

**Statewide Reserves (19XXX)**

| Year 1<br>FY 2025-26 | Base Budget   | Net Recurring   | Net Nonrecurring | Recommended Change | Recommended Budget | % Chg from Base Budget |
|----------------------|---------------|-----------------|------------------|--------------------|--------------------|------------------------|
| Requirements         | \$ 42,206,909 | \$ (42,206,909) | \$ 117,895,590   | \$ 75,688,681      | \$ 117,895,590     | 0.0%                   |
| Receipts             | \$ -          | \$ -            | \$ 117,895,590   | \$ 117,895,590     | \$ 117,895,590     | 0.0%                   |
| Net Appropriation    | \$ 42,606,909 | \$ (42,206,909) | \$ -             | \$ (42,206,909)    | \$ -               | 0.0%                   |
| Positions (FTE)      | -             | -               | -                | -                  | -                  | 0.0%                   |

| Year 2<br>FY 2026-27 | Base Budget   | Net Recurring   | Net Nonrecurring | Recommended Change | Recommended Budget | % Chg from Base Budget |
|----------------------|---------------|-----------------|------------------|--------------------|--------------------|------------------------|
| Requirements         | \$ 42,206,909 | \$ (42,206,909) | \$ -             | \$ (42,206,909)    | \$ -               | 0.0%                   |
| Receipts             | \$ -          | \$ -            | \$ -             | \$ -               | \$ -               | 0.0%                   |
| Net Appropriation    | \$ 42,206,909 | \$ (42,206,909) | \$ -             | \$ (42,206,909)    | \$ -               | 0.0%                   |
| Positions (FTE)      | -             | -               | -                | -                  | -                  | 0.0%                   |

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

**Statewide**

**1 Building Reserve Funding**

Eliminates the building reserve set aside. Building reserve items are funded through General Fund net appropriations as needed to support the new buildings coming online in the 2025-27 fiscal biennium.

|        |              |       |                 |       |
|--------|--------------|-------|-----------------|-------|
| Req \$ | (42,206,909) | \$ -  | \$ (42,206,909) | \$ -  |
| Req \$ | -            | \$ -  | \$ -            | \$ -  |
| App \$ | (42,206,909) | \$ -  | \$ (42,206,909) | \$ -  |
| FTE    | 0.000        | 0.000 | 0.000           | 0.000 |

**Investments from Reserves**

**2 Information Technology Reserve**

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

- The Office of State Budget and Management (OSBM) to replace the integrated budget information system (IBIS),
- The Department of Information Technology for cybersecurity tools continuation of protection offerings, a constituent portal, and citizen identity software,
- The Department of Adult Correction for rounds tracking software,
- The Office of the State Auditor for modernizing audit IT infrastructure,
- The Department of Public Instruction for PSU school business system modernization,
- The Office of State Human Resources for human capital management (HCM) vendor integration and HARP data analytics (GDAC),
- The Department of Revenue for DataPower end of life replacement, datacenter hardware replacement, and to replace OFP and RCA desktop clients,
- The State Board of Elections for election modernization,
- The State Bureau of Investigation for its headquarters data center and investigative case management system,
- The Office of Administrative Hearings for a database development system,
- The Department of Commerce for a new career information system,
- The Department of Environmental Quality to complete the permit transformation project,
- The Department of Health and Human Services, Division of State Operated Health Facilities for electronic health records,
- The Department of Health and Human Services, Division of Health benefits for a Medicaid enterprise system and other technology, and
- The Department of Justice for a legal case management system.

|        |       |                |       |       |
|--------|-------|----------------|-------|-------|
| Req \$ | -     | \$ 117,895,590 | \$ -  | \$ -  |
| Rec \$ | -     | \$ 117,895,590 | \$ -  | \$ -  |
| App \$ | -     | \$ -           | \$ -  | \$ -  |
| FTE    | 0.000 | 0.000          | 0.000 | 0.000 |

|   |                 |                |                 |              |
|---|-----------------|----------------|-----------------|--------------|
| <b>Total Change to Requirements</b>                                     | \$ (42,206,909) | \$ 117,895,590 | \$ (42,206,909) | \$ -         |
| <b>Total Change to Receipts</b>   | \$ -            | \$ 117,895,590 | \$ -            | \$ -         |
| <b>Total Change to Net Appropriations</b>                               | \$ (42,206,909) | \$ -           | \$ (42,206,909) | \$ -         |
| <b>Total Change to Full-Time Equivalent (FTE)</b>                       | 0.000           | 0.000          | 0.000           | 0.000        |
| <b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b> | \$              | (42,206,909)   | \$              | (42,206,909) |
| <b>Total Change to Full-Time Equivalent (FTE)</b>                       |                 | 0.000          |                 | 0.000        |

