

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