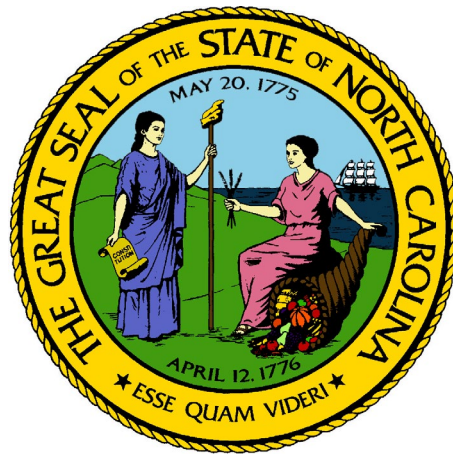


**NORTH CAROLINA**  
**Strong, Resilient, Ready**





# Governor Roy Cooper's Recommended Budget 2021-23



**Office of State Budget and Management**  
Office of the Governor  
Raleigh, North Carolina

Charles Perusse, State Budget Director  
Kristin Walker, Deputy Director

[osbm.nc.gov](http://osbm.nc.gov)

**March 2021**

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Questions about Governor Cooper's Recommended Budget 2021-23 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](http://osbm.nc.gov).

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STATE OF NORTH CAROLINA  
OFFICE OF THE GOVERNOR

ROY COOPER  
GOVERNOR

March 24, 2021

The North Carolina Senate  
The Honorable Phil Berger, President Pro Tempore

The North Carolina House of Representatives  
The Honorable Tim Moore, Speaker

The People of North Carolina

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

As our state strives to emerge from the COVID-19 pandemic, we have an extraordinary opportunity and responsibility to lead a resurgence for every community, and I am pleased to present a budget recommendation that provides relief, ignites recovery, and charts a path to ensure North Carolina is stronger than ever.

Last year, we collaborated to provide emergency relief in public health and economic assistance. I ask that we continue to work together to make long term investments in needed services, infrastructure, and our most valuable resource, the people of North Carolina.

The pandemic impacted our most vulnerable communities the hardest and their road to recovery is the most precarious. We must make significant commitments to education, including early childhood education and literacy, to make up for achievement gaps exacerbated by the pandemic. Access to high-speed internet, affordable healthcare, and clean water is necessary for all of our communities to share in an equal recovery.

We can confront these challenges with confidence. Our state budget availability is strong, with nearly \$5 billion in unreserved cash in the General Fund as we enter the FY 2021-2023 biennium. Our economic forecast anticipates continued economic expansion. And our debt affordability of almost \$15 billion over the next 10 years presents the state with a generational opportunity to make lasting investments at historically low interest rates.

This recommendation is a fiscally responsible path forward, structurally balanced and based on recurring state revenue. Some funding that would ordinarily be proposed in this budget will be presented in my forthcoming recommendations for how we should invest funds from the federal American Rescue Plan.

Thank you for your hard work and dedication to the people of North Carolina. Together, we can invest in our people, our economy, and our infrastructure to lead our state into a new era of resilience and opportunity for all North Carolinians.

Sincerely,

A handwritten signature in black ink that reads "Roy Cooper".

Roy Cooper

CC: The Honorable Dan Blue  
The Honorable Robert Reives



## Empower Success Through Education

### **Retaining & Developing Talented Educators**

Devotes \$485 million to teacher and administrator compensation, increasing average pay for existing teachers by 10%, reducing plateaus for veteran teachers, and restoring Master’s Pay.

Funds a 10% increase in the Principal salary schedule and a 7.5% increase for Central Office and non-certified public school employees. Provides funds to implement a \$15/hour minimum wage for non-certified, public school employees such as teaching assistants, school nutrition employees, and bus drivers.

Provides bonuses for teachers, principals, non-certified public school employees, university employees, and state-funded local community college employees. Includes a \$2,000 bonus for those employees in the current fiscal year and \$1,000 bonuses in each year of the biennium.

Invests \$52 million to recruit, retain, and support North Carolina’s educator workforce, with scholarships, support for training and development, and funding for pilot projects in high-need districts.

### **Ensuring a Sound Basic Education for All**

Provides an additional \$200 million to expand resources for:

- Disadvantaged Student Supplemental Funding and At-Risk Allotments
- Exceptional Children and Limited English Proficiency Allotments
- Increased low wealth funding for eligible counties to improve low-performing and high poverty schools.

Allocates \$19 million to build out the regional support model to support local school systems.

Supports student physical and mental health with \$80 million to allow districts to hire more school nurses, counselors, psychologists, and social workers.

Invests \$3.9 million to provide free school meals for up to 97,500 students and \$6 million for schools to adopt a community schools model addressing out-of-school learning barriers.

### **Investing in Early Learning and Development**

Invests more than \$78 million in early education and child development.

Increases NC Pre-K reimbursement rates and slots using lottery proceeds so that more children can attend Pre-K.

Invests over \$45 million in the Child Care WAGE\$ program and a new Birth-K pay equity program.

Provides \$20 million to Smart Start early childhood initiative.

Dedicates over \$10 million to individualized early intervention services.

Improves wages for early childhood education providers and direct care workers.

### **Educating the Workforce of Tomorrow**

Recommends \$40 million to create the NC GROW (Getting Ready for Opportunities in the Workforce) Completion Incentive and Aid for Students Seeking Industry Credentials Program to incentivize enrollment in high-demand curriculum programs or non-credit, short-term workforce training programs leading to industry credentials in fields with documented employer demand and competitive wages. Includes funds for staff recruitment, development, and retention in those programs.

Provides an additional \$30 million for need-based financial aid funds for in-state students seeking to attend a North Carolina Community College, UNC System institution, or a NC independent college/university.

Provides an additional \$20 million over the biennium to the NC Promise Program and \$2.5 million for schools with small enrollments or special missions.

Supports improving graduation rates and student success at UNC's Historically Minority Serving Institutions with an additional \$7.5 million, as well as increased doctoral funding at NC Agricultural & Technical University.

## **Reinvigorate Economic Opportunity & Resilience**

### **Investing in North Carolina's Future**

Recommends placing a \$4.7 billion General Obligation Bond on the November 2021 ballot to ask voters to address key infrastructure needs across North Carolina, including:

- \$2.5 billion for public schools to address the over \$8 billion in documented needs

- \$783 million for the UNC System, including \$295 million for Health and Safety projects

- \$500 million for the Community College System

- \$430 million for Health and Safety projects across State Government

- \$460 million for Parks, Zoos, Museums, and Historic Sites

The state can afford to take on up to \$14.5 billion in additional debt over the next ten years, as calculated by the nonpartisan Debt Affordability Committee.

### **Strengthening North Carolina Business and Industry**

Bolsters business, agriculture, and industry in North Carolina with \$45.4 million over the biennium, including support for One NC Small Business Fund and Carolina Small Business Fund. Helps rural and economically distressed communities embrace an innovation-based economy and funds marketing of North Carolina business and agriculture across the country and globe.

### **Supporting Our Communities**

Commits to community growth and vitality with more than \$111 million over the biennium for projects,

including \$79.7 million for Water Resource Development Projects allowing communities to leverage federal funds for navigation, water management, and flood mitigation.

Bolsters the Housing Trust Fund, the state's most flexible source of affordable housing funding, by committing an additional \$7.7 million to the Fund. Expands rental assistance and housing initiatives for disabled, homeless, and low-income adults by over \$6 million. Provides \$1.9 million to the Local Government Commission within the Department of State Treasurer.

## Create Healthier, Safer Communities

### **Healthier North Carolinians and a Healthier Economy**

Recommends expanding Medicaid eligibility beginning October 1, 2021 to provide healthcare access for more than 600,000 North Carolinians. This also helps struggling rural hospitals, aids our opioid epidemic response, and secures North Carolina's share of federal resources, injecting over \$5 billion of funding into the state.

Directs more than \$250 million in Medicaid resources to address social determinants of health that contribute to health disparities.

### **Caring for the Vulnerable**

Increases funding by over \$15 million to expand housing and employment supports for individuals with disabilities.

Dedicates \$1 million to adaptive equipment and assistive technologies to help people with disabilities live, work, and be educated in their communities.

Expands nutrition, transportation, and in-home aid services for older and vulnerable adults with \$7 million in funding and \$4 million to improve state oversight of long-term care facilities.

Improves safety and outcomes for children experiencing abuse or neglect, with \$8 million for child welfare services to address critical staffing and training needs.

Invests \$53 million for enhancements of the Child Welfare Data System to improve monitoring and service delivery.

### **Healthier Environment Means Stronger Communities**

Commits over \$300 million into environmental stewardship, increasing access to parks, and enhancing the state's resiliency to future flooding events. Includes a \$210 million increase for the Parks and Recreation Trust Fund and Land and Water Fund and \$83 million in funding to reduce flood risk, develop forests, improve access to parks and trails, and preserve farmland.

Provides \$3.8 million each year of the biennium to mitigate emerging compounds and \$67.3 million in FY 2021-22 to reduce nitrogen oxide emissions.

Invests over \$100 million to expand clean energy access and advance clean energy development. Includes \$50 million to local communities and schools for clean energy and transportation; an additional \$23 million to assist low-income households in saving energy and reducing utility bills; and \$14.5 million for clean energy economic development and grants for start-ups and small businesses.

Recommends \$500,000 to fund the development of a Clean Transportation Plan for North Carolina.



### **Safe and Secure in North Carolina**

Recommends \$27.2 million in the first year of the biennium for safety and security equipment in the public safety system, including safety improvements in prisons.

Aims to reduce recidivism with \$11.6 million over the biennium for probation, parole, post-release supervision, and other re-entry programs.

Invests \$10 million over the biennium for sexual assault evidence testing to solve cases, to increase capacity in the State Crime Labs, and to provide information to victims and the criminal justice system.

Builds capacity in our judicial system with \$16 million for automating court processes and more than \$33 million toward programs to ensure access to high-quality representation and mediation.

## **Advance a Dynamic and Effective Government**

### **Promoting Good Governance**

Builds state government capacity, providing \$6.8 million annually to fund data analysts, internal auditors, and researchers within state agencies to improve services and lead to a more efficient use of tax dollars.

Provides \$1 million each year for evidence-based grants to fund rigorous program evaluations.

Establishes a NC Management Fellowship Program to enhance the talent pipeline for state government.

Maintains funding for identity theft and fraud prevention at the Department of Revenue, which would result in significant savings for the state.

Funds new positions at NC DOT and the DOT Office of Inspector General to improve reporting, transparency, and financial oversight.

### **Supporting State Employees**

Provides a 5% salary increase in FY 2021-22 and a 2.5% salary increase in FY 2022-23 for UNC and state-funded local community college employees and a 2.5% salary increase in each year of biennium for all other state employees.

Funds a \$1,000 bonus in each year of the biennium for all state-funded employees.

Budgets \$58.3 million to attract and retain a strong state workforce by funding salary adjustments needed to reflect market rates and address compression, pay equity, and hard-to-staff, high turnover positions.

Recommends \$47.9 million over the biennium to establish a pay plan for certified employees within Adult Correction and Juvenile Justice to reduce turnover and \$6.6 million for programs to ensure a sustainable law enforcement workforce pipeline.

Recognizes retirees and the increased costs of living with a 2% recurring increase and an additional 2% nonrecurring in each year of the biennium.

Provides \$10.2 million to improve security in and around government buildings.

### **Improving Customer Service Through Infrastructure Investments**

Allocates \$393 million in Repairs and Renovations Reserve funds for state capital projects, including \$100 million toward energy efficiency improvements.

Modernizes service delivery and capacity with \$327.8 million over the biennium for large scale information technology investments. Including:

- Developing an integrated case management system, e-Courts, for the Judicial Branch;
- Modernizing Community College workforce IT systems and Public Schools business systems;
- Creating an enterprise-level human resource recruitment and management system;
- Continuing the development and implementation of the new state financial backbone;
- Developing an online permitting system for the Department of Environmental Quality;
- Replacing the communication systems within all State Highway Patrol vehicles;
- Modernizing the Department of Health and Human Services' (DHHS) NC FAST system; and
- Transitioning DHHS' facilities to electronic health records.

## **American Rescue Plan: Bold Next Steps for NC**

President Biden signed the American Rescue Plan Act of 2021 into law on March 11, 2021. This far-reaching package is being examined by the state as we await further guidance from federal agencies. We anticipate receiving nearly \$5.3 billion in state Fiscal Recovery Funds and an additional \$277 million in Coronavirus Capital Project Funds. Several priority items were removed from the Governor's state general fund budget and bond proposals because they are eligible to be funded from the ARP.

Top budget priority items for ARP include:

- Expanding highspeed internet access
- Investing in water, sewer, and housing infrastructure
- Funding to promote economic stability, inclusion, and growth in the public and private sectors
- Further assistance for vulnerable populations

North Carolina should take full advantage of the opportunities presented by these federal investments to think boldly to strengthen North Carolina as we emerge from the pandemic. This includes much-needed investments in public infrastructure and to address the evolving nature of commerce in a post-pandemic world. The Governor will present a comprehensive recommendation for these federal funds later this spring that reflects this vision.

Table 1

## Governor's Budget Recommendations for FY 2021-23

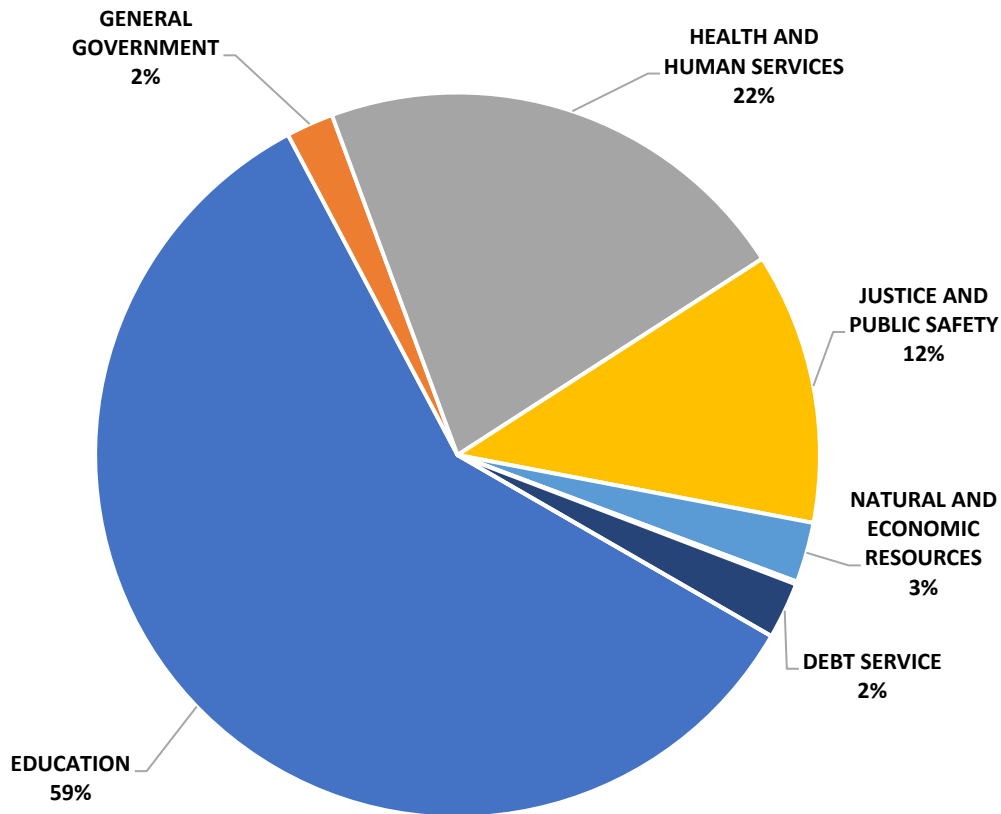
	FY 2021-22	FY 2022-23
<b>Budget Availability</b>		
Unappropriated Balance from Prior Fiscal Year	457,272,694	1,740,186,845
Over Collection of Revenues FY 2020-21	4,136,300,000	-
Reversions (estimated)	400,000,000	-
Savings Reserve per G.S. 143C	(575,200,000)	-
Educator Bonuses in May 2021 - \$2,000 K-12; UNC; Community Colleges	(447,408,350)	-
<b>Beginning Unreserved Fund Balance</b>	<b>3,970,964,344</b>	<b>1,740,186,845</b>
<b>Investments to Reserves</b>		
<b>Savings &amp; Contingencies</b>		
Savings Reserve (above statutory requirement)	(524,800,000)	-
Medicaid Contingency Fund	(150,000,000)	-
Medicaid Transformation Reserve	(64,000,000)	(160,000,000)
Retiree Health Benefits Fund (OPEB liability)	(150,000,000)	-
Subtotal	(888,800,000)	(160,000,000)
<b>Infrastructure and Resiliency</b>		
Capital Improvements Projects Reserve		
Plan and Design Bond Projects	(106,063,500)	-
UNC System Repairs and Renovations	(143,555,000)	-
UNC System Comprehensive Renovation & Modernization (projects <\$15m)	-	(462,170,000)
State Agency Recommendations	(173,941,234)	-
State Agency Repairs and Renovations	(75,000,000)	(75,000,000)
Repairs and Renovations - Energy Efficiency Projects	(50,000,000)	(50,000,000)
Energy and Environment Reserve	(225,000,000)	(175,000,000)
Information Technology Reserve	(169,925,950)	(157,911,556)
State Emergency Response and Disaster Relief Fund	(100,000,000)	-
Subtotal	(1,043,485,684)	(920,081,556)
<b>Subtotal Investments to Reserves</b>	<b>(1,932,285,684)</b>	<b>(1,080,081,556)</b>
<b>Total Unreserved Fund Balance</b>	<b>2,038,678,660</b>	<b>660,105,289</b>
<b>Base Revenue Forecast</b>	<b>27,350,600,000</b>	<b>28,461,500,000</b>
Earned Income Tax Credit & Child and Dependent Care Tax Credit	(365,500,000)	(208,300,000)
Disproportionate Share Transfer	33,400,000	33,400,000
Treasurer and Insurance Nontax Transfers	3,812,862	4,718,196
<b>Revised General Fund Availability</b>	<b>29,060,991,522</b>	<b>28,951,423,485</b>
<b>Recommended Appropriations</b>		
Base Budget	24,827,052,197	24,837,431,680
<b>Must Do's</b>		
Education Enrollment, NC Promise, Independent Colleges	287,287,979	298,833,271
Medicaid Rebase	68,378,242	614,220,759
State Health Plan	98,318,703	200,429,307
Retirement System Actuarial Requirements	108,942,627	108,942,627
<b>Subtotal</b>	<b>562,927,551</b>	<b>1,222,425,964</b>

## Governor's Budget Recommendations for FY 2021-23

	FY 2021-22	FY 2022-23
<u>Supporting NC's Human Capital</u>		
Teachers and Principals - average 5.7%/4.3% (total 10%)	289,409,211	478,053,773
Noncertified Public School Employees - 5%/2.5% (total 7.5%)	75,584,205	115,265,913
UNC System and Community Colleges Employees - 5%/2.5 % (total 7.5%)	221,079,664	337,146,488
Compensation Bonus for All Education Employees - \$1,000 each year	223,704,174	223,704,174
State Employees - 2.5%/2.5% (total 5%)	77,551,508	157,041,804
Compensation Bonus for All Non-Education Employees - \$1,000 each year	49,632,657	49,632,657
Retirees COLA - 2% Recurring	92,915,333	92,915,333
Retirees Bonus - 2% each year	72,530,586	72,530,586
<b>Subtotal</b>	<b>1,102,407,338</b>	<b>1,526,290,728</b>
<u>Critical Support for North Carolinians</u>		
Education	300,994,544	539,408,765
Health and Human Services	234,447,627	272,541,948
General Government	77,245,476	60,965,245
Justice and Public Safety	136,768,926	121,197,417
Agriculture, Natural, and Economic Resources	94,981,101	95,871,513
Statewide Reserves	(16,020,083)	(9,070,911)
<b>Subtotal</b>	<b>828,417,591</b>	<b>1,080,913,977</b>
<b>Total Recommended Adjustments</b>	<b>2,493,752,480</b>	<b>3,829,630,669</b>
<b>Total Recommended Budget</b>	<b>27,320,804,677</b>	<b>28,667,062,349</b>
<b>Balance</b>	<b>1,740,186,845</b>	<b>284,361,136</b>

**Table 2 & Figure 1**  
**Recommended General Fund Budget by Function**  
**FY 2021-22**

	FY 2021 -22 Recommended	% of GF Budget
Education	\$ 16,096,219,836	58.92%
General Government	\$ 578,586,211	2.12%
Health and Human Services	\$ 5,882,107,678	21.53%
Justice and Public Safety	\$ 3,309,519,695	12.11%
Natural and Economic Resources	\$ 732,834,807	2.68%
Reserves and Other Adjustments	\$ 33,670,000	0.12%
Debt Service	\$ 687,866,450	2.52%
Direct Capital Appropriation	\$ -	0.00%
<b>Total General Fund Budget</b>	<b>\$ 27,320,804,677</b>	<b>100.00%</b>



**Table 3**  
**Governor's Recommended General Fund Budget**  
**2021-22 Adjustments**

Budget Code	Function	Decrease				Increase				Net Change	2021-22	Net
		2021-22 Base Budget	Recurring	Nonrecurring	Positions	Recurring	Nonrecurring	Positions	Recommended Net Appropriation		Position Change	
<b>Education</b>												
13510	Department of Public Instruction	10,016,320,410	-	-	-	923,690,040	191,742,388	19.00	1,115,432,428	11,131,752,838	19.00	
16800	Community Colleges	1,219,687,975	-	-	-	124,509,448	88,527,155	10.00	213,036,603	1,432,724,578	10.00	
160xx	University System	3,163,406,651	-	-	-	339,996,990	28,338,779	9.00	368,335,769	3,531,742,420	9.00	
	<b>Total Education</b>	<b>14,399,415,036</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,388,196,478</b>	<b>308,608,322</b>	<b>38.00</b>	<b>1,696,804,800</b>	<b>16,096,219,836</b>	<b>38.00</b>	
<b>General Government</b>												
11000	General Assembly	74,106,502	-	-	-	2,938,690	4,978,318	-	7,917,008	82,023,510	-	
13000	Office of the Governor	5,716,753	-	-	-	976,837	70,464	9.00	1,047,301	6,764,054	9.00	
13005	Office of State Budget and Management	8,847,063	-	-	-	2,092,984	89,930	6.00	2,182,914	11,029,977	6.00	
13085	OSBM-Special Projects	2,000,000	-	-	-	-	-	-	-	2,000,000	-	
13010	NC Housing Finance Agency	10,660,000	-	-	-	7,660,000	-	-	7,660,000	18,320,000	-	
13050	Department of Military and Veterans Affairs	9,739,815	-	-	-	4,357,734	1,111,266	9.00	5,469,000	15,208,815	9.00	
13100	Office of the Lieutenant Governor	927,695	-	-	-	121,057	11,434	1.00	132,491	1,060,186	1.00	
13200	Department of Secretary of State	15,024,385	-	-	-	2,245,277	1,342,332	6.00	3,587,609	18,611,994	6.00	
13300	Office of the State Auditor	14,956,470	-	-	-	1,395,045	192,440	-	1,587,485	16,543,955	-	
13410	Department of State Treasurer	4,944,656	-	-	-	494,786	25,664	17.00	520,450	5,465,106	17.00	
13412	State Treasurer - Retirement System	32,020,423	-	-	-	350,000	-	-	350,000	32,370,423	-	
13900	Department of Insurance	43,707,418	-	-	-	2,472,941	819,471	2.00	3,292,412	46,999,830	2.00	
13902	Industrial Commission	8,892,754	-	-	-	202,923	77,926	-	280,849	9,173,603	-	
14100	Department of Administration	56,491,926	-	-	-	4,894,088	14,037,369	20.00	18,931,457	75,423,383	20.00	
14111	Office of State Human Resources - General	9,328,736	-	-	-	2,066,976	979,000	9.00	3,045,976	12,374,712	9.00	
14160	Office of the State Controller	25,736,372	-	-	-	4,097,148	248,259	20.00	4,345,407	30,081,779	20.00	
14660	Department of Information Technology	54,745,710	-	-	-	6,382,874	179,748	3.00	6,562,622	61,308,332	3.00	
14700	Department of Revenue	91,788,708	-	-	-	14,012,803	9,873,270	4.00	23,886,073	115,674,781	4.00	
18025	State Board of Elections	7,656,931	-	-	-	967,060	2,177,679	2.00	3,144,739	10,801,670	2.00	
18210	Office of Administrative Hearings	6,661,033	-	-	-	600,621	88,447	4.00	689,068	7,350,101	4.00	
	<b>Total General Government</b>	<b>483,953,350</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>58,329,844</b>	<b>36,303,017</b>	<b>112.00</b>	<b>94,632,861</b>	<b>578,586,211</b>	<b>112.00</b>	
<b>Health and Human Services</b>												
14410	Division of Central Management and Support	143,211,097	-	-	-	62,005,826	3,208,068	23.00	65,213,894	208,424,991	23.00	
14411	Division of Aging and Adult Services	44,294,755	-	-	-	13,452,488	49,157	-	13,501,645	57,796,400	-	
14420	Division of Child Development and Early	228,663,307	-	-	-	20,710,837	1,993,970	5.00	22,704,807	251,368,114	5.00	
14430	Division of Public Health	157,704,181	-	-	-	12,815,855	879,238	18.00	13,695,093	171,399,274	18.00	
14440	Division of Social Services	194,966,648	-	-	-	10,810,966	7,208,305	15.00	18,019,271	212,985,919	15.00	
14445	Division of Health Benefits	3,923,177,500	-	(187,247,355)	-	333,600,759	-	-	146,353,404	4,069,530,904	-	
14450	Division of Services for the Blind, Deaf and	8,769,334	-	-	-	173,785	73,854	1.00	247,639	9,016,973	1.00	
14460	Division of Mental Health/Developmental	787,769,825	-	-	-	40,945,851	7,139,652	12.00	48,085,503	835,855,328	12.00	
14470	Division of Health Services Regulation	20,911,947	-	-	-	2,038,349	369,376	14.00	2,407,725	23,319,672	14.00	
14480	Division of Vocational Rehabilitation	40,320,526	-	-	-	754,624	1,334,953	4.00	2,089,577	42,410,103	4.00	
	<b>Total Health and Human Services</b>	<b>5,549,789,120</b>	<b>-</b>	<b>(187,247,355)</b>	<b>-</b>	<b>497,309,340</b>	<b>22,256,573</b>	<b>92.00</b>	<b>332,318,558</b>	<b>5,882,107,678</b>	<b>92.00</b>	
<b>Justice and Public Safety</b>												
12000	Judicial Branch	604,818,743	-	-	-	37,465,989	11,574,419	112.00	49,040,408	653,859,151	112.00	
12001	Judicial Branch - Indigent Defense	127,986,495	-	-	-	12,722,894	1,312,007	21.00	14,034,901	142,021,396	21.00	
13600	Department of Justice	50,687,077	-	-	-	6,012,158	6,772,210	19.00	12,784,368	63,471,445	19.00	
14550	Department of Public Safety	2,252,042,404	-	-	-	123,085,962	75,039,337	202.00	198,125,299	2,450,167,703	202.00	

Budget Code	Function	Decrease				Increase				2021-22 Recommended Net Appropriation	Net Position Change	
		2021-22		Positions	Recurring	Nonrecurring	Positions	Recurring	Nonrecurring			Net Change
		Base Budget	Recurring									
<b>Total Justice and Public Safety</b>		<b>3,035,534,719</b>	-	-	-	<b>179,287,003</b>	<b>94,697,973</b>	<b>354.00</b>	<b>273,984,976</b>	<b>3,309,519,695</b>	<b>354.00</b>	
<b>Natural and Economic Resources</b>												
13700	Department of Agriculture and Consumer	133,745,819	-	-	-	11,577,293	7,210,317	20.00	18,787,610	152,533,429	20.00	
13800	Department of Labor	19,478,747	-	-	-	4,208,238	305,470	3.00	4,513,708	23,992,455	3.00	
14300	Department of Environmental Quality	87,194,513	-	-	-	8,547,453	49,496,532	58.80	58,043,985	145,238,498	58.80	
14350	Wildlife Resources Commission	12,807,582	-	-	-	710,747	182,750	2.00	893,497	13,701,079	2.00	
14600	Department of Commerce	11,742,694	-	-	-	2,676,007	171,735	18.00	2,847,742	14,590,436	18.00	
14601	Commerce - General State Aid	16,155,810	-	-	-	-	3,000,000	-	3,000,000	19,155,810	-	
14602	Commerce - Economic Development	150,175,700	-	(8,000,000)	-	5,000,000	-	-	(3,000,000)	147,175,700	-	
14800	Natural and Cultural Resources	188,912,246	-	-	-	20,049,207	6,895,619	68.00	26,944,826	215,857,072	68.00	
14802	Natural and Cultural Resources - Roanoke	590,328	-	-	-	-	-	-	-	590,328	-	
<b>Total Natural and Economic Resources</b>		<b>620,803,439</b>	-	<b>(8,000,000)</b>	-	<b>52,768,945</b>	<b>67,262,423</b>	<b>169.80</b>	<b>112,031,368</b>	<b>732,834,807</b>	<b>169.80</b>	
<b>Debt Service</b>												
19420	General Debt Service	720,940,153	-	(34,690,083)	-	-	-	-	(34,690,083)	686,250,070	-	
19425	Federal Reimbursement	1,616,380	-	-	-	-	-	-	-	1,616,380	-	
<b>Total Debt Service</b>		<b>722,556,533</b>	-	<b>(34,690,083)</b>	-	-	-	-	<b>(34,690,083)</b>	<b>687,866,450</b>	-	
<b>Reserves and Other Adjustments</b>												
19001	Contingency and Emergency Reserve	-	-	-	-	2,000,000	-	-	2,000,000	2,000,000	-	
19004	Salary Adjustments	-	-	-	-	6,450,000	-	-	6,450,000	6,450,000	-	
19005	OSHR - Market Adjustment	-	-	-	-	3,500,000	-	-	3,500,000	3,500,000	-	
19012	General Fund Reserve - Golden L.E.A.F.	-	-	-	-	-	-	-	-	-	-	
19031	Disaster Expenditures	-	-	-	-	-	-	-	-	-	-	
19035	Management Flexibility	-	-	-	-	-	-	-	-	-	-	
19048	Reserve for Workers' Compensation	-	-	-	-	-	5,000,000	-	5,000,000	5,000,000	-	
19060	Reserves and Adjustments	-	-	-	-	-	-	-	-	-	-	
19085	Limited Obligation Bonds Reserve	-	-	-	-	-	-	-	-	-	-	
19086	State Capital & Infrastructure Fund	15,000,000	-	-	-	-	-	-	-	15,000,000	-	
19X11	Reserve for IT Rates	-	-	-	-	1,720,000	-	-	1,720,000	1,720,000	-	
<b>Total Reserves, Debt Service, and Other</b>		<b>15,000,000</b>	-	-	-	<b>13,670,000</b>	<b>5,000,000</b>	-	<b>18,670,000</b>	<b>33,670,000</b>	-	
<b>Direct Capital Appropriation</b>												
19600	Capital Improvements	-	-	-	-	-	-	-	-	-	-	
<b>Total Direct Capital Appropriation</b>		-	-	-	-	-	-	-	-	-	-	
<b>Total</b>		<b>24,827,052,197</b>	-	<b>(229,937,438)</b>	-	<b>2,189,561,610</b>	<b>534,128,308</b>	<b>765.80</b>	<b>2,493,752,480</b>	<b>27,320,804,677</b>	<b>765.80</b>	

**Table 4 & Figure 2**  
**Recommended General Fund Budget by Function**  
**FY 2022-23**

	<b>FY 2022 -23 Recommended</b>	<b>% of GF Budget</b>
Education	\$ 16,785,983,696	58.55%
General Government	\$ 570,960,086	1.99%
Health and Human Services	\$ 6,480,548,127	22.61%
Justice and Public Safety	\$ 3,359,146,071	11.72%
Natural and Economic Resources	\$ 741,938,747	2.59%
Reserves and Other Adjustments	\$ 33,670,000	0.12%
Debt Service	\$ 694,815,622	2.42%
Direct Capital Appropriation	\$ -	0.00%
<b>Total General Fund Budget</b>	<b>\$ 28,667,062,349</b>	<b>100.00%</b>

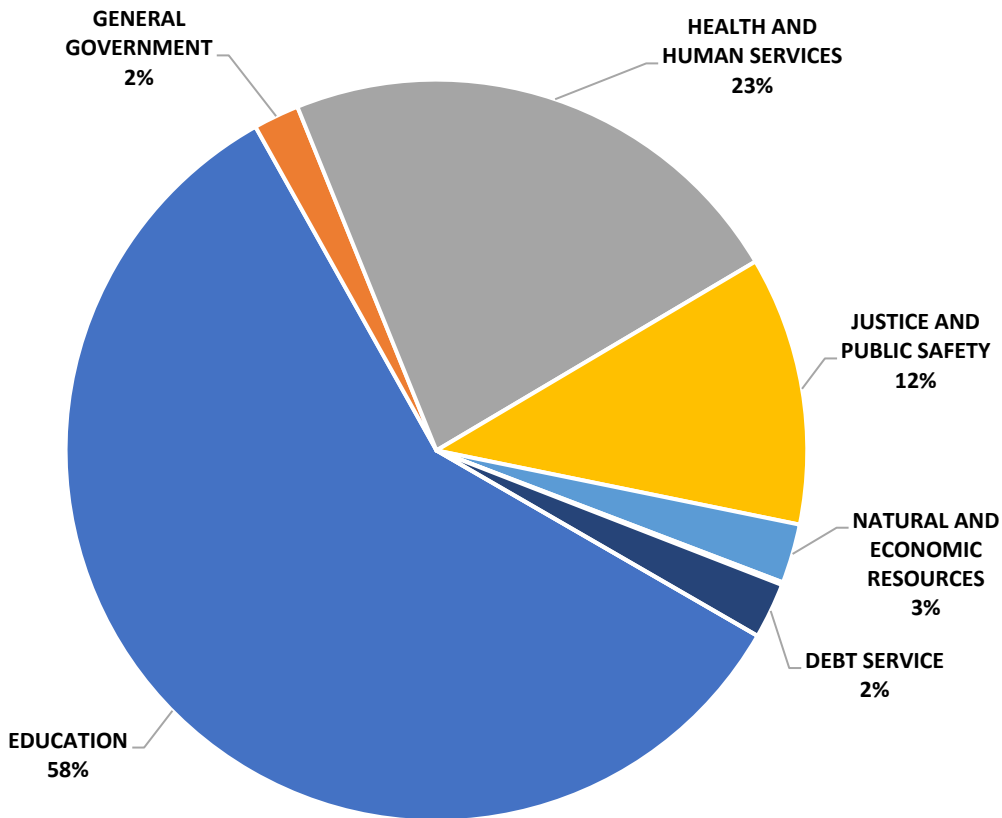




Table 5

Governor's Recommended General Fund Budget  
2022-23 Adjustments

Budget Code	Function	Decrease				Increase				Net Change	2022-23	Net
		2022-23 Base Budget	Recurring	Nonrecurring	Positions	Recurring	Nonrecurring	Positions	Recommended Net Appropriation		Position Change	
<b>Education</b>												
13510	Department of Public Instruction	10,016,320,410	-	-	-	1,438,859,041	196,383,323	26.00	1,635,242,364	11,651,562,774	26.00	
16800	Community Colleges	1,219,687,975	-	-	-	175,041,094	25,340,155	10.00	200,381,249	1,420,069,224	10.00	
160xx	University System	3,173,523,123	-	-	-	492,039,200	48,789,375	9.00	540,828,575	3,714,351,698	9.00	
	<b>Total Education</b>	<b>14,409,531,508</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,105,939,335</b>	<b>270,512,853</b>	<b>45.00</b>	<b>2,376,452,188</b>	<b>16,785,983,696</b>	<b>45.00</b>	
<b>General Government</b>												
11000	General Assembly	74,106,502	-	-	-	6,307,003	1,322,740	-	7,629,743	81,736,245	-	
13000	Office of the Governor	5,716,753	-	-	-	1,110,675	70,464	9.00	1,181,139	6,897,892	9.00	
13005	Office of State Budget and Management	8,847,063	-	-	-	2,279,563	89,930	3.00	2,369,493	11,216,556	3.00	
13085	OSBM-Special Projects	2,000,000	-	-	-	-	-	-	-	2,000,000	-	
13010	NC Housing Finance Agency	10,660,000	-	-	-	7,660,000	-	-	7,660,000	18,320,000	-	
13050	Department of Military and Veterans Affairs	9,739,815	-	-	-	4,517,963	111,266	9.00	4,629,229	14,369,044	9.00	
13100	Office of the Lieutenant Governor	927,695	-	-	-	144,737	11,434	1.00	156,171	1,083,866	1.00	
13200	Department of Secretary of State	15,024,385	-	-	-	2,617,323	842,832	6.00	3,460,155	18,484,540	6.00	
13300	Office of the State Auditor	14,956,470	-	-	-	1,786,789	192,440	-	1,979,229	16,935,699	-	
13410	Department of State Treasurer	4,944,656	-	-	-	531,866	25,664	17.00	557,530	5,502,186	17.00	
13412	State Treasurer - Retirement System	32,020,423	-	-	-	700,000	-	-	700,000	32,720,423	-	
13900	Department of Insurance	43,707,418	-	-	-	3,551,595	609,071	2.00	4,160,666	47,868,084	2.00	
13902	Industrial Commission	8,892,754	-	-	-	345,577	77,926	-	423,503	9,316,257	-	
14100	Department of Administration	56,491,926	-	-	-	5,649,099	967,369	20.00	6,616,468	63,108,394	20.00	
14111	Office of State Human Resources - General	9,328,736	-	-	-	2,738,837	1,229,000	14.00	3,967,837	13,296,573	14.00	
14160	Office of the State Controller	25,736,372	-	-	-	5,607,577	248,259	20.00	5,855,836	31,592,208	20.00	
14660	Department of Information Technology	54,745,710	-	-	-	6,785,687	179,748	3.00	6,965,435	61,711,145	3.00	
14700	Department of Revenue	91,785,656	-	-	-	16,055,183	9,123,270	4.00	25,178,453	116,964,109	4.00	
18025	State Board of Elections	7,656,931	-	-	-	1,510,068	1,162,679	2.00	2,672,747	10,329,678	2.00	
18210	Office of Administrative Hearings	6,673,718	-	-	-	752,522	80,947	4.00	833,469	7,507,187	4.00	
	<b>Total General Government</b>	<b>483,962,983</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70,652,064</b>	<b>16,345,039</b>	<b>114.00</b>	<b>86,997,103</b>	<b>570,960,086</b>	<b>114.00</b>	
<b>Health and Human Services</b>												
14410	Division of Central Management and Support	143,239,336	-	-	-	64,761,130	958,068	28.00	65,719,198	208,958,534	28.00	
14411	Division of Aging and Adult Services	44,294,755	-	-	-	13,535,389	49,157	-	13,584,546	57,879,301	-	
14420	Division of Child Development and Early	228,663,307	-	-	-	47,905,455	43,970	5.00	47,949,425	276,612,732	5.00	
14430	Division of Public Health	157,787,226	-	-	-	16,394,296	879,238	18.00	17,273,534	175,060,760	18.00	
14440	Division of Social Services	194,966,648	-	-	-	12,715,547	6,258,305	15.00	18,973,852	213,940,500	15.00	
14445	Division of Health Benefits	3,923,185,409	-	-	-	704,929,593	319,151	-	705,248,744	4,628,434,153	-	
14450	Division of Services for the Blind, Deaf and	8,769,334	-	-	-	283,112	73,854	1.00	356,966	9,126,300	1.00	
14460	Division of Mental Health/Developmental	787,769,827	-	-	-	49,699,221	7,139,652	12.00	56,838,873	844,608,700	12.00	
14470	Division of Health Services Regulation	20,911,947	-	-	-	2,752,896	369,376	14.00	3,122,272	24,034,219	14.00	
14480	Division of Vocational Rehabilitation	40,322,779	-	-	-	1,235,196	334,953	4.00	1,570,149	41,892,928	4.00	
	<b>Total Health and Human Services</b>	<b>5,549,910,568</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>914,211,835</b>	<b>16,425,724</b>	<b>97.00</b>	<b>930,637,559</b>	<b>6,480,548,127</b>	<b>97.00</b>	
<b>Justice and Public Safety</b>												
12000	Judicial Branch	604,818,743	-	-	-	54,732,425	9,325,308	132.00	64,057,733	668,876,476	132.00	
12001	Judicial Branch - Indigent Defense	127,991,599	-	-	-	23,708,013	882,007	34.00	24,590,020	152,581,619	34.00	
13600	Department of Justice	50,687,077	-	-	-	7,430,438	3,772,210	19.00	11,202,648	61,889,725	19.00	
14550	Department of Public Safety	2,252,151,869	-	-	-	189,867,716	33,778,666	245.00	223,646,382	2,475,798,251	245.00	