**NC Education Lottery Proceeds (54641)**

| <b>Year 1<br/>FY 2025-26</b> | <b>Base Budget</b> | <b>Net Recurring</b> | <b>Net Nonrecurring</b> | <b>Recommended<br/>Change</b> | <b>Recommended<br/>Budget</b> | <b>% Chg from<br/>Base Budget</b> |
|------------------------------|--------------------|----------------------|-------------------------|-------------------------------|-------------------------------|-----------------------------------|
| Requirements                 | \$ 4,411,160,499   | \$ 190,300,000       | \$ -                    | \$ 190,300,000                | \$ 4,601,460,499              | 4.3 %                             |
| Receipts                     | \$ 4,411,160,499   | \$ 190,300,000       | \$ -                    | \$ 190,300,000                | \$ 4,601,460,499              | 4.3 %                             |
| Chg in Fund Balance          | \$ -               | \$ -                 | \$ -                    | \$ -                          | \$ -                          | 0.0 %                             |
| Positions (FTE)              | -                  | -                    | -                       | -                             | -                             | 0.0 %                             |

| <b>Year 2<br/>FY 2026-27</b> | <b>Base Budget</b> | <b>Net Recurring</b> | <b>Net Nonrecurring</b> | <b>Recommended<br/>Change</b> | <b>Recommended<br/>Budget</b> | <b>% Chg from<br/>Base Budget</b> |
|------------------------------|--------------------|----------------------|-------------------------|-------------------------------|-------------------------------|-----------------------------------|
| Requirements                 | \$ 4,411,160,499   | \$ 196,700,000       | \$ -                    | \$ 196,700,000                | \$ 4,607,860,499              | 4.5 %                             |
| Receipts                     | \$ 4,411,160,499   | \$ 196,700,000       | \$ -                    | \$ 196,700,000                | \$ 4,607,860,499              | 4.5 %                             |
| Chg in Fund Balance          | \$ -               | \$ -                 | \$ -                    | \$ -                          | \$ -                          | 0.0 %                             |
| Positions (FTE)              | -                  | -                    | -                       | -                             | -                             | 0.0 %                             |

|  | <b>FY 2025-26</b> |                   | <b>FY 2026-27</b> |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | <b>R Changes</b>  | <b>NR Changes</b> | <b>R Changes</b>  | <b>NR Changes</b> |

**Revenues**

**1 Additional Lottery Proceeds**

|   |                    |       |                |       |
|---|--------------------|-------|----------------|-------|
| Increase budgeted lottery receipts consistent with the revenue forecast and increase the budgeted transfer to the Education Lottery Fund. | Req \$ 190,300,000 | \$ -  | \$ 196,700,000 | \$ -  |
|   | Rec \$ 190,300,000 | \$ -  | \$ 196,700,000 | \$ -  |
|   | CFB \$ -           | \$ -  | \$ -           | \$ -  |
|   | FTE 0.000          | 0.000 | 0.000          | 0.000 |

|  |                |              |                |              |
|--|----------------|--------------|----------------|--------------|
| <b>Total Change to Requirements</b>                                | \$ 190,300,000 | \$ -         | \$ 196,700,000 | \$ -         |
| <b>Total Change to Receipts</b>                                    | \$ 190,300,000 | \$ -         | \$ 196,700,000 | \$ -         |
| <b>Total Change to Fund Balance</b>                                | \$ -           | \$ -         | \$ -           | \$ -         |
| <b>Total Change to Full-Time Equivalent (FTE)</b>                  | <b>0.000</b>   | <b>0.000</b> | <b>0.000</b>   | <b>0.000</b> |
| <b>Recommended Fund Balance Changes (Recurring + Nonrecurring)</b> | \$ -           | \$ -         | \$ -           | \$ -         |
| <b>Total Change to Full-Time Equivalent (FTE)</b>                  |                | <b>0.000</b> |                | <b>0.000</b> |

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

| Year 1<br>FY 2025-26 | Base Budget    | Net Recurring  | Net Nonrecurring | Recommended Change | Recommended Budget | % Chg from Base Budget |
|----------------------|----------------|----------------|------------------|--------------------|--------------------|------------------------|
| Requirements         | \$ 935,000,000 | \$ 190,300,000 | \$ -             | \$ 190,300,000     | \$ 1,125,300,000   | 20.4%                  |
| Receipts             | \$ 935,000,000 | \$ 190,300,000 | \$ -             | \$ 190,300,000     | \$ 1,125,300,000   | 20.4%                  |
| Chg in Fund Balance  | \$ -           | \$ -           | \$ -             | \$ -               | \$ -               | 0.0%                   |
| Positions (FTE)      | -              | -              | -                | -                  | -                  | 0.0%                   |

