greenville						
Invests in the renovation and rehabilitation of the Cupola Building at the North Carolina Museum of Natural Sciences at Greenville to meet ADA requirements. This includes adding an elevator, upgrading restrooms, building access ramps, and other safety improvements.	Req \$	-	\$	725,000	\$	725,000
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	725,000	\$	725,000
	FTE					0.000
26 Western NC Museum Planning Study						
Funds a planning and feasibility study for a state museum in western NC dedicated to preserving the mountain region's cultural and natural history.	Req \$	-	\$	500,000	\$	500,000
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	500,000	\$	500,000
	FTE					0.000
Total Change to Requirements		\$ 17,000,331		\$ 70,105,701		\$ 87,106,032
Total Change to Receipts		\$ -		\$ -		\$ -
Total Change to Net Appropriation		\$ 17,000,331		\$ 70,105,701		\$ 87,106,032
Total Change to Full-Time Equivalent (FTE)						31.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$		87,106,032		
Recommended Total FTE Changes				31.000		

Natural and Cultural Resources - Special - General Fund (24805)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	26,666,325	514,671	514,671	-	2,000,000	2,000,000	2,514,671
Receipts	32,547,262	454,627	454,627	-	2,000,000	2,000,000	2,454,627
Δ in Fund Balance	(5,880,938)	(60,044)	(60,044)	-	-	-	(60,044)
Positions (FTE)	2.300	5.300	5.300			0.000	5.300

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments
1 Transfer – Exhibit Updates			
Budgets the transfer from Budget Code 14800 for Exhibit Updates.			
	Req \$	- \$	2,000,000 \$
	Rec \$	- \$	2,000,000 \$
	CFB \$	- \$	- \$
	FTE		0.000
Total Change to Requirements	\$	- \$	2,000,000 \$
Total Change to Receipts	\$	- \$	2,000,000 \$
Total Change to Net Appropriation	\$	- \$	- \$
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$		-
Recommended Total FTE Changes			0.000

Natural and Cultural Resources - Clean Water Management Trust Fund (24818)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	54,393,720	68,964,992	64,964,992	2,000,000	30,000,000	32,000,000	96,964,992
Receipts	102,672,100	69,097,286	65,097,286	2,000,000	30,000,000	32,000,000	97,097,286
Δ in Fund Balance	(48,278,382)	132,294	132,294	-	-	-	132,294
Positions (FTE)	0.000	0.000	0.000			0.000	0.000

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments
1 Transfer – North Carolina Land and Water Fund			
Budgets the transfer from Budget Code 14800 for North Carolina Land and Water Fund.	Req \$ 2,000,000	\$ 30,000,000	\$ 32,000,000
	Rec \$ 2,000,000	\$ 30,000,000	\$ 32,000,000
	CFB \$ -	\$ -	\$ -
	FTE		0.000
Total Change to Requirements	\$ 2,000,000	\$ 30,000,000	\$ 32,000,000
Total Change to Receipts	\$ 2,000,000	\$ 30,000,000	\$ 32,000,000
Total Change to Net Appropriation	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$	-	
Recommended Total FTE Changes			0.000

Natural and Cultural Resources - DPR - PARTF (Parks and Recreation Trust Fund) (24820)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	51,429,312	90,099,308	61,099,308	2,000,000	30,000,000	32,000,000	93,099,308
Receipts	83,629,554	90,539,010	61,539,010	2,000,000	30,000,000	32,000,000	93,539,010
Δ in Fund Balance	(32,200,242)	439,702	439,702	-	-	-	439,702
Positions (FTE)	0.000	4.000	4.000			0.000	4.000

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments
1 Transfer – Parks and Recreation Trust Fund			
Budgets the transfer from Budget Code 14800 for Parks and Recreation Trust Fund.	Req \$ 2,000,000	\$ 30,000,000	\$ 32,000,000
	Rec \$ 2,000,000	\$ 30,000,000	\$ 32,000,000
	CFB \$ -	\$ -	\$ -
	FTE		0.000
Total Change to Requirements	\$ 2,000,000	\$ 30,000,000	\$ 32,000,000
Total Change to Receipts	\$ 2,000,000	\$ 30,000,000	\$ 32,000,000
Total Change to Net Appropriation	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$	-	
Recommended Total FTE Changes		0.000	

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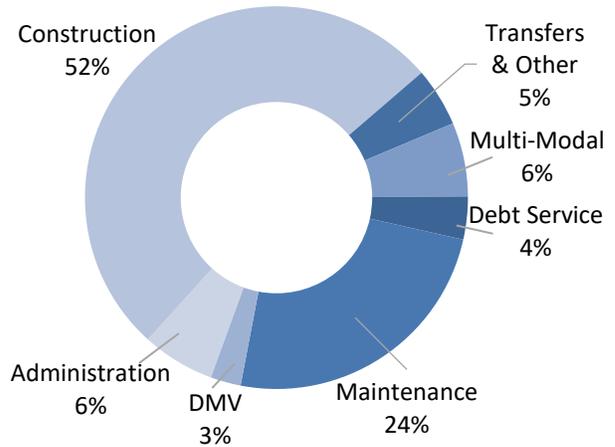
Mission

To connect people, products, and places safely and efficiently with customer focus, accountability, and environmental sensitivity to enhance the economy and vitality of North Carolina.

Goals

1. Make transportation safer / Vision Zero.
2. Improve reliability and connectivity of the transportation system.
3. Deliver and maintain our infrastructure efficiently and effectively.
4. Provide GREAT customer service.
5. Be a great place to work.
6. Be a transparent and accountable organization.
7. Enhance the diversity of our workforce and partnerships.
8. Embrace modernization and new ideas.