Budget Code	Function	Decrease				Increase				2022-23 Recommended Net Appropriation	Net Position Change	
		2022-23		Positions	Recurring	Nonrecurring	Positions	Recurring	Nonrecurring			Net Change
		Base Budget	Recurring									
<b>Total Justice and Public Safety</b>		<b>3,035,649,288</b>	-	-	-	<b>275,738,592</b>	<b>47,758,191</b>	<b>430.00</b>	<b>323,496,783</b>	<b>3,359,146,071</b>	<b>430.00</b>	
<b>Natural and Economic Resources</b>												
13700	Department of Agriculture and Consumer	133,763,582	-	-	-	14,313,243	1,860,317	20.00	16,173,560	149,937,142	20.00	
13800	Department of Labor	19,484,524	-	-	-	4,716,699	305,470	3.00	5,022,169	24,506,693	3.00	
14300	Department of Environmental Quality	87,188,334	-	-	-	9,799,258	36,499,944	58.80	46,299,202	133,487,536	58.80	
14350	Wildlife Resources Commission	12,807,582	-	-	-	1,012,314	182,750	2.00	1,195,064	14,002,646	2.00	
14600	Department of Commerce	11,742,694	-	-	-	3,246,461	161,735	20.00	3,408,196	15,150,890	20.00	
14601	Commerce - General State Aid	16,155,810	-	-	-	-	3,000,000	-	3,000,000	19,155,810	-	
14602	Commerce - Economic Development	150,175,700	-	-	-	5,000,000	15,000,000	-	20,000,000	170,175,700	-	
14800	Natural and Cultural Resources	188,912,246	-	-	-	23,177,137	2,842,619	68.00	26,019,756	214,932,002	68.00	
14802	Natural and Cultural Resources - Roanoke	590,328	-	-	-	-	-	-	-	590,328	-	
<b>Total Natural and Economic Resources</b>		<b>620,820,800</b>	-	-	-	<b>61,265,112</b>	<b>59,852,835</b>	<b>171.80</b>	<b>121,117,947</b>	<b>741,938,747</b>	<b>171.80</b>	
<b>Debt Service</b>												
19420	General Debt Service	720,940,153	-	(27,740,911)	-	-	-	-	(27,740,911)	693,199,242	-	
19425	Federal Reimbursement	1,616,380	-	-	-	-	-	-	-	1,616,380	-	
<b>Total Debt Service</b>		<b>722,556,533</b>	-	<b>(27,740,911)</b>	-	-	-	-	<b>(27,740,911)</b>	<b>694,815,622</b>	-	
<b>Reserves and Other Adjustments</b>												
19001	Contingency and Emergency Reserve	-	-	-	-	2,000,000	-	-	2,000,000	2,000,000	-	
19004	Salary Adjustments	-	-	-	-	6,450,000	-	-	6,450,000	6,450,000	-	
19005	OSHR - Market Adjustment	-	-	-	-	3,500,000	-	-	3,500,000	3,500,000	-	
19012	General Fund Reserve - Golden L.E.A.F.	-	-	-	-	-	-	-	-	-	-	
19031	Disaster Expenditures	-	-	-	-	-	-	-	-	-	-	
19035	Management Flexibility	-	-	-	-	-	-	-	-	-	-	
19048	Reserve for Workers' Compensation	-	-	-	-	-	5,000,000	-	5,000,000	5,000,000	-	
19060	Reserves and Adjustments	-	-	-	-	-	-	-	-	-	-	
19085	Limited Obligation Bonds Reserve	-	-	-	-	-	-	-	-	-	-	
19086	State Capital & Infrastructure Fund	15,000,000	-	-	-	-	-	-	-	15,000,000	-	
19X11	Reserve for IT Rates	-	-	-	-	1,720,000	-	-	1,720,000	1,720,000	-	
<b>Total Reserves and Other Adjustments</b>		<b>15,000,000</b>	-	-	-	<b>13,670,000</b>	<b>5,000,000</b>	-	<b>18,670,000</b>	<b>33,670,000</b>	-	
<b>Direct Capital Appropriation</b>												
19600	Capital Improvements	-	-	-	-	-	-	-	-	-	-	
<b>Total Direct Capital Appropriation</b>		-	-	-	-	-	-	-	-	-	-	
<b>Total</b>		<b>24,837,431,680</b>	-	<b>(27,740,911)</b>	-	<b>3,441,476,938</b>	<b>415,894,642</b>	<b>857.80</b>	<b>3,829,630,669</b>	<b>28,667,062,349</b>	<b>857.80</b>	

**Table 6**

**Governor's Recommended Highway Fund and Highway Trust Fund Budget  
2021-22 Adjustments**

Function	FY 2021-22 Base Budget	Decreases			Increases			Net Change	2021-22 Recommended Net Appropriation	Net Position Change
		Recurring	Nonrecurring	Positions	Recurring	Nonrecurring	Positions			
<b>Highway Fund</b>										
DOT Administration	114,302,608	-	-	-		3,896,575	-	3,896,575	118,199,183	-
<i>Division of Highways</i>										
Administration	39,016,247	-	-	-	511,258		-	511,258	39,527,505	-
Construction	36,100,000	-	-	-			-	-	36,100,000	-
Maintenance	1,547,865,260	-	-	-	67,288,722		-	67,288,722	1,615,153,982	-
Planning and Research	-	-	-	-			-	-	-	-
OSHA Program	358,030	-	-	-			-	-	358,030	-
State Aid to Municipalities	143,102,801	-	-	-			-	-	143,102,801	-
<i>Multi-Modal</i>										
Airports	148,673,992	-	-	-			-	-	148,673,992	-
Bicycle	790,106	-	-	-			-	-	790,106	-
Ferry	51,975,639	-	-	-	10,500,000		-	10,500,000	62,475,639	-
Public Transportation	134,046,482	-	-	-		25,000,000	-	25,000,000	159,046,482	-
Railroads	154,635,592	-	-	-	22,000,000		-	22,000,000	176,635,592	-
Governor's Highway Safety Program	14,111,092	-	-	-			-	-	14,111,092	-
Division of Motor Vehicles	175,991,862	-	-	-	2,950,349		-	2,950,349	178,942,211	-
Other State Agencies	15,717,532	-	-	-			-	-	15,717,532	-
Transfer to General Fund	-	-	-	-			-	-	-	-
Other Reserves	12,729,529	-	-	-	29,447,700		-	29,447,700	42,177,229	-
Capital Improvements	-	-	-	-		10,742,859	-	10,742,859	10,742,859	-
<b>Total Highway Fund</b>	<b>2,589,416,772</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>132,698,029</b>	<b>39,639,434</b>	<b>-</b>	<b>172,337,463</b>	<b>2,761,754,235</b>	<b>-</b>
<b>Highway Trust Fund</b>										
Administration	23,986,763	-	-	-			-	-	23,986,763	-
<i>Construction</i>										
Strategic Prioritization Program	1,256,703,662	-	-	-			-	-	1,256,703,662	-
Intrastate System	-	-	-	-			-	-	-	-
Urban Loop System	-	-	-	-			-	-	-	-
Secondary Roads	-	-	-	-			-	-	-	-
State Aid to Municipalities	-	-	-	-			-	-	-	-
<i>Bonds</i>										
Bond Redemption	49,795,000	-	-	-			-	-	49,795,000	-
Bond Interest	43,247,400	-	-	-			-	-	43,247,400	-
NC Turnpike Authority	49,033,092	-	-	-			-	-	49,033,092	-
NC Mobility Fund	-	-	-	-			-	-	-	-
Transfer to Ports		-	-	-		45,000,000	-	45,000,000	45,000,000	-
Reserve for Visitor's Centers	400,000	-	-	-			-	-	400,000	-
<b>Total Highway Trust Fund</b>	<b>1,423,165,917</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45,000,000</b>	<b>-</b>	<b>45,000,000</b>	<b>1,468,165,917</b>	<b>-</b>

**Table 7**

**Governor's Recommended Highway Fund and Highway Trust Fund Budget  
2022-23 Adjustments**

Function	FY 2022-23 Base Budget	Decreases			Increases			Net Change	2022-23 Recommended Net Appropriation	Net Position Change
		Recurring	Nonrecurring	Positions	Recurring	Nonrecurring	Positions			
DOT Administration	117,699,183	-	-	-		730,170		730,170	118,429,353	-
<i>Division of Highways</i>										
Administration	39,388,843	-	-	-	-			-	39,388,843	-
Construction	36,100,000	-	-	-				-	36,100,000	-
Maintenance	1,582,506,115	-	-	-				-	1,582,506,115	-
Planning and Research	-	-	-	-				-	-	-
OSHA Program	358,030	-						-	358,030	-
State Aid to Municipalities	143,102,801	-	-	-				-	143,102,801	-
<i>Multi-Modal</i>										
Airports	150,673,992	-	-	-				-	150,673,992	-
Bicycle	790,106	-	-	-				-	790,106	-
Ferry	59,975,639	-	-	-				-	59,975,639	-
Public Transportation	144,236,996	-	-	-				-	144,236,996	-
Railroads	82,114,856	-						-	82,114,856	-
Governor's Highway Safety Program	14,111,092	-	-	-				-	14,111,092	-
Division of Motor Vehicles	178,942,668	-	-	-				-	178,942,668	-
Other State Agencies	15,717,532	-	-	-				-	15,717,532	-
Transfer to General Fund	-	-	-	-				-	-	-
Other Reserves	34,842,357				20,680,816			20,680,816	55,523,173	-
Capital Improvements	-	-	-	-		15,453,506		15,453,506	15,453,506	-
<b>Total Highway Fund</b>	<b>2,600,560,210</b>	-	-	-	<b>20,680,816</b>	<b>16,183,676</b>		<b>36,864,492</b>	<b>2,637,424,702</b>	-
<b>Highway Trust Fund</b>										
Administration	23,986,763	-	-	-				-	23,986,763	-
<i>Construction</i>										
Strategic Prioritization Program	1,405,503,662	-	-	-				-	1,405,503,662	-
Intrastate System	-							-	-	-
Urban Loop System	-							-	-	-
Secondary Roads	-							-	-	-
State Aid to Municipalities	-							-	-	-
<i>Bonds</i>										
Bond Redemption	52,290,000	-	-	-				-	52,290,000	-
Bond Interest	40,757,650							-	40,757,650	-
NC Turnpike Authority	49,033,092	-	-	-				-	49,033,092	-
Transfer to Ports	-					45,000,000		45,000,000	45,000,000	-
NC Mobility Fund	-							-	-	-
Reserve for Visitor's Centers	400,000	-	-	-				-	400,000	-
<b>Total Highway Trust Fund</b>	<b>1,571,971,167</b>	-	-	-		<b>45,000,000</b>		<b>45,000,000</b>	<b>1,616,971,167</b>	-

**Table 8**

**Summary of General Fund Base Budget Adjustments, 2021-22**

Budget Code	Function	2019-20 Actual	2020-21 Authorized	Base Budget Requirements	Base Budget Receipts	Base Budget	\$ Change from 2020-21 Auth	% Change from 2020-21 Auth	Base Budget Positions
<b>Education</b>									
13510	Public Education	\$ 9,664,331,806	\$ 9,987,410,026	\$ 12,182,234,990	\$ 2,165,914,580	\$ 10,016,320,410	\$ 28,910,384	0.29%	1,063.587
16800	Community Colleges	\$ 1,188,516,465	\$ 1,229,581,496	\$ 1,604,773,074	\$ 385,085,099	\$ 1,219,687,975	\$ (9,893,521)	(0.80%)	221.550
160xx	University System	\$ 3,117,897,104	\$ 3,170,083,027	\$ 5,138,485,059	\$ 1,975,078,408	\$ 3,163,406,651	\$ (6,676,376)	(0.21%)	35,522.314
	<b>Total Education</b>	<b>\$ 13,970,745,375</b>	<b>\$ 14,387,074,549</b>	<b>\$ 18,925,493,123</b>	<b>\$ 4,526,078,087</b>	<b>\$ 14,399,415,036</b>	<b>\$ 12,340,487</b>	<b>0.09%</b>	<b>36,807.451</b>
<b>General Government</b>									
11000	General Assembly	\$ 71,856,061	\$ 74,106,502	\$ 74,667,502	\$ 561,000	\$ 74,106,502	\$ -	0.00%	540.350
13000	Governor's Office	\$ 5,242,444	\$ 5,576,809	\$ 6,615,513	\$ 898,760	\$ 5,716,753	\$ 139,944	2.51%	52.000
13005	State Budget and Management	\$ 8,358,064	\$ 8,765,358	\$ 8,978,843	\$ 131,780	\$ 8,847,063	\$ 81,705	0.93%	55.000
13010	NC Housing Finance Agency	\$ 10,660,000	\$ 30,660,000	\$ 10,660,000	\$ -	\$ 10,660,000	\$ (20,000,000)	(65.23%)	0.000
13050	Military and Veterans Affairs	\$ 9,107,497	\$ 9,572,445	\$ 67,155,001	\$ 57,415,186	\$ 9,739,815	\$ 167,370	1.75%	91.750
13085	OSBM-Special Projects	\$ 17,156,500	\$ 8,603,000	\$ 2,000,000	\$ -	\$ 2,000,000	\$ (6,603,000)	(76.75%)	0.000
13100	Lieutenant Governor	\$ 728,434	\$ 927,695	\$ 927,695	\$ -	\$ 927,695	\$ -	0.00%	7.000
13200	Secretary of State	\$ 14,163,856	\$ 14,626,165	\$ 15,386,741	\$ 362,356	\$ 15,024,385	\$ 398,220	2.72%	178.553
13300	State Auditor	\$ 12,792,448	\$ 14,808,414	\$ 21,471,173	\$ 6,514,703	\$ 14,956,470	\$ 148,056	1.00%	160.000
13410	State Treasurer	\$ 4,027,339	\$ 4,944,657	\$ 67,989,217	\$ 63,044,561	\$ 4,944,656	\$ (1)	(0.00%)	397.600
13412	State Treasurer - Retirement/Benefits	\$ 31,437,256	\$ 32,020,423	\$ 33,220,423	\$ 1,200,000	\$ 32,020,423	\$ -	0.00%	0.000
13900	Insurance	\$ 41,190,054	\$ 43,547,878	\$ 52,066,118	\$ 8,358,700	\$ 43,707,418	\$ 159,540	0.37%	452.137
13902	Industrial Commission	\$ 9,205,524	\$ 9,642,754	\$ 22,460,603	\$ 13,567,849	\$ 8,892,754	\$ (750,000)	(7.78%)	146.204
14100	Administration	\$ 63,984,400	\$ 65,385,859	\$ 66,628,348	\$ 10,136,422	\$ 56,491,926	\$ (8,893,933)	(13.60%)	356.149
14111	Office of State Human Resources - General Fund	\$ -	\$ -	\$ 9,429,624	\$ 100,888	\$ 9,328,736	\$ 9,328,736	0.00%	63.550
14660	Information Technology	\$ 51,466,670	\$ 54,745,710	\$ 55,156,933	\$ 411,223	\$ 54,745,710	\$ -	0.00%	107.750
14160	State Controller	\$ 22,498,385	\$ 25,742,217	\$ 26,552,574	\$ 816,202	\$ 25,736,372	\$ (5,845)	(0.02%)	167.454
14700	Revenue	\$ 87,185,512	\$ 91,779,469	\$ 155,095,449	\$ 63,306,741	\$ 91,788,708	\$ 9,239	0.01%	1,463.386
18025	State Board of Elections	\$ 6,237,738	\$ 7,604,808	\$ 7,758,931	\$ 102,000	\$ 7,656,931	\$ 52,123	0.69%	66.000
18210	Office of Administrative Hearings	\$ 5,949,959	\$ 6,540,124	\$ 7,921,704	\$ 1,260,671	\$ 6,661,033	\$ 120,909	1.85%	55.790
	<b>Total General Government</b>	<b>\$ 473,248,144</b>	<b>\$ 509,600,287</b>	<b>\$ 712,142,392</b>	<b>\$ 228,189,042</b>	<b>\$ 483,953,350</b>	<b>\$ (25,646,937)</b>	<b>(5.03%)</b>	<b>4,360.673</b>
<b>Health and Human Services</b>									
14480	Vocational Rehabilitation	\$ 37,127,360	\$ 40,318,276	\$ 156,002,121	\$ 115,681,595	\$ 40,320,526	\$ 2,250	0.01%	989.250
14411	Aging and Adult Services	\$ 42,703,200	\$ 44,294,755	\$ 156,196,515	\$ 111,901,760	\$ 44,294,755	\$ -	0.00%	77.000
14440	Social Services	\$ 178,894,200	\$ 194,964,600	\$ 1,962,379,539	\$ 1,767,412,891	\$ 194,966,648	\$ 2,048	0.00%	402.000
14450	Services for the Blind, Deaf, and Hard of Hearing	\$ 7,356,903	\$ 8,769,334	\$ 42,596,973	\$ 33,827,639	\$ 8,769,334	\$ -	0.00%	335.510
14410	Central Administration	\$ 124,181,935	\$ 139,403,666	\$ 235,183,857	\$ 91,972,760	\$ 143,211,097	\$ 3,807,431	2.73%	988.000
14420	Child Development and Early Education	\$ 226,597,837	\$ 228,663,307	\$ 807,780,318	\$ 579,117,011	\$ 228,663,307	\$ -	0.00%	336.000
14430	Public Health	\$ 152,328,746	\$ 156,971,576	\$ 971,712,464	\$ 814,008,283	\$ 157,704,181	\$ 732,605	0.47%	1,960.960
14445	Medical Assistance	\$ 3,804,844,140	\$ 4,137,530,933	\$ 14,864,863,270	\$ 10,941,685,770	\$ 3,923,177,500	\$ (214,353,433)	(5.18%)	469.000
14460	Mental Health/Disabilities/Substance Abuse	\$ 739,124,745	\$ 752,474,203	\$ 1,601,236,593	\$ 813,466,768	\$ 787,769,825	\$ 35,295,622	4.69%	11,271.100
14470	Health Services Regulation	\$ 19,011,898	\$ 20,420,222	\$ 76,225,433	\$ 55,313,486	\$ 20,911,947	\$ 491,725	2.41%	578.500
	<b>Total Health and Human Services</b>	<b>\$ 5,332,170,963</b>	<b>\$ 5,723,810,872</b>	<b>\$ 20,874,177,083</b>	<b>\$ 15,324,387,963</b>	<b>\$ 5,549,789,120</b>	<b>\$ (174,021,752)</b>	<b>(3.04%)</b>	<b>17,407.320</b>
<b>Justice and Public Safety</b>									
12000	Judicial	\$ 578,375,400	\$ 604,269,700	\$ 606,039,793	\$ 1,221,050	\$ 604,818,743	\$ 549,043	0.09%	5,970.250
12001	Judicial - Indigent Defense	\$ 125,493,916	\$ 127,784,074	\$ 140,297,520	\$ 12,311,025	\$ 127,986,495	\$ 202,421	0.16%	554.000
13600	Justice	\$ 52,049,075	\$ 53,687,077	\$ 93,681,674	\$ 42,994,597	\$ 50,687,077	\$ (3,000,000)	(5.59%)	789.885
14550	Public Safety	\$ 2,198,974,347	\$ 2,240,194,166	\$ 2,514,604,984	\$ 262,562,580	\$ 2,252,042,404	\$ 11,848,238	0.53%	24,727.416
	<b>Total Justice and Public Safety</b>	<b>\$ 2,954,892,738</b>	<b>\$ 3,025,935,017</b>	<b>\$ 3,354,623,971</b>	<b>\$ 319,089,252</b>	<b>\$ 3,035,534,719</b>	<b>\$ 9,599,702</b>	<b>0.32%</b>	<b>32,041.551</b>

Budget Code	Function	2019-20 Actual	2020-21 Authorized	Base Budget Requirements	Base Budget Receipts	Base Budget	\$ Change from 2020-21 Auth	% Change from 2020-21 Auth	Base Budget Positions
<b>Natural and Economic Resources</b>									
13700	Agriculture and Consumer Services	\$ 129,473,367	\$ 133,077,170	\$ 196,448,314	\$ 62,702,495	\$ 133,745,819	\$ 668,649	0.50%	1,811.521
13800	Labor	\$ 17,962,313	\$ 19,324,137	\$ 39,658,872	\$ 20,180,125	\$ 19,478,747	\$ 154,610	0.80%	378.000
14300	Environmental Quality	\$ 81,902,451	\$ 100,226,997	\$ 255,006,113	\$ 167,811,600	\$ 87,194,513	\$ (13,032,484)	(13.00%)	1,097.871
14350	Wildlife Resources Commission	\$ 12,053,305	\$ 11,858,585	\$ 94,382,144	\$ 81,574,562	\$ 12,807,582	\$ 948,997	8.00%	655.000
14600	Commerce	\$ 9,369,689	\$ 11,742,694	\$ 68,689,734	\$ 56,947,040	\$ 11,742,694	\$ -	0.00%	172.051
14601	Commerce - State Aid	\$ 16,155,810	\$ 16,155,810	\$ 16,155,810	\$ -	\$ 16,155,810	\$ -	0.00%	0.000
14602	Commerce - Economic Development	\$ 150,155,700	\$ 150,175,700	\$ 150,295,700	\$ 120,000	\$ 150,175,700	\$ -	0.00%	0.000
14800	Natural and Cultural Resources	\$ 181,243,861	\$ 186,975,876	\$ 231,632,149	\$ 42,719,903	\$ 188,912,246	\$ 1,936,370	1.04%	1,860.821
14802	Natural and Cultural Resources - Roanoke Island	\$ 590,328	\$ 590,328	\$ 590,328	\$ -	\$ 590,328	\$ -	0.00%	0.000
<b>Total Natural and Economic Resources</b>		<b>\$ 598,906,824</b>	<b>\$ 630,127,297</b>	<b>\$ 1,052,859,164</b>	<b>\$ 432,055,725</b>	<b>\$ 620,803,439</b>	<b>\$ (9,323,858)</b>	<b>(1.48%)</b>	<b>5,975.264</b>
<b>Debt Service</b>									
19420	General Debt Service	\$ 705,756,629	\$ 720,940,153	\$ 739,593,748	\$ 18,653,595	\$ 720,940,153	\$ -	0.00%	0.000
19425	Federal Reimbursement	\$ 1,452,854	\$ 1,616,380	\$ 1,616,380	\$ -	\$ 1,616,380	\$ -	0.00%	0.000
<b>Total Debt Service</b>		<b>\$ 707,209,483</b>	<b>\$ 722,556,533</b>	<b>\$ 741,210,128</b>	<b>\$ 18,653,595</b>	<b>\$ 722,556,533</b>	<b>\$ -</b>	<b>0.00%</b>	<b>0.000</b>
<b>Reserves and Other Adjustments</b>									
19001	Contingency and Emergency Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.000
19004	Salary Adjustments	\$ 9,462,070	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.000
19005	OSHR - Market Adjustment	\$ 425,888	\$ 2,624,316	\$ -	\$ -	\$ -	\$ (2,624,316)	(100.00%)	0.000
19012	General Fund Reserve - Golden L.E.A.F.	\$ 15,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.000
19031	Disaster Expenditures	\$ 5,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.000
19035	Management Flexibility	\$ -	\$ (645,400,000)	\$ -	\$ -	\$ -	\$ 645,400,000	(100.00%)	0.000
19060	Reserves and Adjustments	\$ (9,462,070)	\$ (1,944,202)	\$ -	\$ -	\$ -	\$ 1,944,202	(100.00%)	0.000
19084	25-Year Law Enforcement Retirement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.000
19085	Limited Obligation Bonds Reserve	\$ 35,999,999	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.000
19086	State Capital & Infrastructure Fund	\$ -	\$ 125,000,000	\$ 15,000,000	\$ -	\$ 15,000,000	\$ (110,000,000)	(88.00%)	0.000
<b>Total Reserves, Debt Service, and Other Adjustments</b>		<b>\$ 56,425,887</b>	<b>\$ (519,719,886)</b>	<b>\$ 15,000,000</b>	<b>\$ -</b>	<b>\$ 15,000,000</b>	<b>\$ 534,719,886</b>	<b>(102.89%)</b>	<b>0.000</b>
<b>Total General Fund Operating Budget</b>		<b>\$ 24,093,599,414</b>	<b>\$ 24,479,384,669</b>	<b>\$ 45,675,505,861</b>	<b>\$ 20,848,453,664</b>	<b>\$ 24,827,052,197</b>	<b>\$ 347,667,528</b>	<b>1.42%</b>	<b>96,592.259</b>

**Table 9**

**Summary of General Fund Base Budget Adjustments, 2022-23**

Budget Code	Function	2019-20 Actual	2020-21 Authorized	Base Budget Requirements	Base Budget Receipts	Base Budget	\$ Change from 2020-21 Auth	% Change from 2020-21 Auth	Base Budget Positions
<b>Education</b>									
13510	Public Education	\$ 9,664,331,806	\$ 9,987,410,026	\$ 12,182,234,990	\$ 2,165,914,580	\$ 10,016,320,410	\$ 28,910,384	0.29%	1,063.587
16800	Community Colleges	\$ 1,188,516,465	\$ 1,229,581,496	\$ 1,604,773,074	\$ 385,085,099	\$ 1,219,687,975	\$ (9,893,521)	(0.80%)	221.550
160xx	University System	\$ 3,117,897,104	\$ 3,170,083,027	\$ 5,148,601,531	\$ 1,975,078,408	\$ 3,173,523,123	\$ 3,440,096	0.11%	35,522.314
	<b>Total Education</b>	<b>\$ 13,970,745,375</b>	<b>\$ 14,387,074,549</b>	<b>\$ 18,935,609,595</b>	<b>\$ 4,526,078,087</b>	<b>\$ 14,409,531,508</b>	<b>\$ 22,456,959</b>	<b>0.16%</b>	<b>36,807.451</b>
<b>General Government</b>									
11000	General Assembly	\$ 71,856,061	\$ 74,106,502	\$ 74,667,502	\$ 561,000	\$ 74,106,502	\$ -	0.00%	540.350
13000	Governor's Office	\$ 5,242,444	\$ 5,576,809	\$ 6,615,513	\$ 898,760	\$ 5,716,753	\$ 139,944	2.51%	52.000
13005	State Budget and Management	\$ 8,358,064	\$ 8,765,358	\$ 8,978,843	\$ 131,780	\$ 8,847,063	\$ 81,705	0.93%	55.000
13010	NC Housing Finance Agency	\$ 10,660,000	\$ 30,660,000	\$ 10,660,000	\$ -	\$ 10,660,000	\$ (20,000,000)	(65.23%)	0.000
13050	Military and Veterans Affairs	\$ 9,107,497	\$ 9,572,445	\$ 67,155,001	\$ 57,415,186	\$ 9,739,815	\$ 167,370	1.75%	91.750
13085	OSBM-Special Projects	\$ 17,156,500	\$ 8,603,000	\$ 2,000,000	\$ -	\$ 2,000,000	\$ (6,603,000)	(76.75%)	0.000
13100	Lieutenant Governor	\$ 728,434	\$ 927,695	\$ 927,695	\$ -	\$ 927,695	\$ -	0.00%	7.000
13200	Secretary of State	\$ 14,163,856	\$ 14,626,165	\$ 15,386,741	\$ 362,356	\$ 15,024,385	\$ 398,220	2.72%	178.553
13300	State Auditor	\$ 12,792,448	\$ 14,808,414	\$ 21,471,173	\$ 6,514,703	\$ 14,956,470	\$ 148,056	1.00%	160.000
13410	State Treasurer	\$ 4,027,339	\$ 4,944,657	\$ 68,039,962	\$ 63,095,306	\$ 4,944,656	\$ (1)	(0.00%)	397.600
13412	State Treasurer - Retirement/Benefits	\$ 31,437,256	\$ 32,020,423	\$ 33,220,423	\$ 1,200,000	\$ 32,020,423	\$ -	0.00%	0.000
13900	Insurance	\$ 41,190,054	\$ 43,547,878	\$ 52,066,118	\$ 8,358,700	\$ 43,707,418	\$ 159,540	0.37%	452.137
13902	Industrial Commission	\$ 9,205,524	\$ 9,642,754	\$ 22,460,603	\$ 13,567,849	\$ 8,892,754	\$ (750,000)	(7.78%)	146.204
14100	Administration	\$ 63,984,400	\$ 65,385,859	\$ 66,628,348	\$ 10,136,422	\$ 56,491,926	\$ (8,893,933)	(13.60%)	356.149
14111	Office of State Human Resources - General Fund	\$ -	\$ -	\$ 9,429,624	\$ 100,888	\$ 9,328,736	\$ 9,328,736	0.00%	63.550
14660	Information Technology	\$ 51,466,670	\$ 54,745,710	\$ 55,156,933	\$ 411,223	\$ 54,745,710	\$ -	0.00%	107.750
14160	State Controller	\$ 22,498,385	\$ 25,742,217	\$ 26,552,574	\$ 816,202	\$ 25,736,372	\$ (5,845)	(0.02%)	167.454
14700	Revenue	\$ 87,185,512	\$ 91,779,469	\$ 155,096,811	\$ 63,311,155	\$ 91,785,656	\$ 6,187	0.01%	1,463.386
18025	State Board of Elections	\$ 6,237,738	\$ 7,604,808	\$ 7,758,931	\$ 102,000	\$ 7,656,931	\$ 52,123	0.69%	66.000
18210	Office of Administrative Hearings	\$ 5,949,959	\$ 6,540,124	\$ 7,934,389	\$ 1,260,671	\$ 6,673,718	\$ 133,594	2.04%	55.790
	<b>Total General Government</b>	<b>\$ 473,248,144</b>	<b>\$ 509,600,287</b>	<b>\$ 712,207,184</b>	<b>\$ 228,244,201</b>	<b>\$ 483,962,983</b>	<b>\$ (25,637,304)</b>	<b>(5.03%)</b>	<b>4,360.673</b>
<b>Health and Human Services</b>									
14480	Vocational Rehabilitation	\$ 37,127,360	\$ 40,318,276	\$ 156,004,374	\$ 115,681,595	\$ 40,322,779	\$ 4,503	0.01%	989.250
14411	Aging and Adult Services	\$ 42,703,200	\$ 44,294,755	\$ 122,881,371	\$ 78,586,616	\$ 44,294,755	\$ -	0.00%	77.000
14440	Social Services	\$ 178,894,200	\$ 194,964,600	\$ 1,962,379,539	\$ 1,767,412,891	\$ 194,966,648	\$ 2,048	0.00%	402.000
14450	Services for the Blind, Deaf, and Hard of Hearing	\$ 7,356,903	\$ 8,769,334	\$ 42,596,973	\$ 33,827,639	\$ 8,769,334	\$ -	0.00%	335.510
14410	Central Administration	\$ 124,181,935	\$ 139,403,666	\$ 235,255,297	\$ 92,015,961	\$ 143,239,336	\$ 3,835,670	2.75%	988.000
14420	Child Development and Early Education	\$ 226,597,837	\$ 228,663,307	\$ 807,780,318	\$ 579,117,011	\$ 228,663,307	\$ -	0.00%	336.000
14430	Public Health	\$ 152,328,746	\$ 156,971,576	\$ 971,814,383	\$ 814,027,157	\$ 157,787,226	\$ 815,650	0.52%	1,960.960
14445	Medical Assistance	\$ 3,804,844,140	\$ 4,137,530,933	\$ 14,864,874,323	\$ 10,941,688,914	\$ 3,923,185,409	\$ (214,345,524)	(5.18%)	469.000
14460	Mental Health/Disabilities/Substance Abuse	\$ 739,124,745	\$ 752,474,203	\$ 1,601,236,595	\$ 813,466,768	\$ 787,769,827	\$ 35,295,624	4.69%	11,271.100
14470	Health Services Regulation	\$ 19,011,898	\$ 20,420,222	\$ 76,231,658	\$ 55,319,711	\$ 20,911,947	\$ 491,725	2.41%	578.500
	<b>Total Health and Human Services</b>	<b>\$ 5,332,170,963</b>	<b>\$ 5,723,810,872</b>	<b>\$ 20,841,054,831</b>	<b>\$ 15,291,144,263</b>	<b>\$ 5,549,910,568</b>	<b>\$ (173,900,304)</b>	<b>(3.04%)</b>	<b>17,407.320</b>
<b>Justice and Public Safety</b>									
12000	Judicial	\$ 578,375,400	\$ 604,269,700	\$ 606,039,793	\$ 1,221,050	\$ 604,818,743	\$ 549,043	0.09%	5,970.250
12001	Judicial - Indigent Defense	\$ 125,493,916	\$ 127,784,074	\$ 140,302,624	\$ 12,311,025	\$ 127,991,599	\$ 207,525	0.16%	554.000
13600	Justice	\$ 52,049,075	\$ 53,687,077	\$ 93,681,674	\$ 42,994,597	\$ 50,687,077	\$ (3,000,000)	(5.59%)	789.885
14550	Public Safety	\$ 2,198,974,347	\$ 2,240,194,166	\$ 2,514,714,449	\$ 262,562,580	\$ 2,252,151,869	\$ 11,957,703	0.53%	24,727.416
	<b>Total Justice and Public Safety</b>	<b>\$ 2,954,892,738</b>	<b>\$ 3,025,935,017</b>	<b>\$ 3,354,738,540</b>	<b>\$ 319,089,252</b>	<b>\$ 3,035,649,288</b>	<b>\$ 9,714,271</b>	<b>0.32%</b>	<b>32,041.551</b>

Budget Code	Function	2019-20 Actual	2020-21 Authorized	Base Budget Requirements	Base Budget Receipts	Base Budget	\$ Change from 2020-21 Auth	% Change from 2020-21 Auth	Base Budget Positions
<b>Natural and Economic Resources</b>									
13700	Agriculture and Consumer Services	\$ 129,473,367	\$ 133,077,170	\$ 196,466,278	\$ 62,702,696	\$ 133,763,582	\$ 686,412	0.52%	1,811.521
13800	Labor	\$ 17,962,313	\$ 19,324,137	\$ 39,664,649	\$ 20,180,125	\$ 19,484,524	\$ 160,387	0.83%	378.000
14300	Environmental Quality	\$ 81,902,451	\$ 100,226,997	\$ 255,007,643	\$ 167,819,309	\$ 87,188,334	\$ (13,038,663)	(13.01%)	1,097.871
14350	Wildlife Resources Commission	\$ 12,053,305	\$ 11,858,585	\$ 94,382,144	\$ 81,574,562	\$ 12,807,582	\$ 948,997	8.00%	655.000
14600	Commerce	\$ 9,369,689	\$ 11,742,694	\$ 68,689,734	\$ 56,947,040	\$ 11,742,694	\$ -	0.00%	172.051
14601	Commerce - State Aid	\$ 16,155,810	\$ 16,155,810	\$ 16,155,810	\$ -	\$ 16,155,810	\$ -	0.00%	0.000
14602	Commerce - Economic Development	\$ 150,155,700	\$ 150,175,700	\$ 150,295,700	\$ 120,000	\$ 150,175,700	\$ -	0.00%	0.000
14800	Natural and Cultural Resources	\$ 181,243,861	\$ 186,975,876	\$ 231,632,149	\$ 42,719,903	\$ 188,912,246	\$ 1,936,370	1.04%	1,860.821
14802	Natural and Cultural Resources - Roanoke Island	\$ 590,328	\$ 590,328	\$ 590,328	\$ -	\$ 590,328	\$ -	0.00%	0.000
<b>Total Natural and Economic Resources</b>		<b>\$ 598,906,824</b>	<b>\$ 630,127,297</b>	<b>\$ 1,052,884,435</b>	<b>\$ 432,063,635</b>	<b>\$ 620,820,800</b>	<b>\$ (9,306,497)</b>	<b>(1.48%)</b>	<b>5,975.264</b>
<b>Debt Service</b>									
19420	General Debt Service	\$ 705,756,629	\$ 720,940,153	\$ 739,593,748	\$ 18,653,595	\$ 720,940,153	\$ -	0.00%	0.000
19425	Federal Reimbursement	\$ 1,452,854	\$ 1,616,380	\$ 1,616,380	\$ -	\$ 1,616,380	\$ -	0.00%	0.000
<b>Total Debt Service</b>		<b>\$ 707,209,483</b>	<b>\$ 722,556,533</b>	<b>\$ 741,210,128</b>	<b>\$ 18,653,595</b>	<b>\$ 722,556,533</b>	<b>\$ -</b>	<b>0.00%</b>	<b>0.000</b>
<b>Reserves and Other Adjustments</b>									
19001	Contingency and Emergency Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.000
19004	Salary Adjustments	\$ 9,462,070	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.000
19005	OSHR - Market Adjustment	\$ 425,888	\$ 2,624,316	\$ -	\$ -	\$ -	\$ (2,624,316)	(100.00%)	0.000
19012	General Fund Reserve - Golden L.E.A.F.	\$ 15,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.000
19031	Disaster Expenditures	\$ 5,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.000
19035	Management Flexibility	\$ -	\$ (645,400,000)	\$ -	\$ -	\$ -	\$ 645,400,000	(100.00%)	0.000
19060	Reserves and Adjustments	\$ (9,462,070)	\$ (1,944,202)	\$ -	\$ -	\$ -	\$ 1,944,202	(100.00%)	0.000
19084	25-Year Law Enforcement Retirement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.000
19085	Limited Obligation Bonds Reserve	\$ 35,999,999	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.000
19086	State Capital & Infrastructure Fund	\$ -	\$ 125,000,000	\$ 15,000,000	\$ -	\$ 15,000,000	\$ (110,000,000)	(88.00%)	0.000
<b>Total Reserves and Other Adjustments</b>		<b>\$ 56,425,887</b>	<b>\$ (519,719,886)</b>	<b>\$ 15,000,000</b>	<b>\$ -</b>	<b>\$ 15,000,000</b>	<b>\$ 534,719,886</b>	<b>(102.89%)</b>	<b>0.000</b>
<b>Total General Fund Operating Budget</b>		<b>\$ 24,093,599,414</b>	<b>\$ 24,479,384,669</b>	<b>\$ 45,652,704,713</b>	<b>\$ 20,815,273,033</b>	<b>\$ 24,837,431,680</b>	<b>\$ 358,047,011</b>	<b>1.46%</b>	<b>96,592.259</b>



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***Budget and Economic Outlook,  
Revenue Forecasts, and  
Demographic Analysis***

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## Five-Year Budget Outlook

The following fiscal analysis is presented pursuant to G.S. 143C-3-5(f)-6 and offers a five-year forecast of revenues and expenditures for General Fund net appropriations. The forecast includes the following assumptions:<sup>1</sup>

- The first two years (FY 2021-22 and FY 2022-23) reflect the Governor’s Recommended Budget as presented in this document.
- OSBM used the following growth factors for the subsequent three years using the Governor’s FY 2022-23 Recommended Budget as the base:
  - Revenue is grown annually at 4.4%, based on an average of IHS Markit projections of income growth and historical average tax-law-adjusted General Fund revenue growth that encompasses the last two recessions and economic expansions prior to the COVID-19 pandemic, adjusted for revenue-law changes;
  - Enrollment in K-12 education is based on the State Demographer’s projections for growth in the population age 5-18;
  - Community College and University enrollment growth uses 4-year historical average growth rate to avoid data quality issues and the impact of the Great Recession;<sup>2</sup>
  - Medicaid rebase adjustment growth employs a 10-year historical average growth rate of the Bureau of Labor Statistics’ Consumer Price Index for Medical Care;
  - Agency budgets are grown using a forecast of the Bureau of Economic Analysis’ State and Local Government Consumption Chained Price Index combined with the State Demographer’s 2020 vintage projections of NC population; and
  - Projected debt service for current and proposed investments is included.

As shown by the table and graph below, expenditures are anticipated to stay below revenues throughout the five-year period.

**Table 10**

**Five-Year General Fund Expenditure Forecast**  
(in millions)

	FY 2021-22 Proposed	FY 2022-23 Proposed	FY 2023-24 Estimate	FY 2024-25 Estimate	FY 2025-26 Estimate
<b>Current Services Summary</b>					
<b>Revenue/Availability</b>	<b>29,061.0</b>	<b>28,951.4</b>	<b>29,533.4</b>	<b>30,845.1</b>	<b>32,507.2</b>
Expenditures Base	24,827.1	24,837.4	28,301.4	29,235.8	30,134.0
New Expenditures	2,493.8	3,829.6	926.6	891.9	939.1
<b>Expenditures Total</b>	<b>27,320.8</b>	<b>28,667.1</b>	<b>29,228.0</b>	<b>30,127.8</b>	<b>31,073.2</b>
State Budget Surplus (+)/Shortfall (-)	1,740.2	284.4	305.4	717.4	1,434.0

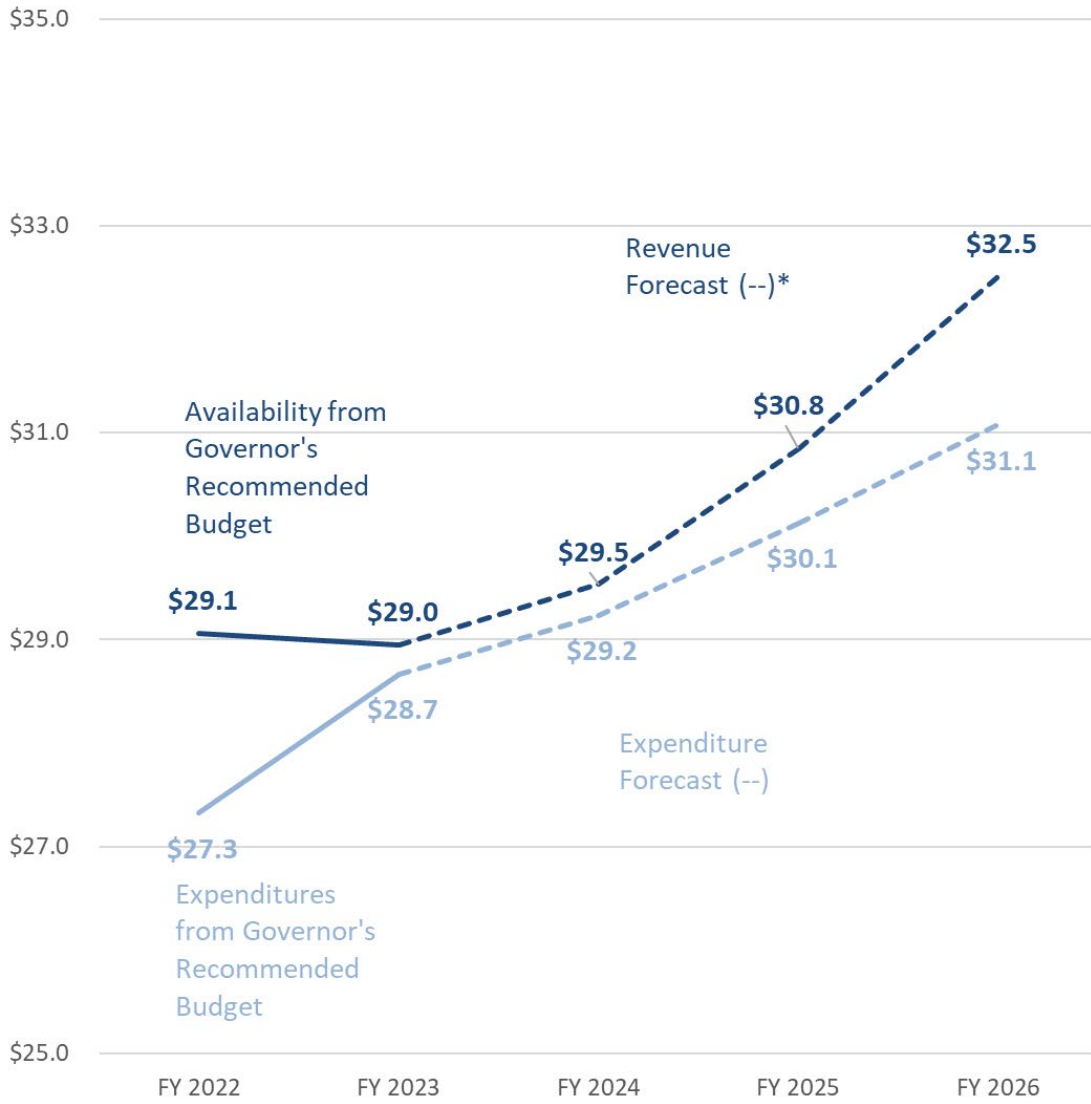
<sup>1</sup> Additional details and methodology are available from the Office of State Budget and Management.