| Year 2<br>FY 2026-27 | Base Budget    | Net Recurring  | Net Nonrecurring | Recommended Change | Recommended Budget | % Chg from Base Budget |
|----------------------|----------------|----------------|------------------|--------------------|--------------------|------------------------|
| Requirements         | \$ 935,000,000 | \$ 196,700,000 | \$ -             | \$ 196,700,000     | \$ 1,131,700,000   | 21.0%                  |
| Receipts             | \$ 935,000,000 | \$ 196,700,000 | \$ -             | \$ 196,700,000     | \$ 1,131,700,000   | 21.0%                  |
| Chg in Fund Balance  | \$ -           | \$ -           | \$ -             | \$ -               | \$ -               | 0.0%                   |
| Positions (FTE)      | -              | -              | -                | -                  | -                  | 0.0%                   |

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

**Lottery Revenues**

**1 Educational Lottery Fund – Additional Receipts**

Budgets additional projected receipts from the State Lottery Fund.

|        |             |       |                |       |
|--------|-------------|-------|----------------|-------|
| Req \$ | -           | \$ -  | \$ -           | \$ -  |
| Rec \$ | 190,300,000 | \$ -  | \$ 196,700,000 | \$ -  |
| CFB \$ | 190,300,000 | \$ -  | \$ 196,700,000 | \$ -  |
| FTE    | 0.000       | 0.000 | 0.000          | 0.000 |

**Education Investments**

**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 by 20%, raise the administrative rate to 8%, and add 1,000 new slots over the biennium. Additional details are provided in the Department of Health and Human Services section of this document.

|        |              |       |                 |       |
|--------|--------------|-------|-----------------|-------|
| Req \$ | 26,750,000   | \$ -  | \$ 33,150,000   | \$ -  |
| Rec \$ | -            | \$ -  | \$ -            | \$ -  |
| CFB \$ | (26,750,000) | \$ -  | \$ (33,150,000) | \$ -  |
| FTE    | 0.000        | 0.000 | 0.000           | 0.000 |

**3 NC Pre-K Wrap-Around Summer Child Care**

Transfers funds to the Department of Health and Human Services to fund grants to over 300 NC Pre-K Summer Learning Programs. The funding will provide essential child care coverage for parents, ensuring they do not miss work, and enriching learning opportunities for children in the gap summer months after the children complete NC Pre-K but before they begin kindergarten. Additional details are provided in the Department of Health and Human Services section of this document.

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

**4 Education Lottery Fund – Devices for Students**

Transfers funds to the Department of Public Instruction to enable public schools to continue providing every student with a laptop, a policy adopted during the pandemic and previously supported with federal COVID relief funds. Additional details are provided in the Department of Public Instruction section of this document.

|        |              |       |                 |       |
|--------|--------------|-------|-----------------|-------|
| Req \$ | 68,250,000   | \$ -  | \$ 68,250,000   | \$ -  |
| Rec \$ | -            | \$ -  | \$ -            | \$ -  |
| CFB \$ | (68,250,000) | \$ -  | \$ (68,250,000) | \$ -  |
| FTE    | 0.000        | 0.000 | 0.000           | 0.000 |

**5 Educational Lottery Fund – Universal School Breakfast at No Cost to Students**

Transfers funds to the Department of Public Instruction to provide funding for public schools to offer breakfast at no cost to all students. Additional details are provided in the Department of Public Instruction section of this document.

|        |              |       |                 |       |
|--------|--------------|-------|-----------------|-------|
| Req \$ | 85,300,000   | \$ -  | \$ 85,300,000   | \$ -  |
| Rec \$ | -            | \$ -  | \$ -            | \$ -  |
| CFB \$ | (85,300,000) | \$ -  | \$ (85,300,000) | \$ -  |
| FTE    | 0.000        | 0.000 | 0.000           | 0.000 |

|  |                |       |                |       |
|--|----------------|-------|----------------|-------|
| <b>Total Change to Requirements</b>                                | \$ 190,300,000 | \$ -  | \$ 196,700,000 | \$ -  |
| <b>Total Change to Receipts</b>                                    | \$ 190,300,000 | \$ -  | \$ 196,700,000 | \$ -  |
| <b>Total Change to Fund Balance</b>                                | \$ -           | \$ -  | \$ -           | \$ -  |
| <b>Total Change to Full-Time Equivalent (FTE)</b>                  | 0.000          | 0.000 | 0.000          | 0.000 |
| <b>Recommended Fund Balance Changes (Recurring + Nonrecurring)</b> | \$ -           | \$ -  | \$ -           | \$ -  |
| <b>Total Change to Full-Time Equivalent (FTE)</b>                  |                | 0.000 |                | 0.000 |

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