FY 2022-23 Actual Expenditures

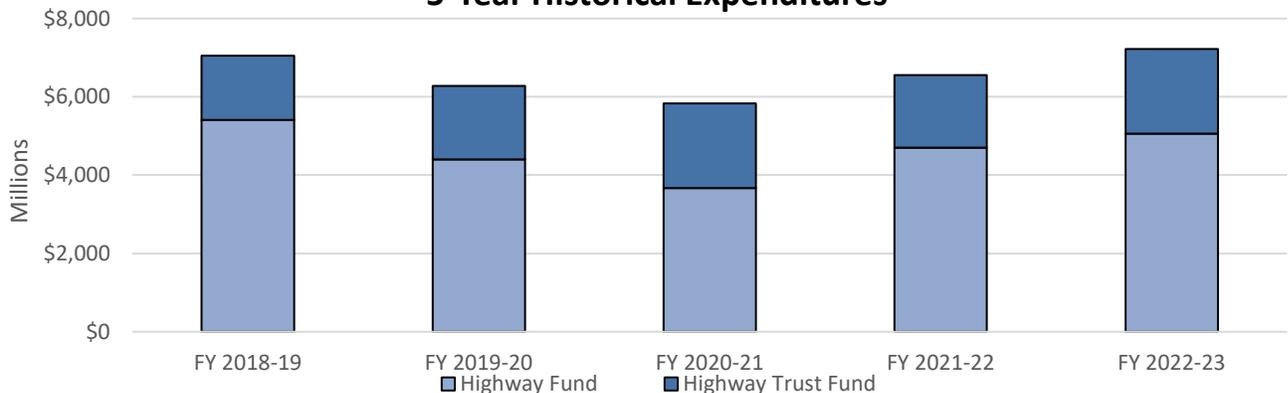


Excludes project spend funded by debt issues, including GARVEE bonds.

Agency Profile

- Responsible for highways and other modes of transportation in North Carolina, including programs to support rail, aviation, ferries, public transit, and bicycle and pedestrian transportation.
- Maintains one of the largest state-maintained highway systems in the nation with over 80,000 miles of roadway and more than 18,000 bridges and culverts.
- Every year, more than 56 million passengers and 1.3 million tons of cargo pass through state airports.
- Serves approximately 2 million passengers on the 2nd largest state-operated ferry system in the country.
- Provides more than 41 million passenger trips on 98 transit systems serving residents in all 100 NC counties.

5-Year Historical Expenditures



Transportation - Highway Fund (84210)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	-	5,233,346,833	5,149,376,460	18,477,278	245,748,000	264,225,278	5,413,601,738
Receipts	-	2,266,746,833	1,953,822,460	225,278	177,000,000	177,225,278	2,131,047,738
Net Appropriation	-	2,966,600,000	3,195,554,000	18,252,000	68,748,000	87,000,000	3,282,554,000
Positions (FTE)	-	11,147.000	11,147.000			26.000	11,173.000

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments

Reserve for Salaries and Benefits

1 Compensation Increase Reserve

Guarantees at least a 5% across-the-board increase for all state-funded employees. In addition to the 3% provided in SL 2023-134, most state employees receive an additional 2%, while employees paid on an experience-based salary schedule or with a salary set in law receive an additional 3%. State agency teacher salaries are increased in accordance with the statewide salary schedules. Corresponding special provisions show additional details on compensation increases.

Req	\$ 9,828,000	\$ -	\$ 9,828,000
Rec	\$ -	\$ -	\$ -
App	\$ 9,828,000	\$ -	\$ 9,828,000
FTE			0.000

2 Enhanced Labor Market Retention and Adjustment Reserve

Addresses retention and other labor market needs by providing a reserve equal to 2% of Highway Fund-supported and receipt-supported payroll. The inclusion of funds for receipt-supported positions provides flexibility to agencies to address labor market concerns across all positions regardless of funding source. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. Among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.

Req	\$ 15,480,000	\$ -	\$ 15,480,000
Rec	\$ -	\$ -	\$ -
App	\$ 15,480,000	\$ -	\$ 15,480,000
FTE			0.000

3 Retention Bonus

Provides a \$1,000 bonus to Highway Fund-supported employees and an additional \$500 bonus to employees with an annual salary of less than \$75,000. To address retention, the retention bonus will be paid in two installments with half of the bonus paid in October 2024 and half in April 2025.

Req	\$ -	\$ 18,335,000	\$ 18,335,000
Rec	\$ -	\$ -	\$ -
App	\$ -	\$ 18,335,000	\$ 18,335,000
FTE			0.000

4 Retiree Cost-of-Living Adjustment

Provides a 3% one-time retiree supplement in FY 2024-25 for over 240,000 retired members and survivors of deceased members.

Req	\$ -	\$ 3,163,000	\$ 3,163,000
Rec	\$ -	\$ -	\$ -
App	\$ -	\$ 3,163,000	\$ 3,163,000
FTE			0.000

Highway Maintenance

5 Randolph Megasite Road Project

Provides funding from the Economic Development Reserve to complete work on roads serving the Randolph County megasite, where Toyota is investing \$13.9 billion in a manufacturing facility for its first US automotive battery plant.

Req	\$ -	\$ 150,000,000	\$ 150,000,000
Rec	\$ -	\$ 150,000,000	\$ 150,000,000
App	\$ -	\$ -	\$ -
FTE			0.000

6 Relocation of Jones County and Wake County Maintenance Yards

Funds the construction of facilities to replace the maintenance yards in Jones and Wake Counties. The Jones County maintenance yard is sited in a flood plain and is no longer usable, while the land where the Wake County facility is currently located has been transferred to the Department of Agriculture and Consumer Services for the State Fairground. Receipts from land sales (\$7 million), together with \$20 million from the State Capital and Infrastructure Fund (SCIF), partially cover the costs. The total cost for these projects is \$80 million. An additional \$20 million will be needed in FY 2025-26 to complete the work.