<sup>2</sup> All historical averages used in the expenditure forecast are compound average growth rates.

**Figure 3**

## General Fund Five-Year Revenue and Expenditure Forecast

Billions of Current-Year Dollars



\* Includes transfers to Savings Reserves due to S.L. 2017-5.  
Source: OSBM data and projections

## Economic Outlook – The Tale of Two Recoveries

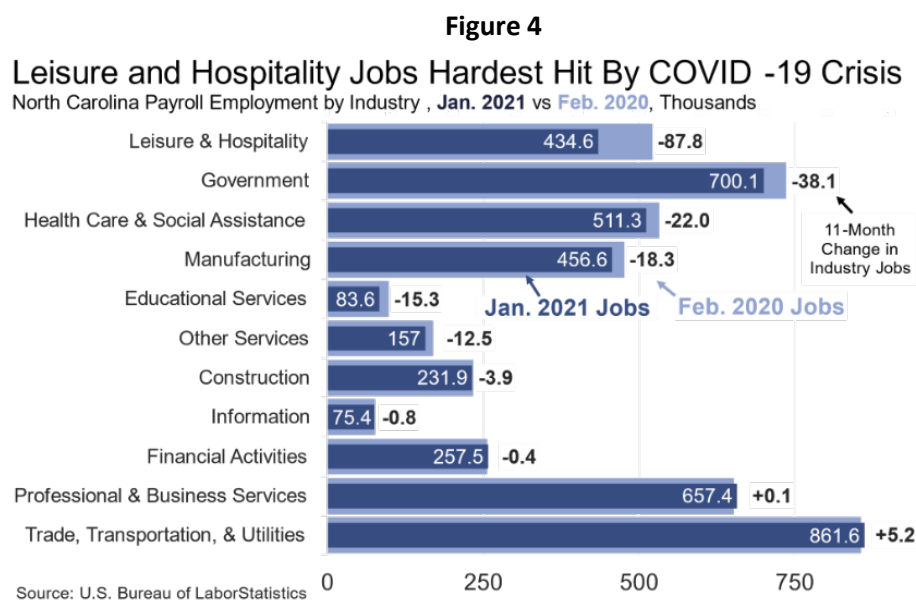
The COVID-19 pandemic has had profound effects globally and on the lives of Americans and the economy over the past year. Many factors, including effective vaccines and federal stimulus payments, have boosted the economy from the lows of Spring 2020. However, the recovery has been K-shaped, with higher-income households recovering quickly, even increasing their wealth, while lower-income households continue to struggle. This pattern is true not only for individuals, but for entire sectors of the economy. In addition to the hardships of widespread illness and loss of life, the pandemic has had outsized impacts particularly on the leisure and hospitality sector.

As the North Carolina economy continues to recover, it is unclear whether its future will resemble its pre-pandemic form. Some COVID-19 trends, like the increase in remote work, acceleration of automation, and transformation of retail, may linger and permanently alter the way people live their lives and the greater economy.

### COVID-19 Takes Employment on a Rollercoaster Ride

The COVID-19 pandemic triggered the sharpest decline in employment since modern recordkeeping began. Of the 4.92 million North Carolinians on the job in February 2020, 867,000 (17.6%) reported being out of work two months later.<sup>1</sup> Although all industries in the state shed jobs between February and April last year, the pandemic devastated the leisure and hospitality sector. Leisure and hospitality businesses shed nearly half of the sector's 522,000 jobs during that time.<sup>2</sup>

Since spring of 2020, job growth has ebbed and flowed following the trajectory of the pandemic. The combination of federal stimulus payments to families, businesses, and unemployed workers, more targeted public health protocols, and pandemic adaptations by businesses and consumers restored



nearly 450,000 North Carolina jobs by the middle of July, 2020.<sup>3</sup> Job growth stalled again in several industries between mid-November and mid-January, particularly leisure and hospitality, which accounted for 45% of the decline in non-farm payroll employment between February and January 2021 (Figure 4).<sup>4</sup>

<sup>1</sup> US Bureau of Labor Statistics. Local Area Unemployment Statistics. Accessed March 15, 2021.

<sup>2</sup> US Bureau of Labor Statistics. State and Metro Area Employment, Hours, & Earnings. Accessed March 15, 2021.

<sup>3</sup> US Bureau of Labor Statistics. Local Area Unemployment Statistics. Accessed March 15, 2021.

<sup>4</sup> US Bureau of Labor Statistics. State and Metro Area Employment, Hours, & Earnings. Accessed March 15, 2021.

Even as businesses across the nation added more than 500,000 jobs in January and February of 2021, recent employment data point to worrying trends.<sup>5</sup> One is the rising share of workers who have been out of a job for 27 weeks or more, which rose to 41.5% in February, almost reaching the record-high of 45% in the wake of the Great Recession.<sup>6</sup> One lesson from the Great Recession is that finding a new job becomes more difficult the longer workers are out of work.<sup>7</sup> The same lesson applies to another concerning trend, the stagnating rate of participation in the labor force.

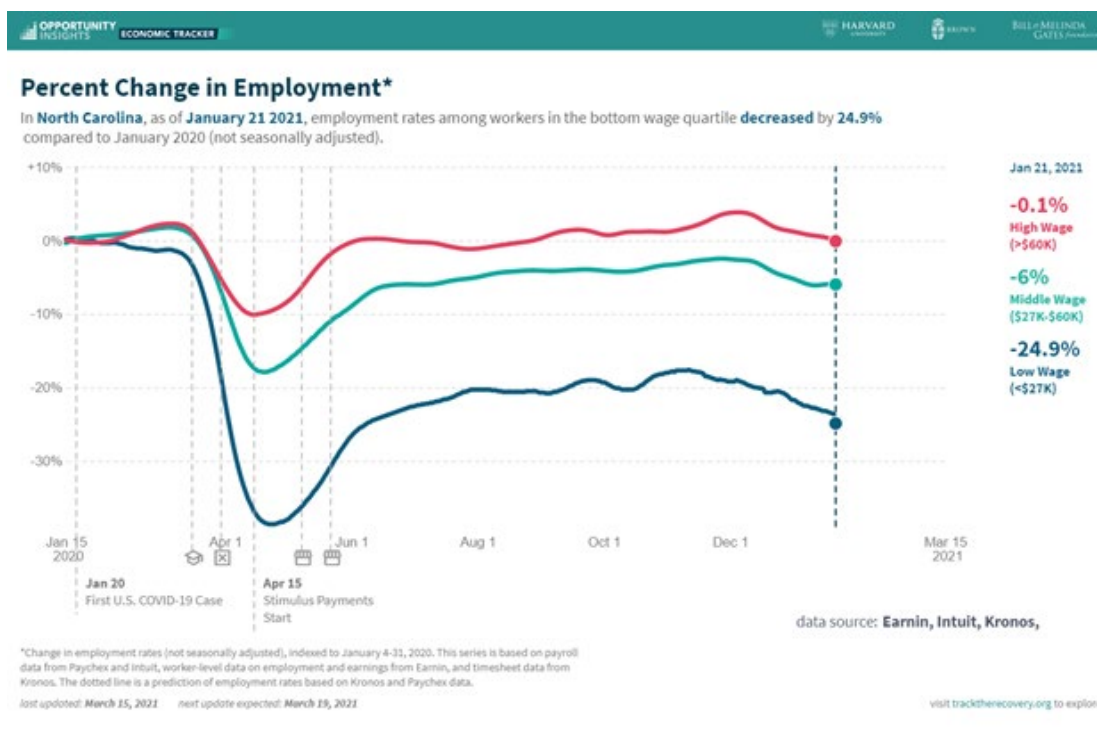
While concerns about these long-term trends remain, the billions of dollars in state and federal unemployment benefits paid to state residents have supported the state’s economy (and state and local tax revenues). A large share of these benefits was or will be spent at North Carolina businesses, providing income to business owners, supporting North Carolina jobs, and paving the way for a full economic recovery.

### Wages Recover Unevenly While Federal Stimulus Drives Up Personal Income

The recession caused by the COVID-19 pandemic hit low-wage workers the hardest. While the state had 4.4% fewer payroll jobs in September 2020 compared to a year earlier, the average weekly wage was 6.9% higher.<sup>8</sup> The increase in the average weekly wage was a direct result of disproportionate job losses among low-wage workers, as shown by national data<sup>9</sup> and unofficial high-frequency state-level data.<sup>10</sup>

Employment rates for low-wage North Carolina workers were down nearly 25% in mid-January 2021 compared to the beginning of last year (Figure 5). The two lowest-paid industries are leisure & hospitality and retail trade, both of which

Figure 5



<sup>5</sup> US Bureau of Labor Statistics. Current Employment Statistics. Accessed March 8, 2021.

<sup>6</sup> US Bureau of Labor Statistics. Current Population Survey. Accessed March 8, 2021.

<sup>7</sup> Nichols, Austin et. al. "Consequences of Long-Term Unemployment." Urban Institute. July 2013.

<https://www.urban.org/sites/default/files/publication/23921/412887-Consequences-of-Long-Term-Unemployment.PDF>

<sup>8</sup> US Bureau of Labor Statistics. County Employment and Wages, 2020 3<sup>rd</sup> quarter. Accessed March 10, 2021.

<sup>9</sup> Federal Reserve Bank of Atlanta’s Center for Human Capital Studies. Wage Growth Tracker. Accessed March 11, 2021.

<https://www.frbatlanta.org/chcs/wage-growth-tracker>

<sup>10</sup> Opportunity Insights Economic Tracker. <https://tracktherecovery.org/>

have borne the brunt of the pandemic's impact on the economy. The average weekly wage in the accommodation & food services sector in North Carolina in 2020 Q3 was \$376 and in the retail trade sector \$616.<sup>11</sup> In addition, these industries historically employ higher than average percentages of women and people of color.<sup>12</sup> Almost a year into the pandemic women's participation in the workforce has not recovered at the same rate as men, creating further inequities.

Despite the struggle of low-wage earners, the total personal income of Americans has increased by 13.1%. This is due to the disparate effect of the pandemic on high-wage versus low-wage earners (national total wage and salary income rose by 1.1% year-over-year this January and 9.1% in the fourth quarter 2020 over a quarter prior), the federal stimulus payments (income from government benefits rose 20.1% in December over one year prior), and the better-than-expected stock market performance (dividend income increased 16.3% in December).<sup>13</sup>

State and federal unemployment insurance programs have provided an invaluable lifeline to nearly one million North Carolinians who have been out of work since the beginning of the COVID-19 pandemic. By the end of May 2020, the Division of Employment Security sent at least one week of state or federal unemployment insurance benefits to more than 650,000 out-of-work North Carolinians, with total payments surpassing \$3 billion (including federally funded weekly \$600 bonus payments). By March, 2021, benefit payments rose to more than \$10 billion, covering 970,000 eligible North Carolinians.

### Increased Wealth for Higher Income Families and Insecurity for Lower Income Families

The strength of the financial and housing markets shows signs of a K-shaped recovery—with higher income households recovering quickly as lower-income households continue to struggle—as well. While the 2020 stock market has also been on a rollercoaster ride, the stock market recovered all its dramatic February and March 2020 losses by August. The rest of 2020 saw strong growth as the major technology firms posted gains. Despite recent spikes in market volatility, the stock market continued to reach record highs, benefiting high-income households.<sup>14</sup>

Rising demand for housing (due to low interest rates, pandemic lockdown effects, and many millennials reaching home-buying ages) paired with a depressed supply have led to price escalation. Three major national housing price indexes have shown 12-month growth between 9.2% and 11.4%. In the Charlotte and Triangle metro areas, up to a third of homes sold for above the asking price in November 2020, and housing supply has dropped to less than one month's worth.<sup>15</sup> Nationally, the housing supply is at a 40-year low (since the National Association of Realtors began tracking), and down 22% from last year.

In contrast to the boon for home sellers, the pandemic has resulted in a major increase in the number of mortgage loans in forbearance plans – 2.7 million as of January 31, 2021, and over 80% of those were on extension under the CARES Act.<sup>16</sup> More than 10% of adults in North Carolina are not current on rent or mortgage payments and do not have confidence they can pay next month's rent or mortgage on time, compared to a national average of 7.9%. One third of North Carolina's adult population is currently living

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<sup>11</sup> NC Department of Commerce. Quarterly Census of Employment and Wages.

<https://d4.nccommerce.com/QCEWSelection.aspx>

<sup>12</sup> US Bureau of Labor Statistics. Current Population Survey. Accessed March 11, 2021.

<sup>13</sup> Bureau of Economic Analysis, Personal Income and Outlays, January 2021. Accessed March 10, 2021.

<sup>14</sup> Gebeloff, Robert. "Who Owns Stocks? Explaining the Rise in Inequality During the Pandemic." The New York Times. January 26, 2021. <https://www.nytimes.com/2021/01/26/upshot/stocks-pandemic-inequality.html>

<sup>15</sup> News & Observer, "What will the NC housing market be like in 2021? COVID-19 effects offer clues." December 30, 2020. <https://www.newsobserver.com/news/business/article248169035.html>

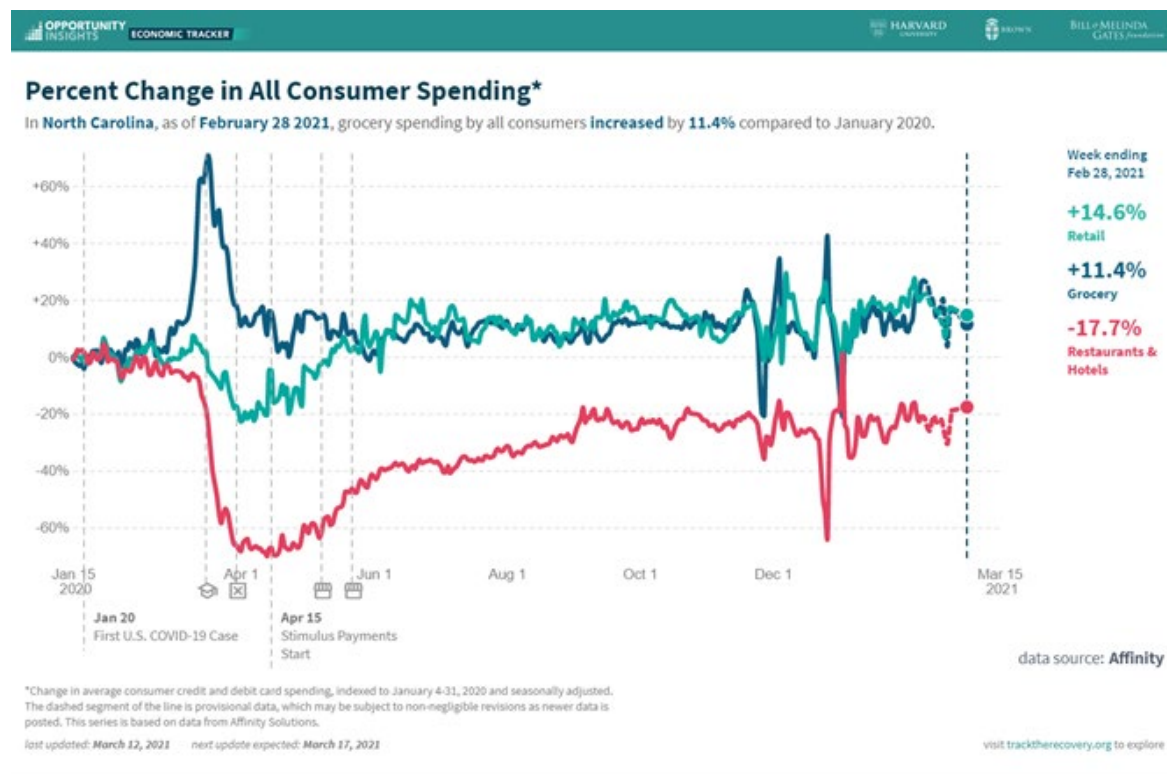
<sup>16</sup> IHS Markit, US Economic Outlook – February 2021. Accessed March 1, 2021.

in households that have some difficulty paying for usual expenses, and 10.4% are living in a household where there was either “sometimes” or “often” not enough food to eat.<sup>17</sup>

### Consumer Spending Plummeted, Then Rebounds for Goods but Not for Many Services

The COVID-19 pandemic has caused substantial, rapid changes in consumer spending over the past year. Just as grocery spending peaked in March 2020, daily spending on entertainment and recreation, restaurants and hotels, and transportation plummeted (see Figure 6), averaging more than 60% below pre-pandemic levels by the end of March 2020 and remaining suppressed since. Daily retail spending averaged roughly 20% below pre-pandemic levels from the end of March until the week of April 13, when households received the first wave of stimulus payments authorized by the federal CARES Act.<sup>18</sup>

Figure 6



Federal stimulus payments, Paycheck Protection Program loans to businesses, unemployment insurance payments, and the phased reopening of businesses gradually lifted most consumer spending from lows reached in April 2020, but the recovery was uneven. High-frequency credit and debit card data shows retail spending by North Carolinians averaging roughly 10-15% above pre-pandemic levels from June 2020 through January 2021. The same data, however, show spending at arts, entertainment, and recreation merchants and on transportation services averaging 40%-55% below pre-pandemic levels over the same period. Spending on accommodation and food services rebounded to 20-25% below pre-pandemic levels by September but declined modestly in November through January as colder weather arrived and as COVID-19 case rates rose to record highs.<sup>19</sup>

<sup>17</sup> US Census Bureau. Household Pulse Survey. Accessed March 1, 2021.

<sup>18</sup> Opportunity Insights Economic Tracker. <https://tracktherecovery.org/>

<sup>19</sup> Opportunity Insights Economic Tracker. <https://tracktherecovery.org/>



The shift in consumer spending away from in-person services toward goods that are easily used or consumed at home has boosted North Carolina sales tax revenues since July 2020. Despite national personal consumption spending remaining below pre-pandemic levels in the second half of 2020, taxable retail sales averaged 7.5% above prior-year levels from July through November 2020.<sup>20</sup> Among the biggest contributors to the growth in taxable sales (and revenue) are building material retailers and, especially, general merchandise retailers. Although North Carolina does not track comprehensive data on taxable online sales, national data on e-commerce trends and limited state-level data show that online sales have contributed significantly to growth in taxable sales since the beginning of the COVID-19 pandemic.

## Outlook for a Post-Pandemic North Carolina Economy

The COVID-19 pandemic has caused immense economic and personal hardship for millions of North Carolina families and businesses. The pandemic has also forced massive changes to the state's economy, including tens of thousands of temporary and permanent business closures, a rapid rise in teleworking, nearly-empty office buildings, limited service in restaurants, and sports arenas with few fans.

In the near term, North Carolina's economy will continue moving in the direction of the pre-pandemic normal. At this time, however, it is unclear how closely North Carolina's future economy will resemble its pre-pandemic economy. Below are three ways the COVID-19 pandemic may result in long-lasting changes to North Carolina's economy.

### Remote Work and the Future of Downtowns

For decades, the dominant pattern of office work in North Carolina, and much of the country, featured workers commuting to downtown offices from residential areas outside central cities. The pandemic has upended this model. Prior to the pandemic, despite consistent growth in remote work since the 1990s, only a modest share of the US workforce (5-13%) worked entirely remotely.<sup>21</sup> During the first wave of the COVID-19 pandemic in April and early May 2020, roughly half of the US workforce reported working from home.<sup>22</sup>

Although remote work presents challenges and many businesses have shifted back toward in-person work in recent months, hiring managers believe the rapid shift to a remote workforce has gone better than expected.<sup>23</sup> Thus, it is unsurprising that businesses anticipate a large increase in remote working even after the end of the pandemic. A January 2021 survey shows businesses anticipate the share of work-from-home days among workers rising from 5.5% pre-pandemic to nearly 15% after the pandemic ends.<sup>24</sup>

Such a large change in work and commuting would likely have significant downstream effects on the local economies of central cities and other employment hubs. Commercial real estate businesses have struggled during the pandemic, and a long-term shift to more remote work would cause many to shrink

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<sup>20</sup> NC Department of Revenue monthly sales and use tax statistics.

<sup>21</sup> Ozimek, Adam. "The Future of Remote Work." Upwork. May 2020. <https://www.upwork.com/press/releases/the-future-of-remote-work>

<sup>22</sup> Brynjolfsson, Erik et. al. "COVID-19 and Remote Work: An Early Look at US Data." NBER. June 2020. <https://www.nber.org/papers/w27344>

<sup>23</sup> Ozimek, Adam. "Economist Report: Future Workforce." Upwork. December 2020. <https://www.upwork.com/press/releases/economist-report-future-workforce>

<sup>24</sup> Federal Reserve Bank of Atlanta. "WFH Is Onstage and Here to Stay." February 2021. <https://www.frbatlanta.org/blogs/macroblog/2021/02/24/wfh-onstage-and-here-to-stay>

or go out of business. Municipalities could be hurt by falling commercial property values, which have already strained many municipal budgets. Downtown businesses, such as restaurants and retail focused on serving office workers, could also struggle if many of their customers do not return after the pandemic.<sup>25</sup>

### Acceleration of Automation Trends

The economic upheaval caused by recent recessions has led more businesses to invest in automation while cutting payroll.<sup>26</sup> The heightened public health risks associated with having large groups of workers and customers together in indoor spaces during the pandemic has provided businesses an additional incentive to invest in automation during the COVID-19 recession.

Twenty-nine percent of 300 CEOs across the globe stated they plan to invest in automation due to COVID-19.<sup>27</sup> The trend towards increased automation has been especially significant in industries most affected by the pandemic, such as restaurants, grocery stores, hotels, meatpacking, and warehousing.<sup>28,29</sup> The acceleration of automation trends in many industries will likely have a major impact on which of the millions of jobs lost during the pandemic will return, and what new jobs will rise in their place.<sup>30</sup>

### Transformation of Retail

Many of the shopping trends we have seen during the pandemic are an acceleration of past behaviors. The COVID-19 pandemic has accelerated the growth of online retail, with e-commerce sales growing to 14% of total retail sales in 2020 versus 11% in 2019.<sup>31</sup> The rapid growth in online shopping is favoring businesses that have invested in strong digital platforms, advanced logistics, and data analytics.

Additionally, as COVID-19 health-risk concerns have persisted, businesses have increasingly relied on in-store and curbside pickup and delivery to serve customers safely and compete with online shopping. Given the convenience of these experiences, retailers will likely continue providing contactless shopping methods after the pandemic. This will only fast-track the turn away from traditional malls and department stores, leaving many communities to address the prospect of abandoned malls and the resulting loss of many entry-level jobs.<sup>32</sup> Smaller independent retailers have also faced considerable challenges during the pandemic and will likely need to adapt to compete with the online and big-box retailers in the aftermath of the pandemic.

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<sup>25</sup> Long, Heather. "Millions of Jobs Probably Aren't Coming Back, Even after the Pandemic Ends." The Washington Post. 24 Feb. 2021. [www.washingtonpost.com/road-to-recovery/2021/02/17/unemployed-workers-retraining/](https://www.washingtonpost.com/road-to-recovery/2021/02/17/unemployed-workers-retraining/)

<sup>26</sup> Van Dam, Andrew. "When the Next Recession Comes, the Robots Will Be Ready." The Washington Post. January 24, 2019. <https://www.washingtonpost.com/us-policy/2019/01/24/when-next-recession-comes-robots-will-be-ready/>

<sup>27</sup> KPMG International and HFS Research. May-June 2020. <https://www.dailyhostnews.com/automation-a-key-enterprise-spend-theme-post-the-pandemic-era>

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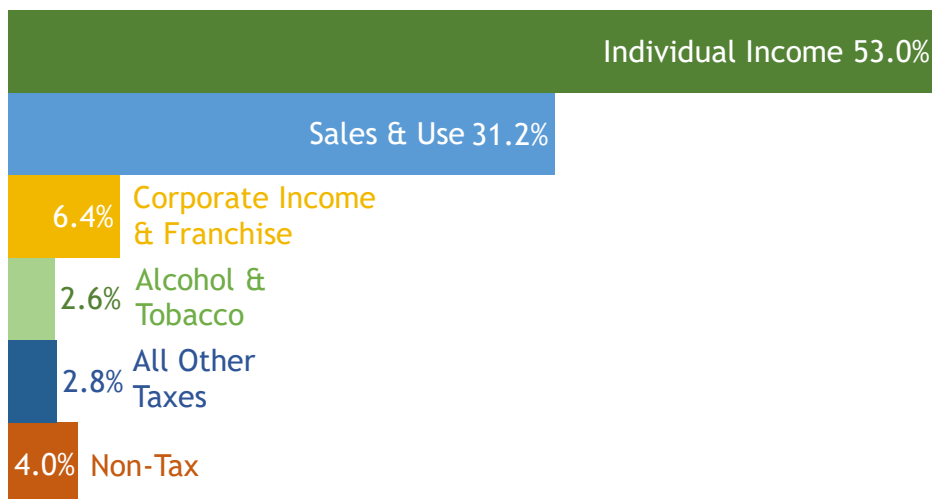
## General Fund Revenue Forecast

Historically, about half of North Carolina’s total revenue originates from tax collections and other sources comprising the General Fund. The other half consists of funds from the federal government, highway funds, the Education Lottery, and other receipts and fees (e.g., tuition). However, in 2020 the state received \$14.3 billion in federal stimulus to deal with the impacts of the coronavirus pandemic in 2020, so federal receipts represent a greater percentage of the overall budget.

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

Figure 7

### Individual Income & Sales Taxes Comprise Vast Majority of Own - Source General Fund Revenue



FY 2018-19 General Fund Revenues; FY 2019-20 revenues not representative of a typical year due to COVID-19 payment and filing delays

### Consensus Revenue Forecast

The consensus revenue forecast anticipates a large bump in revenue growth for FY 2020-21 (15.3%), partially due to the shift in income and franchise tax deadlines from April 2020 to July 2020, effectively moving \$1.1 billion in revenue from FY 2019-20 to FY 2020-21. Federal stimulus from the CARES Act and the Consolidated Appropriations Act, 2021, has also contributed to dramatic growth in revenues in the current fiscal year.

However, for the first year of the 2021-23 biennium, revenue is forecast to decrease (-0.9%) from the current year’s temporarily boosted level and then bounce back in line with historical trends in the second year (4.1%). The following sections provide more details on the consensus revenue forecast, as

adjusted for the Governor’s recommended revenue changes described in the “Recommended Revenue Changes” section below.

## Current Year Revenue

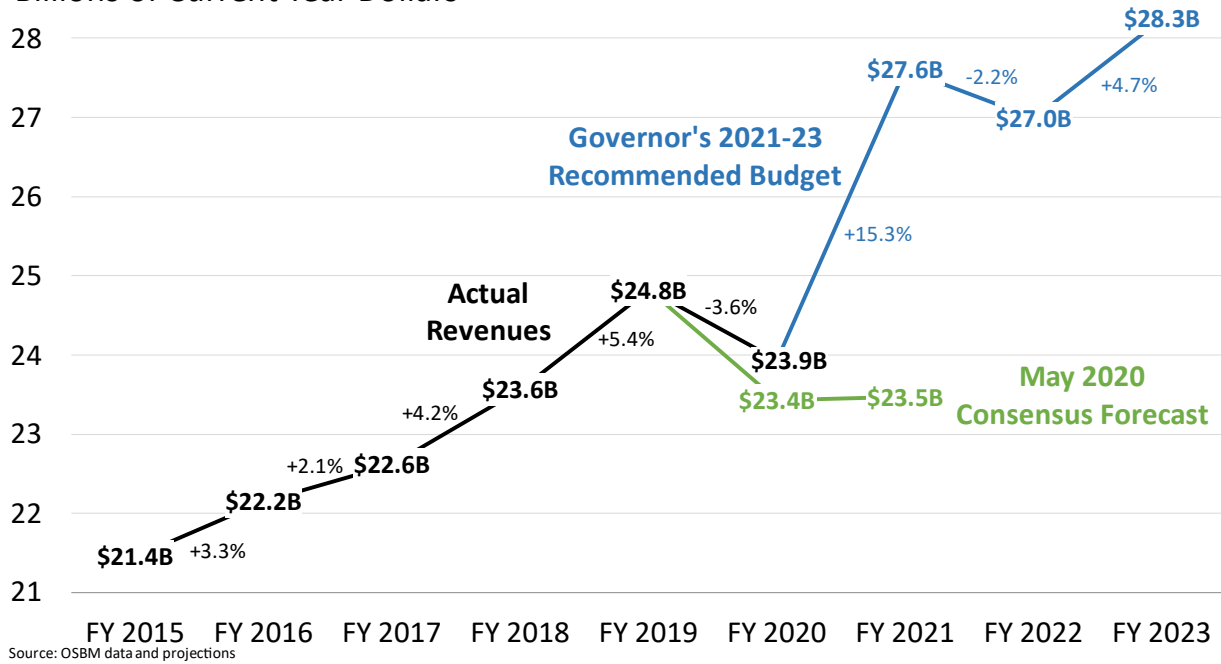
The revised consensus forecast for FY 2020-21, adjusted for recommended revenue changes, projects net General Fund revenue of \$27.60 billion. This amount is 15.3% over the \$23.94 billion collected in FY 2019-20 (see Table 11). The forecast is \$4.14 billion (17.6%) higher than the May 2020 revised revenue consensus of \$23.47 billion. The May 2020 consensus happened when most economic forecasts projected a deep, prolonged downturn in the economy and before the federal government passed two major stimulus bills to mitigate this prognosis.

- Personal income tax collections are expected to total \$14.82 billion in FY 2020-21, an increase of 19.4% over FY 2019-20. Adjusting revenue growth for the effect of delayed filing and payment deadlines results in a year-over-year increase of 5.9%. The current forecast reflects a faster-than-anticipated recovery in wage and business income plus the direct impact of withholding on more than \$10 billion in state and federal unemployment insurance benefits since March 15, 2020.
- Sales and use tax collections are forecast to increase 10.3% compared to FY 2019-20. The increase is driven by the large, stimulus-driven increase in disposable personal income and by consumers shifting spending away from many untaxed services toward taxable goods. Sales tax revenues were also boosted by increased collections from online sales, including a new requirement for marketplace facilitators to collect and remit sales tax on North Carolina purchases as of February 2020.

Although the adjusted FY 2020-21 consensus forecast assumes substantially more revenue than in May 2020, there is considerable uncertainty regarding revenue collections during the final four months of the fiscal year. Net tax collections in April often defy expectations due to annual volatility in income from dividends, capital gains, and business profits. The result is often sizable swings in income tax collections from one year to the next. The impact of 2020 federal stimulus payments, including enhanced unemployment insurance benefits and forgivable Paycheck Protection Program loans, on individual and corporate taxable income has added to already-high levels of uncertainty regarding net income tax collections in spring 2021.

Figure 8

## Volatile Revenue Growth Expected Through 2021 -23 Biennium Billions of Current-Year Dollars



### Revenue Outlook for 2021-23 Biennium

Reflecting the impact of federal stimulus spending and rising vaccination rates, the revenue forecast anticipates the economy to grow significantly in 2021. Household savings has surged due to stimulus payments and restrained spending on travel, recreation, and other services. As the population approaches herd immunity to COVID-19 in mid-2021, the forecast anticipates consumers will significantly increase spending on leisure and hospitality services. Economic growth will slow to a more measured pace as the state and national economy reach full employment during the latter half of the biennium.

The forecast estimates FY 2021-22 revenue will decrease 2.2% compared to FY 2020-21, after adjusting for the recommended revenue changes. Adjusting for the impact of the revenue shift results in year-over-year growth of 1.8%. Anticipated revenue growth in FY 2022-23 will accelerate to 4.7%, after adjusting for the recommended revenue changes, but fall short of the pace of recent economic expansions.

- Personal income tax collections, which account for more than half of General Fund revenue, are expected to decrease 4.9% in FY 2021-22 (or grow 0.8%, after adjusting for the revenue shift) and increase 4.7% in FY 2022-23. The forecast anticipates wages growing 4.5-5.0% in FY 2021-22 and 4.0-4.5% in FY 2022-23 and business-income growth decelerating or even declining slightly over the biennium. The slowdown in business-income growth is primarily due to the temporary bump in income from more than \$15 billion in Paycheck Protection Program (PPP) loans to North Carolina businesses through February 2021. Under the forecast assumptions, total employment will not surpass the pre-recession peak until the end of 2021 or early 2022.

- The shift in consumer spending toward taxable goods and away from travel and in-person services during the pandemic will unwind as consumers become more confident in declining coronavirus rates starting in the second quarter of 2021. The forecast anticipates sales and use tax collections will grow at 3.1% and 3.7% in the first and second years of the biennium, respectively. This is slightly lower than the historical average sales growth, however, collections are growing from a high FY 2020-21 level due to temporarily higher spending on taxable goods during the pandemic.
- Federal stimulus policies will help drive corporate profits to record levels in FY 2020-21. The forecast anticipates a significant slowdown or an outright decline in corporate profits in FY 2021-22 before resuming significant growth in FY 2022-23. While corporate profits have significantly increased during the pandemic due to PPP loans, the impact of federal stimulus is expected to wane in 2021. In FY 2021-22, the forecast is for corporate income and franchise tax collections to decrease by 13.2% (or a 0.7% decline after adjusting for the revenue shift). The forecast anticipates growth rebounding to 3.5% in FY 2022-23.

The General Fund forecast assumes Congress passes an additional federal stimulus bill extending federal unemployment insurance programs at least through June 2021 and providing additional stimulus checks. However, due to uncertainty regarding the trajectory of the pandemic and the impact of federal stimulus on household and business taxable income, there are still significant risks to the forecast. This heightened uncertainty could lead to anticipated revenues being significantly lower or higher.

#### Insurance Premium Tax Revenues & Prepaid Health Plans

Under current law, the NC Department of Health and Human Services (DHHS) will transform most of the state's Medicaid program from a fee-for-service model to managed care starting July 1, 2021. Under managed care, DHHS will make capitation payments to local management entities and managed care organizations to deliver Medicaid and NC Health Choice services under contracts for prepaid health plans (PHPs).

PHP capitation payments are subject to a 1.9% tax gross premiums tax, the same rate as premiums for other health insurance plans. The additional revenue from taxes on PHP gross premiums will add an estimated \$126.8 million and \$261.3 million to General Fund revenues in FY 2021-22 and FY 2022-23, respectively (the revenue forecast includes these estimates). By FY 2022-23, PHP revenues will account for an estimated 27% of total gross premium taxes, making the gross premiums tax the third-largest source of General Fund revenue.

#### Recommended Revenue Changes

##### Refundable Earned Income Tax Credit (EITC)

The Governor recommends the reenactment of the EITC to help more than 850,000 North Carolina families, nearly all of whom earn less than \$50,000 a year, and who are more likely to be financially affected by the COVID-19 pandemic. The proposed credit is equal to 5% of the federal EITC and is refundable to cover more of low-income families, which means eligible families will receive the full credit even if it exceeds their state income tax liability.

Research of the EITC at the national level has shown that it has contributed to lower unemployment rates among single mothers, improved infant and maternal health, better school performance, greater college enrollment, and increased earnings for the next generation. The state EITC would be effective

starting in tax year 2021 and would provide a benefit of \$146.5 million in FY 2021-22 and \$121.2 million in FY 2022-23 to North Carolina families.

#### Child and Dependent Care Tax Credit (CDCTC)

The Governor recommends enacting a CDCTC for families with eligible care expenses for children and other dependents. The non-refundable credit would be equal to 100% of the federal child and dependent care credit for children and other eligible dependents. The proposed credit gradually phases out for married-couple families with incomes between \$75,000 and \$200,000 (and for head-of-household and single filers with incomes at 75% and 50% of these levels, respectively). This credit, effective beginning in tax year 2021, would benefit nearly 200,000 North Carolina families, reducing their child and dependent care expenses by an estimated \$219.0 million in FY 2021-22 and \$87.1 million in FY 2022-23.

**Table 11**  
**General Fund Revenue by Fiscal Year: Recent History and Forecast**  
(In Millions)

	2017-18	2018-19	2019-20	2020-21		2021-22	%	2022-23	%
	Actual	Actual	Actual	Budget*	Revised	Budget	Change	Budget	Change
<b>Tax Revenue</b>									
Individual Income	12,517.5	13,166.0	12,414.7		14,821.6	14,090.8	-4.9%	14,746.3	4.7%
Sales and Use	7,337.4	7,751.3	7,820.6		8,623.7	8,890.5	3.1%	9,222.2	3.7%
Corporate Income	739.0	830.5	657.8		1,037.2	867.5	-16.4%	912.3	5.2%
Franchise	669.0	749.6	646.0		808.2	733.4	-9.3%	745.4	1.6%
Insurance Premium	566.1	553.7	656.2		640.0	792.9	23.9%	955.3	20.5%
Alcoholic Beverage	371.1	395.9	410.6		498.2	446.7	-10.3%	465.8	4.3%
Inheritance	10.6	0.4	1.2		0.0	0.0	n.a.	0.0	n.a.
Privilege License	32.4	35.4	35.1		37.1	36.8	-0.8%	37.6	2.2%
Tobacco Products	260.3	257.2	251.9		255.7	253.6	-0.8%	252.4	-0.5%
Real Estate Conveyance	72.9	80.4	87.9		95.3	95.1	-0.2%	95.0	-0.1%
White Goods Disposal	3.9	2.9	3.3		3.1	3.1	0.0%	3.1	0.0%
Scrap Tire Disposal	5.8	6.1	6.1		6.0	6.2	3.3%	6.3	1.6%
Mill Machinery	46.7	4.3	1.1		0.9	0.0	-100.0%	0.0	n.a.
Solid Waste Disposal	2.5	2.8	2.9		2.9	2.9	0.0%	2.9	0.0%
Other Tax	0.4	0.4	0.5		0.4	0.5	25.0%	0.5	0.0%
<b>Total Tax Revenue</b>	<b>22,635.9</b>	<b>23,836.7</b>	<b>22,995.7</b>	<b>22,627.6</b>	<b>26,830.3</b>	<b>26,220.0</b>	<b>-2.3%</b>	<b>27,445.1</b>	<b>4.7%</b>
<b>Nontax Revenue</b>									
Investment Income	93.8	145.8	135.5		24.3	29.3	20.6%	33.2	13.3%
Judicial Fees	239.7	231.3	203.3		150.6	190.4	26.4%	218.4	14.7%
Insurance	84.5	88.5	92.4		83.1	91.1	9.6%	92.4	1.4%
Disproportionate Share	161.0	163.3	165.3		177.6	115.4	-35.0%	122.5	6.2%
Master Settlement Agreement	143.2	138.4	131.7		129.5	127.0	-1.9%	123.6	-2.7%
Other Nontax	207.2	222.6	215.3		207.2	211.9	2.3%	218.0	2.9%
<b>Total Nontax Revenue</b>	<b>929.3</b>	<b>990.0</b>	<b>943.6</b>	<b>838.7</b>	<b>772.3</b>	<b>765.1</b>	<b>-0.9%</b>	<b>808.1</b>	<b>5.6%</b>
<b>Total General Fund Revenue</b>	<b>23,565.2</b>	<b>24,826.7</b>	<b>23,939.3</b>	<b>23,466.3</b>	<b>27,602.6</b>	<b>26,985.1</b>	<b>-2.2%</b>	<b>28,253.2</b>	<b>4.7%</b>

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

\*The May 2020 revised consensus forecast did not include a line-item forecast for each revenue source.



## Highway Fund Revenue Forecast

The Highway Fund receives funding from three sources: a portion of the state excise tax on motor fuels, Division of Motor Vehicles (DMV) licenses and fees, and interest earned on investments of the Fund's cash balances held by the State Treasurer. Historically, motor fuel revenues have accounted for almost two-thirds of Highway Fund revenues. That portion will be higher as S.L. 2020-91 increased the Highway Fund's share of motor fuel tax revenue from 71% to 81% for the current fiscal year, with this percentage dropping to 80% in FY 2021-22 and 75% thereafter.

Table 12 shows revised projections for the Highway Fund revenue collections for FY 2020-21 and projections for the 2021-2023 biennium.

### Current Fiscal Year Update

The revised consensus forecast for FY 2020-21 anticipates Highway Fund revenues finishing the year 18.2% above FY 2019-20 and \$209.3 million (+9.0%) above the May 2020 consensus, as adjusted by S.L. 2020-91. This sharp year-over-year increase is due to several factors:

- Revenues, which were depressed in the last quarter FY 2019-20 due to COVID-19 restrictions, have partially recovered this fiscal year,
- S.L. 2020-91 increased the share of motor fuel revenues the Highway Fund is receiving this year,
- Revenue shifted from last fiscal year into the current year due to 2020 motor fuel tax deadline changes and delayed renewals of DMV licenses and fees, and
- Statutory requirements (G.S. 20-4.02) adjusted most DMV licenses and fees for inflation as of July 1, 2020.

The historic upward revision to the current year forecast also reflects the unprecedented uncertainty and limited available data at the time of the May 2020 revenue consensus, which assumed a much more gradual increase in economic activity. Additionally, the May 2020 consensus estimate did not anticipate the shift in motor fuel tax from FY 2019-20 into the current year.

### 2021-2023 Biennium Revenue Projections

Total Highway Fund revenue is expected to stay relatively flat in the first year of the next biennium (0.4% decrease) and then decrease by 1.6% in the second year. This downward trend is due to the statutory change that decreased the share of motor fuel tax revenue the Highway Fund is slated to receive – the share drops from 81% this fiscal year to 80% in the first year of the biennium and 75% in the second. Despite this, taxable gallons of fuel are anticipated to increase and reach pre-pandemic levels by the end of the biennium.

DMV revenue is estimated to decrease slightly in the first year of the biennium. This is a result of artificially high revenues in the current fiscal year due to revenue shifting from FY 2019-2020. The second year of the biennium is expected to see a modest growth in DMV licenses and fees.