Req	\$ -	\$ 60,000,000	\$ 60,000,000
Rec	\$ -	\$ 27,000,000	\$ 27,000,000
App	\$ -	\$ 33,000,000	\$ 33,000,000
FTE			0.000

		R Changes		NR Changes		Adjustments
7 General Maintenance Reserve						
Reduces the appropriation to the General Maintenance Reserve (GMR) to reflect Highway Fund availability. The total funding for the GMR in FY 2024-25 is \$1.05 billion, up from \$724 million in FY 2023-24.	Req \$	(9,442,280)	\$	-	\$	(9,442,280)
	Rec \$	-	\$	-	\$	-
	App \$	(9,442,280)	\$	-	\$	(9,442,280)
	FTE					0.000
Department-Wide						
8 Purchasing Division – Vendor Outreach						
Provides funding to support Purchasing Division’s work to increase contracts awarded to historically underutilized businesses (HUBs). Funds will be used for outreach facilities, conferences, promotional supplies, and memberships in HUB and transportation industry groups.	Req \$	115,000	\$	-	\$	115,000
	Rec \$	-	\$	-	\$	-
	App \$	115,000	\$	-	\$	115,000
	FTE					0.000
9 Governor’s Highway Safety Program						
Fulfills match requirements for the Governor’s Highway Safety Program to draw down \$28 million in federal receipts. The program has received no additional state funding over the past 10 years, while traffic fatalities have risen 27% in that time.	Req \$	289,280	\$	-	\$	289,280
	Rec \$	-	\$	-	\$	-
	App \$	289,280	\$	-	\$	289,280
	FTE					0.000
10 Advanced Technologies Office						
Creates an advanced technologies team to work within DOT, across state government, and with external stakeholders on issues related to the adoption of new transportation technologies, from adequate charging infrastructure for electric vehicles to the increased uses of drone technology.	Req \$	500,000	\$	-	\$	500,000
	Rec \$	-	\$	-	\$	-
	App \$	500,000	\$	-	\$	500,000
	FTE					4.000
Division of Motor Vehicles						
11 Driver’s License Examiners						
Funds 20 additional Driver’s License Examiners at the Division of Motor Vehicles to continue improving customer service by reducing wait times and creating service capacity to match the state's rapid population growth.	Req \$	1,282,000	\$	-	\$	1,282,000
	Rec \$	-	\$	-	\$	-
	App \$	1,282,000	\$	-	\$	1,282,000
	FTE					20.000
Integrated Mobility						
12 Bicycle and Pedestrian Projects						
Establishes a local government grant program to match federal funds for bicycle and pedestrian projects, such as shared use paths, bicycle lanes, and bicycle and pedestrian bridges.	Req \$	-	\$	10,000,000	\$	10,000,000
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	10,000,000	\$	10,000,000
	FTE					0.000
13 Federal Matching Funds						
Provides funds to match federal grants for multimodal transportation. Opportunities for both formula funding and competitive grants have increased significantly due to the Infrastructure Investment and Jobs Act (P.L. 117-53).	Req \$	2,000,000	\$	-	\$	2,000,000
	Rec \$	-	\$	-	\$	-
	App \$	2,000,000	\$	-	\$	2,000,000
	FTE					0.000
14 Great Trails State Plan						
Funds grants for feasibility studies and implementation of the Great Trails State Plan. The goal of the plan is to connect all counties and key destinations in the state through a network of greenways and create lasting investments in both rural and urban areas.	Req \$	1,000,000	\$	-	\$	1,000,000
	Rec \$	-	\$	-	\$	-
	App \$	1,000,000	\$	-	\$	1,000,000
	FTE					0.000
15 Multimodal Planning Grants						
Provides funding for multimodal plans as well as other special studies and programs. This will ensure that different modes of travel and the connections between them are appropriately reflected in new transportation projects.	Req \$	200,000	\$	-	\$	200,000
	Rec \$	-	\$	-	\$	-
	App \$	200,000	\$	-	\$	200,000
	FTE					0.000
Office of Civil Rights						
16 Title VI Program Analyst Position						
Budgets receipts from the Highway Trust Fund for an additional FTE to ensure federal anti-discrimination requirements are met when reviewing applications for grant funding.	Req \$	112,639	\$	-	\$	112,639
	Rec \$	112,639	\$	-	\$	112,639
	App \$	-	\$	-	\$	-
	FTE					1.000

	R Changes	NR Changes	Adjustments
17 Workforce Programs Coordinator			
Budgets receipts from the Highway Trust Fund for an additional FTE to work with other agencies, including the NC Community College System and the Departments of Adult Correction and Commerce, to implement multimodal workforce development projects. These projects help the department address skilled worker shortages and provide on-the-job training to workers who otherwise might not be able to access transportation jobs.	Req \$ 112,639	\$ -	\$ 112,639
	Rec \$ 112,639	\$ -	\$ 112,639
	App \$ -	\$ -	\$ -
			FTE 1.000
Aviation Division			
18 Technical Correction			
Reduces funding to the Aviation Division that duplicated a federal grant.	Req \$ (21,000,000)	\$ -	\$ (21,000,000)
	Rec \$ -	\$ -	\$ -
	App \$ (21,000,000)	\$ -	\$ (21,000,000)
			FTE 0.000
Rail Division			
19 Federal Matching Funds			
Increases matching funds for Federal Railroad Administration (FRA) grants. The FRA has selected multiple North Carolina rail corridors for investment in rail services to both rural and urban communities. Additional match funds will ensure the department remains competitive for these grant programs.	Req \$ 10,000,000	\$ -	\$ 10,000,000
	Rec \$ -	\$ -	\$ -
	App \$ 10,000,000	\$ -	\$ 10,000,000
			FTE 0.000
Ferry Division			
20 Additional Funds for External Credit Dry Docks			
Provides funds for vessel drydocks and to purchase equipment needed for maintenance and repairs to meet US Coast Guard requirements. These funds will help the Ferry Division manage maintenance needs resulting from the increasing age of its fleet - nine of its 22 vessels are past their 30-year expected life.	Req \$ 8,000,000	\$ -	\$ 8,000,000
	Rec \$ -	\$ -	\$ -
	App \$ 8,000,000	\$ -	\$ 8,000,000
			FTE 0.000
21 M/V Hunt Emergency Switch Board Replacement			
Funds the replacement of the M/V Hunt's emergency generator switchboard, for which replacement parts are no longer available.	Req \$ -	\$ 750,000	\$ 750,000
	Rec \$ -	\$ -	\$ -
	App \$ -	\$ 750,000	\$ 750,000
			FTE 0.000
22 Propulsion Control System Updates – Additional Vessel			
Provides funds to upgrade the propulsion control system on a river class ferry vessel built prior to 2002. This upgrade will replace a system which is no longer supported by the manufacturer, reducing vessel downtime and increasing service reliability.	Req \$ -	\$ 2,000,000	\$ 2,000,000
	Rec \$ -	\$ -	\$ -
	App \$ -	\$ 2,000,000	\$ 2,000,000
			FTE 0.000
23 Fort Fisher Disposal Area Clean Out			
Provides funding to contract out the clearing of the Fort Fisher disposal area to ensure there is room for future dredging projects, which are vital to keeping the Fort Fisher channel and basin open. The disposal area is reaching maximum capacity for dredge materials; clearing it out will create sufficient capacity for the next five-to-eight years.	Req \$ -	\$ 1,500,000	\$ 1,500,000
	Rec \$ -	\$ -	\$ -
	App \$ -	\$ 1,500,000	\$ 1,500,000
			FTE 0.000
Total Change to Requirements	\$ 18,477,278	\$ 245,748,000	\$ 264,225,278
Total Change to Receipts	\$ 225,278	\$ 177,000,000	\$ 177,225,278
Total Change to Net Appropriation	\$ 18,252,000	\$ 68,748,000	\$ 87,000,000
Total Change to Full-Time Equivalent (FTE)			26.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$ 87,000,000		
Recommended Total FTE Changes	26.000		

Transportation - Highway Trust Fund (84290)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	-	2,309,034,972	2,445,746,000	(126,600,000)	-	(126,600,000)	2,319,146,000
Receipts	-	-	-	-	-	-	-
Net Appropriation	-	2,309,034,972	2,445,746,000	(126,600,000)	-	(126,600,000)	2,319,146,000
Positions (FTE)	-	0.000	0.000			0.000	0.000

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments
1 Strategic Transportation Investments Prioritization			
Adjusts the budget for the Strategic Transportation Investments Prioritization (STIP) program to match the revenues available to the Highway Trust Fund. The revised annual net appropriation for Strategic Transportation Investments in FY 2024-25 is \$2.06 billion.	Req \$ (126,825,278)	\$ -	\$ (126,825,278)
	Rec \$ -	\$ -	\$ -
	App \$ (126,825,278)	\$ -	\$ (126,825,278)
	FTE		0.000
2 Office of Civil Rights Positions			
Transfers funds to the Highway Fund for two positions in the Office of Civil Rights (OCR). Further details are set out in items 12 and 13 in the Highway Fund section.	Req \$ 225,278	\$ -	\$ 225,278
	Rec \$ -	\$ -	\$ -
	App \$ 225,278	\$ -	\$ 225,278
	FTE		0.000
Total Change to Requirements	\$ (126,500,000)	\$ -	\$ (126,500,000)
Total Change to Receipts	\$ -	\$ -	\$ -
Total Change to Net Appropriation	\$ (126,500,000)	\$ -	\$ (126,500,000)
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$ (126,500,000)		
Recommended Total FTE Changes	0.000		

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State Budget and Management - State Capital and Infrastructure Fund (24001)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	3,660,420,654	2,623,354,229	2,353,723,332	2,500,000	253,028,844	255,528,844	2,609,252,176
Receipts	6,544,051,848	2,687,801,892	2,550,240,238	-	365,408,487	365,408,487	2,915,648,725
Δ in Fund Balance	(2,883,631,194)	64,447,663	196,516,906	(2,500,000)	112,379,643	109,879,643	306,396,549
Positions (FTE)	0.000	0.000	0.000			0.000	0.000

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments

SCIF Availability

1 Unspent Funds from Prior Years

Budgets interest and reversion of funds from FY 2022-23.

Req \$	-	\$	-	\$	-
Rec \$	-	\$	84,960,856	\$	84,960,856
CFB \$	-	\$	84,960,856	\$	84,960,856
FTE					0.000

2 SCIF Interest Income

Budgets interest earned on the SCIF fund balance, for Fiscal Year 2023-24 estimated at \$154,399,162 and Fiscal Year 2024-25 estimated at \$126,048,469.