**Table 12**

**Highway Fund Revenue by Fiscal Year: Recent History and Forecast\***  
(In Millions)

Source	2019-20 Actual	2020-21 Budget**	2020-21 Revised	2021-22 Forecast	Year-over- year Change	2022-23 Forecast	Year-over- year Change
<b><u>Motor Fuels Tax</u></b>							
Motor Fuels	1,355.0		1,632.7	1,628.2	-0.3%	1,578.6	-3.0%
Gasoline Inspection	15.4		15.0	14.8	-1.3%	15.0	1.4%
Highway Use Reg.	0.4		0.4	0.4	0.0%	0.4	0.0%
Aviation Fuel	7.9		6.2	5.0	-19.5%	6.7	33.4%
Highway Use Tax Lease	10.0		10.0	10.0	0.0%	10.0	0.0%
<b>Total Motor Fuel Taxes</b>	<b>1,388.7</b>		<b>1,664.3</b>	<b>1,658.4</b>	<b>-0.4%</b>	<b>1,610.7</b>	<b>-2.9%</b>
<b><u>Licenses and Fees</u></b>							
Staggered Registration	278.7		326.5	322.3	-1.3%	326.4	1.3%
International Registration Plan	108.9		116.4	118.0	1.4%	119.2	1.0%
Driver Licenses	207.3		238.4	236.9	-0.6%	237.9	0.4%
Truck Licenses	100.7		131.6	130.8	-0.6%	131.3	0.4%
Other Licenses and Fees	61.0		64.0	63.6	-0.6%	64.1	0.8%
<b>Total Licenses and Fees</b>	<b>756.5</b>		<b>876.9</b>	<b>871.6</b>	<b>-0.6%</b>	<b>878.9</b>	<b>0.8%</b>
<b><u>Investment Income</u></b>	<b>5.6</b>		<b>1.5</b>	<b>1.5</b>	<b>0.0%</b>	<b>1.5</b>	<b>0.0%</b>
<b>Total Highway Fund Availability</b>	<b>2,150.7</b>	<b>2,333.4</b>	<b>2,542.7</b>	<b>2,531.5</b>	<b>-0.4%</b>	<b>2,491.1</b>	<b>-1.6%</b>

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

\*\* May 2020 consensus revenue forecast, as adjusted by S.L. 2020-91. May 2020 consensus did not include line item forecasts.

## Highway Trust Fund Revenue Forecast

The Highway Trust Fund receives support from four sources. The highway use tax (i.e., tax on vehicle sales) generally accounts for more than half of the revenue in the Trust Fund. The second source is a portion of the state excise tax on motor fuels, which S.L. 2020-91 decreased from 29% to 19% in the current fiscal year with the share increasing to 20% in FY 2021-22 and 25% thereafter. The third source is title and lien fees. The final source is interest earned from investments of the Highway Trust Fund cash balances held by the State Treasurer.

Table 13 shows revised projections for the Highway Trust Fund revenue collections for FY 2020-21 and projections for the 2021-2023 biennium.

### Current Fiscal Year Update

FY 2020-21 revenues are expected to be 3.7% lower than last year and more than \$255.2 million (+20.7%) above the May 2020 consensus forecast (as adjusted by S.L. 2020-91). However, the year-over-year comparison is misleading due to two competing factors: some motor fuel tax revenue shifted from FY 2019-20 into the current fiscal year, and S.L. 2020-91 decreased the share of motor fuel tax the Highway Trust Fund receives. Additionally, title and lien fees were adjusted for inflation as of July 1, 2020, per G.S. 20-4.02, providing a small boost to revenue.

The substantial revision to the May 2020 consensus forecast reflects the uncertainty and limited data at that time. The economy, boosted by federal stimulus, has started to recover much faster than anticipated. The impact was most visible in highway use tax revenues as vehicle sales rebounded in summer of 2020 due to pent-up demand during the lockdown, favorable financing with low interest rates, and a shift in consumer spending away from services to goods.

### 2021-2023 Biennium Revenue Projections

Total Highway Trust Fund revenue is expected to stay flat in FY 2021-22 and increase by 10.0% in FY 2022-23. The growth in highway use tax revenue as the economy started to recover from the pandemic is only expected to continue for part of 2021. Highway use tax revenue is projected to decrease in the first year of the biennium, with stimulus waning and consumption gradually shifting back to services as vaccinations against COVID-19 progress. This decrease in revenue will be offset by increasing fuel consumption and increased share of the resulting motor fuel tax revenues the Highway Trust Fund will receive.

FY 2022-23 revenues are expected to grow as highway use tax revenue and title registration and lien recordings resume their pre-pandemic growth and fuel consumption starts to approach pre-pandemic levels. Revenues will also be bolstered by the Trust Fund receiving a higher share of motor fuel tax revenue.

**Table 13**

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

Source	2019-20 Actual	2020-21 Budget**	2020-21 Revised	2021-22 Forecast	Year-over- year Change	2022-23 Forecast	Year-over- year Change
<b><u>Fuel Taxes and Fees</u></b>							
Motor Fuel Tax	562.7		387.5	411.9	6.3%	532.5	29.3%
Highway Use	837.5		930.7	910.0	-2.2%	934.3	2.7%
Certificate of Title Fees	119.0		143.6	138.9	-3.3%	142.3	2.4%
Miscellaneous Title Fees	16.0		19.3	18.7	-3.1%	19.1	2.1%
Lien Recording	2.9		3.5	3.4	-2.9%	3.5	2.9%
Subtotal	1,538.1		1,484.6	1,482.9	-0.1%	1,631.7	10.0%
<b><u>Interest on Investments</u></b>							
	4.4		1.5	1.5	0.0%	1.5	0.0%
<b>Total Highway Trust Fund Availability</b>							
	1,542.5	1,230.9	1,486.1	1,484.4	-0.1%	1,633.2	10.0%

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

\*\* May 2020 consensus revenue forecast, as adjusted by S.L. 2020-91. May 2020 consensus did not include line item forecasts.

## Population Dynamics

### Pandemic Slows Down Strong Population Growth Seen in Last Decade

Over the last decade, North Carolina added roughly 1.1 million people. This is the fourth largest numeric gain among states, adding more people than the states of Michigan, New Jersey, Ohio, and Virginia, combined. Only Texas (+4.2 million), Florida (+2.9 million), and California (+2.1 million) surpassed North Carolina's population growth. This growth propelled North Carolina to the ninth most populous state in the nation in the past decade, with a population nearing 10.6 million in 2020. As a result, the state is expected to gain at least one additional congressional seat after the 2020 Census apportionment numbers are reported by April 30, 2021.

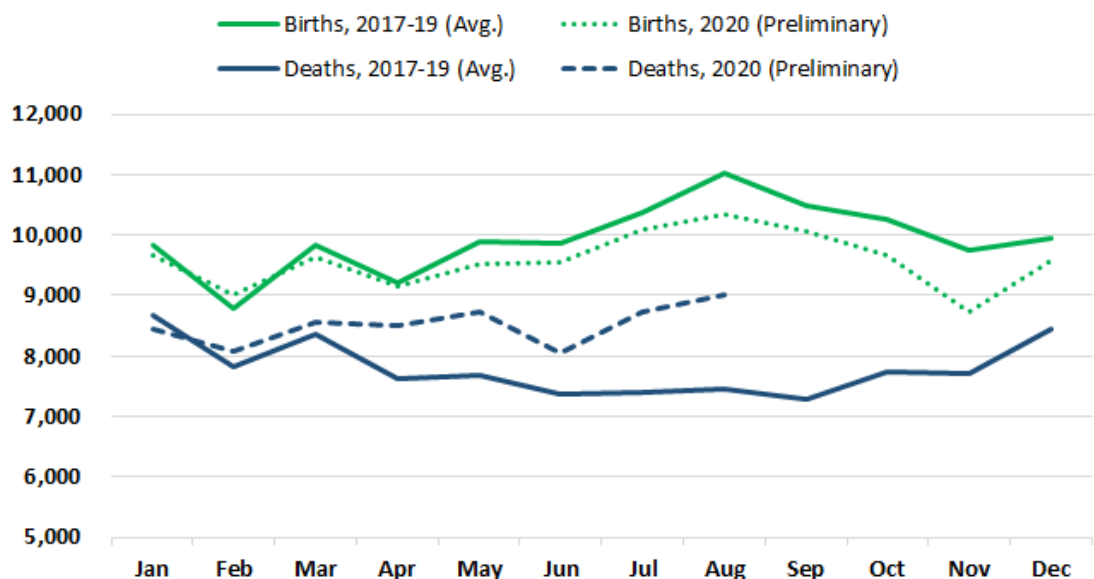
Even as the global pandemic has challenged the social fabric and economy of North Carolina, the state continues to grow, albeit at a slower rate. The State Demographer projects that the state's population will increase by just 71,000 people from July 1, 2020 to July 1, 2021, in comparison with the pre-pandemic trend of roughly 110,000. As vaccinations become more widespread and the economy recovers, population growth will likely recover to pre-pandemic levels. Over the 2021-2023 biennium, the State Demographer projects that 225,000 people will be added and North Carolina's population will reach 10.9 million people by July 1, 2023 (an increase of 2.1%).

### COVID-19 Challenges to Population Growth

It will be at least another year before we understand the full impacts of COVID-19 on mortality, fertility, and migration and on the resulting population change. Because of these unknowns, there is more uncertainty in projections of population change for the short term than would normally be the case.

By March 2021, there were over 11,000 reported deaths attributed to COVID-19, and preliminary monthly statistics for 2020 show deaths overall in excess of pre-pandemic expectations (Figure 9).

**Figure 9**  
**Pandemic Caused Fewer Births and More Deaths in North Carolina**  
Births and Deaths by Month Compared



Source: North Carolina Department of Health and Human Services, Division of Public Health, State Center for Health Statistics

While the coronavirus death rate has decreased, we will continue to see higher than expected rates of mortality until a large portion of the population receives the vaccine.

Monthly birth data, though incomplete, also indicate that 2020 births are lower than pre-pandemic expectations. During uncertain times, fertility rates typically decline as couples delay major decisions, including having children. But the pandemic’s full effect on fertility would not be seen until the last quarter of 2020 and continuing into 2021. Thus, due to more deaths and fewer births, natural increase was lower last year than in the recent past, and it will likely remain so until the pandemic is under control.

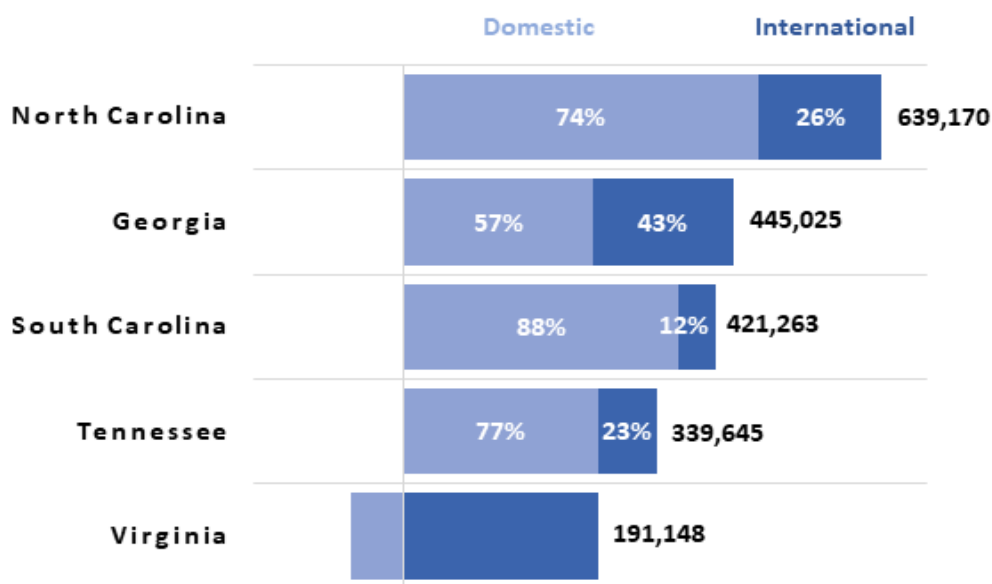
COVID-19 has challenged migration too. While people move for a variety of reasons, chief among them is job opportunities. Even relocating retirees depend upon economic stability. Prior to the pandemic, the state’s migration rate was still gradually recovering from the Great Recession, when rates slowed in urban and rural counties alike. National surveys and other indicators point to fewer permanent state-to-state moves during the pandemic. International migration, which accounts for a quarter of North Carolina’s net migration, virtually stopped due to international travel restrictions, limits on legal immigration processes, and limited economic opportunities. As the state recovers from the pandemic, pre-pandemic patterns are likely to return. Post-pandemic, North Carolina may also benefit from additional migration from other areas as employers and employees re-think flexible work options and relocate to areas with natural and other amenities.

### Migration Remains A Critical Component of Recent and Future Population Growth

Beginning in the 1970s, net migration became a more important factor in North Carolina’s population

growth, reaching two-thirds of growth in the last decade. Three of every four migrants moved here from other states (the remainder having moved here from abroad). The Census Bureau estimated that 639,000 more people moved to North Carolina than left between April 1, 2010 and July 1, 2019, more than any of our neighboring states (Figure 10).

**Figure 10**  
**North Carolina Gained More Migrants Than Neighbors 2010 to 2019**  
 Number of Net Migrants and Percent Domestic/International



Note: International migration accounted for all of Virginia’s net gain as more Virginians leave for other states and D.C. than people move into Virginia.

Source: US Census Bureau, State Population Estimates, Vintage 2019

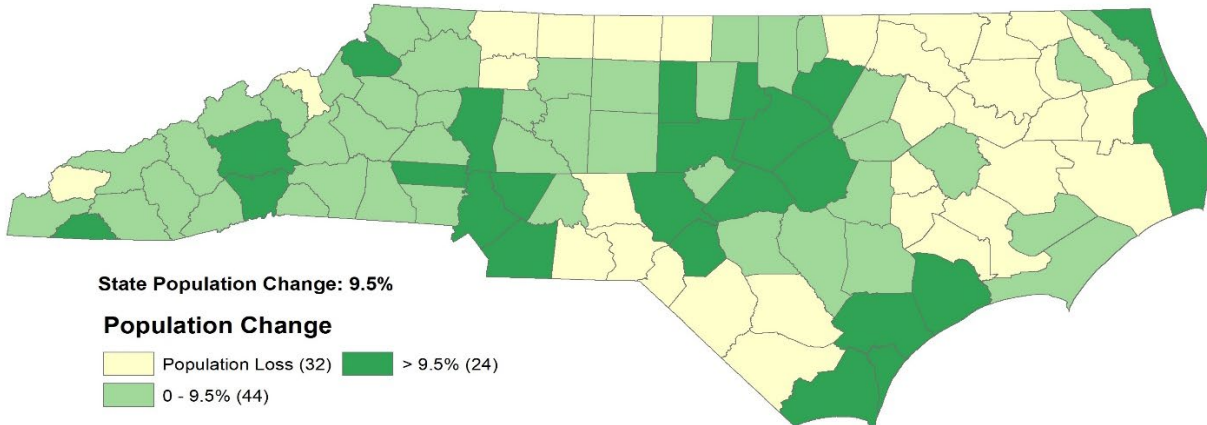
Of all 50 states, only Florida (+1.3 million net domestic migrants) and Texas (+1.1 million net domestic migrants) had more net domestic migrants than North Carolina. The importance of net migration for population growth is projected to continue, with the State Demographer projecting that 84% of the state's growth will be derived from net migration.

### Rural Population Is Significant, But Most Growth Is Occurring in Urban Counties

[Rural areas and small towns](#) are an important part of North Carolina's history and culture. By 2019, 40% of the state's total population lived in a rural county (as defined by the North Carolina Rural Center) and 85% of [North Carolina's municipalities](#) had populations of less than 10,000. That said, like the nation, most of North Carolina's recent population growth has been in urban areas, with all urban and suburban counties growing between 2010 and 2019.

Population growth in North Carolina's six urban counties accounted for 54% of the 951,000 people added between 2010 and 2019, with Mecklenburg and Wake Counties alone accounting for 38%. The 14 smaller urban regional city/suburban counties accounted for another 24% of population growth, with the remaining 80 rural counties accounting for 22% of the state's population growth. Of the 32 counties that lost population between 2010 and 2019, all were classified as rural (Figure 11). Two rural counties— Onslow and Johnston—have grown enough to be re-classified as regional cities/suburban counties after the Census Bureau releases the 2020 Census results for substate areas in fall 2021. These same patterns of growth and decline are expected to continue over the course of the next decade.

**Figure 11**  
**Population Change by County, April 1, 2010 – July 1, 2019**



Source: North Carolina Office of State Budget & Management, Demographic & Economic Analysis, Population Estimates, Vintage 2019.

### Changes in Different Population Groups Will Impact Government Programs

Much of North Carolina's budget is devoted to education from early childhood through higher education and to medical and other support services for the aged population. Changes in key population groups have differential impacts on the demand for these budget areas.

During the last half of the previous decade, the older adult population (65+) increased by 16% every year and this rate of growth will increase to 19% annually over the course of the current decade as new cohorts of the baby boom generation enter retirement ages. There were 1.2 million North Carolinians

age 65+ in 2010, 1.8 million in 2020, and the State Demographer projects them to be 2.1 million by 2025 (see Figure 12).

While not as dramatically as the older age group, the college age population (18 to 24) has also grown over this same period. Since the population reaching 18 over the next several years was born prior to the Great Recession, when fertility rates were higher, this age group will continue to increase by about 10,000 people per year for most of this decade.

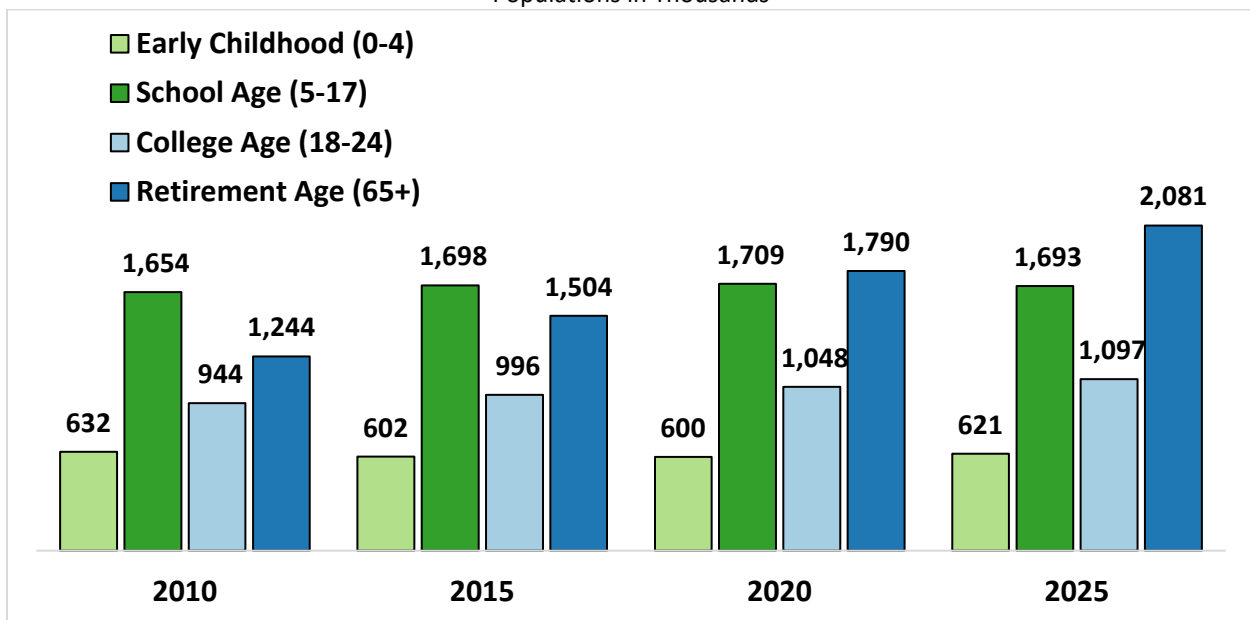
As fertility rates declined following the Great Recession leading to fewer births, the early childhood and school age populations grew at a lower rate. Over the past decade, the school age population remained relatively stable at around 1.7 million children, and this population expected to remain at this level through 2025 – with some slight decreases in some years.

Finally, the early childhood age group (0-4) is projected to grow by only 1,000 over the biennium, with most of the growth occurring during the last year, assuming full recovery from the pandemic. Once the state is fully recovered from the pandemic, annual births are projected to increase over the course of this decade with concomitant growth in the number of women of childbearing age (and especially growth in women in the ages of 25 to 44).

The changes in these key population groups highlight the fact that North Carolina’s population, like the population of the United States as a whole, is becoming older. By 2028, the State Demographer projects that one in five North Carolinians will be at least 65 years old, and by 2031 there will be more older adults (ages 65+) than children (ages less than 18).

**Figure 12**  
**Historical and Projected Age Group Populations**

Populations in Thousands



Source: North Carolina Office of State Budget and Management, [Population Estimates, Vintage 2019 and Population Projections, Vintage 2020](#)

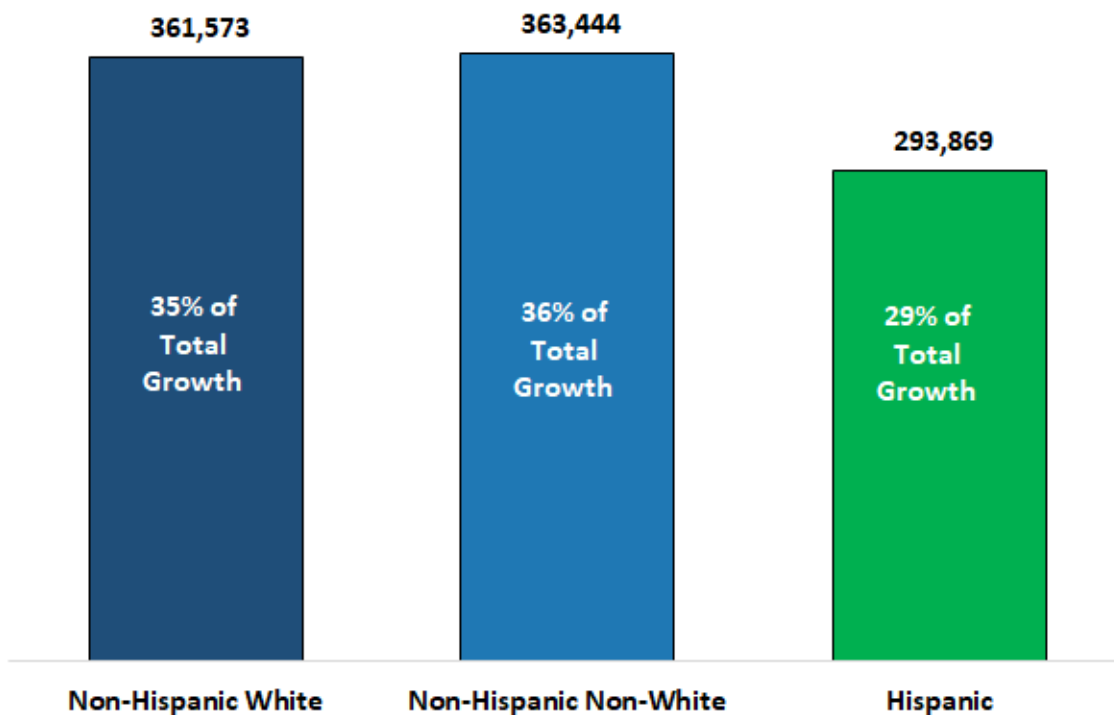


## North Carolina is Becoming More Diverse

In addition to an aging population, North Carolina, like the nation, is becoming more racially and ethnically diverse. At least 38% of North Carolinians are Black, Hispanic, Asian, American Indian, or multiracial. These race/ethnic groups have accounted for almost two-thirds of total population growth since 2010 and will account for approximately two of every three persons added between now and 2030 (Figure 13). The latest population projections suggest that by 2030, 41% of North Carolinians will be a person of color (4.8 million of 11.7 million total people). This transformation can be seen in the diversity of our schools. By 2019, close to half of the under 18 population was a child of color, and Hispanic, Asian, and multiracial children accounted for all the growth in the childhood population since 2010.

**Figure 13**  
**Five of Every Eight People Added Between Through 2030**  
**Will Be a Person of Color**

Population Growth for Each Group (Proportion of Total Growth), 2021 - 2030



Note: Hispanic includes population of any race. Non-Hispanic Non-White includes Non-Hispanic Black, Asian & Pacific Islander, and American Indian, as well as those Non-Hispanics identifying as two or more races.

Source: North Carolina Office of State Budget and Management, [Vintage 2020 Population Projections](#).

## Census 2020

The 2020 Census count is complete and the first results – the state apportionment counts – will be reported by May 2021. The state apportionment counts will provide the total population of North Carolina, including military and federal workers stationed overseas and whose home of record is North Carolina. The US Census Bureau has scheduled the release of the redistricting data – the first that will show population counts for the state, counties, municipalities, and other geographic areas – for release

by October 2021. The Census Bureau will publish additional datasets that provide more demographic detail beginning in 2022.

The global pandemic disrupted the nation's once a decade population count delaying its completion and reporting of the results. With the increasing spread of the coronavirus, the Census Bureau was forced to close Area Census Offices, suspend 2020 Census field operations for over 2 months, and adjust operations and deadlines. These changes, as well as temporary moves of certain populations (such as college students) due to COVID-19, caused confusion on where and when to be counted.

Additionally, the US Census Bureau used the internet as a significant part of 2020 Census self-response, but many areas in North Carolina do not have broadband access, limiting certain population groups' access to the internet response form. While field operations were also an important part of reaching households, mostly in rural areas, controversy about counting noncitizen populations and eroding trust in government institutions led to reluctance to respond to the 2020 Census among some populations. Given all the challenges to the count, North Carolina's 2020 Census self-response rate was 63%, below the national rate of 67%. The remaining households were completed using field staff, administrative records, and imputation. According to the US Census Bureau, 99.9% of North Carolina households were enumerated.

Conducting a census is challenging even in the best of times, much less during a global pandemic. Every effort was made to obtain a full count of the population in every community, but there will likely be errors that will need to be corrected. Just as in previous censuses, the [Count Question Resolution](#) (CQR) program will provide a way for counties and municipalities to challenge (with limitations) the 2020 Census results. Because Census data are typically tied to many funding formulas, it is important that local communities review the 2020 Census results once they are reported.

All US Census Bureau produced data is prepared in a way that protects the privacy of all respondents. Except for the state apportionment counts, all 2020 Census data will use new methods to protect respondent privacy. The new [disclosure avoidance system](#) will change the number of tables and eliminate some potential critical variables released when compared to most recent censuses. It is important for state agencies, local governments, and other data users to become familiar with these changes within the context of their data needs.



**Raising Teacher Pay by More Than 10%**

Invests \$289 million in FY 2021-22 and \$478 million in FY 2022-23 in teacher and administrator compensation, increasing average pay for existing teachers by over 10% over the biennium and reducing plateaus for veteran teachers. Provides funds to restore Master’s Pay and provides a \$15/hour minimum wage for non-certified public school employees, such as teaching assistants, school nutrition employees, and bus drivers.

**Recruiting and Keeping Good Educators**

Invests \$52 million to recruit, retain, and support North Carolina’s educator workforce, including expanding the Teaching Fellows and Principal Fellows scholarship programs, supporting beginning teachers and teachers pursuing National Board Certification, recruiting and supporting teachers of color, expanding the Advanced Teaching Roles and “Grow Your Own” programs, and establishing a school psychologist internship program and recruitment and residency pilots for high-need districts. Provides \$24 million for Science of Reading training and other professional development for teachers and school leaders to improve student outcomes and \$30 million for additional teacher assistants to support early-grades math and literacy.

**Supporting Student Well-Being**

Provides \$80 million to allow districts to hire more nurses, counselors, psychologists, and social workers to support student physical and mental health. Invests \$3.9 million to provide free school meals for up to 97,500 students and \$6 million for schools to adopt a community schools model to address out of school barriers to learning.

**Expanding Opportunities for All Students**

Provides \$200 million to expand resources for low-income students, students with disabilities, low-wealth districts, and English Language Learners to improve student outcomes. Strengthens career and college pathways by expanding access to NC Virtual Public Schools, Career Development Coordinators, and College Advising Corps. Invests \$19 million to build out DPI’s regional support model to support local school systems.

**Preparing North Carolinians for the Jobs of Today and Tomorrow**

Creates the NC GROW (Getting Ready for Opportunities in the Workforce) Completion Incentive and Aid for Students Seeking Industry Credentials Program to incentivize student enrollment in high-demand curriculum programs or non-credit, short-term workforce training programs that lead to industry credentials in fields with documented employer demand and competitive wages. Provides additional funds for staff recruitment, development, and retention in those programs.

**Supporting Students With Higher Education Financial Aid**

Provides an additional \$30 million each year in need-based financial aid funds for North Carolina students seeking to attend a North Carolina Community College, UNC System institution, or NC independent college/university.

**Supporting Historically Minority Serving and Smaller Institutions**

Provides an additional \$7.5 million annually UNC’s Historically Minority Serving Institutions to improve graduation rates and student success, as well as increased doctoral funding at NC Agricultural & Technical University. Provides additional \$20 million over the biennium to support the NC Promise Program and \$2.5 million to support schools with small enrollments or special missions.

**Stabilizing Enrollment**

Provides funds for higher education enrollment growth and budget stabilization as the UNC System and Community Colleges navigate post-pandemic budgetary landscape.

**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.

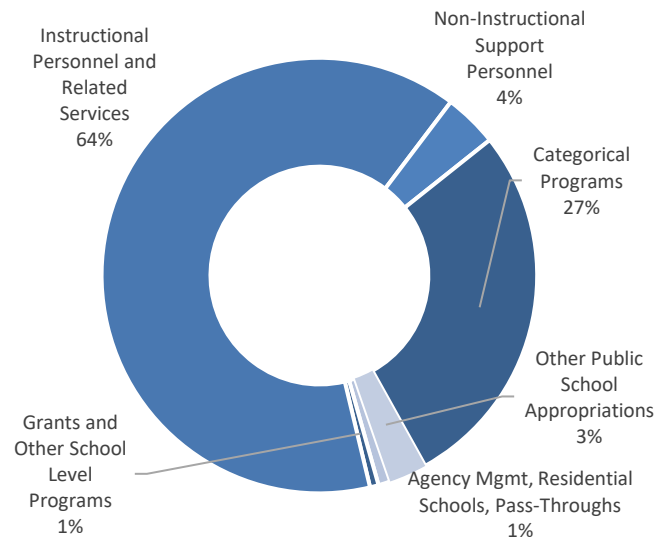
**Goals**

1. Eliminate opportunity gaps by 2025.
2. Improve school and district performance by 2025.
3. Increase educator preparedness to meet the needs of every student by 2025.

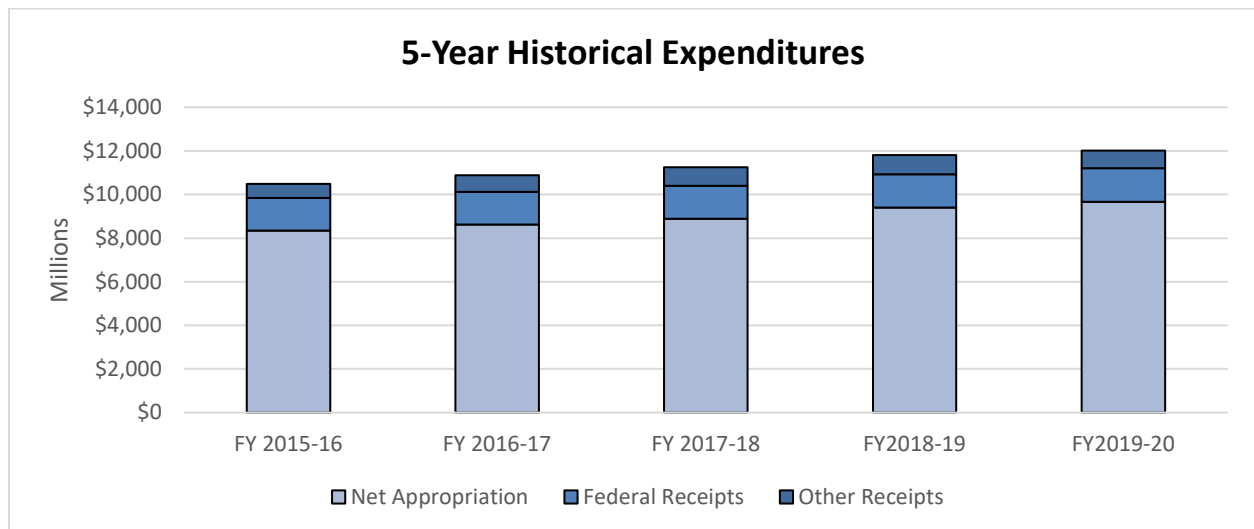
**Agency Profile**

- 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 116 local public school districts and 2,500+ traditional public schools, 200+ charters schools, the Innovative School District, lab and regional schools, and three residential schools for students with hearing and visual impairments, serving more than 1.5 million Pre-K-12 students across the state.
- Administer state and federal funds totaling over \$12 billion and license and support the development of the 117,000 teachers and administrators that serve public schools.

**FY 2020-21 Authorized Expenditures**



**5-Year Historical Expenditures**



*Charts include General Fund budget code only.*

**Department of Public Instruction (13510)**

Year 1 FY 2021-22	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 12,182,234,990	\$ 943,690,040	\$ 191,742,388	\$ 1,135,432,428	\$ 13,317,667,418	9.3%
Receipts	\$ 2,165,914,580	\$ 20,000,000	\$ -	\$ 20,000,000	\$ 2,185,914,580	0.9%
Net Appropriation	\$ 10,016,320,410	\$ 923,690,040	\$ 191,742,388	\$ 1,115,432,428	\$ 11,131,752,838	11.1%
Positions (FTE)	1063.587	19.000	0.000	19.000	1082.587	1.8%

Year 2 FY 2022-23	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 12,182,234,990	\$ 1,458,859,041	\$ 196,383,323	\$ 1,655,242,364	\$ 13,837,477,354	13.6%
Receipts	\$ 2,165,914,580	\$ 20,000,000	\$ -	\$ 20,000,000	\$ 2,185,914,580	0.9%
Net Appropriation	\$ 10,016,320,410	\$ 1,438,859,041	\$ 196,383,323	\$ 1,635,242,364	\$ 11,651,562,774	16.3%
Positions (FTE)	1063.587	26.000	0.000	26.000	1089.587	2.4%

	FY 2021-22		FY 2022-23	
	R Changes	NR Changes	R Changes	NR Changes

**1 Commitment to a Sound Basic Education for All Students (Leandro)**

The Comprehensive Remedial Plan in Leandro v. State of North Carolina outlines the actions the state must take to meet its constitutional obligation of ensuring every student has access to a sound basic education. The Governor is committed to pursuing the policy and programmatic changes outlined in the Plan and to providing the resources necessary to achieve the actions in the Plan over the next biennium and in future fiscal years.

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

**Compensation and Benefits Reserve**

**2 Public School Personnel FY 2020-21 Bonus**

Provides a one-time \$2,000 bonus to public school personnel, including teachers, state agency teachers, instructional support personnel, non-certified employees, central office staff, principals, and assistant principals employed on April 1, 2021. These employees did not receive increases, other than a step increase, in FY 2019-20 and FY 2020-21. The bonus shall be paid in May 2021 and shall not be considered compensation for retirement purposes.

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

**3 Cost of Living Adjustment - Teachers & Instructional Support**

Updates the teacher salary schedule to reduce salary plateaus for experienced Teachers, Instructional Support personnel, School Psychologists, Speech Pathologists, and Audiologists; and provides funds for a salary increase for individuals paid in accordance with the statewide teacher salary schedule, an experience-based step increase for educators earning a year of creditable service, and a \$1,000 bonus in each year of the biennium. Educators and other school support personnel were not included in raises approved in the last biennium for state employees. Together, these increases provide an average increase for existing teachers of approximately 10% over the biennium. Corresponding special provisions provide additional details on the changes to the teacher salary schedule.

Req \$	267,494,066	\$ 110,866,861	\$ 437,032,477	\$ 110,866,861
Rec \$	-	\$ -	-	\$ -
App \$	267,494,066	\$ 110,866,861	\$ 437,032,477	\$ 110,866,861
FTE	0.000		0.000	

**4 Cost of Living Adjustment - School-based Administrators**

Provides funds for school-based administrator salary increases and a \$1,000 bonus in each year of the biennium. Assistant Principal salaries are tied to the teacher salary schedule. Principal salaries are increased by 5% in FY 2021-22 and an additional 5% in FY 2022-23, increasing the salary schedule by more than 10% over the biennium. Corresponding special provisions provide additional details on these compensation adjustments.

Req \$	20,467,641	\$ 4,865,963	\$ 38,752,754	\$ 4,865,963
Rec \$	-	\$ -	-	\$ -
App \$	20,467,641	\$ 4,865,963	\$ 38,752,754	\$ 4,865,963
FTE	0.000		0.000	

**5 Cost of Living Adjustment - Certain Public School Employees**

Provides funds for a \$1,000 bonus in FY 2021-22, a 5% cost of living adjustment in FY 2021-22, and an additional 2.5% cost of living adjustment in FY 2022-23, increasing state-funded public school central office and noncertified personnel salaries by more than 7.5% over the biennium. Corresponding special provisions provide additional details on these compensation adjustments.

Req \$	75,584,205	\$ 51,778,046	\$ 115,265,913	\$ 51,778,046
Rec \$	-	\$ -	-	\$ -
App \$	75,584,205	\$ 51,778,046	\$ 115,265,913	\$ 51,778,046
FTE	0.000		0.000	

		R Changes	NR Changes	R Changes	NR Changes
<b>6 Cost of Living Adjustment - State Employees</b>					
Provides funds for a \$1,000 bonus in FY 2021-22 and 2.5% cost of living adjustments in each year of the biennium, increasing existing state employee salaries by more than 5% over the biennium as well as increases for state agency teachers paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation adjustments.	Req	\$ 1,956,167	\$ 777,160	\$ 3,715,196	\$ 777,160
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 1,956,167	\$ 777,160	\$ 3,715,196	\$ 777,160
	FTE	0.000	0.000	0.000	0.000
<b>7 Reserve to Address Compression, Equity, and High Turnover</b>					
Provides funds based on agency-identified salary adjustment needs, such as compression, equity, and recruitment, as well as high turnover jobs, defined as jobs with voluntary turnover of at least 15% between July 2019 and December 2020. The department may use these funds as needed to address recruitment and retention needs across the department regardless of job classification.	Req	\$ 623,000	\$ -	\$ 623,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 623,000	\$ -	\$ 623,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>8 TSERS Retirement Contribution - Public School Employees</b>					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2021-23 fiscal biennium to fund the actuarially determined contribution, retiree medical premiums, and increases for retirees, including a 2% recurring cost-of-living adjustment and a one-time 2% bonus in both FY 2021-22 and FY 2022-23. Corresponding special provisions provide additional details on these adjustments.	Req	\$ 136,610,443	\$ 42,649,110	\$ 155,269,430	\$ 42,649,110
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 136,610,443	\$ 42,649,110	\$ 155,269,430	\$ 42,649,110
	FTE	0.000	0.000	0.000	0.000
<b>9 TSERS Retirement Contribution - State Employees</b>					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2021-23 fiscal biennium to fund the actuarially determined contribution, retiree medical premiums, and increases for retirees, including a 2% recurring cost-of-living adjustment and a one-time 2% bonus in both FY 2021-22 and FY 2022-23. Corresponding special provisions provide additional details on these adjustments.	Req	\$ 894,742	\$ 279,334	\$ 1,016,950	\$ 279,334
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 894,742	\$ 279,334	\$ 1,016,950	\$ 279,334
	FTE	0.000	0.000	0.000	0.000
<b>10 State Health Plan Contribution - Public School Employees</b>					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2021-23 fiscal biennium.	Req	\$ 39,524,163	\$ -	\$ 80,604,395	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 39,524,163	\$ -	\$ 80,604,395	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>11 State Health Plan Contribution - State Employees</b>					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2021-23 fiscal biennium.	Req	\$ 183,371	\$ -	\$ 373,961	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 183,371	\$ -	\$ 373,961	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>12 Living Wage for Non-Certified Public School Employees</b>					
Provides funds for local school administrative units to increase the minimum wage for non-certified employees to \$15 per hour. These funds may be used to supplement the salaries of non-certified public school employees whose salaries are supported from non-state funds to increase the hourly rate to at least \$15.00 per hour. A corresponding special provision directs the State Board of Education to increase the minimum of all salary grades and ranges for noncertified public school employees to achieve a minimum hourly rate of at least \$15 per hour.	Req	\$ 22,000,000	\$ -	\$ 22,000,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 22,000,000	\$ -	\$ 22,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>13 Master's Pay for Teachers</b>					
Restores Master's Pay for classroom teachers whose advanced degrees are in the subjects they teach.	Req	\$ 7,000,000	\$ -	\$ 7,000,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 7,000,000	\$ -	\$ 7,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>14 National Board Certification</b>					
Restores state funding to fully fund the cost for teachers to become National Board Certified, providing funding for up to 1,000 teachers seeking certification annually.	Req \$	- \$	- \$	1,900,000 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	- \$	1,900,000 \$	-
	FTE	0.000	0.000	0.000	0.000
<b>15 Strengthening Educator Workforce Studies</b>					
Provides funds for studies to improve the recruitment and retention of teachers and instructional support personnel: (1) a wage comparability study; (2) study of licensure and compensation reform models designed to attract, develop, and retain top-tier teachers, including equity, access, and areas of the State that have difficulty attracting and retaining teachers; (3) analysis of the resources and structures necessary for educator preparation programs in the State's institutions of higher education to increase recruitment, graduation, and retention of teachers and instructional support personnel; and (4) a plan to implement and fund a statewide system to coordinate, enhance, and evaluate efforts to recruit, place, develop, and retain teacher candidates, beginning teachers, and career teachers among IHEs and school districts.	Req \$	- \$	500,000 \$	- \$	25,000
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	500,000 \$	- \$	25,000
	FTE	0.000	0.000	0.000	0.000
<b>Technical Adjustments</b>					
<b>16 Average Salary Adjustment</b>					
Provides funding to adjust budgeted average salaries of various public school positions using actual 2020-21 sixth pay period as the revised projection base.	Req \$	62,076,002 \$	- \$	61,779,044 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	62,076,002 \$	- \$	61,779,044 \$	-
	FTE	0.000	0.000	0.000	0.000
<b>17 Average Daily Membership Adjustments</b>					
Adjusts funding for multiple public school allotments that are allocated to schools based on average daily membership (ADM) to reflect changes in student population.	Req \$	79,586,201 \$	- \$	100,003,006 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	79,586,201 \$	- \$	100,003,006 \$	-
	FTE	0.000	0.000	0.000	0.000
<b>18 Transportation Adjustment</b>					
Provides additional funding for the Transportation Allotment. The revised total requirements for this allotment are \$508.9 million in FY 2021-22 and \$513.1 million in FY 2022-23.	Req \$	7,153,446 \$	- \$	9,279,878 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	7,153,446 \$	- \$	9,279,878 \$	-
	FTE	0.000	0.000	0.000	0.000
<b>19 School Bus Replacement Fund Adjustment</b>					
Adjusts funding based on current replacement schedule, which is determined by mileage and age of buses. \$49.2 million remains in this allotment to support the purchase of 325 replacement buses in FY 2021-22 and \$50.7 million remains to support purchase of 450 replacement buses in FY 2022-23.	Req \$	- \$	(20,378,086) \$	- \$	(18,908,151)
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	(20,378,086) \$	- \$	(18,908,151)
	FTE	0.000	0.000	0.000	0.000
<b>20 Testing</b>					
Provides additional funding to reflect changes in the actual cost per test for End-of-Grade, End-of-Course, Advanced Placement and International Baccalaureate tests.	Req \$	1,010,424 \$	- \$	1,940,880 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	1,010,424 \$	- \$	1,940,880 \$	-
	FTE	0.000	0.000	0.000	0.000
<b>Department-wide</b>					
<b>21 Advanced Analytics and Data Interpretation Position</b>					
Provides one Advanced Analytics and Data Interpretation position. This position will help build capacity across state government to manage resources and programs more effectively. These skills are needed to inform evidence-based, data-driven decision-making for agency budgets and programs. OSBM will coordinate regular meetings and trainings with agency-based advanced analytics staff to facilitate continuous development of skills and capacity and to share best practices.	Req \$	140,380 \$	- \$	140,380 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	140,380 \$	- \$	140,380 \$	-
	FTE	1.000	0.000	1.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>22 Internal Auditors</b>					
Funds two Internal Auditors to help meet minimum recommended levels. These positions should improve efficiency, effectiveness, and compliance for the agency.	Req	\$ 190,190	\$ -	\$ 190,190	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 190,190	\$ -	\$ 190,190	\$ -
	FTE	2.000	0.000	2.000	0.000
<b>23 Subscription Rate Increase</b>					
Funds the increase in Department of Information Technology subscription rates based on the FY 2021-22 approved rate. The subscription rate covers the administrative support provided for DIT, such as internal audit, finance, human resources, and facility management.	Req	\$ 923,111	\$ -	\$ 923,111	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 923,111	\$ -	\$ 923,111	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>24 Capital Project Management Team</b>					
Provides funding for two positions in DPI's School Planning section to help manage the construction and renovation of public school facilities that begins to address the estimated \$8 billion in statewide public school facility need.	Req	\$ 270,000	\$ -	\$ 270,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 270,000	\$ -	\$ 270,000	\$ -
	FTE	2.000	0.000	2.000	0.000
<b>Equitable Opportunities for All Students</b>					
<b>25 Increasing Targeted Allotments</b>					
Removes funding caps and increases funding for the Children With Disabilities (\$40M/\$70M) and Limited English Proficiency (\$10M/\$20M) allotments and increases funding for the Disadvantaged Student Supplemental Funding (\$35M/\$70M) and Low Wealth (\$20M/\$40M) allotments to provide equitable funding to districts and address differential costs of serving specific populations.	Req	\$ 105,000,000	\$ -	\$ 200,000,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 105,000,000	\$ -	\$ 200,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>26 Instructional Support Personnel</b>					
Provides additional funding for Specialized Instructional Support Personnel (school counselors, nurses, social workers, and psychologists) to support student mental and physical health. Provides school districts flexibility in SISP position allotments so that they may strategically hire SISP staff to best meet the needs of their students. Year 1 provides approximately 500 FTE; Year 2 provides approximately 1000 FTE. Each school district will receive at least one FTE or its equivalent from these new funds.	Req	\$ 40,000,000	\$ -	\$ 80,000,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 40,000,000	\$ -	\$ 80,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>27 Office of Equity Affairs</b>					
Establishes DPI Office of Equity, Inclusion, and Diversity Affairs to direct recruitment and retention of diverse educator workforce and ensure compliance with the State's constitutional role to provide each child the opportunity to receive a sound basic education.	Req	\$ 400,000	\$ -	\$ 400,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 400,000	\$ -	\$ 400,000	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>28 District and Regional Support</b>					
Expands funding for the NC State Board of Education's district and regional support model to provide direct and comprehensive assistance for the improvement of low performing and high poverty schools and districts.	Req	\$ 10,000,000	\$ -	\$ 19,000,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 10,000,000	\$ -	\$ 19,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>29 Community Schools</b>					
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, including funding a full-time school-based coordinator to assess local needs/assets and to integrate social, academic, and health supports in coordination with school support personnel. Provides funding for up to 20 FTE in FY 2021-22 and 77 FTE in FY 2022-23.	Req	\$ 1,500,000	\$ -	\$ 6,000,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 1,500,000	\$ -	\$ 6,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>30 North Carolina Virtual Public School</b>					
Revises the funding approach for NC Virtual Public School to remove barriers that prevent students in low-wealth districts from participating.	Req	\$ 1,500,000	\$ -	\$ 3,000,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 1,500,000	\$ -	\$ 3,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000



		R Changes	NR Changes	R Changes	NR Changes
<b>31 Reduced-Price Lunch Co-Pays</b>					
Provides funds to offset the co-pays for students eligible for reduced-price lunches in schools participating in National School Lunch Program. This will provide free meals for up to an additional 97,500 students.	Req \$	- \$	- \$	3,900,000 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	- \$	3,900,000 \$	-
	FTE	0.000	0.000	0.000	0.000
<b>32 Social and Emotional Learning Pilot</b>					
Provides funding to expand the North Carolina Preschool Pyramid PreK/Kindergarten Social Emotional Learning (SEL) model to low-performing and/or underfunded LEAs.	Req \$	250,000 \$	- \$	250,000 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	250,000 \$	- \$	250,000 \$	-
	FTE	0.000	0.000	0.000	0.000
<b>33 Rowan Salisbury Renewal School District Evaluation</b>					
Provides funds for a comprehensive evaluation of the Renewal School District, a program authorized by SL 2018-32 and designed to give the LEA charter-like flexibility.	Req \$	- \$	300,000 \$	- \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	300,000 \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>34 Residential Schools</b>					
Provides funding for equipment, maintenance, utilities, and positions at the three Residential Schools: the Governor Morehead School for the Blind, the North Carolina School for the Deaf, and the Eastern North Carolina School for the Deaf.	Req \$	1,500,000 \$	- \$	1,500,000 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	1,500,000 \$	- \$	1,500,000 \$	-
	FTE	0.000	0.000	0.000	0.000
<b>35 Governor's School</b>					
Provides funds to cover structural deficit and expand program to increase participation by under-represented students.	Req \$	800,000 \$	- \$	800,000 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	800,000 \$	- \$	800,000 \$	-
	FTE	0.000	0.000	0.000	0.000
<b>36 Federal E-Rate Program</b>					
Provides funding to address shortfall in program funding. For every state dollar used to pay for E-Rate, state receives \$4 in products and services from the federal government. E-Rate helps provide every North Carolina public school classroom with wireless access through fiber-based broadband Internet that is secured through firewall and content-filtering services.	Req \$	- \$	- \$	5,150,000 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	- \$	5,150,000 \$	-
	FTE	0.000	0.000	0.000	0.000
<b>Strengthening the Educator Workforce</b>					
<b>37 Science of Reading</b>					
Provides funding to support retraining of current teachers and to transition NC Educator Preparation Programs to early literacy instruction based around the science of reading. \$12M in federal Elementary and Secondary School Emergency Relief (ESSER) funds were included in S.L. 2021-03 to support these activities, bringing total support for Science of Reading initiatives to \$16M for the biennium.	Req \$	- \$	- \$	- \$	4,000,000
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	- \$	- \$	4,000,000
	FTE	0.000	0.000	0.000	0.000
<b>38 Professional Development for Teachers and School Leaders</b>					
Creates new allotment for professional learning for all personnel in areas such as digital literacy, personalized learning, and computer science and to implement literacy training and mentoring programs for beginning educators.	Req \$	10,000,000 \$	- \$	20,000,000 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	10,000,000 \$	- \$	20,000,000 \$	-
	FTE	0.000	0.000	0.000	0.000
<b>39 North Carolina Center for the Advancement of Teaching</b>					
Provides additional funds to the North Carolina Center for the Advancement of Teaching (NCCAT) to support the continued professional development of teachers.	Req \$	825,988 \$	54,000 \$	1,651,976 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	825,988 \$	54,000 \$	1,651,976 \$	-
	FTE	7.000	0.000	14.000	0.000
<b>40 Teacher Assistants to Support Literacy</b>					
Budgets additional receipts from the transfer of Sales and Use Tax proceeds from the Department of Revenue to the State Public School Fund to provide additional teacher assistants to support K-3 students.	Req \$	20,000,000 \$	- \$	30,000,000 \$	-
	Rec \$	20,000,000 \$	- \$	20,000,000 \$	-
	App \$	- \$	- \$	10,000,000 \$	-
	FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>41 Professional Educator Preparation and Standards Commission</b>					
Provides funding for two additional FTE to support the work of the Professional Educator Preparation and Standards Commission (PEPSC) to coordinate efforts to recruit, prepare, retain, and support the State's teaching workforce on behalf of the NC State Board of Education and the NC Department of Public Instruction.	Req \$	200,000	\$ -	\$ 200,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	200,000	\$ -	\$ 200,000	\$ -
	FTE	2.000	0.000	2.000	0.000
<b>42 TeachNC</b>					
Funds the TeachNC centralized online teacher recruitment tool to improve the recruitment process for both candidates and LEAs and provides funding for one position to serve as TeachNC Administrator.	Req \$	500,000	\$ -	\$ 500,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	500,000	\$ -	\$ 500,000	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>43 Instructional Support Personnel Pipeline</b>					
Establishes a Specialized Instructional Support Personnel (SISP) Recruitment and Retention Coordinator at DPI; increases School Psychologist salaries by \$5,000; and implements a School Psychologist Internship Program.	Req \$	8,500,000	\$ -	\$ 8,500,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	8,500,000	\$ -	\$ 8,500,000	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>44 Alternate Pathways Teacher Recruitment Models</b>					
Provides funding for research-based Grow-Your-Own and 2+2 programs in all regions of the State, including high school-based career academy programs, the North Carolina Teacher Cadet Program, Teaching as a Profession, and TA/Troops to Teachers.	Req \$	2,000,000	\$ -	\$ 2,000,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	2,000,000	\$ -	\$ 2,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>45 Support for Educators of Color</b>					
Establishes a pilot grant program to increase the recruitment, retention, and support for educators of color. A corresponding special provision directs the State Board of Education to establish the program.	Req \$	2,000,000	\$ -	\$ 2,000,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	2,000,000	\$ -	\$ 2,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>46 Recruitment Bonuses and Residencies for High-Need Districts</b>					
Establishes pilot programs for (1) a district-level grant program for multi-year recruitment bonuses for certified teachers who commit to teach in a low wealth or high needs district or school (\$3M/\$6M); and (2) a matching grant program providing support for high quality teacher preparation residency programs in high need rural and urban districts (\$5M in FY 2021-22). Establishes evaluation study.	Req \$	3,000,000	\$ -	\$ 11,000,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	3,000,000	\$ -	\$ 11,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>47 Advanced Teaching Roles Program</b>					
Provides funding for the Advanced Teaching Roles program to allow additional districts to apply for one-time startup funds and enable school districts to study the effectiveness of salary supplements and other aligned compensation models that support the implementation of advanced teaching roles.	Req \$	3,000,000	\$ -	\$ 6,000,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	3,000,000	\$ -	\$ 6,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Strengthening Career and College Pathways</b>					
<b>48 Strengthening Postsecondary Transition</b>					
Provides funding for studies to (1) ensure NC dual credit courses that satisfy basic graduation requirements meet the constitutional standard of providing students a sound basic education and (2) examine barriers and supports impacting students' ability to complete high school courses leading to college credit, an associate degree, or a career-ready credential, including an examination of access, equity, resources, fees, and personnel.	Req \$	-	\$ 50,000	\$ -	\$ 50,000
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 50,000	\$ -	\$ 50,000
	FTE	0.000	0.000	0.000	0.000
<b>49 Career Development Coordinators</b>					
Provides funds for a Career and Postsecondary Planning Director in DPI's CTE 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 6-8 and grades 9-12.	Req \$	100,000	\$ -	\$ 10,000,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	100,000	\$ -	\$ 10,000,000	\$ -
	FTE	1.000	0.000	1.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>50 Career and College Ready Graduates, CTE, and CIHS</b>					
(1) Ensures students graduate prepared for college-level coursework at NC Community Colleges by providing funding for NROC subscription and a staff member at NCDPI to support the Career and College Ready Graduate program in collaboration with the NC Community College System (\$546,500); (2) Expands funds for credentials and certifications for Career and Technical Education students (\$6.5M); and (3) Provides recurring funding for Cooperative Innovative High Schools approved to open from 2018-2021 (\$1.88M).	Req	\$ 8,926,500	\$ -	\$ 8,926,500	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 8,926,500	\$ -	\$ 8,926,500	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>Information Technology Reserve</b>					
<b>51 School Business System Modernization</b>					
Provides \$30M in FY 2021-22 and \$15M in FY 2022-23 to continue transitioning local education agencies and the state to a modern, more stable and secure Enterprise Resource Planning (ERP) system for integrated payroll and human resources information, an integrated licensure system, Charter School Data Management System, and reporting of financial information for increased transparency and analytics. This item is funded in the Information Technology Reserve section of this document.	Req	\$ -	\$ -	\$ -	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Total Change to Requirements</b>		<b>\$ 943,690,040</b>	<b>\$ 191,742,388</b>	<b>\$ 1,458,859,041</b>	<b>\$ 196,383,323</b>
<b>Total Change to Receipts</b>		<b>\$ 20,000,000</b>	<b>\$ -</b>	<b>\$ 20,000,000</b>	<b>\$ -</b>
<b>Total Change to Net Appropriation</b>		<b>\$ 923,690,040</b>	<b>\$ 191,742,388</b>	<b>\$ 1,438,859,041</b>	<b>\$ 196,383,323</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>		<b>19.000</b>	<b>0.000</b>	<b>26.000</b>	<b>0.000</b>
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>		<b>\$ 1,115,432,428</b>	<b>\$ -</b>	<b>\$ 1,115,432,428</b>	<b>\$ 1,635,242,364</b>
<b>Recommended Total FTE Changes</b>		<b>19.000</b>	<b>0.000</b>	<b>26.000</b>	<b>0.000</b>

**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.

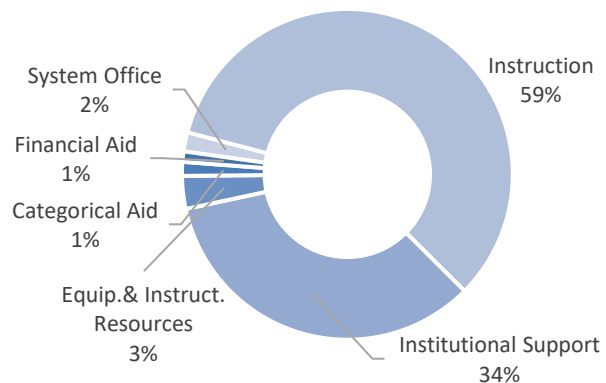
**Goals**

1. Increase the percentage of North Carolinians, particularly within underserved populations, pursuing and easily accessing education or training through North Carolina community colleges.
2. Provide a continuum of education, training, advising, and support to help learners make informed decisions that lead to credentials and careers.
3. Ensure the educational pipeline prepares a workforce possessing the interest, knowledge, skills, and abilities to meet the needs of employers, now and into the future.
4. Advance organizational effectiveness, operations, and decision-making to support a cohesive system of nimble, empowered, and community-driven colleges.

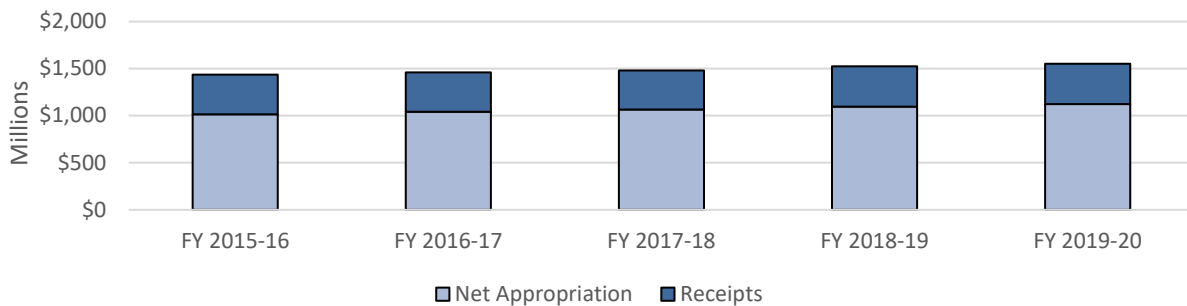
**Agency Profile**

- Serves almost 700,000 students enrolled in academic, workforce continuing education, and literacy courses at 58 colleges across the state.
- In 2019-20, graduated more than 48,000 students with a certificate, credential, or associate degree.
- Supports economic development and job creation in every county in the state through the Customized Training Program and Small Business Center Network.

**FY 2020-21 Authorized Expenditures**



**5-Year Historical Expenditures**



*Charts include General Fund budget code only.*

**NC Community Colleges System (16800)**

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2021-22</b>						
Requirements	\$ 1,604,773,074	\$ 126,061,384	\$ 88,527,155	\$ 214,588,539	\$ 1,819,361,613	13.4%
Receipts	\$ 385,085,099	\$ 1,551,936	\$ -	\$ 1,551,936	\$ 386,637,035	0.4%
Net Appropriation	\$ 1,219,687,975	\$ 124,509,448	\$ 88,527,155	\$ 213,036,603	\$ 1,432,724,578	17.5%
Positions (FTE)	221.550	10.000	0.000	10.000	231.550	4.5%
<b>Year 2</b>	<b>Base Budget</b>	<b>Net Recurring</b>	<b>Net Nonrecurring</b>	<b>Recommended Change</b>	<b>Recommended Budget</b>	<b>% Δ from Base Budget</b>
<b>FY 2022-23</b>						
Requirements	\$ 1,604,773,074	\$ 176,593,030	\$ 25,340,155	\$ 201,933,185	\$ 1,806,706,259	12.6%
Receipts	\$ 385,085,099	\$ 1,551,936	\$ -	\$ 1,551,936	\$ 386,637,035	0.4%
Net Appropriation	\$ 1,219,687,975	\$ 175,041,094	\$ 25,340,155	\$ 200,381,249	\$ 1,420,069,224	16.4%
Positions (FTE)	221.550	10.000	0.000	10.000	231.550	4.5%

	FY 2021-22		FY 2022-23	
	R Changes	NR Changes	R Changes	NR Changes

**Compensation and Benefits Reserve**

**1 State-funded Local Community College Personnel FY 2020-21 Bonus**

Provides a one-time \$2,000 bonus to Community College Personnel employed on April 1, 2021. Local Community College personnel did not receive an increase in FY 2019-20 or FY2020-21. The bonus shall be paid in May 2021 and shall not be considered compensation for retirement purposes.

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

**2 Cost of Living Adjustment - Community College Employees**

Provides funds for a \$1,000 bonus in FY 2021-22, a 5% cost of living adjustment in FY 2021-2, and an additional 2.5% cost of living adjustment in FY 2022-23, increasing state-funded local community college employee salaries by more than 7.5% over the biennium. Corresponding special provisions provide additional details on these compensation adjustments.

Req	\$ 62,162,189	\$ 18,885,578	\$ 94,797,338	\$ 18,885,578
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 62,162,189	\$ 18,885,578	\$ 94,797,338	\$ 18,885,578
FTE	0.000	0.000	0.000	0.000

**3 Cost of Living Adjustment - System Office Employees**

Provides funds for a \$1,000 bonus in FY 2021-22 and 2.5% cost of living adjustments in each year of the biennium, increasing existing state employee salaries by more than 5% over the biennium. Corresponding special provisions provide additional details on these compensation adjustments.

Req	\$ 466,259	\$ 191,305	\$ 944,174	\$ 191,305
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 466,259	\$ 191,305	\$ 944,174	\$ 191,305
FTE	0.000	0.000	0.000	0.000

**4 Reserve to Address Compression, Equity, and High Turnover**

Provides funds based on agency-identified salary adjustment needs, such as compression, equity, and recruitment, as well as high turnover jobs, defined as jobs with voluntary turnover of at least 15% between July 2019 and December 2020. The department may use these funds as needed to address recruitment and retention needs across the department regardless of job classification.

Req	\$ 146,000	\$ -	\$ 146,000	\$ -
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 146,000	\$ -	\$ 146,000	\$ -
FTE	0.000	0.000	0.000	0.000

**5 TSERS Retirement Contribution - Community College Employees**

Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2021-23 fiscal biennium to fund the actuarially determined contribution, retiree medical premiums, and increases for retirees, including a 2% recurring cost-of-living adjustment and a one-time 2% bonus in both FY 2021-22 and FY 2022-23. Corresponding special provisions provide additional details on these adjustments.

Req	\$ 19,765,563	\$ 6,170,710	\$ 22,465,249	\$ 6,170,710
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 19,765,563	\$ 6,170,710	\$ 22,465,249	\$ 6,170,710
FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>6 TSERS Retirement Contribution - System Office Employees</b>					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2021-23 fiscal biennium to fund the actuarially determined contribution, retiree medical premiums, and increases for retirees, including a 2% recurring cost-of-living adjustment and a one-time 2% bonus in both FY 2021-22 and FY 2022-23. Corresponding special provisions provide additional details on these adjustments.	Req	\$ 296,489	\$ 92,562	\$ 336,985	\$ 92,562
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 296,489	\$ 92,562	\$ 336,985	\$ 92,562
	FTE	0.000	0.000	0.000	0.000
<b>7 State Health Plan Contribution - Community College Employees</b>					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2021-23 fiscal biennium.	Req	\$ 4,456,049	\$ -	\$ 9,087,533	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 4,456,049	\$ -	\$ 9,087,533	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>8 State Health Plan Contribution - System Office Employees</b>					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2021-23 fiscal biennium.	Req	\$ 45,138	\$ -	\$ 92,054	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 45,138	\$ -	\$ 92,054	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Department-wide</b>					
<b>9 Advanced Analytics and Data Interpretation Position</b>					
Provides one Advanced Analytics and Data Interpretation position. This position will help build capacity across state government to manage resources and programs more effectively. These skills are needed to inform evidence-based, data-driven decision-making for agency budgets and programs. OSBM will coordinate regular meetings and trainings with agency-based advanced analytics staff to facilitate continuous development of skills and capacity and to share best practices.	Req	\$ 140,380	\$ -	\$ 140,380	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 140,380	\$ -	\$ 140,380	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>10 Subscription Rate Increase</b>					
Funds the increase in Department of Information Technology subscription rates based on the FY 2021-22 approved rate. The subscription rate covers the administrative support provided for DIT, such as internal audit, finance, human resources, and facility management.	Req	\$ 6,603	\$ -	\$ 6,603	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 6,603	\$ -	\$ 6,603	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>11 Budget Stabilization</b>					
Provides one-time funds to ensure budget stability for colleges across the system that have experienced enrollment declines due to Covid-19.	Req	\$ -	\$ 60,937,000	\$ -	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ 60,937,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Information Technology Reserve</b>					
<b>12 Modern College Workforce IT System</b>					
Provides \$28.5 million in non-recurring funds for the next phase of the Community College ERP/IT Modernization Project: upgrading the IT system for all 58 community colleges, including online registration for short-term workforce continuing education courses. Funding for this item is shown in the Information Technology Reserve.	Req	\$ -	\$ -	\$ -	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>13 Modern College Workforce IT System</b>					
Provides recurring funds for contracts and expenses associated with the Community College ERP/IT Modernization project	Req	\$ 3,500,000	\$ -	\$ 3,500,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 3,500,000	\$ -	\$ 3,500,000	\$ -
	FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>14 Regional Cybersecurity Support</b>					
Provides funds for the development of a System-wide Security Architecture and Implementation Plan, professional services to implement to Plan, and recurring funds for Regional Cybersecurity Officers to provide ongoing support for the Plan.	Req \$	1,497,301	\$ 2,250,000	\$ 1,497,301	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	1,497,301	\$ 2,250,000	\$ 1,497,301	\$ -
	FTE	9.000	0.000	9.000	0.000
<b>15 Yadkin County Multi-Campus Center</b>					
Provides funds to operate the Surry Community College Yadkin County Multi-Campus Center, an agriculture, education, and industrial training center	Req \$	579,413	\$ -	\$ 579,413	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	579,413	\$ -	\$ 579,413	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>NC GROW</b>					
<b>16 Scholarship Stipends for High Demand Areas</b>					
Establishes a new completion incentive program for resident students in curriculum programs leading to degrees in fields with employer demand and competitive wages. Eligible programs include Architecture and Construction, Health Sciences, Information Technology, Electrical Line Worker, and Manufacturing. These \$1,000.00 completion incentives will be available to all resident students who finish a degree on time and in one of the eligible programs. Up to \$250,000 may be used for marketing and outreach.	Req \$	25,000,000	\$ -	\$ 30,000,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	25,000,000	\$ -	\$ 30,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>17 Short-term Certificate Programs</b>					
Provides financial assistance in an amount up to \$750 for resident students who enroll in non-credit, short-term workforce training programs that lead to an industry credential in fields with employer demand and competitive wages. Eligible programs include courses in Architecture and Construction, Health Sciences, Information Technology, Electrical Line Worker, and Manufacturing. Awards allow students to pay costs they incur in enrolling and pursuing these credentials.	Req \$	2,500,000	\$ -	\$ 5,000,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	2,500,000	\$ -	\$ 5,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>18 Staff Pipeline Development</b>					
Provides additional funds to support staff recruitment, development, and retention for high demand areas and programs, including Architecture and Construction, Health Sciences, Information Technology, and Manufacturing.	Req \$	2,500,000	\$ -	\$ 5,000,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	2,500,000	\$ -	\$ 5,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>19 Resident Tuition for Non-Resident Veterans</b>					
Provides funds to offset a reduction in tuition receipts as a result of granting non-resident veterans resident status for tuition purposes. The federal Veterans Health Care and Benefits Improvement act of 2020 requires public institutions of higher education to charge non-resident veterans no more than the resident tuition and fee rates or risk losing approval to receive federal educational benefits. This item funds the expected costs of compliance with that Act for the Community College System.	Req \$	-	\$ -	\$ -	\$ -
	Rec \$	(1,448,064)	\$ -	\$ (1,448,064)	\$ -
	App \$	1,448,064	\$ -	\$ 1,448,064	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>20 Community College Grant</b>					
Provides an additional \$3 million in recurring lottery funds to supplement the NC Community College Grant program.	Req \$	3,000,000	\$ -	\$ 3,000,000	\$ -
	Rec \$	3,000,000	\$ -	\$ 3,000,000	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Energy &amp; Environment Reserve</b>					
<b>21 Clean Energy Workforce Development</b>					
Provides \$4 million to support workforce training at NC community colleges in the fields of clean energy, clean transportation, energy efficiency, and sustainability. Funds may be used for a temporary/contract program manager, training equipment, or other clean energy program needs. Funding for this item is shown in the Energy & Environment Reserve.	Req \$	-	\$ -	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000

	R Changes	NR Changes	R Changes	NR Changes
<b>Total Change to Requirements</b>	\$ 126,061,384	\$ 88,527,155	\$ 176,593,030	\$ 25,340,155
<b>Total Change to Receipts</b>	\$ 1,551,936	\$ -	\$ 1,551,936	\$ -
<b>Total Change to Net Appropriation</b>	\$ 124,509,448	\$ 88,527,155	\$ 175,041,094	\$ 25,340,155
<b>Total Change to Full-Time Equivalent (FTE)</b>	10.000	0.000	10.000	0.000
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$	213,036,603	\$	200,381,249
<b>Recommended Total FTE Changes</b>		10.000		10.000



**Mission**

To discover, create, transmit, and apply knowledge to address the needs of individuals and society. This mission 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.

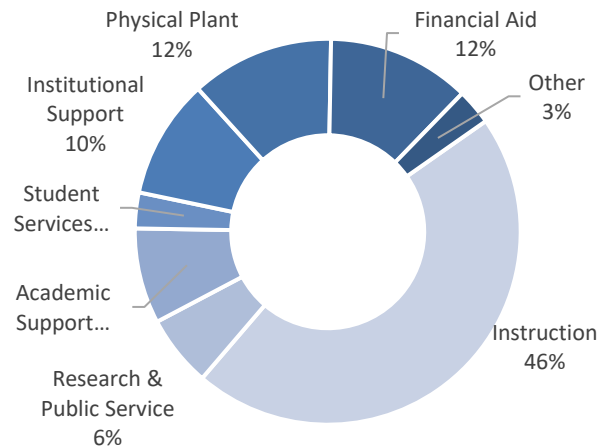
**Goals**

1. Increase access to higher education for students of all demographic backgrounds.
2. Improve timely degree completion for all and be the nation’s leader in degree completion by groups with disproportionate achievement gaps.
3. Work to ensure affordable, high-quality education through operational efficiency.
4. Maintain excellence in the delivery of a foundational liberal arts education while also focusing on health sciences, STEM, K-12 education, and other critical needs for the workforce.
5. Strive for continuous improvement in scholarship, research, and technology commercialization.
6. Increase investment of time and resources in strengthening North Carolina communities.

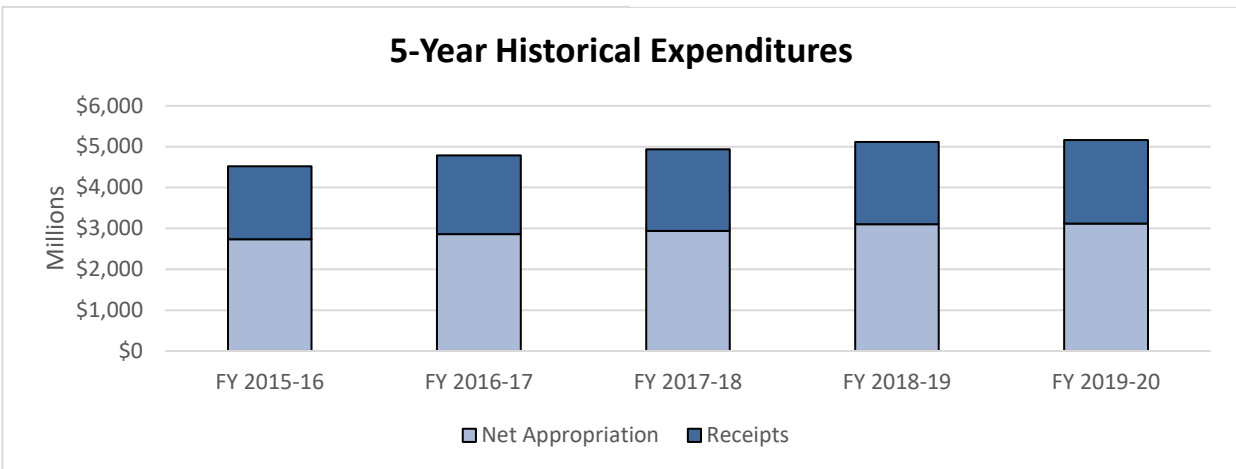
**Agency Profile**

- Serves 243,000 students enrolled on 16 university campuses across the state and at the NC School of Science and Mathematics, a residential high school for gifted students.
- Graduated more than 60,000 students from over 200 academic degree programs in 2019-20.
- In 2019, brought in more than \$1.6 billion in research grants for innovative research and scholarship across the UNC System.

**FY 2020-21 Authorized Expenditures**



**5-Year Historical Expenditures**



Charts include General Fund budget codes only.

**The University of North Carolina (160xx)**

Year 1 FY 2021-22	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 5,138,485,059	\$ 355,049,602	\$ 28,338,779	\$ 383,388,381	\$ 5,521,873,440	7.5%
Receipts	\$ 1,975,078,408	\$ 15,052,612	\$ -	\$ 15,052,612	\$ 1,990,131,020	0.8%
Net Appropriation	\$ 3,163,406,651	\$ 339,996,990	\$ 28,338,779	\$ 368,335,769	\$ 3,531,742,420	11.6%
Positions (FTE)	35522.314	9.000	0.000	9.000	35531.314	0.0%

Year 2 FY 2022-23	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 5,148,601,531	\$ 507,391,812	\$ 48,789,375	\$ 556,181,187	\$ 5,704,782,718	10.8%
Receipts	\$ 1,975,078,408	\$ 15,352,612	\$ -	\$ 15,352,612	\$ 1,990,431,020	0.8%
Net Appropriation	\$ 3,173,523,123	\$ 492,039,200	\$ 48,789,375	\$ 540,828,575	\$ 3,714,351,698	17.0%
Positions (FTE)	35522.314	9.000	0.000	9.000	35531.314	0.0%

	FY 2021-22		FY 2022-23	
	R Changes	NR Changes	R Changes	NR Changes
<b>1 Salary Adjustment Fund</b>				
Funds a Salary Adjustment Fund for University employees. These funds will be used to provide funds to address hard-to-staff, high turnover positions, salaries below market rates, gender equity, and other salary adjustments identified through analysis using HR best practices.	Req \$ 8,000,000	\$ -	\$ 8,000,000	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 8,000,000	\$ -	\$ 8,000,000	\$ -
	FTE 0.000	0.000	0.000	0.000
<b>Compensation and Benefits Reserve</b>				
<b>2 University Personnel FY 2020-21 Bonus</b>				
Provides a one-time \$2,000 bonus to UNC personnel employed on April 1, 2021. UNC employees did not receive an increase in FY 2019-20 or FY2020-21. The bonus shall be paid in May 2021 and shall not be considered compensation for retirement purposes.	Req \$ -	\$ -	\$ -	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
<b>3 Cost of Living Adjustment - State Employees</b>				
Provides funds for a \$1,000 bonus in FY 2021-22, a 5% cost of living adjustment in FY 2021-22, and an additional 2.5% cost of living adjustment in FY 2022-23, increasing UNC employee salaries by more than 7.5% over the biennium, as well as increases for North Carolina School of Science and Mathematics teachers. Corresponding special provisions provide additional details on these compensation adjustments.	Req \$ 159,320,174	\$ 37,307,726	\$ 242,972,585	\$ 37,307,726
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 159,320,174	\$ 37,307,726	\$ 242,972,585	\$ 37,307,726
	FTE 0.000	0.000	0.000	0.000
<b>4 TSERS Retirement Contribution</b>				
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2021-23 fiscal biennium to fund the actuarially determined contribution, retiree medical premiums, and increases for retirees, including a 2% recurring cost-of-living adjustment and a one-time 2% bonus in both FY 2021-22 and FY 2022-23. Corresponding special provisions provide additional details on these adjustments.	Req \$ 25,279,088	\$ 7,892,007	\$ 28,731,842	\$ 7,892,007
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 25,279,088	\$ 7,892,007	\$ 28,731,842	\$ 7,892,007
	FTE 0.000	0.000	0.000	0.000
<b>5 ORP Retirement Contribution</b>				
Increases the State's contribution for members of ORP to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2021-23 fiscal biennium.	Req \$ 3,457,416	\$ -	\$ 7,042,885	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 3,457,416	\$ -	\$ 7,042,885	\$ -
	FTE 0.000	0.000	0.000	0.000
<b>6 State Health Plan Contribution</b>				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2021-23 fiscal biennium.	Req \$ 8,802,752	\$ -	\$ 17,952,069	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 8,802,752	\$ -	\$ 17,952,069	\$ -
	FTE 0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>Department-wide</b>					
<b>7 Internal Auditors</b>					
Funds eight Internal Auditors to help meet minimum recommended levels. These positions should improve efficiency, effectiveness, and compliance for the agency. Positions will be located at Elizabeth City State University, Fayetteville State University, North Carolina State University, UNC-Asheville, UNC-Chapel Hill, UNC-Greensboro, UNC System Office, and Western Carolina University.	Req \$	760,752	\$ -	\$ 760,752	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	760,752	\$ -	\$ 760,752	\$ -
	FTE	8.000	0.000	8.000	0.000
<b>8 Advanced Analytics and Data Interpretation Position</b>					
Provides one Advanced Analytics and Data Interpretation position. This position will help build capacity across state government to manage resources and programs more effectively. These skills are needed to inform evidence-based, data-driven decision-making for agency budgets and programs. OSBM will coordinate regular meetings and trainings with agency-based advanced analytics staff to facilitate continuous development of skills and capacity and to share best practices.	Req \$	140,380	\$ -	\$ 140,380	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	140,380	\$ -	\$ 140,380	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>9 Enrollment Growth</b>					
Provides funds for enrollment increases in the University of North Carolina (UNC) system, including the new NC School of Science and Mathematics Morganton campus. FY2020-21 marked the first year of funding UNC enrollment based on actuals in the prior year, which was appropriated using non-recurring funds.	Req \$	69,568,728	\$ 1,334,264	\$ 113,391,202	\$ 347,412
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	69,568,728	\$ 1,334,264	\$ 113,391,202	\$ 347,412
	FTE	0.000	0.000	0.000	0.000
<b>10 NC Promise Program</b>					
Increases funding to support enrollment through the NC Promise Tuition Plan, which sets tuition at \$500 per semester for North Carolina residents and \$2,500 per semester for non-residents at Elizabeth City State University, UNC-Pembroke, and Western Carolina University.	Req \$	15,000,000	\$ -	\$ 20,000,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	15,000,000	\$ -	\$ 20,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>11 NC Need-Based Grants</b>					
Increases available scholarship funds for residents attending University of North Carolina institutions.	Req \$	15,052,612	\$ -	\$ 15,352,612	\$ -
	Rec \$	15,052,612	\$ -	\$ 15,352,612	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>12 NC Need-Based Scholarships</b>					
Increases scholarship funds for residents attending NC Independent Colleges and Universities member institutions.	Req \$	11,000,000	\$ -	\$ 11,000,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	11,000,000	\$ -	\$ 11,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>13 National Guard Tuition Assistance Program (NC TAP)</b>					
Provides additional tuition funds for active-duty National Guard members seeking higher education.	Req \$	912,000	\$ -	\$ 912,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	912,000	\$ -	\$ 912,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>14 Building Operating Reserves</b>					
Provides operating funds for buildings coming online in the 2021-23 biennium.	Req \$	23,395,700	\$ 2,804,782	\$ 32,972,235	\$ 1,242,230
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	23,395,700	\$ 2,804,782	\$ 32,972,235	\$ 1,242,230
	FTE	0.000	0.000	0.000	0.000
<b>15 Historically Minority-Serving Institutions (HMSI) Support</b>					
Provides additional support for the UNC System HMSI Institutions to improve graduation rates and student success: \$1.5 million each to Elizabeth City State University, Fayetteville State University, UNC-Pembroke, NC Central University, & Winston Salem State University.	Req \$	7,500,000	\$ -	\$ 7,500,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	7,500,000	\$ -	\$ 7,500,000	\$ -
	FTE	0.000	0.000	0.000	0.000

		<b>R Changes</b>	<b>NR Changes</b>	<b>R Changes</b>	<b>NR Changes</b>
<b>16 Targeted Funding for Small-Scale and Special Purpose Institutions</b>					
Provides additional support to institutions with small enrollments or special missions. \$1 million each to UNC-Asheville and UNC School of the Arts, and \$500,000 to NC School of Science and Mathematics.	Req \$	2,500,000	\$ -	\$ 2,500,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	2,500,000	\$ -	\$ 2,500,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>17 NC A&amp;T Doctoral Programs</b>					
Increases funding to support established doctoral programs at NC Agricultural and Technical State University. These funds will support faculty and graduate student services for the doctoral programs, including computer science, engineering fields, energy and environmental systems, education, and rehabilitation counseling.	Req \$	5,000,000	\$ -	\$ 7,500,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	5,000,000	\$ -	\$ 7,500,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>18 Institute for Health Disparities</b>					
Provides advanced planning funds for a new Institute for Health Disparities at Winston Salem State University.	Req \$	-	\$ 500,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 500,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>19 Campus Security Improvements</b>					
Provides \$1.5 million for additional campus security measures and improvements at NC Central University.	Req \$	-	\$ 1,500,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 1,500,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>20 UNC Mountain Area Health Education Center</b>					
Provides recurring funding for the Western UNC School of Medicine.	Req \$	4,600,000	\$ -	\$ 4,600,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	4,600,000	\$ -	\$ 4,600,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>21 NIIMBL Matching Funds</b>					
Provides matching funds for a federal grant from the National Institute of Standards and Technology to support the Biomufacturing Training and Education Center at NC State University.	Req \$	-	\$ 2,000,000	\$ -	\$ 2,000,000
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 2,000,000	\$ -	\$ 2,000,000
	FTE	0.000	0.000	0.000	0.000
<b>22 Opportunity Scholarship Program</b>					
Reduces funding to reflect a gradual elimination of the program and associated changes to the statutory appropriations to the reserve in a corresponding special provision. Recipients of scholarships in FY 2020-21 will remain eligible to receive continued awards. No scholarships will be awarded to new applicants beginning in FY2021-22.	Req \$	(20,000,000)	\$ (25,000,000)	\$ (36,500,000)	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	(20,000,000)	\$ (25,000,000)	\$ (36,500,000)	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>23 NC Teaching Fellows</b>					
Increases funding for the NC Teaching Fellows program to expand the pipeline of diverse, well-prepared teachers. 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 talented candidates of color, and expands program support and enhancement. Funding will support up to additional 90 Teaching Fellows for the 2021-22 academic year and additional 445 Fellows for 2022-23.	Req \$	1,000,000	\$ -	\$ 4,671,250	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	1,000,000	\$ -	\$ 4,671,250	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>24 Partnership TEACH</b>					
Provides funds to expand Partnership TEACH to up to two additional hub sites, including funds for staffing, fellowship support, mentoring, and increasing recruitment capacity.	Req \$	200,000	\$ -	\$ 200,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	200,000	\$ -	\$ 200,000	\$ -
	FTE	0.000	0.000	0.000	0.000

		R Changes		NR Changes		R Changes		NR Changes	
<b>25 NC New Teacher Support Program</b>									
Expands support for the North Carolina New Teacher Support	Req	\$	2,218,000	\$	-	\$	5,000,000	\$	-
Induction Program to mentor, increase effectiveness, enhance skills,	Rec	\$	-	\$	-	\$	-	\$	-
and reduce attrition among beginning teachers at low-performing	App	\$	2,218,000	\$	-	\$	5,000,000	\$	-
and high-poverty schools. The State will provide funding for the full	FTE		0.000		0.000		0.000		0.000
cost of the program (\$4500 per teacher).									
<b>26 NC Principal Fellows Program</b>									
Expands funding for North Carolina Principal Fellows Program to	Req	\$	8,742,000	\$	-	\$	9,742,000	\$	-
prepare up to 360 new principals annually.	Rec	\$	-	\$	-	\$	-	\$	-
	App	\$	8,742,000	\$	-	\$	9,742,000	\$	-
	FTE		0.000		0.000		0.000		0.000
<b>27 College Advising Corps</b>									
Provides matching funds to the College Advising Corps to expand the	Req	\$	2,600,000	\$	-	\$	2,950,000	\$	-
placement of college advisers in low wealth districts in North Carolina	Rec	\$	-	\$	-	\$	-	\$	-
public schools.	App	\$	2,600,000	\$	-	\$	2,950,000	\$	-
	FTE		0.000		0.000		0.000		0.000
<b>Total Change to Requirements</b>		\$	<b>355,049,602</b>	\$	<b>28,338,779</b>	\$	<b>507,391,812</b>	\$	<b>48,789,375</b>
<b>Total Change to Receipts</b>		\$	<b>15,052,612</b>	\$	<b>-</b>	\$	<b>15,352,612</b>	\$	<b>-</b>
<b>Total Change to Net Appropriation</b>		\$	<b>339,996,990</b>	\$	<b>28,338,779</b>	\$	<b>492,039,200</b>	\$	<b>48,789,375</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>			<b>9.000</b>		<b>0.000</b>		<b>9.000</b>		<b>0.000</b>
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>		\$		\$	<b>368,335,769</b>	\$		\$	<b>540,828,575</b>
<b>Recommended Total FTE Changes</b>					<b>9.000</b>				<b>9.000</b>

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## **Enhancing Technology for Agency Operations**

Invests more than \$116 million over the biennium across General Government agencies to enhance state agency technology. Includes substantial projects such as replacing most of the state's existing human resources (HR) software systems with an integrated software suite, supporting the full implementation of the Financial Backbone Replacement Project, recovering diverted funds from the Information Technology Fund, and upgrading the Department of Revenue's (DOR's) tax filing systems and mainframe. Invests in various smaller projects, such as a real property system to better manage state property, the modernization of the Secretary of State Knowledge Base system, the replacement of the HR and payroll system for the General Assembly, an upgraded call center telephone system for the Department of Insurance, and enhanced campaign finance reporting software.