Req \$	-	\$	-	\$	-
Rec \$	-	\$	280,447,631	\$	280,447,631
CFB \$	-	\$	280,447,631	\$	280,447,631
FTE					0.000

Office of State Budget and Management

3 Grants Management Staff

Provides up to \$2.5 million recurring from the State Capital and Infrastructure Fund (SCIF) to create up to 14 positions, including accounting technicians and grant administrators, to support grant recipients with reporting and compliance. OBSM manages \$3.8 billion across 1,786 directed grants that have been appropriated since 2021. These positions will enable OSBM to support recipients by responding to queries, conducting trainings, reviewing reports, and providing accounting and other technical assistance and to more effectively monitor the use of these state resources.

Req \$	2,500,000	\$	-	\$	2,500,000
Rec \$	-	\$	-	\$	-
CFB \$	(2,500,000)	\$	-	\$	(2,500,000)
FTE					0.000

Department of Agriculture and Consumer Services

4 NC Forest Service Cherokee County Office

Provides funds for a new NC Forest Service Cherokee County Office.

Req \$	-	\$	1,250,000	\$	1,250,000
Rec \$	-	\$	-	\$	-
CFB \$	-	\$	(1,250,000)	\$	(1,250,000)
FTE					0.000

Department of Environmental Quality

5 Water Resources Development Grants - State and Local Projects

Provides funds for cost-share grants to local governments across the state to implement various water resource development projects that provide significant environmental, economic, and social benefits to communities.

Req \$	-	\$	3,000,000	\$	3,000,000
Rec \$	-	\$	-	\$	-
CFB \$	-	\$	(3,000,000)	\$	(3,000,000)
FTE					0.000

Department of Administration

6 Secure Records and Technology Center

Funds the construction of a new Secure Records and Technology Center. The Center will serve as the cornerstone of a multi-phased project that will begin as swing office space for agencies displaced during state building renovations, and will include the secure storage vaults needed to house secure records. The facility will eventually house classroom space to serve as the Personnel Training Center.

Req \$	-	\$	12,000,000	\$	12,000,000
Rec \$	-	\$	-	\$	-
CFB \$	-	\$	(12,000,000)	\$	(12,000,000)
FTE					0.000

Department of Public Safety

7 Samarca Training Academy for Safer Schools

Provides funding to fully renovate East Montgomery County High School, which has been purchased for a new Safer Schools Training program. Renovations will include replacing outdated utility systems, removal of temporary trailers, removal and replacement of fencing, and renovating sidewalks and pavement across the campus.

Req \$	-	\$	37,008,000	\$	37,008,000
Rec \$	-	\$	-	\$	-
CFB \$	-	\$	(37,008,000)	\$	(37,008,000)
FTE					0.000

		R Changes	NR Changes	Adjustments
State Bureau of Investigation				
8 SBI Logistics Building Phase 2				
Provides funds for the second phase of the master plan for the Garner Road campus. Funds will be used to construct a new building for the SBI Logistics and Special Services units. This building will allow NCSBI to vacate leased space, centralize operations, and add secure, functional facilities at the campus.	Req \$	-	\$ 20,364,000	\$ 20,364,000
	Rec \$	-	-	-
	CFB \$	-	\$ (20,364,000)	\$ (20,364,000)
	FTE			0.000
Department of Health and Human Services				
9 Medical Examiner's Office Expansion				
Provides funding to add 20,000 square feet to the existing Office of Chief Medical Examiner facility on District Drive in Raleigh. This expansion will improve the facility's capacity and will include six additional autopsy tables, a cooler, evidence and records storage, and support spaces.	Req \$	-	\$ 32,649,000	\$ 32,649,000
	Rec \$	-	-	-
	CFB \$	-	\$ (32,649,000)	\$ (32,649,000)
	FTE			0.000
Department of Natural and Cultural Resources				
10 Frinks Freedom House Historic Site				
Provides funding to restore the facility and renovate a building to create a visitor orientation center with accessible public restrooms, infrastructure, landscaping, and parking improvements.	Req \$	-	\$ 1,500,000	\$ 1,500,000
	Rec \$	-	-	-
	CFB \$	-	\$ (1,500,000)	\$ (1,500,000)
	FTE			0.000
11 Merchants Millpond Campground Improvements				
Provides funding to complete a Connect NC Bond project for campground renovations.	Req \$	-	\$ 3,110,000	\$ 3,110,000
	Rec \$	-	-	-
	CFB \$	-	\$ (3,110,000)	\$ (3,110,000)
	FTE			0.000
12 Charlotte Hawkins Brown Cottages Restoration				
Funds the restoration of three cottages at the Charlotte Hawkins Brown State Historic Site. Funding will allow for foundation work, exterior renovations, and window and floor repairs for each structure.	Req \$	-	\$ 1,000,000	\$ 1,000,000
	Rec \$	-	-	-
	CFB \$	-	\$ (1,000,000)	\$ (1,000,000)
	FTE			0.000
Department of Adult Corrections				
13 Facility Security Net Fencing				
Provides funding for the design, infrastructure, and installation of net fencing outside the perimeter fence at multiple correctional facilities. This net fencing will improve security by helping to keep contraband out of the facilities.	Req \$	-	\$ 10,000,000	\$ 10,000,000
	Rec \$	-	-	-
	CFB \$	-	\$ (10,000,000)	\$ (10,000,000)
	FTE			0.000
14 Correctional Institution Air Conditioning Installation Phase 3				
Provides funding to replace the heating and cooling systems in five buildings at the North Carolina Correctional Institution for Women.	Req \$	-	\$ 13,177,000	\$ 13,177,000
	Rec \$	-	-	-
	CFB \$	-	\$ (13,177,000)	\$ (13,177,000)
	FTE			0.000
Department of Transportation				
15 DOT Maintenance Yard Facilities				
Funds the construction and replacement of maintenance yard facilities in Jones and Wake Counties.	Req \$	-	\$ 20,000,000	\$ 20,000,000
	Rec \$	-	-	-
	CFB \$	-	\$ (20,000,000)	\$ (20,000,000)
	FTE			0.000
Supplemental HBCU and HMSI Critical Infrastructure				
16 Elizabeth City State University - Emergency Generator Power				
Provides funding for generator power upgrades.	Req \$	-	\$ 2,240,000	\$ 2,240,000
	Rec \$	-	-	-
	CFB \$	-	\$ (2,240,000)	\$ (2,240,000)
	FTE			0.000
17 NC A&T State University - Boiler Replacement				
Provides funding to replace an aging boiler system on campus.	Req \$	-	\$ 5,346,350	\$ 5,346,350
	Rec \$	-	-	-
	CFB \$	-	\$ (5,346,350)	\$ (5,346,350)
	FTE			0.000
18 NC Central University - Utility Systems Repair				
Provides funding to repair and replace steam, sewer, and stormwater drainage systems.	Req \$	-	\$ 4,000,000	\$ 4,000,000
	Rec \$	-	-	-
	CFB \$	-	\$ (4,000,000)	\$ (4,000,000)
	FTE			0.000

		R Changes	NR Changes	Adjustments
19 Winston-Salem State University - Emergency Steam Repairs				
Provides funding for emergency repairs to the current steam system.	Req \$	-	\$ 8,000,000	\$ 8,000,000
	Rec \$	-	-	-
	CFB \$	-	\$ (8,000,000)	\$ (8,000,000)
	FTE			0.000
20 Winston-Salem State University - Campuswide Steam Distribution System				
Provides funding for the advanced planning and design of a new campuswide steam distribution system.	Req \$	-	\$ 2,000,000	\$ 2,000,000
	Rec \$	-	-	-
	CFB \$	-	\$ (2,000,000)	\$ (2,000,000)
	FTE			0.000
21 Additional MSI Critical Infrastructure Funding				
Provides \$1 million each to UNC Pembroke, UNC Greensboro, and Fayetteville State University to address critical infrastructure risks to campus operations.	Req \$	-	\$ 3,000,000	\$ 3,000,000
	Rec \$	-	-	-
	CFB \$	-	\$ (3,000,000)	\$ (3,000,000)
	FTE			0.000
22 NCICU Historically Minority-Serving Institutions Support				
Provides \$1 million of funding for the renovations, repairs, and to meet other campus critical needs at each of the eight independent colleges and universities that are HBCUs or Historically Minority-Serving Institutions including Bennett College, Chowan University, Johnson C. Smith University, Livingston College, Louisburg College, North Carolina Wesleyan University, Saint Augustine's University, and Shaw University.	Req \$	-	\$ 8,000,000	\$ 8,000,000
	Rec \$	-	-	-
	CFB \$	-	\$ (8,000,000)	\$ (8,000,000)
	FTE			0.000
UNC Campus Safety Infrastructure and Equipment				
23 Elizabeth City State University - Sky Bridge and Security Systems				
Increases campus security by providing funds to upgrade and replace the campuswide lockdown system, including renovating the sky bridge.	Req \$	-	\$ 5,200,000	\$ 5,200,000
	Rec \$	-	-	-
	CFB \$	-	\$ (5,200,000)	\$ (5,200,000)
	FTE			0.000
24 Fayetteville State University - Residence Hall Security				
Improves security by upgrading and replacing residence hall card access systems.	Req \$	-	\$ 3,200,000	\$ 3,200,000
	Rec \$	-	-	-
	CFB \$	-	\$ (3,200,000)	\$ (3,200,000)
	FTE			0.000
25 UNC Asheville - Public Safety Enhancements				
Provides funding to upgrade and replace critical public safety infrastructure.	Req \$	-	\$ 3,300,000	\$ 3,300,000
	Rec \$	-	-	-
	CFB \$	-	\$ (3,300,000)	\$ (3,300,000)
	FTE			0.000
26 UNC Chapel Hill - Security Camera Upgrades				
Provides funding to upgrade and replace enterprise security cameras.	Req \$	-	\$ 4,000,000	\$ 4,000,000
	Rec \$	-	-	-
	CFB \$	-	\$ (4,000,000)	\$ (4,000,000)
	FTE			0.000
27 UNC Pembroke - Residence Hall Security				
Boosts security by modernizing residence hall security infrastructure.	Req \$	-	\$ 1,000,000	\$ 1,000,000
	Rec \$	-	-	-
	CFB \$	-	\$ (1,000,000)	\$ (1,000,000)
	FTE			0.000
28 NC School of Science and Mathematics - Campuswide Safety				
Provides funding to improve safety and security systems on the campuses.	Req \$	-	\$ 300,000	\$ 300,000
	Rec \$	-	-	-
	CFB \$	-	\$ (300,000)	\$ (300,000)
	FTE			0.000
UNC Major R&R Supplemental Funding				
29 East Carolina University – Howell Building South Adjustment				
Provides additional funding to East Carolina University to complete the renovation of Howell Building South.	Req \$	-	\$ 2,500,000	\$ 2,500,000
	Rec \$	-	-	-
	CFB \$	-	\$ (2,500,000)	\$ (2,500,000)
	FTE			0.000