## **Helping North Carolina's People and Communities**

Provides over \$21 million over the biennium to support affordable housing and distressed communities. Increases the appropriation for the Housing Trust Fund, the state's most flexible source of funds for affordable housing, to over \$15 million annually, and provides \$1.9 million over the biennium to the Local Government Commission within the Department of State Treasurer to support financially distressed local government units. Supports domestic violence and sexual assault shelters through Department of Administration grants and expands the capacity of the Commission of Indian Affairs and the Small Business Enterprise Program.

## **Promoting Good Governance**

Builds capacity across state government, providing \$6.8 million annually to fund data analysts, internal auditors, and researchers within agencies, who will improve services and implement more efficient use of state funds. Provides \$1 million each year for evidence-based grants to fund rigorous program evaluations. Establishes a NC Management Fellowship Program to bring talented people into public service and maintains funding for identity theft and fraud prevention for DOR, which results insignificant savings for the state.

## **Serving Veterans and Military Families**

Supports the operation of the new State Veterans Home in Kernersville and provides an increase in funding for scholarships to children of veterans who are deceased, disabled, or combat POW/MIA to attend North Carolina schools. Funds additional positions and resources to help maintain the four veterans' cemeteries.

## **Protecting Government Buildings Across the State**

Provides \$10.2 million to improve security in and around government buildings, including enhancing building and employee protections on government campuses across the state.

**Mission**

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

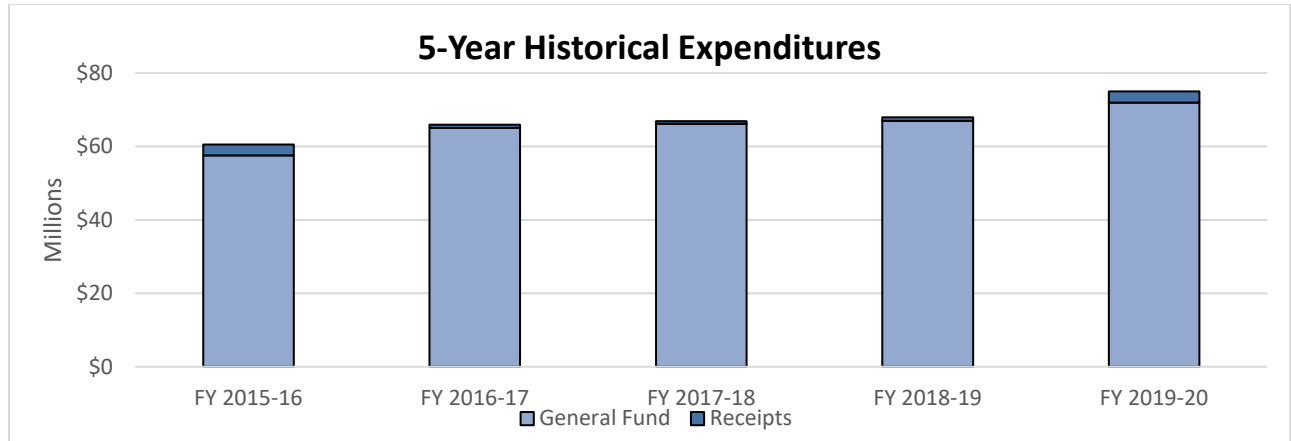
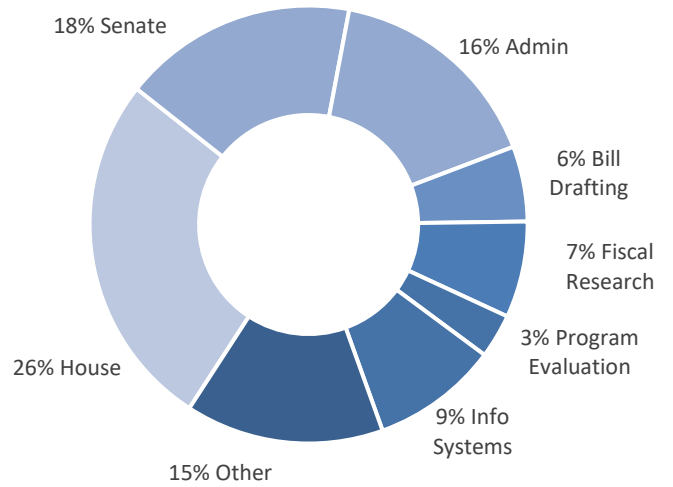
**Goals**

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 a term of two years.
- The House of Representatives consists of 120 members who serve a term of two years.
- The General Assembly meets in regular session beginning in January of each odd-numbered year and adjourns to reconvene the following 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 2020-2021 Authorized Expenditures**



Charts include General Fund budget code only.



**General Assembly (11000)**

Year 1 FY 2021-22	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 74,667,502	\$ 2,938,690	\$ 4,978,318	\$ 7,917,008	\$ 82,584,510	10.6%
Receipts	\$ 561,000	\$ -	\$ -	\$ -	\$ 561,000	0.0%
Net Appropriation	\$ 74,106,502	\$ 2,938,690	\$ 4,978,318	\$ 7,917,008	\$ 82,023,510	10.7%
Positions (FTE)	540.350	0.000	0.000	0.000	540.350	0.0%

Year 2 FY 2022-23	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 74,667,502	\$ 6,307,003	\$ 1,322,740	\$ 7,629,743	\$ 82,297,245	10.2%
Receipts	\$ 561,000	\$ -	\$ -	\$ -	\$ 561,000	0.0%
Net Appropriation	\$ 74,106,502	\$ 6,307,003	\$ 1,322,740	\$ 7,629,743	\$ 81,736,245	10.3%
Positions (FTE)	540.350	0.000	0.000	0.000	540.350	0.0%

	FY 2021-22		FY 2022-23	
	R Changes	NR Changes	R Changes	NR Changes
<b>Compensation and Benefits Reserve</b>				
<b>1 Cost of Living Adjustment - State Employees</b>				
Provides funds for a \$1,000 bonus in FY 2021-22 and 2.5% cost of living adjustments in each year of the biennium, increasing existing state employee salaries by more than 5% over the biennium. Corresponding special provisions provide additional details on these compensation adjustments.	Req \$ 1,501,873	\$ 1,004,321	\$ 3,041,292	\$ 1,004,321
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 1,501,873	\$ 1,004,321	\$ 3,041,292	\$ 1,004,321
	FTE 0.000	0.000	0.000	0.000
<b>2 TSERS Retirement Contribution</b>				
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2021-23 fiscal biennium to fund the actuarially determined contribution, retiree medical premiums, and increases for retirees, including a 2% recurring cost-of-living adjustment and a one-time 2% bonus in both FY 2021-22 and FY 2022-23. Corresponding special provisions provide additional details on these adjustments.	Req \$ 871,486	\$ 272,074	\$ 990,519	\$ 272,074
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 871,486	\$ 272,074	\$ 990,519	\$ 272,074
	FTE 0.000	0.000	0.000	0.000
<b>3 Legislative Retirement System Contribution</b>				
Increases the state's contribution for members of LRS supported by the General Fund for 2021-23 fiscal biennium to fund the actuarially determined contribution, retiree medical premiums, and increases for retirees, including a 2% recurring cost-of-living adjustment and a one-time 2% bonus in both FY 2021-22 and FY 2022-23. Corresponding special provisions provide additional details on these adjustments.	Req \$ 63,362	\$ 46,345	\$ 73,500	\$ 46,345
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 63,362	\$ 46,345	\$ 73,500	\$ 46,345
	FTE 0.000	0.000	0.000	0.000
<b>4 State Health Plan Contribution</b>				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2021-23 fiscal biennium.	Req \$ 236,969	\$ -	\$ 483,268	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 236,969	\$ -	\$ 483,268	\$ -
	FTE 0.000	0.000	0.000	0.000
<b>Department-wide</b>				
<b>5 IT Infrastructure</b>				
Provides funding for the acquisition, replacement, and upgrade of the General Assembly's IT infrastructure including hardware, software, applications licenses, and audio visual systems.	Req \$ -	\$ 2,335,154	\$ 1,235,524	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ -	\$ 2,335,154	\$ 1,235,524	\$ -
	FTE 0.000	0.000	0.000	0.000
<b>6 New HR and Payroll System</b>				
Provides funding for a new cloud-based human resources and payroll system for the agency. The current system lacks mobile capability and no longer receives updates and support.	Req \$ -	\$ 1,320,424	\$ 204,900	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ -	\$ 1,320,424	\$ 204,900	\$ -
	FTE 0.000	0.000	0.000	0.000

		<b>R Changes</b>	<b>NR Changes</b>	<b>R Changes</b>	<b>NR Changes</b>
<b>7 Council of State Governments Dues</b>					
Funds the annual dues for the Council of State Governments and its	Req \$	265,000	\$ -	\$ 278,000	\$ -
promotion and support of intergovernmental cooperation through its	Rec \$	-	\$ -	\$ -	\$ -
Southern Legislative Conference.	App \$	265,000	\$ -	\$ 278,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Total Change to Requirements</b>	\$	<b>2,938,690</b>	\$ <b>4,978,318</b>	\$ <b>6,307,003</b>	\$ <b>1,322,740</b>
<b>Total Change to Receipts</b>	\$	<b>-</b>	\$ <b>-</b>	\$ <b>-</b>	\$ <b>-</b>
<b>Total Change to Net Appropriation</b>	\$	<b>2,938,690</b>	\$ <b>4,978,318</b>	\$ <b>6,307,003</b>	\$ <b>1,322,740</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 Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$		<b>7,917,008</b>	\$	<b>7,629,743</b>
<b>Recommended Total FTE Changes</b>			<b>0.000</b>		<b>0.000</b>

**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.

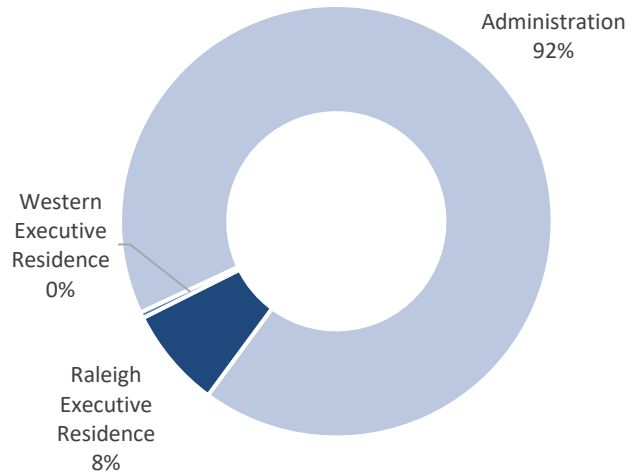
**Goals**

1. Represent and advocate for the people of North Carolina.
2. Coordinate cabinet and other agencies to accomplish the governor’s goals.
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.

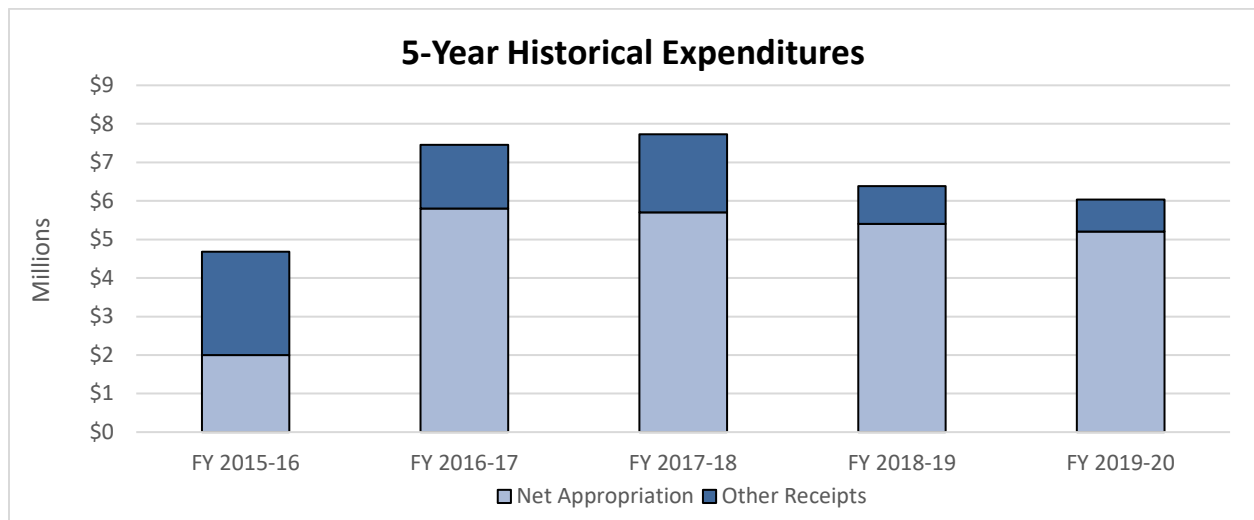
**Agency Profile**

- 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.
- The Governor was the last state chief executive to receive veto power. The office did not have this power until 1996.

**FY 2020-21 Authorized Expenditures**



**5-Year Historical Expenditures**



*Includes General Fund budget code only.*

**Office of the Governor (13000)**

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2021-22</b>						
Requirements	\$ 6,615,513	\$ 976,837	\$ 70,464	\$ 1,047,301	\$ 7,662,814	15.8%
Receipts	\$ 898,760	\$ -	\$ -	\$ -	\$ 898,760	0.0%
Net Appropriation	\$ 5,716,753	\$ 976,837	\$ 70,464	\$ 1,047,301	\$ 6,764,054	18.3%
Positions (FTE)	52.000	9.000	0.000	9.000	61.000	17.3%
<b>Year 2</b>						
<b>FY 2022-23</b>						
Requirements	\$ 6,615,513	\$ 1,110,675	\$ 70,464	\$ 1,181,139	\$ 7,796,652	17.9%
Receipts	\$ 898,760	\$ -	\$ -	\$ -	\$ 898,760	0.0%
Net Appropriation	\$ 5,716,753	\$ 1,110,675	\$ 70,464	\$ 1,181,139	\$ 6,897,892	20.7%
Positions (FTE)	52.000	9.000	0.000	9.000	61.000	17.3%

	FY 2021-22		FY 2022-23		
	R Changes	NR Changes	R Changes	NR Changes	
<b>Compensation and Benefits Reserve</b>					
<b>1 Cost of Living Adjustment - State Employees</b>					
Provides funds for a \$1,000 bonus in FY 2021-22 and 2.5% cost of living adjustments in each year of the biennium, increasing existing state employee salaries by more than 5% over the biennium. Corresponding special provisions provide additional details on these compensation adjustments.	Req \$	109,632	\$ 48,700	\$ 222,005	\$ 48,700
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	109,632	\$ 48,700	\$ 222,005	\$ 48,700
	FTE	0.000	0.000	0.000	0.000
<b>2 TSERS Retirement Contribution</b>					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2021-23 fiscal biennium to fund the actuarially determined contribution, retiree medical premiums, and increases for retirees, including a 2% recurring cost-of-living adjustment and a one-time 2% bonus in both FY 2021-22 and FY 2022-23. Corresponding special provisions provide additional details on these adjustments.	Req \$	69,714	\$ 21,764	\$ 79,236	\$ 21,764
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	69,714	\$ 21,764	\$ 79,236	\$ 21,764
	FTE	0.000	0.000	0.000	0.000
<b>3 State Health Plan Contribution</b>					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2021-23 fiscal biennium.	Req \$	11,491	\$ -	\$ 23,434	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	11,491	\$ -	\$ 23,434	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Department-wide</b>					
<b>4 Constituent Services</b>					
Provides three new positions to help the office address constituent needs and other issues that require timely responses. The office has seen a large increase in calls, correspondences, and other requests due, in part, to the on-going COVID-19 pandemic.	Req \$	205,000	\$ -	\$ 205,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	205,000	\$ -	\$ 205,000	\$ -
	FTE	3.000	0.000	3.000	0.000
<b>5 Volunteer Office Support</b>					
Provides funds for two positions within the North Carolina Office of Volunteerism and Community Service to support increased volunteering, assist with the state AmeriCorps and Senior Corps programs, aid in developing and promoting COVID-19 and disaster-related volunteer opportunities, and support the Office's volunteer training.	Req \$	150,000	\$ -	\$ 150,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	150,000	\$ -	\$ 150,000	\$ -
	FTE	2.000	0.000	2.000	0.000
<b>6 Governor's Policy Office</b>					
Funds two data analytics positions in the Governor's Policy Office to build capacity to more effectively manage state resources and programs with a statewide perspective. These positions will work collaboratively with the Government Analytics Data Center (GDAC) to transform data into information for the State's policy and operational leaders to use in making program investment decisions, managing resources, and improving program budgets and results, helping agencies make evidence-based, data-driven decisions systematically across state government.	Req \$	281,000	\$ -	\$ 281,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	281,000	\$ -	\$ 281,000	\$ -
	FTE	2.000	0.000	2.000	0.000

		<b>R Changes</b>	<b>NR Changes</b>	<b>R Changes</b>	<b>NR Changes</b>
<b>7 Office of Public Engagement</b>					
Supports two new positions within the Office of Public Engagement to	Req	\$ 150,000	\$ -	\$ 150,000	\$ -
support the increased needs of the office, which has seen increased	Rec	\$ -	\$ -	\$ -	\$ -
outreach and involvement needs due to social unrest and the COVID-	App	\$ 150,000	\$ -	\$ 150,000	\$ -
19 pandemic.	FTE	2.000	0.000	2.000	0.000
<b>Total Change to Requirements</b>		<b>\$ 976,837</b>	<b>\$ 70,464</b>	<b>\$ 1,110,675</b>	<b>\$ 70,464</b>
<b>Total Change to Receipts</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Change to Net Appropriation</b>		<b>\$ 976,837</b>	<b>\$ 70,464</b>	<b>\$ 1,110,675</b>	<b>\$ 70,464</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>		<b>9.000</b>	<b>0.000</b>	<b>9.000</b>	<b>0.000</b>
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>		<b>\$</b>	<b>1,047,301</b>	<b>\$</b>	<b>1,181,139</b>
<b>Recommended Total FTE Changes</b>			<b>9.000</b>		<b>9.000</b>

**Mission**

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

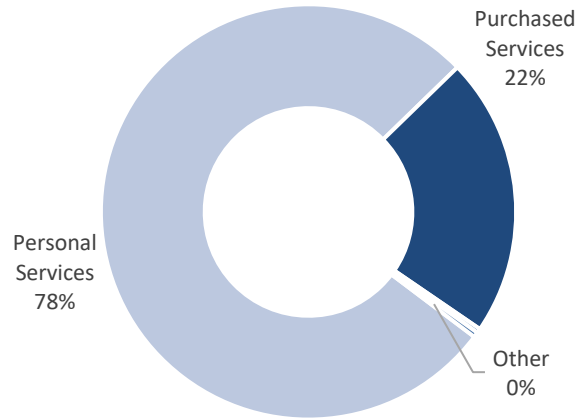
**Goals**

1. Provide objective, high-quality, and timely analysis to decision-makers.
2. Attract, develop, and retain a diverse and highly skilled workforce committed to continuous improvement.
3. Work collaboratively with partners to encourage innovative thinking and ensure responsible management of state resources.
4. Leverage data and technology to operate more effectively and efficiently.

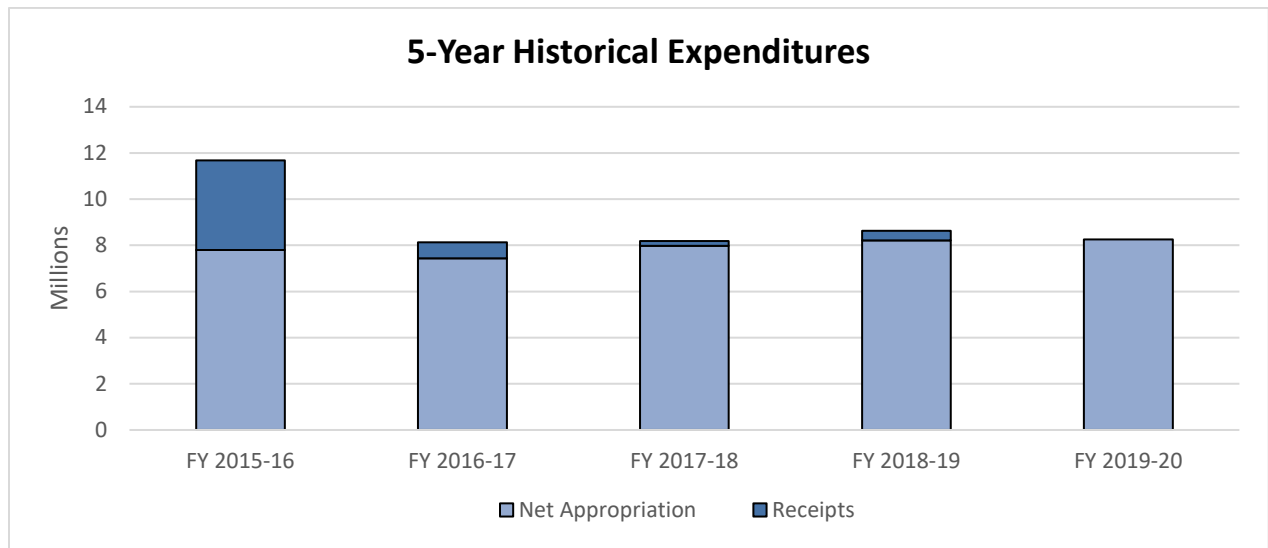
**Agency Profile**

- 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.
- Facilitates strategic plan trainings for state agencies based on best practices.
- 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.
- Currently sponsoring a process improvement pilot known as “Systems Analysis,” which aims to help agencies identify areas of improvement and provide recommendations for tested, best practice solutions.

**FY 2020-21 Authorized Expenditures**



**5-Year Historical Expenditures**



*Charts include General Fund budget codes only.*

**Office of State Budget and Management (13005)**

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2021-22</b>						
Requirements	\$ 8,978,843	\$ 2,092,984	\$ 89,930	\$ 2,182,914	\$ 11,161,757	24.3%
Receipts	\$ 131,780	\$ -	\$ -	\$ -	\$ 131,780	0.0%
Net Appropriation	\$ 8,847,063	\$ 2,092,984	\$ 89,930	\$ 2,182,914	\$ 11,029,977	24.7%
Positions (FTE)	55.000	6.000	0.000	6.000	61.000	10.9%
<b>Year 2</b>	<b>Base Budget</b>	<b>Net Recurring</b>	<b>Net Nonrecurring</b>	<b>Recommended Change</b>	<b>Recommended Budget</b>	<b>% Δ from Base Budget</b>
<b>FY 2022-23</b>						
Requirements	\$ 8,978,843	\$ 2,279,563	\$ 89,930	\$ 2,369,493	\$ 11,348,336	26.4%
Receipts	\$ 131,780	\$ -	\$ -	\$ -	\$ 131,780	0.0%
Net Appropriation	\$ 8,847,063	\$ 2,279,563	\$ 89,930	\$ 2,369,493	\$ 11,216,556	26.8%
Positions (FTE)	55.000	3.000	0.000	3.000	58.000	5.5%

	FY 2021-22		FY 2022-23		
	R Changes	NR Changes	R Changes	NR Changes	
<b>Compensation and Benefits Reserve</b>					
<b>1 Cost of Living Adjustment - State Employees</b>					
Provides funds for a \$1,000 bonus in FY 2021-22 and 2.5% cost of living adjustments in each year of the biennium, increasing existing state employee salaries by more than 5% over the biennium. Corresponding special provisions provide additional details on these compensation adjustments.	Req \$	154,752	\$ 59,208	\$ 313,371	\$ 59,208
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	154,752	\$ 59,208	\$ 313,371	\$ 59,208
	FTE	0.000	0.000	0.000	0.000
<b>2 TSERS Retirement Contribution</b>					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2021-23 fiscal biennium to fund the actuarially determined contribution, retiree medical premiums, and increases for retirees, including a 2% recurring cost-of-living adjustment and a one-time 2% bonus in both FY 2021-22 and FY 2022-23. Corresponding special provisions provide additional details on these adjustments.	Req \$	98,405	\$ 30,722	\$ 111,845	\$ 30,722
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	98,405	\$ 30,722	\$ 111,845	\$ 30,722
	FTE	0.000	0.000	0.000	0.000
<b>3 State Health Plan Contribution</b>					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2021-23 fiscal biennium.	Req \$	13,970	\$ -	\$ 28,490	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	13,970	\$ -	\$ 28,490	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Department-wide</b>					
<b>4 Internal Auditor</b>					
Funds one Internal Auditor to help meet minimum recommended levels. This position should improve efficiency, effectiveness, and compliance for the agency.	Req \$	95,094	\$ -	\$ 95,094	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	95,094	\$ -	\$ 95,094	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>5 Advanced Analytics and Data Interpretation Positions</b>					
Provides two Advanced Analytics and Data Interpretation positions. These positions will help build capacity across state government to manage resources and programs more effectively. These skills are needed to inform evidence-based, data-driven decision-making for agency budgets and programs. OSBM will coordinate regular meetings and trainings with agency-based advanced analytics staff to facilitate continuous development of skills and capacity and to share best practices.	Req \$	280,763	\$ -	\$ 280,763	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	280,763	\$ -	\$ 280,763	\$ -
	FTE	2.000	0.000	2.000	0.000
<b>6 Evidence-Based Evaluation Grants</b>					
Provides grant support to state agencies interested in funding rigorous, well-designed evaluations to help build the evidence base needed to determine whether a program is working and achieving intended outcomes. Evaluations will be selected through a competitive process and will be required to have an independent, third party researcher and follow rigorous research standards.	Req \$	1,000,000	\$ -	\$ 1,000,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	1,000,000	\$ -	\$ 1,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000

		<b>R Changes</b>	<b>NR Changes</b>	<b>R Changes</b>	<b>NR Changes</b>
<b>7 OSBM Workload Needs</b>					
Funds three new positions within OSBM to meet workload demands.	Req \$	300,000	\$ -	\$ 300,000	\$ -
Positions would assist with benefit-costs analyses; demographic	Rec \$	-	\$ -	\$ -	\$ -
analysis and census coordination; and performance management and	App \$	300,000	\$ -	\$ 300,000	\$ -
process improvement activities.	FTE	3.000	0.000	0.000	0.000
<b>8 OpenDataSoft Annual Subscription</b>					
Funds the annual subscription for OpenDataSoft, which is the data	Req \$	150,000	\$ -	\$ 150,000	\$ -
platform for Log In to North Carolina (LINC). LINC is the most	Rec \$	-	\$ -	\$ -	\$ -
comprehensive statistical database about North Carolina and has more	App \$	150,000	\$ -	\$ 150,000	\$ -
than 1,200 variables including items pertaining to population, labor	FTE	0.000	0.000	0.000	0.000
force, education, and transportation as well as data produced by the					
State Demographer. The platform allows users to create visualizations,					
download full or partial datasets, and create maps.					
<b>Total Change to Requirements</b>		<b>\$ 2,092,984</b>	<b>\$ 89,930</b>	<b>\$ 2,279,563</b>	<b>\$ 89,930</b>
<b>Total Change to Receipts</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Change to Net Appropriation</b>		<b>\$ 2,092,984</b>	<b>\$ 89,930</b>	<b>\$ 2,279,563</b>	<b>\$ 89,930</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>		<b>6.000</b>	<b>0.000</b>	<b>3.000</b>	<b>0.000</b>
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>		<b>\$</b>	<b>2,182,914</b>	<b>\$</b>	<b>2,369,493</b>
<b>Recommended Total FTE Changes</b>			<b>6.000</b>		<b>3.000</b>



## Mission

To create affordable housing opportunities for North Carolinians whose needs are not met by the market.

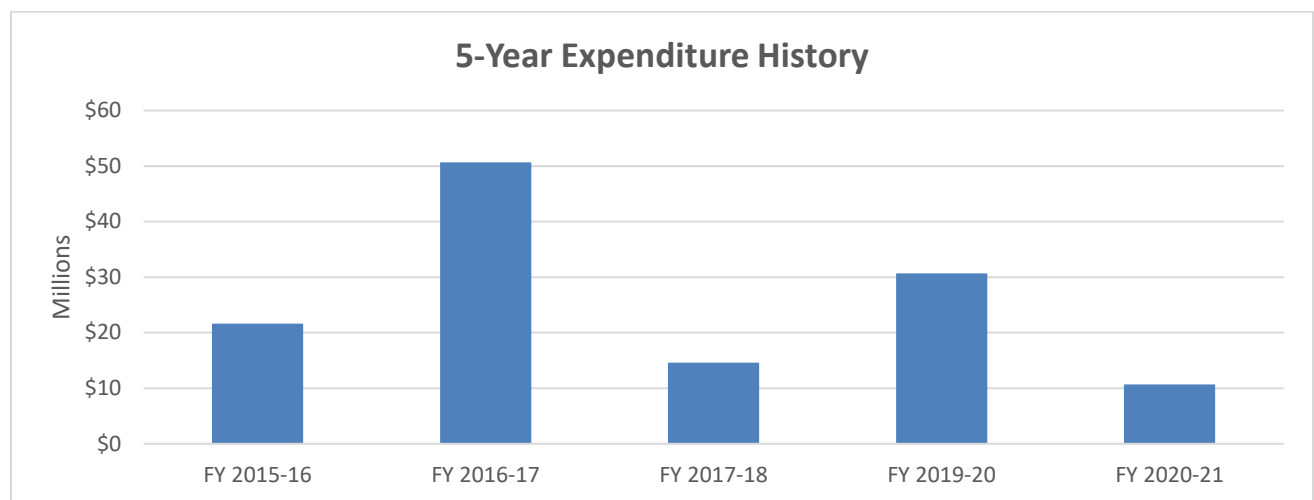
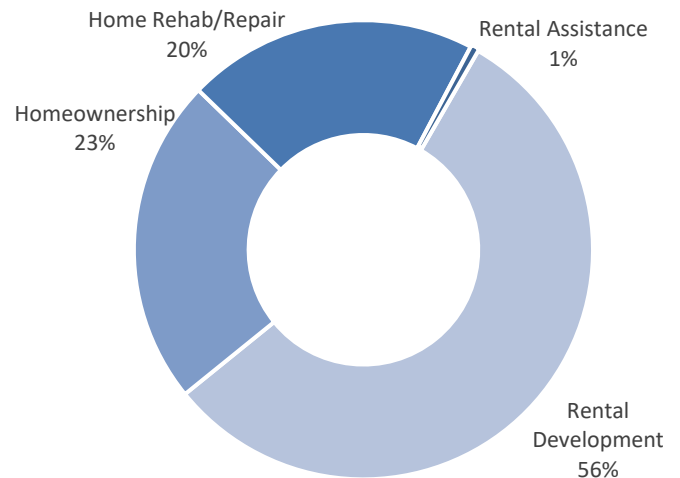
## Goals

1. Meet the housing needs of North Carolinians by leveraging state and federal funds with private investment to finance the acquisition, preservation, development, and rehabilitation of affordable housing, and by administering rental assistance contracts.
2. Provide targeted investments that meet the needs of rural, suburban, and urban housing needs across the state to strengthen communities, support job creation, and boost local economies.

## Agency Profile

- Creates affordable housing through rental development, supportive housing investment, home buyer lending, home ownership rehabilitation, and rental assistance, working with over 450 organizations.
- Financed 306,130 affordable homes and apartments, producing real estate valued at over \$27.6 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.
- Assisted in producing 1,871 apartments in 28 rental developments, with 85% funding developments in low- and moderate-income counties through the FY 2020 Workforce Housing Loan Program.

## FY 2020-21 Authorized Expenditures



Charts include General Fund budget code only.

**NC Housing Finance Agency (13010)**

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2021-22</b>						
Requirements	\$ 10,660,000	\$ 7,660,000	\$ -	\$ 7,660,000	\$ 18,320,000	71.9%
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Net Appropriation	\$ 10,660,000	\$ 7,660,000	\$ -	\$ 7,660,000	\$ 18,320,000	71.9%
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.0%

Year 2	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2022-23</b>						
Requirements	\$ 10,660,000	\$ 7,660,000	\$ -	\$ 7,660,000	\$ 18,320,000	71.9%
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Net Appropriation	\$ 10,660,000	\$ 7,660,000	\$ -	\$ 7,660,000	\$ 18,320,000	71.9%
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.0%

	FY 2021-22		FY 2022-23	
	R Changes	NR Changes	R Changes	NR Changes
<b>Housing Trust Fund</b>				
<b>1 Housing Trust Fund</b>				
Doubles the annual appropriation for the Housing Trust Fund to over \$15 million. The fund is the State's most flexible source of money for affordable housing and allows intensive targeting of vulnerable groups, including people who are homeless or have disabilities.	Req	\$ 7,660,000	\$ -	\$ 7,660,000
	Rec	\$ -	\$ -	\$ -
	App	\$ 7,660,000	\$ -	\$ 7,660,000
	FTE	0.000	0.000	0.000
<b>Total Change to Requirements</b>		\$ 7,660,000	\$ -	\$ 7,660,000
<b>Total Change to Receipts</b>		\$ -	\$ -	\$ -
<b>Total Change to Net Appropriation</b>		\$ 7,660,000	\$ -	\$ 7,660,000
<b>Total Change to Full-Time Equivalent (FTE)</b>		0.000	0.000	0.000
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>		\$ 7,660,000	\$ -	\$ 7,660,000
<b>Recommended Total FTE Changes</b>		0.000	0.000	0.000

**NC Housing Finance Agency - Partnership (63011)**

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2021-22</b>						
Requirements	\$ 27,700,000	\$ 7,660,000	\$ -	\$ 7,660,000	\$ 35,360,000	27.7%
Receipts	\$ 30,842,000	\$ 7,660,000	\$ -	\$ 7,660,000	\$ 38,502,000	24.8%
Δ in Fund Balance	\$ 3,142,000	\$ -	\$ -	\$ -	\$ 3,142,000	0.0%
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.0%

Year 2	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2022-23</b>						
Requirements	\$ 27,700,000	\$ 7,660,000	\$ -	\$ 7,660,000	\$ 35,360,000	27.7%
Receipts	\$ 30,842,000	\$ 7,660,000	\$ -	\$ 7,660,000	\$ 38,502,000	24.8%
Δ in Fund Balance	\$ 3,142,000	\$ -	\$ -	\$ -	\$ 3,142,000	0.0%
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.0%

	FY 2021-22		FY 2022-23	
	R Changes	NR Changes	R Changes	NR Changes
<b>1 Housing Trust Fund</b>				
Budgets the transfer from the General Fund for the Housing Trust Fund.	Req \$ 7,660,000	\$ -	\$ 7,660,000	\$ -
	Rec \$ 7,660,000	\$ -	\$ 7,660,000	\$ -
	CFB \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
<b>Total Change to Requirements</b>	\$ 7,660,000	\$ -	\$ 7,660,000	\$ -
<b>Total Change to Receipts</b>	\$ 7,660,000	\$ -	\$ 7,660,000	\$ -
<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>Recommended Total FTE Changes</b>		0.000		0.000

**Mission**

To support active and reserve uniformed military and their families; military, installations and communities; and military veterans and their families in North Carolina. To provide timely and responsive engagement to enhance North Carolina’s current military and veteran friendly environment. And to foster and promote business, technology, transportation, education, economic development, and healthcare for the above communities. The department accomplishes these services by providing assistance and coordination between the federal government, the state, its political subdivisions, and collaborative and supporting agencies.

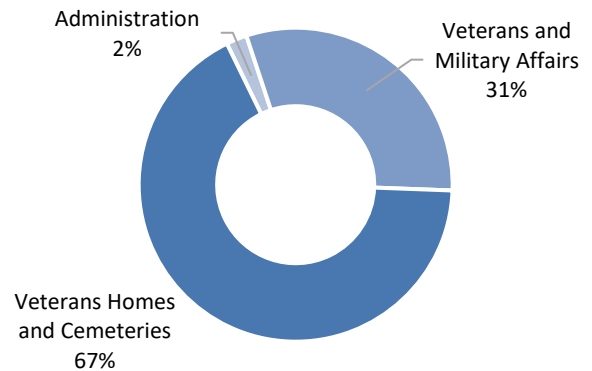
**Goals**

1. Ensure strong infrastructure currently and for the long term.
2. Optimize deliverables for veterans and military bases.
3. Connect veterans and their families to earned benefits, programs, and services, and support and maximize value of state military installations.
4. Increase the public’s knowledge of military ties to local communities and veteran issues, programs, and community support.

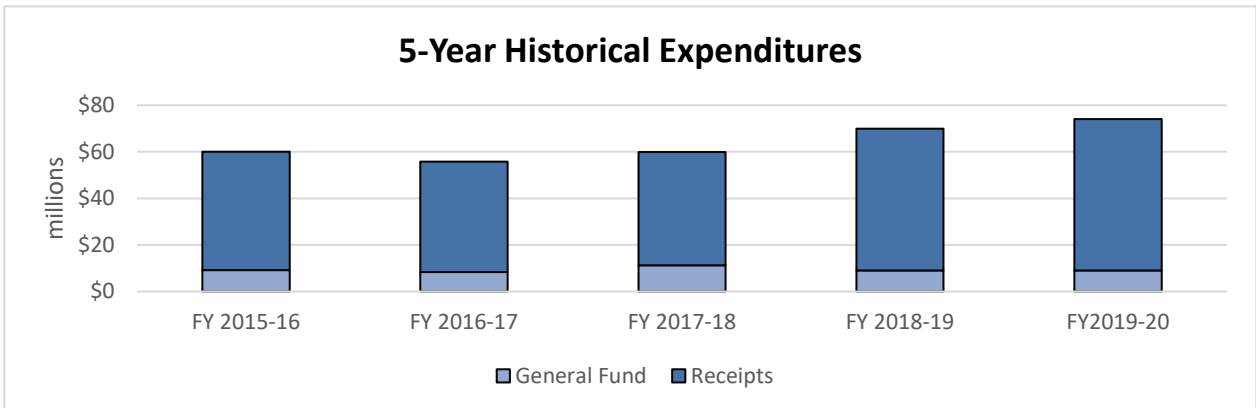
**Agency Profile**

- Department formed in 2015.
- Provides outreach and support to veterans, their families, and active duty personnel across the state.
- Operates 13 field offices to work with veterans across the state.
- Provides nursing home services at four veterans homes.
- Operates four cemeteries for veterans across the state.
- Operates a scholarship program for children of wartime veterans.

**FY 2020-21 Authorized Expenditures**



**5-Year Historical Expenditures**



*Charts include General Fund budget code only.*

**Department of Military and Veterans Affairs (13050)**

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2021-22</b>						
Requirements	\$ 67,155,001	\$ 8,055,940	\$ 1,111,266	\$ 9,167,206	\$ 76,322,207	13.7%
Receipts	\$ 57,415,186	\$ 3,698,206	\$ -	\$ 3,698,206	\$ 61,113,392	6.4%
Net Appropriation	\$ 9,739,815	\$ 4,357,734	\$ 1,111,266	\$ 5,469,000	\$ 15,208,815	56.2%
Positions (FTE)	91.750	9.000	0.000	9.000	100.750	9.8%
<b>Year 2</b>	<b>Base Budget</b>	<b>Net Recurring</b>	<b>Net Nonrecurring</b>	<b>Recommended Change</b>	<b>Recommended Budget</b>	<b>% Δ from Base Budget</b>
<b>FY 2022-23</b>						
Requirements	\$ 67,155,001	\$ 15,618,115	\$ 111,266	\$ 15,729,381	\$ 82,884,382	23.4%
Receipts	\$ 57,415,186	\$ 11,100,152	\$ -	\$ 11,100,152	\$ 68,515,338	19.3%
Net Appropriation	\$ 9,739,815	\$ 4,517,963	\$ 111,266	\$ 4,629,229	\$ 14,369,044	47.5%
Positions (FTE)	91.750	9.000	0.000	9.000	100.750	9.8%

	FY 2021-22		FY 2022-23		
	R Changes	NR Changes	R Changes	NR Changes	
<b>Compensation and Benefits Reserve</b>					
<b>1 Cost of Living Adjustment - State Employees</b>					
Provides funds for a \$1,000 bonus in FY 2021-22 and 2.5% cost of living adjustments in each year of the biennium, increasing existing state employee salaries by more than 5% over the biennium. Corresponding special provisions provide additional details on these compensation adjustments.	Req \$	125,043	\$ 86,443	\$ 253,212	\$ 86,443
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	125,043	\$ 86,443	\$ 253,212	\$ 86,443
	FTE	0.000	0.000	0.000	0.000
<b>2 Reserve to Address Compression, Equity, and High Turnover</b>					
Provides funds based on agency-identified salary adjustment needs, such as compression, equity, and recruitment, as well as high turnover jobs, defined as jobs with voluntary turnover of at least 15% between July 2019 and December 2020. The department may use these funds as needed to address recruitment and retention needs across the department regardless of job classification.	Req \$	20,000	\$ -	\$ 20,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	20,000	\$ -	\$ 20,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>3 TSERS Retirement Contribution</b>					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2021-23 fiscal biennium to fund the actuarially determined contribution, retiree medical premiums, and increases for retirees, including a 2% recurring cost-of-living adjustment and a one-time 2% bonus in both FY 2021-22 and FY 2022-23. Corresponding special provisions provide additional details on these adjustments.	Req \$	79,513	\$ 24,823	\$ 90,374	\$ 24,823
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	79,513	\$ 24,823	\$ 90,374	\$ 24,823
	FTE	0.000	0.000	0.000	0.000
<b>4 State Health Plan Contribution</b>					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2021-23 fiscal biennium.	Req \$	20,396	\$ -	\$ 41,595	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	20,396	\$ -	\$ 41,595	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Department-wide</b>					
<b>5 Internal Auditor</b>					
Funds one Internal Auditor to help meet minimum recommended levels. This position should improve efficiency, effectiveness, and compliance for the agency.	Req \$	95,094	\$ -	\$ 95,094	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	95,094	\$ -	\$ 95,094	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>6 Advanced Analytics and Data Interpretation Position</b>					
Provides one Advanced Analytics and Data Interpretation position. This position will help build capacity across state government to manage resources and programs more effectively. These skills are needed to inform evidence-based, data-driven decision-making for agency budgets and programs. OSBM will coordinate regular meetings and trainings with agency-based advanced analytics staff to facilitate continuous development of skills and capacity and to share best practices.	Req \$	140,380	\$ -	\$ 140,380	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	140,380	\$ -	\$ 140,380	\$ -
	FTE	1.000	0.000	1.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>7 Subscription Rate Increase</b>					
Funds the increase in Department of Information Technology subscription rates based on the FY 2021-22 approved rate. The subscription rate covers the administrative support provided for DIT, such as internal audit, finance, human resources, and facility management.	Req \$	31,958	\$ -	\$ 31,958	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	31,958	\$ -	\$ 31,958	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>8 Agency Energy Manager</b>					
Provides funds for an Agency Energy Manager, who will assist the department in achieving utility cost savings and required energy consumption reductions, based on targets set in GS 143-64.12(a). Each Agency Energy Manger will analyze agency energy usage and submit an annual Agency Utility Report to DEQ.	Req \$	103,000	\$ -	\$ 103,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	103,000	\$ -	\$ 103,000	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>9 IT Claims Management System</b>					
Provides funds to implement a new, single claims management system to more effectively manage the complete veterans claim lifecycle and provide more robust reporting and analytics. The current platform is not configured to interface with the federal Veterans Administration system.	Req \$	-	\$ 1,000,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 1,000,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Veterans Affairs</b>					
<b>10 New Kernersville State Veterans Home</b>					
Provides funding to support the contracted operation of the new State Veterans Home in Kernersville. The funds will provide for one Veterans Service Officer position, as well as the hiring and training of staff to allow efficient opening of the new facility.	Req \$	3,698,206	\$ -	\$ 11,100,152	\$ -
	Rec \$	3,698,206	\$ -	\$ 11,100,152	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>11 Veterans Suicide Prevention Program</b>					
Creates a suicide prevention program for active duty military and veterans in the State. The Department of Military and Veterans Affairs will direct a Task Force to develop the action plan and implement the Governor's Challenge to Prevent Suicide Among Service Members, Veterans, and their Families.	Req \$	100,000	\$ -	\$ 100,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	100,000	\$ -	\$ 100,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>12 NC Scholarship for Children of Wartime Veterans Increase</b>					
Supports the NC Scholarship for Children of Wartime Veterans program, which awards scholarships to the children of veterans who are deceased, disabled, or combat POW/MIA to attend North Carolina schools. The increase will fully fund the scholarship allowances for room and board.	Req \$	2,000,000	\$ -	\$ 2,000,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	2,000,000	\$ -	\$ 2,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Veterans Cemeteries</b>					
<b>13 Veterans Cemetery Positions</b>					
Funds four additional maintenance workers, two each for the Fayetteville and Black Mountain veterans cemeteries. These additional staff will help meet the recent expansions and increase in burials at these facilities.	Req \$	232,485	\$ -	\$ 232,485	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	232,485	\$ -	\$ 232,485	\$ -
	FTE	4.000	0.000	4.000	0.000
<b>14 Veterans Cemeteries Equipment and Other Operational Funds</b>					
Provides funding for maintenance, equipment, and other operational needs at the four State Veterans Cemeteries.	Req \$	300,000	\$ -	\$ 300,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	300,000	\$ -	\$ 300,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Military Affairs</b>					
<b>15 Military Presence Stabilization Fund</b>					
Supports the efforts of the Military Affairs Commission, which provides state and federal advocacy for North Carolina's military communities. The funding will be used to sustain and maintain the State's military programs and activities by providing grants for local communities or military installations, updates to strategic planning, federal advocacy, and identification of measures to increase the military value of installations.	Req \$	1,000,000	\$ -	\$ 1,000,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	1,000,000	\$ -	\$ 1,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>16 Division of Military Affairs Position</b>					
Provides funds for one program manager position to support the	Req	\$ 109,865	\$ -	\$ 109,865	\$ -
mission of the Division of Military Affairs, which administers assistance	Rec	\$ -	\$ -	\$ -	\$ -
to active duty military members and their dependents, as well as	App	\$ 109,865	\$ -	\$ 109,865	\$ -
providing administrative and programmatic support to the Military	FTE	1.000	0.000	1.000	0.000
Advisory Commission.					
<b>Total Change to Requirements</b>		<b>\$ 8,055,940</b>	<b>\$ 1,111,266</b>	<b>\$ 15,618,115</b>	<b>\$ 111,266</b>
<b>Total Change to Receipts</b>		<b>\$ 3,698,206</b>	<b>\$ -</b>	<b>\$ 11,100,152</b>	<b>\$ -</b>
<b>Total Change to Net Appropriation</b>		<b>\$ 4,357,734</b>	<b>\$ 1,111,266</b>	<b>\$ 4,517,963</b>	<b>\$ 111,266</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>		<b>9.000</b>	<b>0.000</b>	<b>9.000</b>	<b>0.000</b>
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>		<b>\$</b>	<b>5,469,000</b>	<b>\$</b>	<b>4,629,229</b>
<b>Recommended Total FTE Changes</b>			<b>9.000</b>		<b>9.000</b>

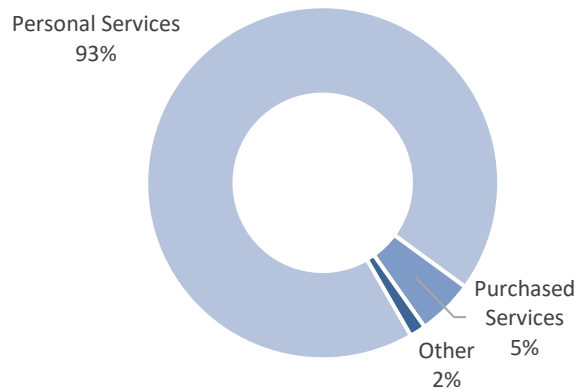
**Mission**

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.

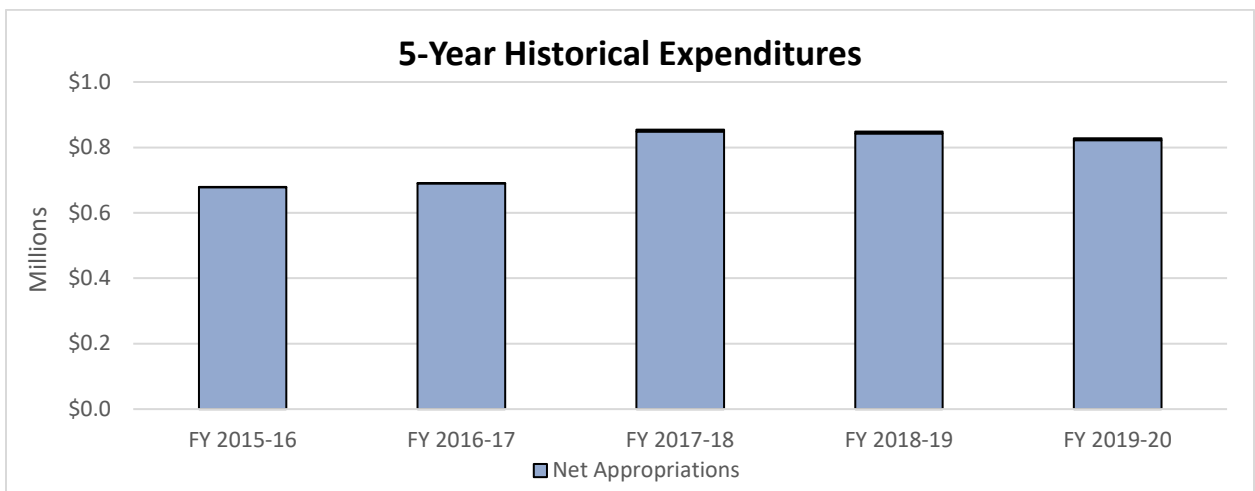
**FY 2020-21 Authorized Expenditures**



**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 the Governor.
- The Lieutenant Governor is a member of the Council of State, the North Carolina Board of Education, the North Carolina Capital Planning Commission, and the North Carolina Board of Community Colleges, and also serves as the chair of the Energy Policy Council.
- North Carolina has had 34 Lieutenant Governors.

**5-Year Historical Expenditures**





**Office of the Lieutenant Governor (13100)**

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2021-22</b>						
Requirements	\$ 927,695	\$ 121,057	\$ 11,434	\$ 132,491	\$ 1,060,186	14.3%
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Net Appropriation	\$ 927,695	\$ 121,057	\$ 11,434	\$ 132,491	\$ 1,060,186	14.3%
Positions (FTE)	7.000	1.000	0.000	1.000	8.000	14.3%

Year 2	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2022-23</b>						
Requirements	\$ 927,695	\$ 144,737	\$ 11,434	\$ 156,171	\$ 1,083,866	16.8%
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Net Appropriation	\$ 927,695	\$ 144,737	\$ 11,434	\$ 156,171	\$ 1,083,866	16.8%
Positions (FTE)	7.000	1.000	0.000	1.000	8.000	14.3%

	FY 2021-22		FY 2022-23		
	R Changes	NR Changes	R Changes	NR Changes	
<b>Compensation and Benefits Reserve</b>					
<b>1 Cost of Living Adjustment - State Employees</b>					
Provides funds for a \$1,000 bonus in FY 2021-22 and 2.5% cost of living adjustments in each year of the biennium, increasing existing state employee salaries by more than 5% over the biennium. Corresponding special provisions provide additional details on these compensation adjustments.	Req \$	19,635	\$ 7,536	\$ 39,762	\$ 7,536
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	19,635	\$ 7,536	\$ 39,762	\$ 7,536
	FTE	0.000	0.000	0.000	0.000
<b>2 TSERS Retirement Contribution</b>					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2021-23 fiscal biennium to fund the actuarially determined contribution, retiree medical premiums, and increases for retirees, including a 2% recurring cost-of-living adjustment and a one-time 2% bonus in both FY 2021-22 and FY 2022-23. Corresponding special provisions provide additional details on these adjustments.	Req \$	12,486	\$ 3,898	\$ 14,191	\$ 3,898
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	12,486	\$ 3,898	\$ 14,191	\$ 3,898
	FTE	0.000	0.000	0.000	0.000
<b>3 State Health Plan Contribution</b>					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2021-23 fiscal biennium.	Req \$	1,778	\$ -	\$ 3,626	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	1,778	\$ -	\$ 3,626	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Department-wide</b>					
<b>4 Constituent Services</b>					
Provides a new position to help the office address constituent contacts and other issues that require timely responses.	Req \$	87,158	\$ -	\$ 87,158	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	87,158	\$ -	\$ 87,158	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>Total Change to Requirements</b>	\$	<b>121,057</b>	\$ <b>11,434</b>	\$ <b>144,737</b>	\$ <b>11,434</b>
<b>Total Change to Receipts</b>	\$	<b>-</b>	\$ <b>-</b>	\$ <b>-</b>	\$ <b>-</b>
<b>Total Change to Net Appropriation</b>	\$	<b>121,057</b>	\$ <b>11,434</b>	\$ <b>144,737</b>	\$ <b>11,434</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>		<b>1.000</b>	<b>0.000</b>	<b>1.000</b>	<b>0.000</b>
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$		<b>132,491</b>	\$	<b>156,171</b>
<b>Recommended Total FTE Changes</b>			<b>1.000</b>		<b>1.000</b>

**Mission**

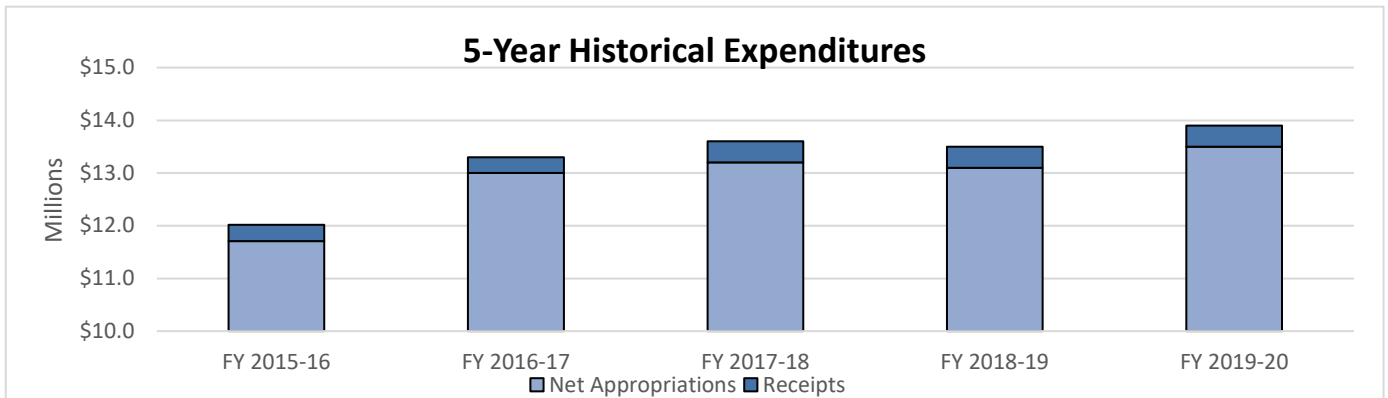
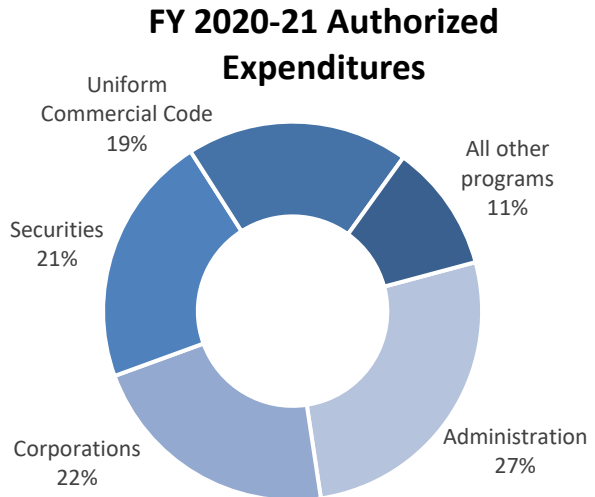
To promote economic growth and protect the public from financial harm.

**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.

**Agency Profile**

- Facilitates economic development through business and capital formation – registering 90,000 new businesses and nonprofits last year and reviewing 400,000 annual reports and filings.
- Provides crucial business data to the marketplace for leveraging risk and assisting millions of transactions.
- Administers the state’s Securities laws by registering and regulating over \$200 billion in securities offerings and investigating and prosecuting white-collar crimes.
- Authenticates and notarizes high-level business transactions and governmental decisions.
- Protects the economic value of trademarks, copyrights, and patents.
- 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 trillion, according to the NC State Property Tax Commission.



**Department of Secretary of State (13200)**

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2021-22</b>						
Requirements	\$ 15,386,741	\$ 2,245,277	\$ 1,342,332	\$ 3,587,609	\$ 18,974,350	23.3%
Receipts	\$ 362,356	\$ -	\$ -	\$ -	\$ 362,356	0.0%
Net Appropriation	\$ 15,024,385	\$ 2,245,277	\$ 1,342,332	\$ 3,587,609	\$ 18,611,994	23.9%
Positions (FTE)	178.553	6.000	0.000	6.000	184.553	3.4%
<b>Year 2</b>	<b>Base Budget</b>	<b>Net Recurring</b>	<b>Net Nonrecurring</b>	<b>Recommended Change</b>	<b>Recommended Budget</b>	<b>% Δ from Base Budget</b>
<b>FY 2022-23</b>						
Requirements	\$ 15,386,741	\$ 2,617,323	\$ 842,832	\$ 3,460,155	\$ 18,846,896	22.5%
Receipts	\$ 362,356	\$ -	\$ -	\$ -	\$ 362,356	0.0%
Net Appropriation	\$ 15,024,385	\$ 2,617,323	\$ 842,832	\$ 3,460,155	\$ 18,484,540	23.0%
Positions (FTE)	178.553	6.000	0.000	6.000	184.553	3.4%

	FY 2021-22		FY 2022-23		
	R Changes	NR Changes	R Changes	NR Changes	
<b>Compensation and Benefits Reserve</b>					
<b>1 Cost of Living Adjustment - State Employees</b>					
Provides funds for a \$1,000 bonus in FY 2021-22 and 2.5% cost of living adjustments in each year of the biennium, increasing existing state employee salaries by more than 5% over the biennium. Corresponding special provisions provide additional details on these compensation adjustments.	Req \$	292,917	\$ 189,338	\$ 593,157	\$ 189,338
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	292,917	\$ 189,338	\$ 593,157	\$ 189,338
	FTE	0.000	0.000	0.000	0.000
<b>2 Reserve to Address Compression, Equity, and High Turnover</b>					
Provides funds based on agency-identified salary adjustment needs, such as compression, equity, and recruitment, as well as high turnover jobs, defined as jobs with voluntary turnover of at least 15% between July 2019 and December 2020. The department may use these funds as needed to address recruitment and retention needs across the department regardless of job classification.	Req \$	1,088,000	\$ -	\$ 1,088,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	1,088,000	\$ -	\$ 1,088,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>3 TSERS Retirement Contribution</b>					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2021-23 fiscal biennium to fund the actuarially determined contribution, retiree medical premiums, and increases for retirees, including a 2% recurring cost-of-living adjustment and a one-time 2% bonus in both FY 2021-22 and FY 2022-23. Corresponding special provisions provide additional details on these adjustments.	Req \$	185,762	\$ 57,994	\$ 211,135	\$ 57,994
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	185,762	\$ 57,994	\$ 211,135	\$ 57,994
	FTE	0.000	0.000	0.000	0.000
<b>4 State Health Plan Contribution</b>					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2021-23 fiscal biennium.	Req \$	44,674	\$ -	\$ 91,107	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	44,674	\$ -	\$ 91,107	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Department-wide</b>					
<b>5 Advanced Analytics and Data Interpretation Position</b>					
Provides one Advanced Analytics and Data Interpretation position. This position will help build capacity across state government to manage resources and programs more effectively. These skills are needed to inform evidence-based, data-driven decision-making for agency budgets and programs. OSBM will coordinate regular meetings and trainings with agency-based advanced analytics staff to facilitate continuous development of skills and capacity and to share best practices.	Req \$	140,380	\$ -	\$ 140,380	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	140,380	\$ -	\$ 140,380	\$ -
	FTE	1.000	0.000	1.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>6 Internal Auditor</b>					
Adds one auditor to aid the office in meeting the internal audit requirements required by GS 143-746. The ongoing use of interns with limited expertise and experience is not sufficient to fulfill these audit requirements. This funding establishes a permanent, dedicated internal audit office, in accordance with the Internal Audit Quality Assurance Review and the best practice of having a minimum of two full-time auditors.	Req	\$ 94,052	\$ -	\$ 94,052	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 94,052	\$ -	\$ 94,052	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>Corporations</b>					
<b>7 Digitization Project</b>					
Supports the digitization of legacy business filings to permit prompt public access. These funds should produce at least two million digitized documents and allow for more effective and efficient accessibility of essential documents for the public and telecommuting employees.	Req	\$ -	\$ 500,000	\$ -	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ 500,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>8 Document Examiners</b>					
Establishes two positions for agency document examiners, who will review agency documents for inclusion in the Secretary of State Knowledge Base (SOSKB) database and filing system. Business creations, capital formation, and the resulting operations and maintenance have increased the filings the department receives. These positions will fill the increasing need for more examiners to carry out these functions.	Req	\$ 134,735	\$ -	\$ 134,735	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 134,735	\$ -	\$ 134,735	\$ -
	FTE	2.000	0.000	2.000	0.000
<b>Information Technology</b>					
<b>9 Agency Knowledge Base Modernization</b>					
Provides funds to update and modernize the SOSKB. The system supports all business transactions and functions that the department processes. The upgrade will enhance web-centric services for the public, better support a remote workforce for the future, improve workforce efficiency, and directly interface to other agencies and services.	Req	\$ -	\$ 595,000	\$ -	\$ 545,500
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ 595,000	\$ -	\$ 545,500
	FTE	0.000	0.000	0.000	0.000
<b>10 Applications Systems Analyst</b>					
Establishes one position to assist in the maintenance and operation of SOSKB, increasing programming capacity by 25%. This position will define and document IT needs, translate those needs into program specifications and changes, and test the resulting user interfaces before they are implemented.	Req	\$ 123,495	\$ -	\$ 123,495	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 123,495	\$ -	\$ 123,495	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>11 Disaster Recovery Site Operating Costs</b>					
Provides hardware and software needed to complete the disaster recovery site at the Western Data Center. These funds also cover recurring costs for the emergency back-up storage facility.	Req	\$ 45,000	\$ -	\$ 45,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 45,000	\$ -	\$ 45,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>12 IT Penetration Testing</b>					
Funds the risk and security assessment required by the state's Continuous Monitoring Plan. This plan, developed pursuant to GS 143B-1376, requires that all agencies complete an assessment of their systems and infrastructure every three years to understand and identify threats and vulnerabilities that may create risks for state-owned information systems and data.	Req	\$ -	\$ -	\$ -	\$ 50,000
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ -	\$ -	\$ 50,000
	FTE	0.000	0.000	0.000	0.000
<b>Digital Forensics Lab</b>					
<b>13 Forensic Scientist</b>					
Provides funding for a Forensic Scientist I position in the Digital Forensics Lab. This position analyzes and documents evidence that the agency's law enforcement agents seize. Current federal grant funding for the position is not reliable, and the employee is necessary for the department to provide robust technical enforcement mandated by law.	Req	\$ 96,262	\$ -	\$ 96,262	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 96,262	\$ -	\$ 96,262	\$ -
	FTE	1.000	0.000	1.000	0.000

	R Changes		NR Changes		R Changes		NR Changes	
<b>Total Change to Requirements</b>	\$	2,245,277	\$	1,342,332	\$	2,617,323	\$	842,832
<b>Total Change to Receipts</b>	\$	-	\$	-	\$	-	\$	-
<b>Total Change to Net Appropriation</b>	\$	2,245,277	\$	1,342,332	\$	2,617,323	\$	842,832
<b>Total Change to Full-Time Equivalent (FTE)</b>		6.000		0.000		6.000		0.000
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$			3,587,609	\$			3,460,155
<b>Recommended Total FTE Changes</b>				6.000				6.000

**Mission**

To protect the interests of taxpayers and others who provide financial resources to the State of North Carolina. OSA provides objective information to interested parties about whether state resources are properly accounted for, reported, and managed; as well as whether publicly funded programs are achieving desired results.

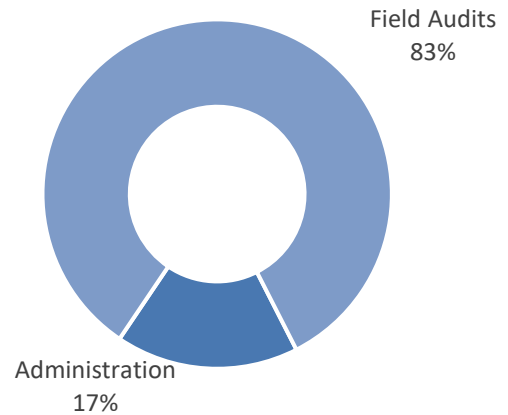
**Goals**

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.
2. Optimize the efficiency of audits and investigations to minimize disruption to auditee’s regular activities and increase the opportunities for OSA to promote economy, efficiency, and accountability across state government.

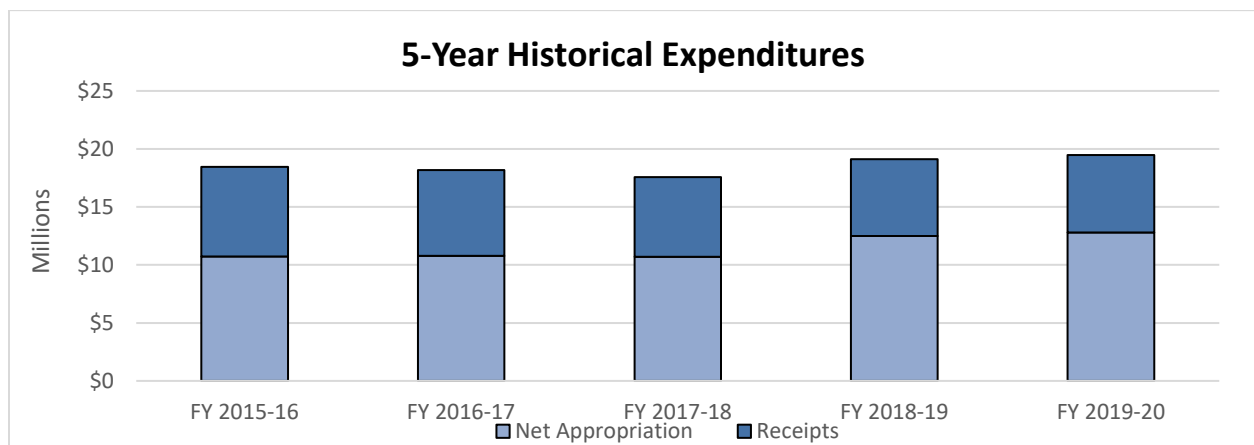
**Agency Profile**

- The State Auditor is elected and is a member of the Council of State.
- OSA’s audit responsibilities cover more than \$46 billion in state assets and \$13.7 billion in liabilities; \$21 billion in annual federal grant funding; and the finances of the State’s 16 public universities.
- OSA publishes financial statement audits, performance audits, information systems audits, and investigative reports.
- OSA plans to expand audits focusing on Medicaid, and to leverage big-data analytics to identify areas of risk to state government.
- The State Auditor has broad powers to examine all books, records, files, papers, documents, and financial data of every state agency.

**FY 2020-2021 Authorized Expenditures**



**5-Year Historical Expenditures**



*OSA’s budget has been provided entirely through the General Fund.*

**Office of the State Auditor (13300)**

Year 1 FY 2021-22	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 21,471,173	\$ 1,395,045	\$ 192,440	\$ 1,587,485	\$ 23,058,658	7.4%
Receipts	\$ 6,514,703	\$ -	\$ -	\$ -	\$ 6,514,703	0.0%
Net Appropriation	\$ 14,956,470	\$ 1,395,045	\$ 192,440	\$ 1,587,485	\$ 16,543,955	10.6%
Positions (FTE)	160.000	0.000	0.000	0.000	160.000	0.0%

Year 2 FY 2022-23	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 21,471,173	\$ 1,786,789	\$ 192,440	\$ 1,979,229	\$ 23,450,402	9.2%
Receipts	\$ 6,514,703	\$ -	\$ -	\$ -	\$ 6,514,703	0.0%
Net Appropriation	\$ 14,956,470	\$ 1,786,789	\$ 192,440	\$ 1,979,229	\$ 16,935,699	13.2%
Positions (FTE)	160.000	0.000	0.000	0.000	160.000	0.0%

	FY 2021-22		FY 2022-23		
	R Changes	NR Changes	R Changes	NR Changes	
<b>Compensation and Benefits Reserve</b>					
<b>1 Cost of Living Adjustment - State Employees</b>					
Provides funds for a \$1,000 bonus in FY 2021-22 and 2.5% cost of living adjustments in each year of the biennium, increasing existing state employee salaries by more than 5% over the biennium. Corresponding special provisions provide additional details on these compensation adjustments.	Req \$	324,078	\$ 128,104	\$ 656,258	\$ 128,104
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	324,078	\$ 128,104	\$ 656,258	\$ 128,104
	FTE	0.000	0.000	0.000	0.000
<b>2 Reserve to Address Compression, Equity, and High Turnover</b>					
Provides funds based on agency-identified salary adjustment needs, such as compression, equity, and recruitment, as well as high turnover jobs, defined as jobs with voluntary turnover of at least 15% between July 2019 and December 2020. The department may use these funds as needed to address recruitment and retention needs across the department regardless of job classification.	Req \$	142,000	\$ -	\$ 142,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	142,000	\$ -	\$ 142,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>3 TSERS Retirement Contribution</b>					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2021-23 fiscal biennium to fund the actuarially determined contribution, retiree medical premiums, and increases for retirees, including a 2% recurring cost-of-living adjustment and a one-time 2% bonus in both FY 2021-22 and FY 2022-23. Corresponding special provisions provide additional details on these adjustments.	Req \$	206,077	\$ 64,336	\$ 234,225	\$ 64,336
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	206,077	\$ 64,336	\$ 234,225	\$ 64,336
	FTE	0.000	0.000	0.000	0.000
<b>4 State Health Plan Contribution</b>					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2021-23 fiscal biennium.	Req \$	30,226	\$ -	\$ 61,642	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	30,226	\$ -	\$ 61,642	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Department-wide</b>					
<b>5 Subscription Rate Increase</b>					
Funds the increase in Department of Information Technology subscription rates based on the FY 2021-22 approved rate. The subscription rate covers the administrative support provided for DIT, such as internal audit, finance, human resources, and facility management.	Req \$	10,739	\$ -	\$ 10,739	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	10,739	\$ -	\$ 10,739	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Administration</b>					
<b>6 Technology Initiatives</b>					
Supports IT initiatives that assist the auditing process. Funding for this effort is recurring because the increasing amount of data at agencies, universities, and community colleges requires specialized audit and data analyzing software, which constantly evolves and needs updates.	Req \$	681,925	\$ -	\$ 681,925	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	681,925	\$ -	\$ 681,925	\$ -
	FTE	0.000	0.000	0.000	0.000

	R Changes		NR Changes		R Changes		NR Changes	
<b>Total Change to Requirements</b>	\$	1,395,045	\$	192,440	\$	1,786,789	\$	192,440
<b>Total Change to Receipts</b>	\$	-	\$	-	\$	-	\$	-
<b>Total Change to Net Appropriation</b>	\$	1,395,045	\$	192,440	\$	1,786,789	\$	192,440
<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>	\$			1,587,485	\$			1,979,229
<b>Recommended Total FTE Changes</b>				0.000				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.

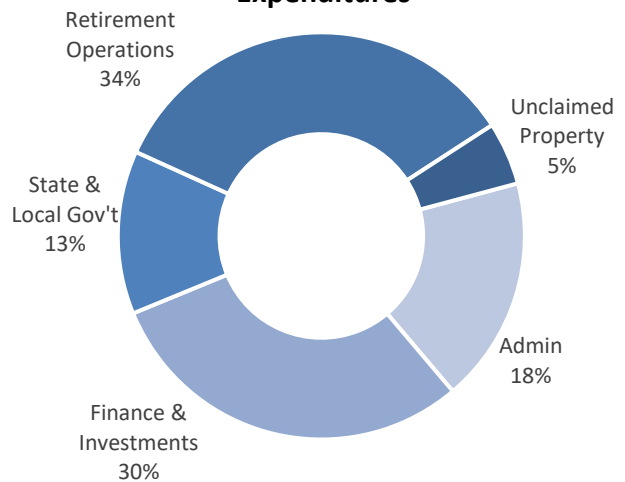
**Goals**

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.

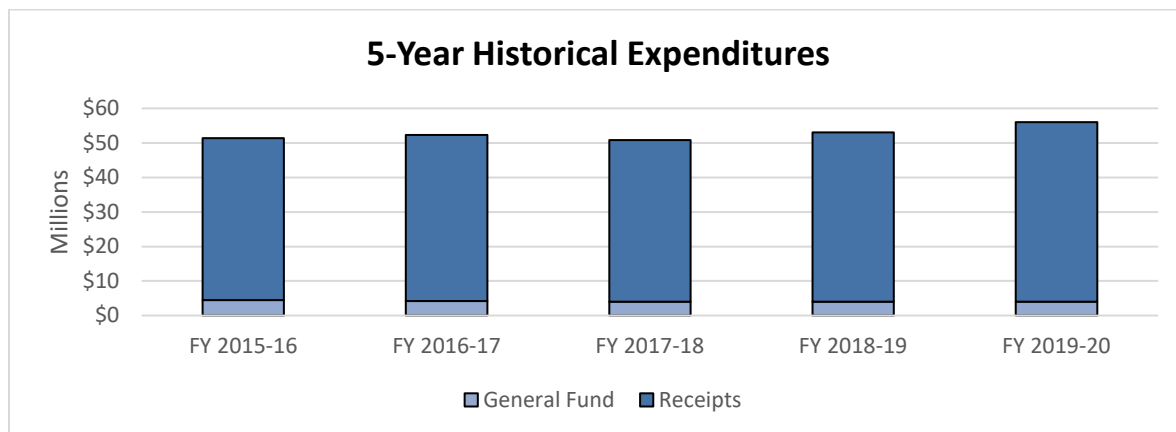
**Agency Profile**

- Administers employee retirement systems for more than 900,000 public workers, as well as supplemental plans.
- Oversees State Health Plan coverage for more than 750,000 teachers, state employees, retirees, current and former lawmakers, university employees, community college employees, and their dependents.
- Oversees 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 core banking system.

**FY 20-21 Authorized Expenditures**



**5-Year Historical Expenditures**



*Agency expenditures do not include State Health Plan.*

**Department of State Treasurer (13410)**

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2021-22</b>						
Requirements	\$ 67,989,217	\$ 1,738,883	\$ 1,025,664	\$ 2,764,547	\$ 70,753,764	4.1%
Receipts	\$ 63,044,561	\$ 1,244,097	\$ 1,000,000	\$ 2,244,097	\$ 65,288,658	3.6%
Net Appropriation	\$ 4,944,656	\$ 494,786	\$ 25,664	\$ 520,450	\$ 5,465,106	10.5%
Positions (FTE)	397.600	17.000	0.000	17.000	414.600	4.3%
<b>Year 2</b>	<b>Base Budget</b>	<b>Net Recurring</b>	<b>Net Nonrecurring</b>	<b>Recommended Change</b>	<b>Recommended Budget</b>	<b>% Δ from Base Budget</b>
<b>FY 2022-23</b>						
Requirements	\$ 68,039,962	\$ 1,775,963	\$ 25,664	\$ 1,801,627	\$ 69,841,589	2.6%
Receipts	\$ 63,095,306	\$ 1,244,097	\$ -	\$ 1,244,097	\$ 64,339,403	2.0%
Net Appropriation	\$ 4,944,656	\$ 531,866	\$ 25,664	\$ 557,530	\$ 5,502,186	11.3%
Positions (FTE)	397.600	17.000	0.000	17.000	414.600	4.3%

	FY 2021-22		FY 2022-23		
	R Changes	NR Changes	R Changes	NR Changes	
<b>Compensation and Benefits Reserve</b>					
<b>1 Cost of Living Adjustment - State Employees</b>					
Provides funds for a \$1,000 bonus in FY 2021-22 and 2.5% cost of living adjustments in each year of the biennium, increasing existing state employee salaries by more than 5% over the biennium. Corresponding special provisions provide additional details on these compensation adjustments.	Req \$	28,958	\$ 19,915	\$ 58,640	\$ 19,915
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	28,958	\$ 19,915	\$ 58,640	\$ 19,915
	FTE	0.000	0.000	0.000	0.000
<b>2 Reserve to Address Compression, Equity, and High Turnover</b>					
Provides funds based on agency-identified salary adjustment needs, such as compression, equity, and recruitment, as well as high turnover jobs, defined as jobs with voluntary turnover of at least 15% between July 2019 and December 2020. The department may use these funds as needed to address recruitment and retention needs across the department regardless of job classification.	Req \$	100,000	\$ -	\$ 100,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	100,000	\$ -	\$ 100,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>3 TSERS Retirement Contribution</b>					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2021-23 fiscal biennium to fund the actuarially determined contribution, retiree medical premiums, and increases for retirees, including a 2% recurring cost-of-living adjustment and a one-time 2% bonus in both FY 2021-22 and FY 2022-23. Corresponding special provisions provide additional details on these adjustments.	Req \$	18,415	\$ 5,749	\$ 20,929	\$ 5,749
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	18,415	\$ 5,749	\$ 20,929	\$ 5,749
	FTE	0.000	0.000	0.000	0.000
<b>4 State Health Plan Contribution</b>					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2021-23 fiscal biennium.	Req \$	4,699	\$ -	\$ 9,583	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	4,699	\$ -	\$ 9,583	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Department-wide</b>					
<b>5 Internal Auditors</b>					
Funds two Internal Auditors to help meet minimum recommended levels. These positions should improve efficiency, effectiveness, and compliance for the agency.	Req \$	190,190	\$ -	\$ 190,190	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	190,190	\$ -	\$ 190,190	\$ -
	FTE	2.000	0.000	2.000	0.000
<b>6 Advanced Analytics and Data Interpretation Position</b>					
Provides one Advanced Analytics and Data Interpretation position. This position will help build capacity across state government to manage resources and programs more effectively. These skills are needed to inform evidence-based, data-driven decision-making for agency budgets and programs. OSBM will coordinate regular meetings and trainings with agency-based advanced analytics staff to facilitate continuous development of skills and capacity and to share best practices.	Req \$	140,380	\$ -	\$ 140,380	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	140,380	\$ -	\$ 140,380	\$ -
	FTE	1.000	0.000	1.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>7 Subscription Rate Increase</b>					
Funds the increase in Department of Information Technology subscription rates based on the FY 2021-22 approved rate. The subscription rate covers the administrative support provided for DIT, such as internal audit, finance, human resources, and facility management.	Req \$	12,144	\$ -	\$ 12,144	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	12,144	\$ -	\$ 12,144	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Retirement Systems Division</b>					
<b>8 Retirement Systems Division Operations Positions</b>					
Provides funding for two Administrative Specialist II positions in the Retirement Processing team and two Administrative Specialist II positions in the Benefits Processing team to meet the increased volume of retirement and refund processing.	Req \$	249,060	\$ -	\$ 249,060	\$ -
	Rec \$	249,060	\$ -	\$ 249,060	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	4.000	0.000	4.000	0.000
<b>9 Retirement Systems Division Member Services Positions</b>					
Provides funding for four additional retirement counselors. Additional counselors are needed to reduce the reliance on temporary employees and to meet the demands associated with the increase in retiree population.	Req \$	286,292	\$ -	\$ 286,292	\$ -
	Rec \$	286,292	\$ -	\$ 286,292	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	4.000	0.000	4.000	0.000
<b>Financial Operations Division</b>					
<b>10 Financial Operations Division-Accounting Positions</b>					
Provides funds for two additional accounting positions to reduce the amount of overtime in this team. Additional positions will mitigate the risk of non-compliance with statutory and other requirements for accounting and financial reporting at DST.	Req \$	273,899	\$ -	\$ 273,899	\$ -
	Rec \$	273,899	\$ -	\$ 273,899	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	2.000	0.000	2.000	0.000
<b>State and Local Government Finance Division</b>					
<b>11 State and Local Government Finance Division Positions</b>					
Provides funding for four additional positions to augment the existing COACH team. This team provides oversight and support to financially distressed local government units. Additional staff are needed to meet the growing number of financially stressed local government units.	Req \$	434,846	\$ -	\$ 434,846	\$ -
	Rec \$	434,846	\$ -	\$ 434,846	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	4.000	0.000	4.000	0.000
<b>12 Emergency Funding for State and Local Government Finance Division</b>					
Provides emergency operating funding to be used to assist local governments under the financial control of the Local Government Commission through their authority in NCGS 159-181. This funding should remain available over the biennium. Funding is provided by receipts of local sales tax, which is consistent with the State and Local Government Finance Divisions current funding source.	Req \$	-	\$ 1,000,000	\$ -	\$ -
	Rec \$	-	\$ 1,000,000	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Total Change to Requirements</b>	\$	<b>1,738,883</b>	\$ <b>1,025,664</b>	\$ <b>1,775,963</b>	\$ <b>25,664</b>
<b>Total Change to Receipts</b>	\$	<b>1,244,097</b>	\$ <b>1,000,000</b>	\$ <b>1,244,097</b>	\$ <b>-</b>
<b>Total Change to Net Appropriation</b>	\$	<b>494,786</b>	\$ <b>25,664</b>	\$ <b>531,866</b>	\$ <b>25,664</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>		<b>17.000</b>	<b>0.000</b>	<b>17.000</b>	<b>0.000</b>
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$		\$ <b>520,450</b>	\$	\$ <b>557,530</b>
<b>Recommended Total FTE Changes</b>			<b>17.000</b>		<b>17.000</b>

**State Treasurer - Retirement System (13412)**

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2021-22</b>						
Requirements	\$ 33,220,423	\$ 350,000	\$ -	\$ 350,000	\$ 33,570,423	1.1%
Receipts	\$ 1,200,000	\$ -	\$ -	\$ -	\$ 1,200,000	0.0%
Net Appropriation	\$ 32,020,423	\$ 350,000	\$ -	\$ 350,000	\$ 32,370,423	1.1%
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.0%

Year 2	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2022-23</b>						
Requirements	\$ 33,220,423	\$ 700,000	\$ -	\$ 700,000	\$ 33,920,423	2.1%
Receipts	\$ 1,200,000	\$ -	\$ -	\$ -	\$ 1,200,000	0.0%
Net Appropriation	\$ 32,020,423	\$ 700,000	\$ -	\$ 700,000	\$ 32,720,423	2.2%
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.0%

	FY 2021-22		FY 2022-23	
	R Changes	NR Changes	R Changes	NR Changes
<b>1 Firefighters' and Rescue Squad Workers' Pension Fund</b>				
Increases funding to the Firefighters' and Rescue Squad Workers' Pension Fund to meet the actuarially required contribution.	Req \$ 350,000	\$ -	\$ 700,000	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 350,000	\$ -	\$ 700,000	\$ -
	FTE 0.000	0.000	0.000	0.000
<b>Total Change to Requirements</b>	\$ 350,000	\$ -	\$ 700,000	\$ -
<b>Total Change to Receipts</b>	\$ -	\$ -	\$ -	\$ -
<b>Total Change to Net Appropriation</b>	\$ 350,000	\$ -	\$ 700,000	\$ -
<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>	\$	350,000	\$	700,000
<b>Recommended Total FTE Changes</b>		0.000		0.000

**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.

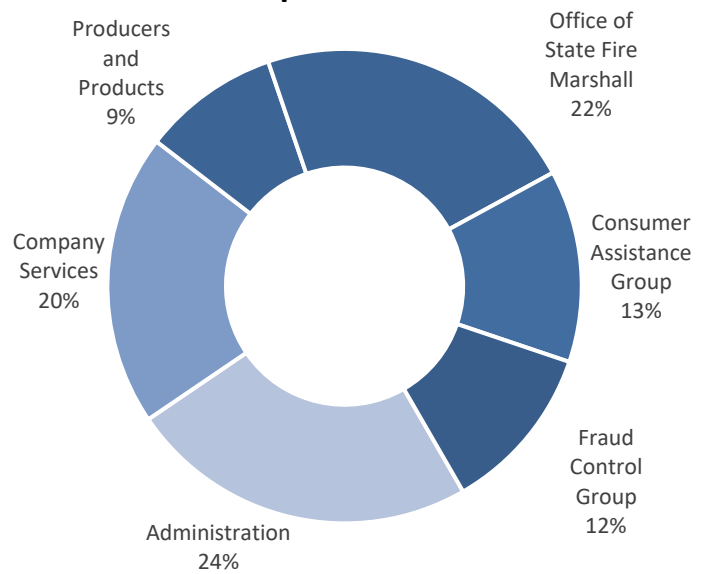
**Goals**

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

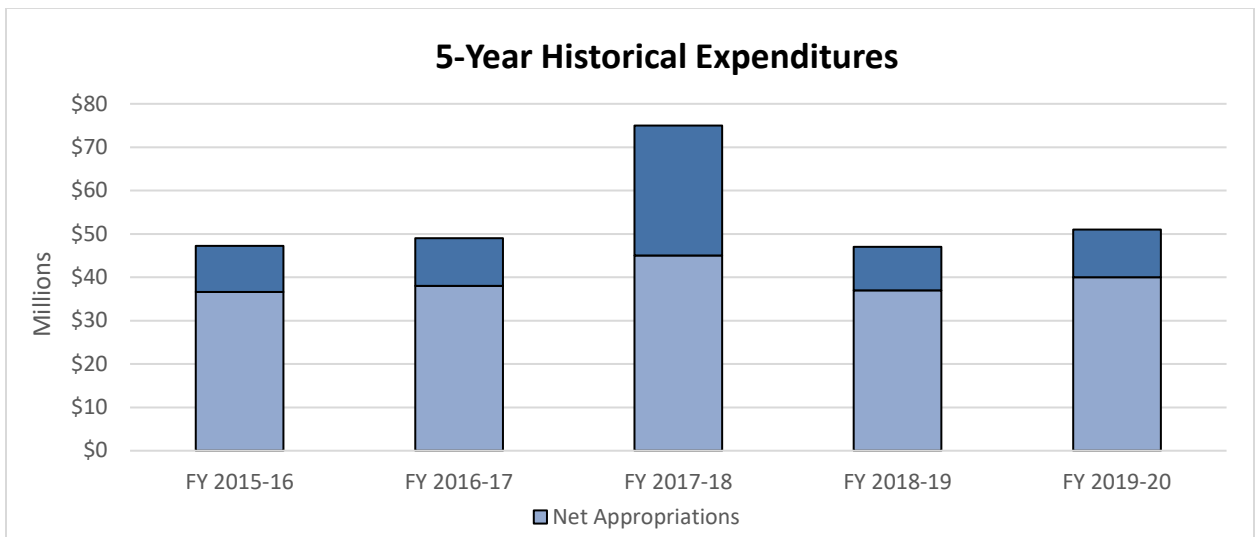
**Agency Profile**

- Focuses on consumers through fair ratemaking, injury prevention efforts, scrupulous regulation of insurance company solvency and industry practices, and protecting against insurance fraud.
- In 2020, when the department had 359 arrests for insurance fraud, 152 convictions, and a total of \$6,905,636 in restitution/recoveries rests and 153 convictions.
- Provides North Carolinians assistance with health insurance questions, complaints, and appeals.
- The North Carolina captive insurance program has experienced significant growth, which is expected to continue.