		R Changes	NR Changes	Adjustments
30 Fayetteville State University - A.B. Rosenthal Building Adjustment				
Provides additional funding to Fayetteville State University to complete the targeted renovation of the A.B. Rosenthal building.	Req \$	- \$	3,037,585 \$	3,037,585
	Rec \$	- \$	- \$	-
	CFB \$	- \$	(3,037,585) \$	(3,037,585)
	FTE			0.000
31 Fayetteville State University - H.T. Chick Building Adjustment				
Provides additional funding to Fayetteville State University to complete the targeted renovation of the H.T. Chick building.	Req \$	- \$	2,768,385 \$	2,768,385
	Rec \$	- \$	- \$	-
	CFB \$	- \$	(2,768,385) \$	(2,768,385)
	FTE			0.000
32 UNC Charlotte - Burson Hall Adjustment				
Provides additional funding to UNC Charlotte to complete the renovation and expansion of Burson Hall.	Req \$	- \$	12,000,000 \$	12,000,000
	Rec \$	- \$	- \$	-
	CFB \$	- \$	(12,000,000) \$	(12,000,000)
	FTE			0.000
33 UNC Wilmington Coastal Marine Studies Adjustment				
Provides additional funding to UNC Wilmington to complete the renovation of the Coastal Marine Studies facility.	Req \$	- \$	5,028,524 \$	5,028,524
	Rec \$	- \$	- \$	-
	CFB \$	- \$	(5,028,524) \$	(5,028,524)
	FTE			0.000
34 Western Carolina University - Moore Building Adjustment				
Provides additional funding to Western Carolina University to complete the renovation of the Historic Moore building.	Req \$	- \$	16,700,000 \$	16,700,000
	Rec \$	- \$	- \$	-
	CFB \$	- \$	(16,700,000) \$	(16,700,000)
	FTE			0.000
35 Winston-Salem State University - Hauser Hall Adjustment				
Provides additional funding to Winston-Salem State University to complete the renovation of Hauser Hall.	Req \$	- \$	5,100,000 \$	5,100,000
	Rec \$	- \$	- \$	-
	CFB \$	- \$	(5,100,000) \$	(5,100,000)
	FTE			0.000
36 NC School of Science and Mathematics - Chiller Replacement Adjustment				
Provides additional funding to the NC School of Science and Math in Durham for chiller replacements.	Req \$	- \$	1,250,000 \$	1,250,000
	Rec \$	- \$	- \$	-
	CFB \$	- \$	(1,250,000) \$	(1,250,000)
	FTE			0.000
Total Change to Requirements		\$ 2,500,000	\$ 253,028,844	\$ 255,528,844
Total Change to Receipts		\$ -	\$ 365,408,487	\$ 365,408,487
Total Change to Net Appropriation		\$ (2,500,000)	\$ 112,379,643	\$ 109,879,643
Total Change to Full-Time Equivalent (FTE)				0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)		\$ 109,879,643		
Recommended Total FTE Changes		0.000		

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

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	669,507,000	649,265,711	767,009,293	(468,171)	49,750,000	49,281,829	816,291,122
Receipts	669,507,000	649,265,711	649,265,711	-	45,000,000	45,000,000	694,265,711
Net Appropriation	-	-	117,743,582	(468,171)	4,750,000	4,281,829	122,025,411
Positions (FTE)	0.000	0.000	0.000			0.000	0.000

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments
Statewide			
1 Contingency and Emergency Fund			
Restores funding to the Contingency and Emergency Fund, established in GS 143C-4-4.	Req \$ 5,000,000	\$ -	\$ 5,000,000
Funds are needed to respond to emergent circumstances, such as court orders, Industrial Commission orders, and other statutorily authorized purposes.	Rec \$ -	\$ -	\$ -
	App \$ 5,000,000	\$ -	\$ 5,000,000
	FTE		0.000
2 IT Shortfall Reserve			
Provides funding to address a persistent lack of sufficient appropriations for state agency IT expenses and to provide needed funds to address increased IT personnel and service costs. OSBM will allocate these funds to agencies on an as needed basis.	Req \$ 6,000,000	\$ -	\$ 6,000,000
	Rec \$ -	\$ -	\$ -
	App \$ 6,000,000	\$ -	\$ 6,000,000
	FTE		0.000
3 Generative Artificial Intelligence Reserve			
Funds a reserve to be allocated by OSBM to enable agencies to pilot and evaluate the use of generative artificial intelligence (AI) to improve the delivery and/or efficiency of state services.	Req \$ -	\$ 1,000,000	\$ 1,000,000
	Rec \$ -	\$ -	\$ -
	App \$ -	\$ 1,000,000	\$ 1,000,000
	FTE		0.000
4 Transition Funds Reserve			
Provides funding for all activities related to the transition for new statewide-elected Council of State members, including the costs of temporary staff and office space.	Req \$ -	\$ 750,000	\$ 750,000
	Rec \$ -	\$ -	\$ -
	App \$ -	\$ 750,000	\$ 750,000
	FTE		0.000
5 Evaluation Grants Reserve			
Renews support for the Evaluation Fund and expands the program in response to demand. These competitive grants facilitate the use of data to evaluate state programs. In the 2021-23 biennium, OSBM received 21 requests for over \$2.2 million in evaluation funds, with eight projects across six agencies receiving funding. Up to 5% of appropriated funds may be used for technical assistance provided by external reviewers and methods experts.	Req \$ 2,000,000	\$ -	\$ 2,000,000
	Rec \$ -	\$ -	\$ -
	App \$ 2,000,000	\$ -	\$ 2,000,000
	FTE		0.000
6 Workers Compensation Settlement Reserve			
Provides funds for the Office of State Human Resources (OSHR) to close pending workers' compensation claims. These funds will help the state avoid protracted and costly litigation. Based on past experience, each \$1 invested in closing these cases will yield projected savings of over \$17.	Req \$ -	\$ 3,000,000	\$ 3,000,000
	Rec \$ -	\$ -	\$ -
	App \$ -	\$ 3,000,000	\$ 3,000,000
	FTE		0.000

		R Changes		NR Changes		Adjustments
Investments from Reserves						
7 Information Technology Reserve						
Provides funds for critical information technology (IT) investments. Funds will be transferred to:	Req	\$ 46,531,829	\$	-	\$	46,531,829
	Rec	-	\$	-	\$	-
· the Office of State Budget and Management (OSBM) for the integrated budget information system (IBIS) replacement,	App	\$ 46,531,829	\$	-	\$	46,531,829
· the Department of Natural and Cultural Resources for network infrastructure upgrades,	FTE					0.000
· the Department of Information Technology for endpoint detection and response (EDR) modernization,						
· the Department of Public Instruction for school business system modernization,						
· the Department of Health and Human Services for a new medical examiner IT system and the Database Application for Vital Events (NCDAVE) system, which supports the transition from paper to electronic death records,						
· the Department of the Secretary of State for database modernization and automation,						
· the State Board of Elections for new election systems,						
· the State Bureau of Investigation for modernization of its investigation platforms,						
· the Office of State Human Resources for Human Capital Management (HCM) and Human Resources Data Analytics systems, and						
· the Department of Public Safety for NC Justice Data Portal data consolidation.						
OSBM will also maintain the IT Contingency and Planning Funds held in this reserve.						
8 State Technical Assistance and Matching Program						
Invests an additional \$25 million from the Federal Infrastructure Match Reserve to continue the highly successful State Technical Assistance and Matching Program (STAMP) established in SL 2023-134, Sec. 23.2. Through STAMP, state agencies may receive funds to hire time-limited positions or third-party contractors to assist with applying for federal funding opportunities and to meet matching requirements that allow them to leverage federal funds.	Req	-	\$	25,000,000	\$	25,000,000
	Rec	-	\$	25,000,000	\$	25,000,000
	App	-	\$	-	\$	-
	FTE					0.000
9 Local Government Federal Matching Funds						
Provides \$20 million from the Federal Infrastructure Match Reserve for local governments, local governmental authorities, or public authorities to increase application competitiveness and make minimum project investments, exclusive of technical assistance, needed to ensure application viability for Infrastructure Investment and Jobs Act, Chips and Science Act, and Inflation Reduction Act funding opportunities.	Req	-	\$	20,000,000	\$	20,000,000
	Rec	-	\$	20,000,000	\$	20,000,000
	App	-	\$	-	\$	-
	FTE					0.000
10 Education Enrollment Funding						
Eliminates the education enrollment reserve. Enrollment items are funded through General Fund net appropriations to the University of North Carolina, the North Carolina Community College System, and the Department of Public Instruction.	Req	(60,000,000)	\$	-	\$	(60,000,000)
	Rec	-	\$	-	\$	-
	App	(60,000,000)	\$	-	\$	(60,000,000)
	FTE					0.000
Total Change to Requirements		\$ (468,171)	\$	49,750,000	\$	49,281,829
Total Change to Receipts		-	\$	45,000,000	\$	45,000,000
Total Change to Net Appropriation		\$ (468,171)	\$	4,750,000	\$	4,281,829
Total Change to Full-Time Equivalent (FTE)						0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$		4,281,829		
Recommended Total FTE Changes				0.000		

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

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	1,012,833,412	931,000,000	935,000,000	71,000,000	-	71,000,000	1,006,000,000
Receipts	1,012,838,477	931,000,000	935,000,000	71,000,000	-	71,000,000	1,006,000,000
Δ in Fund Balance	(5,064)	-	-	-	-	-	-
Positions (FTE)	0.000	0.000	0.000			0.000	0.000

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments
1 Educational Lottery Fund – Additional Receipts			
Budgets additional projected receipts from the State Lottery Fund.	Req \$ -	\$ -	\$ -
	Rec \$ 71,000,000	\$ -	\$ 71,000,000
	CFB \$ 71,000,000	\$ -	\$ 71,000,000
	FTE		0.000
2 Educational Lottery Fund – NC Pre-K			
Transfers funds to the Department of Health and Human Services to raise NC Pre-K slot reimbursement rates in all settings and raise the administrative rate. Together with the General Fund investments for this purpose, these funds increase slot reimbursement rates by 40% and increase administration rates from 4% to 10%. Additional details are provided in the Department of Health and Human Services section of this document.	Req \$ 32,900,000	\$ -	\$ 32,900,000
	Rec \$ -	\$ -	\$ -
	CFB \$ (32,900,000)	\$ -	\$ (32,900,000)
	FTE		0.000
3 Educational Lottery Fund – Teacher Assistants			
Transfers funds to the Department of Public Instruction (DPI) for additional teacher assistants. Further details are provided in DPI's section of this document.	Req \$ 30,000,000	\$ -	\$ 30,000,000
	Rec \$ -	\$ -	\$ -
	CFB \$ (30,000,000)	\$ -	\$ (30,000,000)
	FTE		0.000
4 Education Lottery Fund - School Health Personnel			
Transfers funds to DPI for School Health Personnel. Further details are provided in DPI's section of this document.	Req \$ 8,100,000	\$ -	\$ 8,100,000
	Rec \$ -	\$ -	\$ -
	CFB \$ (8,100,000)	\$ -	\$ (8,100,000)
	FTE		0.000
Total Change to Requirements	\$ 71,000,000	\$ -	\$ 71,000,000
Total Change to Receipts	\$ 71,000,000	\$ -	\$ 71,000,000
Total Change to Net Appropriation	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$ -	\$ -	\$ -
Recommended Total FTE Changes			0.000

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