**FY 2020-21 Authorized Expenditures**



**5-Year Historical Expenditures**



**Department of Insurance (13900)**

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2021-22</b>						
Requirements	\$ 52,066,118	\$ 2,472,941	\$ 819,471	\$ 3,292,412	\$ 55,358,530	6.3%
Receipts	\$ 8,358,700	\$ -	\$ -	\$ -	\$ 8,358,700	0.0%
Net Appropriation	\$ 43,707,418	\$ 2,472,941	\$ 819,471	\$ 3,292,412	\$ 46,999,830	7.5%
Positions (FTE)	452.137	2.000	0.000	2.000	454.137	0.4%
<b>Year 2</b>	<b>Base Budget</b>	<b>Net Recurring</b>	<b>Net Nonrecurring</b>	<b>Recommended Change</b>	<b>Recommended Budget</b>	<b>% Δ from Base Budget</b>
<b>FY 2022-23</b>						
Requirements	\$ 52,066,118	\$ 3,551,595	\$ 609,071	\$ 4,160,666	\$ 56,226,784	8.0%
Receipts	\$ 8,358,700	\$ -	\$ -	\$ -	\$ 8,358,700	0.0%
Net Appropriation	\$ 43,707,418	\$ 3,551,595	\$ 609,071	\$ 4,160,666	\$ 47,868,084	9.5%
Positions (FTE)	452.137	2.000	0.000	2.000	454.137	0.4%

	FY 2021-22		FY 2022-23		
	R Changes	NR Changes	R Changes	NR Changes	
<b>Compensation and Benefits Reserve</b>					
<b>1 Cost of Living Adjustment - State Employees</b>					
Provides funds for a \$1,000 bonus in FY 2021-22 and 2.5% cost of living adjustments in each year of the biennium, increasing existing state employee salaries by more than 5% over the biennium. Corresponding special provisions provide additional details on these compensation adjustments.	Req \$	874,182	\$ 436,134	\$ 1,770,219	\$ 436,134
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	874,182	\$ 436,134	\$ 1,770,219	\$ 436,134
	FTE	0.000	0.000	0.000	0.000
<b>2 Reserve to Address Compression, Equity, and High Turnover</b>					
Provides funds based on agency-identified salary adjustment needs, such as compression, equity, and recruitment, as well as high turnover jobs, defined as jobs with voluntary turnover of at least 15% between July 2019 and December 2020. The department may use these funds as needed to address recruitment and retention needs across the department regardless of job classification.	Req \$	133,000	\$ -	\$ 133,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	133,000	\$ -	\$ 133,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>3 TSERS Retirement Contribution</b>					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2021-23 fiscal biennium to fund the actuarially determined contribution, retiree medical premiums, and increases for retirees, including a 2% recurring cost-of-living adjustment and a one-time 2% bonus in both FY 2021-22 and FY 2022-23. Corresponding special provisions provide additional details on these adjustments.	Req \$	553,938	\$ 172,937	\$ 629,598	\$ 172,937
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	553,938	\$ 172,937	\$ 629,598	\$ 172,937
	FTE	0.000	0.000	0.000	0.000
<b>4 State Health Plan Contribution</b>					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2021-23 fiscal biennium.	Req \$	102,906	\$ -	\$ 209,863	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	102,906	\$ -	\$ 209,863	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Department-wide</b>					
<b>5 Internal Auditor</b>					
Funds one Internal Auditor to help meet minimum recommended levels. This position should improve efficiency, effectiveness, and compliance for the agency.	Req \$	95,094	\$ -	\$ 95,094	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	95,094	\$ -	\$ 95,094	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>6 Advanced Analytics and Data Interpretation Position</b>					
Provides one Advanced Analytics and Data Interpretation position. This position will help build capacity across state government to manage resources and programs more effectively. These skills are needed to inform evidence-based, data-driven decision-making for agency budgets and programs. OSBM will coordinate regular meetings and trainings with agency-based advanced analytics staff to facilitate continuous development of skills and capacity and to share best practices.	Req \$	140,380	\$ -	\$ 140,380	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	140,380	\$ -	\$ 140,380	\$ -
	FTE	1.000	0.000	1.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>7 Subscription Rate Increase</b>					
Funds the increase in Department of Information Technology subscription rates based on the FY 2021-22 approved rate. The subscription rate covers the administrative support provided for DIT, such as internal audit, finance, human resources, and facility management.	Req \$	89,841	\$ -	\$ 89,841	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	89,841	\$ -	\$ 89,841	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>8 Enterprise-Wide Technology Expansion</b>					
Funds enterprise-level IT expenditures, allowing the Administrative Division to more effectively carry out their programs and regulate the insurance industry.	Req \$	300,000	\$ -	\$ 300,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	300,000	\$ -	\$ 300,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Consumer Services</b>					
<b>9 Upgraded Call Center Telephone System</b>					
Funds the modernization of the call center telephone system, which will allow the department to match calls to existing case work and specific callers and to provide more robust real-time reporting capabilities. The new system will also employ a new customer relationship management platform, which will improve customer service.	Req \$	123,600	\$ 210,400	\$ 123,600	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	123,600	\$ 210,400	\$ 123,600	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Office of State Fire Marshal</b>					
<b>10 Fire Safety / Prevention Program Expansion</b>					
Expands the existing Community Risk Reduction Program, which aims to save lives by enhancing fire safety and prevention knowledge. North Carolina is one of the top ten states for fire deaths. These funds will allow Injury Prevention program staff to increase outreach and education efforts with the goal of saving lives.	Req \$	60,000	\$ -	\$ 60,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	60,000	\$ -	\$ 60,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Total Change to Requirements</b>	\$	<b>2,472,941</b>	\$ <b>819,471</b>	\$ <b>3,551,595</b>	\$ <b>609,071</b>
<b>Total Change to Receipts</b>	\$	<b>-</b>	\$ <b>-</b>	\$ <b>-</b>	\$ <b>-</b>
<b>Total Change to Net Appropriation</b>	\$	<b>2,472,941</b>	\$ <b>819,471</b>	\$ <b>3,551,595</b>	\$ <b>609,071</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>		<b>2.000</b>	<b>0.000</b>	<b>2.000</b>	<b>0.000</b>
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$		<b>3,292,412</b>	\$	<b>4,160,666</b>
<b>Recommended Total FTE Changes</b>			<b>2.000</b>		<b>2.000</b>

**Industrial Commission (13902)**

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2021-22</b>						
Requirements	\$ 22,460,603	\$ 202,923	\$ 77,926	\$ 280,849	\$ 22,741,452	1.3%
Receipts	\$ 13,567,849	\$ -	\$ -	\$ -	\$ 13,567,849	0.0%
Net Appropriation	\$ 8,892,754	\$ 202,923	\$ 77,926	\$ 280,849	\$ 9,173,603	3.2%
Positions (FTE)	146.204	0.000	0.000	0.000	146.204	0.0%
<b>Year 2</b>						
Year 2	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2022-23</b>						
Requirements	\$ 22,460,603	\$ 345,577	\$ 77,926	\$ 423,503	\$ 22,884,106	1.9%
Receipts	\$ 13,567,849	\$ -	\$ -	\$ -	\$ 13,567,849	0.0%
Net Appropriation	\$ 8,892,754	\$ 345,577	\$ 77,926	\$ 423,503	\$ 9,316,257	4.8%
Positions (FTE)	146.204	0.000	0.000	0.000	146.204	0.0%

	FY 2021-22		FY 2022-23	
	R Changes	NR Changes	R Changes	NR Changes
<b>Compensation and Benefits Reserve</b>				
<b>1 Cost of Living Adjustment - State Employees</b>				
Provides funds for a \$1,000 bonus in FY 2021-22 and 2.5% cost of living adjustments in each year of the biennium, increasing existing state employee salaries by more than 5% over the biennium. Corresponding special provisions provide additional details on these compensation adjustments.	Req \$	116,209	\$ 54,899	\$ 235,324
	Rec \$	-	\$ -	\$ -
	App \$	116,209	\$ 54,899	\$ 235,324
	FTE	0.000	0.000	0.000
<b>2 TSERS Retirement Contribution</b>				
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2021-23 fiscal biennium to fund the actuarially determined contribution, retiree medical premiums, and increases for retirees, including a 2% recurring cost-of-living adjustment and a one-time 2% bonus in both FY 2021-22 and FY 2022-23. Corresponding special provisions provide additional details on these adjustments.	Req \$	73,761	\$ 23,027	\$ 83,836
	Rec \$	-	\$ -	\$ -
	App \$	73,761	\$ 23,027	\$ 83,836
	FTE	0.000	0.000	0.000
<b>3 State Health Plan Contribution</b>				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2021-23 fiscal biennium.	Req \$	12,953	\$ -	\$ 26,417
	Rec \$	-	\$ -	\$ -
	App \$	12,953	\$ -	\$ 26,417
	FTE	0.000	0.000	0.000
<b>Total Change to Requirements</b>		\$ 202,923	\$ 77,926	\$ 345,577
<b>Total Change to Receipts</b>		\$ -	\$ -	\$ -
<b>Total Change to Net Appropriation</b>		\$ 202,923	\$ 77,926	\$ 345,577
<b>Total Change to Full-Time Equivalent (FTE)</b>		0.000	0.000	0.000
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$		280,849	\$ 423,503
<b>Recommended Total FTE Changes</b>			0.000	0.000



**Mission**

To provide high quality services effectively, efficiently, and economically for our customers who are citizens, agencies, and communities of our state.

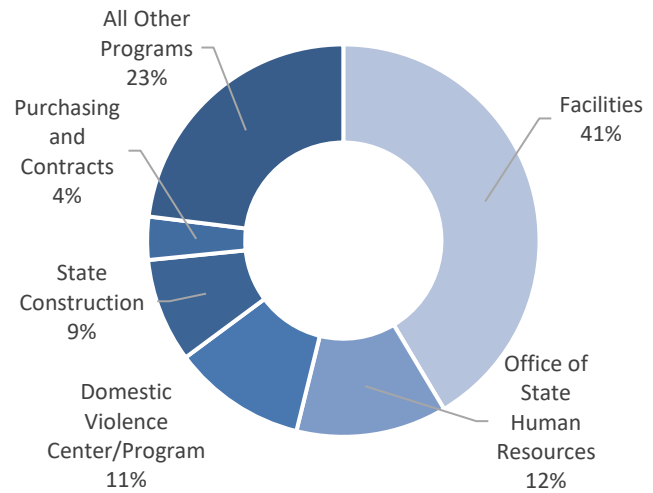
**Goals**

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.

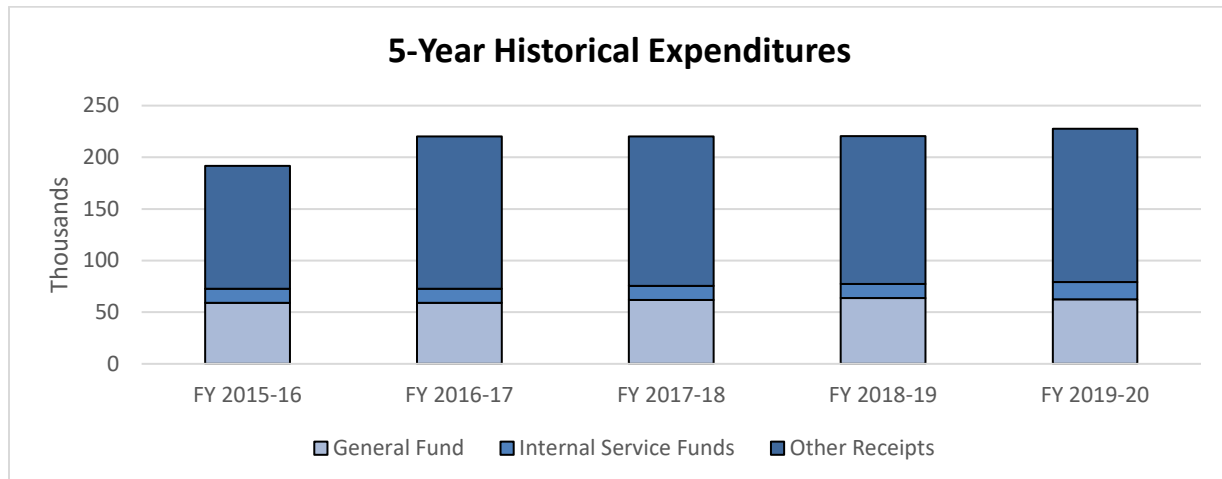
**Agency Profile**

- 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 service. Budget figures also include the Office of State Human Resources.
- Provides advocacy, assistance, and services to underserved populations, and staffs councils in the areas of Indian Affairs, Historically Underutilized Businesses, MLK Jr., Youth Involvement, Non-Public Education, Domestic Violence and Rape Crisis, and Women.

**FY 2020-21 Authorized Expenditures**



**5-Year Historical Expenditures**



*FY 2020-21 expenditures chart include General Fund budget code only, 5-year history includes General Fund and Internal Service Fund budget codes.*

**Department of Administration (14100)**

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2021-22</b>						
Requirements	\$ 66,628,348	\$ 4,894,088	\$ 14,037,369	\$ 18,931,457	\$ 85,559,805	28.4%
Receipts	\$ 10,136,422	\$ -	\$ -	\$ -	\$ 10,136,422	0.0%
Net Appropriation	\$ 56,491,926	\$ 4,894,088	\$ 14,037,369	\$ 18,931,457	\$ 75,423,383	33.5%
Positions (FTE)	356.149	20.000	0.000	20.000	376.149	5.6%
<b>Year 2</b>	<b>Base Budget</b>	<b>Net Recurring</b>	<b>Net Nonrecurring</b>	<b>Recommended Change</b>	<b>Recommended Budget</b>	<b>% Δ from Base Budget</b>
<b>FY 2022-23</b>						
Requirements	\$ 66,628,348	\$ 5,649,099	\$ 967,369	\$ 6,616,468	\$ 73,244,816	9.9%
Receipts	\$ 10,136,422	\$ -	\$ -	\$ -	\$ 10,136,422	0.0%
Net Appropriation	\$ 56,491,926	\$ 5,649,099	\$ 967,369	\$ 6,616,468	\$ 63,108,394	11.7%
Positions (FTE)	356.149	20.000	0.000	20.000	376.149	5.6%

	FY 2021-22		FY 2022-23		
	R Changes	NR Changes	R Changes	NR Changes	
<b>Compensation and Benefits Reserve</b>					
<b>1 Cost of Living Adjustment - State Employees</b>					
Provides funds for a \$1,000 bonus in FY 2021-22 and 2.5% cost of living adjustments in each year of the biennium, increasing existing state employee salaries by more than 5% over the biennium. Corresponding special provisions provide additional details on these compensation adjustments.	Req \$	602,345	\$ 347,790	\$ 1,219,749	\$ 347,790
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	602,345	\$ 347,790	\$ 1,219,749	\$ 347,790
	FTE	0.000	0.000	0.000	0.000
<b>2 Reserve to Address Compression, Equity, and High Turnover</b>					
Provides funds based on agency-identified salary adjustment needs, such as compression, equity, and recruitment, as well as high turnover jobs, defined as jobs with voluntary turnover of at least 15% between July 2019 and December 2020. The department may use these funds as needed to address recruitment and retention needs across the department regardless of job classification.	Req \$	124,000	\$ -	\$ 124,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	124,000	\$ -	\$ 124,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>3 TSERS Retirement Contribution</b>					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2021-23 fiscal biennium to fund the actuarially determined contribution, retiree medical premiums, and increases for retirees, including a 2% recurring cost-of-living adjustment and a one-time 2% bonus in both FY 2021-22 and FY 2022-23. Corresponding special provisions provide additional details on these adjustments.	Req \$	383,025	\$ 119,579	\$ 435,340	\$ 119,579
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	383,025	\$ 119,579	\$ 435,340	\$ 119,579
	FTE	0.000	0.000	0.000	0.000
<b>4 State Health Plan Contribution</b>					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2021-23 fiscal biennium.	Req \$	82,061	\$ -	\$ 167,353	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	82,061	\$ -	\$ 167,353	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Department-wide</b>					
<b>5 Internal Auditor</b>					
Funds one Internal Auditor to help meet minimum recommended levels. This position should improve efficiency, effectiveness, and compliance for the agency.	Req \$	95,094	\$ -	\$ 95,094	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	95,094	\$ -	\$ 95,094	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>6 Advanced Analytics and Data Interpretation Position</b>					
Provides one Advanced Analytics and Data Interpretation position. This position will help build capacity across state government to manage resources and programs more effectively. These skills are needed to inform evidence-based, data-driven decision-making for agency budgets and programs. OSBM will coordinate regular meetings and trainings with agency-based advanced analytics staff to facilitate continuous development of skills and capacity and to share best practices.	Req \$	140,380	\$ -	\$ 140,380	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	140,380	\$ -	\$ 140,380	\$ -
	FTE	1.000	0.000	1.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>7 Subscription Rate Increase</b>					
Funds the increase in Department of Information Technology subscription rates based on the FY 2021-22 approved rate. The subscription rate covers the administrative support provided for DIT, such as internal audit, finance, human resources, and facility management.	Req \$	129,357	\$ -	\$ 129,357	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	129,357	\$ -	\$ 129,357	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>8 IT Risk Assessment</b>					
Funds the IT risk and security assessment required by the state's Continuous Monitoring Plan. This plan, developed pursuant to G.S. 143B-1376, requires that all agencies complete an assessment of their systems and infrastructure every three years to understand and identify threats and vulnerabilities that may create risks for state-owned information systems and data.	Req \$	-	\$ 145,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 145,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Commission of Indian Affairs</b>					
<b>9 Deputy Director</b>					
Funds a Deputy Director for the Commission of Indian Affairs. This position will ensure efficient planning, oversight, reporting, and execution of the seven diverse and complex receipt-supported programs and help staff the Commission of Indian Affairs and its 11 subcommittees.	Req \$	87,000	\$ -	\$ 87,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	87,000	\$ -	\$ 87,000	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>10 State Recognition Funds</b>					
Provides funds to the Commission of Indian Affairs to assist with the State Recognition Review Process for the tribes within the state. These funds are needed due to the statutorily burdensome recognition process and the additional number of filings by tribes.	Req \$	125,000	\$ -	\$ 125,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	125,000	\$ -	\$ 125,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Council for Women &amp; Youth Involvement</b>					
<b>11 Domestic Violence &amp; Sexual Assault Operating Grants</b>					
Provides grant funds for eligible domestic violence agencies, the NC Coalition Against Domestic Violence, eligible sexual assault agencies and the NC Coalition Against Sexual Assault. The number of eligible grantees continues to increase, reducing the average award size. Nonrecurring funds, split equally between domestic violence grants and sexual assault grants, allow for one-time additional support to these agencies.	Req \$	775,000	\$ 2,000,000	\$ 775,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	775,000	\$ 2,000,000	\$ 775,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Division of Purchase &amp; Contracts</b>					
<b>12 Contract Monitoring and Accountability Positions</b>					
Adds positions to the Division of Purchase & Contracts to increase accountability and oversight of state agency procurement. These positions will enhance agency compliance and proficiency, resulting in better customer service, more cost-effective procurements, and improved contract management.	Req \$	372,240	\$ -	\$ 372,240	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	372,240	\$ -	\$ 372,240	\$ -
	FTE	4.000	0.000	4.000	0.000
<b>Office of Historically Underutilized Businesses</b>					
<b>13 Small Business Enterprise Program</b>					
Funds the Small Business Enterprise Program and the implementation of additional recommendations from the Disparity Study completed in November 2020. These efforts will help the state to address the disproportionate impact of COVID-19 on communities of color. Funds will support positions for the Small Business Enterprise Program, program operations, and temporary staffing to implement the Disparity Study.	Req \$	500,000	\$ 175,000	\$ 500,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	500,000	\$ 175,000	\$ 500,000	\$ -
	FTE	5.000	0.000	5.000	0.000
<b>14 Technical Support Position</b>					
Funds a position within the Office of Historically Underutilized Businesses to conduct analyses of contracting practices and provide technical support to agencies. This position will help states agencies increase the participation of minority contractors in construction, goods, and professional services awards.	Req \$	82,222	\$ -	\$ 82,222	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	82,222	\$ -	\$ 82,222	\$ -
	FTE	1.000	0.000	1.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>State Construction Office</b>					
<b>15 Capital Project Management Team</b>					
Provides funds for additional staff to manage capital projects within the downtown complex, and for agencies that have capital needs but no full-time position to support those needs. This team will manage projects such as the DHHS relocation off of Dorothea Dix Campus and DEQ's Reedy Creek Lab.	Req \$	400,000	\$ -	\$ 400,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	400,000	\$ -	\$ 400,000	\$ -
	FTE	3.000	0.000	3.000	0.000
<b>State Property Office</b>					
<b>16 Engineering Positions</b>					
Provides funds for engineering technicians within the State Property Office to develop, maintain, and provide analysis of a database of all land and buildings owned or leased by the state, as required by G.S. 143-341. The database is a strategic business asset that will facilitate better decision-making related to the state's real property.	Req \$	161,364	\$ -	\$ 161,364	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	161,364	\$ -	\$ 161,364	\$ -
	FTE	2.000	0.000	2.000	0.000
<b>17 Real Property System</b>					
Provides \$1.5 million over the biennium to fund a geospatial database for the management of state-owned and leased property. The State Property Office will maintain and operate this database.	Req \$	-	\$ 1,000,000	\$ -	\$ 500,000
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 1,000,000	\$ -	\$ 500,000
	FTE	0.000	0.000	0.000	0.000
<b>18 Enhanced Utility Management Tools for State Agencies</b>					
Funds utility management systems for state agencies, to be administered by the Department of Administration in cooperation with the Department of Information Technology, to reduce utility costs through more efficient utility bill management, better utility consumption tracking and analysis, and targeted efficiency measures.	Req \$	500,000	\$ -	\$ 500,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	500,000	\$ -	\$ 500,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>State Ethics Commission</b>					
<b>19 Critical Operating Support</b>					
Provides funds and positions for the State Ethics Commission. New positions and operational funds are needed to support the Statement of Economic Interest (SEI) Unit, which advises on over 7,000 SEI filings annually; the new electronic SEI filings system; and compliance activities, including the evaluation of public officials and officials appointed by the Governor and General Assembly.	Req \$	335,000	\$ -	\$ 335,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	335,000	\$ -	\$ 335,000	\$ -
	FTE	2.000	0.000	2.000	0.000
<b>Public Safety Reserve</b>					
<b>20 Public Safety Reserve</b>					
Provides funding to enhance the security around government facilities, improve the safety and security for Department of Revenue offices and its employees, and upgrade the security for North Carolina Supreme Court. The Department of Administration shall work with the Department of Public Safety, the Department of Revenue, and the Administrative Office of the Courts to implement necessary public safety improvements.	Req \$	-	\$ 10,250,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 10,250,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Energy and Environment Reserve</b>					
<b>21 Zero-Emission Vehicle Charging Points</b>					
Provides \$1 million in each year of the biennium for charging infrastructure for zero-emission vehicles owned or used by state agencies and for temporary or contract staff to work with state agencies to support their transition to zero-emission vehicles. This item is funded in the Energy and Environment Reserve in the Reserves Section of this document.	Req \$	-	\$ -	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Total Change to Requirements</b>	\$	<b>4,894,088</b>	\$ <b>14,037,369</b>	\$ <b>5,649,099</b>	\$ <b>967,369</b>
<b>Total Change to Receipts</b>	\$	<b>-</b>	\$ <b>-</b>	\$ <b>-</b>	\$ <b>-</b>
<b>Total Change to Net Appropriation</b>	\$	<b>4,894,088</b>	\$ <b>14,037,369</b>	\$ <b>5,649,099</b>	\$ <b>967,369</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>		<b>20.000</b>	<b>0.000</b>	<b>20.000</b>	<b>0.000</b>
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$		<b>18,931,457</b>	\$	<b>6,616,468</b>
<b>Recommended Total FTE Changes</b>			<b>20.000</b>		<b>20.000</b>

**Administration - Special (24100)**

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2021-22</b>						
Requirements	\$ 20,525,485	\$ 800,000	\$ 7,750,000	\$ 8,550,000	\$ 29,075,485	41.7%
Receipts	\$ 20,525,485	\$ -	\$ -	\$ -	\$ 20,525,485	0.0%
Δ in Fund Balance	\$ -	\$ (800,000)	\$ (7,750,000)	\$ (8,550,000)	\$ (8,550,000)	0.0%
Positions (FTE)	7.210	0.000	0.000	0.000	7.210	0.0%
<b>Year 2</b>						
<b>FY 2022-23</b>						
Requirements	\$ 20,525,485	\$ 800,000	\$ -	\$ 800,000	\$ 21,325,485	3.9%
Receipts	\$ 20,525,485	\$ -	\$ -	\$ -	\$ 20,525,485	0.0%
Δ in Fund Balance	\$ -	\$ (800,000)	\$ -	\$ (800,000)	\$ (800,000)	0.0%
Positions (FTE)	7.210	0.000	0.000	0.000	7.210	0.0%

	FY 2021-22		FY 2022-23	
	R Changes	NR Changes	R Changes	NR Changes
<b>e-Procurement Fund</b>				
<b>1 Financial Backbone Interface</b>				
Expends cash balance to design, develop, test, and implement the interface between eProcurement and the new Financial Backbone Replacement system.	Req \$ -	\$ 2,750,000	\$ -	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	CFB \$ -	\$ (2,750,000)	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
<b>2 New Vendor Portal</b>				
Budgets cash balance and available revenue to fund the consolidation and replacement of the Interactive Purchasing System and electronic Vendor Portal with a software as a system solution for vendor registration and bid notifications.	Req \$ 350,000	\$ 2,000,000	\$ 350,000	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	CFB \$ (350,000)	\$ (2,000,000)	\$ (350,000)	\$ -
	FTE 0.000	0.000	0.000	0.000
<b>3 Billing Applications</b>				
Budgets cash balance and available revenue to fund the transition to and subscription costs of the e-business suite billing application and custom bill preparation applications. These systems will help the department better manage the billing and collection of eProcurement fees and allow for cloud-based storage.	Req \$ 250,000	\$ 1,500,000	\$ 250,000	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	CFB \$ (250,000)	\$ (1,500,000)	\$ (250,000)	\$ -
	FTE 0.000	0.000	0.000	0.000
<b>4 Supplier Lifecycle &amp; Performance Module</b>				
Budgets cash balance and available revenue to implement the Supplier Lifecycle and Performance module, which will interface with the new Vendor Portal and allow the Department to capture vendor qualifications, facilitating a better awards process.	Req \$ 200,000	\$ 1,500,000	\$ 200,000	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	CFB \$ (200,000)	\$ (1,500,000)	\$ (200,000)	\$ -
	FTE 0.000	0.000	0.000	0.000
<b>Total Change to Requirements</b>	\$ 800,000	\$ 7,750,000	\$ 800,000	\$ -
<b>Total Change to Receipts</b>	\$ -	\$ -	\$ -	\$ -
<b>Total Change to Fund Balance</b>	\$ (800,000)	\$ (7,750,000)	\$ (800,000)	\$ -
<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>	\$ -	\$ (8,550,000)	\$ -	\$ (800,000)
<b>Recommended Total FTE Changes</b>	0.000	0.000	0.000	0.000

**Administration - Special Revenue (24102)**

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2021-22</b>						
Requirements	\$ 575,688	\$ 231,992	\$ 1,600,000	\$ 1,831,992	\$ 2,407,680	318.2%
Receipts	\$ 574,152	\$ -	\$ -	\$ -	\$ 574,152	0.0%
Δ in Fund Balance	\$ (1,536)	\$ (231,992)	\$ (1,600,000)	\$ (1,831,992)	\$ (1,833,528)	119270.3%
Positions (FTE)	2.610	0.000	0.000	0.000	2.610	0.0%
<b>Year 2</b>	<b>Base Budget</b>	<b>Net Recurring</b>	<b>Net Nonrecurring</b>	<b>Recommended Change</b>	<b>Recommended Budget</b>	<b>% Δ from Base Budget</b>
<b>FY 2022-23</b>						
Requirements	\$ 575,688	\$ 231,992	\$ -	\$ 231,992	\$ 807,680	40.3%
Receipts	\$ 574,152	\$ -	\$ -	\$ -	\$ 574,152	0.0%
Δ in Fund Balance	\$ (1,536)	\$ (231,992)	\$ -	\$ (231,992)	\$ (233,528)	15103.6%
Positions (FTE)	2.610	0.000	0.000	0.000	2.610	0.0%

	FY 2021-22		FY 2022-23	
	R Changes	NR Changes	R Changes	NR Changes
<b>1 Training Program</b>				
Budgets cash balance to hire an educational/learning consultant to assist with the redesign and redeployment of the State's procurement training program. The updated program will provide a foundation for employees to develop or enhance overall technical skills, which are paramount for quality procurement outcomes.	Req \$ -	\$ 1,600,000	\$ -	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	CFB \$ -	\$ (1,600,000)	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
<b>2 Procurement Specialist Training Associates</b>				
Budgets available receipts to implement a targeted Professional Associates Program, which will develop Procurement Specialists. Participants, who would be hired as contract employees, would complete a one-year procurement training program, and, upon successful completion, be qualified for a position as Procurement Specialist I within a state agency. Participants are expected to commit to at least one year of state service. This program is needed to address the documented shortage of procurement competence within state government.	Req \$ 231,992	\$ -	\$ 231,992	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	CFB \$ (231,992)	\$ -	\$ (231,992)	\$ -
	FTE 0.000	0.000	0.000	0.000
<b>Total Change to Requirements</b>	\$ 231,992	\$ 1,600,000	\$ 231,992	\$ -
<b>Total Change to Receipts</b>	\$ -	\$ -	\$ -	\$ -
<b>Total Change to Fund Balance</b>	\$ (231,992)	\$ (1,600,000)	\$ (231,992)	\$ -
<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>	\$ -	\$ (1,831,992)	\$ -	\$ (231,992)
<b>Recommended Total FTE Changes</b>		0.000		0.000

**Administration - Special Revenue - GF (24104)**

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2021-22</b>						
Requirements	\$ 60,938	\$ -	\$ 1,000,000	\$ 1,000,000	\$ 1,060,938	1641.0%
Receipts	\$ 60,938	\$ -	\$ -	\$ -	\$ 60,938	0.0%
Δ in Fund Balance	\$ -	\$ -	\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)	0.0%
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.0%

Year 2	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2022-23</b>						
Requirements	\$ 60,938	\$ -	\$ 500,000	\$ 500,000	\$ 560,938	820.5%
Receipts	\$ 60,938	\$ -	\$ -	\$ -	\$ 60,938	0.0%
Δ in Fund Balance	\$ -	\$ -	\$ (500,000)	\$ (500,000)	\$ (500,000)	0.0%
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.0%

	FY 2021-22		FY 2022-23	
	R Changes	NR Changes	R Changes	NR Changes
<b>State Property Office</b>				
<b>1 Real Property System</b>				
Budgets the transfer of the \$1.5 million provided over the biennium for the geo-special database for the management of state-owned and leased property.	Req \$ -	\$ 1,000,000	\$ -	\$ 500,000
	Rec \$ -	\$ -	\$ -	\$ -
	CFB \$ -	\$ (1,000,000)	\$ -	\$ (500,000)
	FTE 0.000	0.000	0.000	0.000
<b>Total Change to Requirements</b>	\$ -	\$ 1,000,000	\$ -	\$ 500,000
<b>Total Change to Receipts</b>	\$ -	\$ -	\$ -	\$ -
<b>Total Change to Fund Balance</b>	\$ -	\$ (1,000,000)	\$ -	\$ (500,000)
<b>Total Change to Full-Time Equivalent (FTE)</b>		0.000	0.000	0.000
<b>Recommended Fund Balance Changes (Recurring + Nonrecurring)</b>	\$ -	\$ (1,000,000)	\$ -	\$ (500,000)
<b>Recommended Total FTE Changes</b>		0.000		0.000

**Administration - Internal (74100)**

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2021-22</b>						
Requirements	\$ 58,104,951	\$ -	\$ 300,000	\$ 300,000	\$ 58,404,951	0.5%
Receipts	\$ 63,820,301	\$ -	\$ -	\$ -	\$ 63,820,301	0.0%
Δ in Fund Balance	\$ 5,715,350	\$ -	\$ (300,000)	\$ (300,000)	\$ 5,415,350	-5.2%
Positions (FTE)	122.990	0.000	0.000	0.000	122.990	0.0%

Year 2	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2022-23</b>						
Requirements	\$ 58,104,951	\$ -	\$ 300,000	\$ 300,000	\$ 58,404,951	0.5%
Receipts	\$ 63,820,301	\$ -	\$ -	\$ -	\$ 63,820,301	0.0%
Δ in Fund Balance	\$ 5,715,350	\$ -	\$ (300,000)	\$ (300,000)	\$ 5,415,350	-5.2%
Positions (FTE)	122.990	0.000	0.000	0.000	122.990	0.0%

	FY 2021-22		FY 2022-23	
	R Changes	NR Changes	R Changes	NR Changes
<b>State Surplus Property</b>				
<b>1 Security System Improvements</b>				
Expend cash balance to improve the security system for State Surplus Property.	Req \$	-	\$ 300,000	\$ -
	Rec \$	-	\$ -	\$ -
	CFB \$	-	\$ (300,000)	\$ -
	FTE	0.000	0.000	0.000
<b>Total Change to Requirements</b>	\$	-	\$ 300,000	\$ -
<b>Total Change to Receipts</b>	\$	-	\$ -	\$ -
<b>Total Change to Fund Balance</b>	\$	-	\$ (300,000)	\$ -
<b>Total Change to Full-Time Equivalent (FTE)</b>		0.000	0.000	0.000
<b>Recommended Fund Balance Changes (Recurring + Nonrecurring)</b>	\$		\$ (300,000)	\$ (300,000)
<b>Recommended Total FTE Changes</b>			0.000	0.000



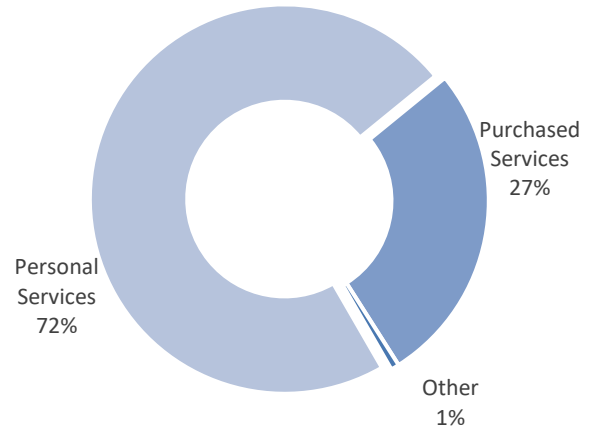
**Mission**

To provide a solid Human Resource Management foundation, responsible oversight, and creative solutions through a collaborative approach with agencies, universities, and local government to maximize the potential of our greatest asset – our employees.

**Goals**

1. Streamline and modernize business systems and operations & implement data driven decision capability through analytics.
2. Increase employee retention & improve recruitment and training programs consistent with Governor Cooper's NC Job Ready Initiative.
3. Implement proactive measures to support a state workforce that reflects the state's diversity.
4. Continue development and refinement of state's compensation and salary administration policies, programs, and practices.
5. Implement additional improvements in Safety and Workers' Compensation.
6. Maximize enhanced benefits available to employees through NCFlex.
7. Continue Temporary Solutions operations to help agencies nimbly meet employment needs.

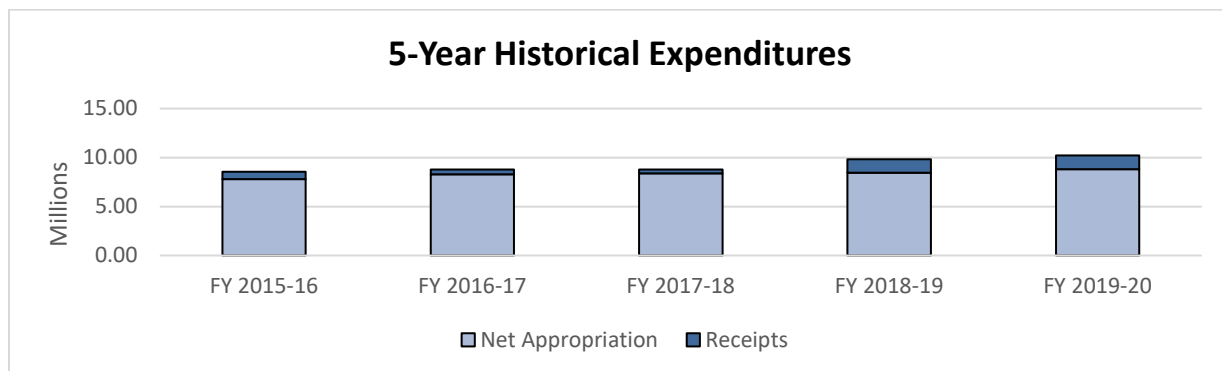
**FY 2020-21 Authorized Expenditures**



**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.
- Led state HR pandemic response, providing leave policies consistent with federal law, safe employment practices, and other actions to keep the state workforce productive and safe.
- Operates Temporary Solutions to assist agencies in meeting changing workforce needs due to peak production, transition periods, and other instances when workloads demand more staff.
- Ensures all eligible employees who experience a work-related injury or illness receive appropriate care and benefits per the Workers' Compensation Act and state policy.
- Administers the NCFlex benefit program, which provides employees with supplemental benefits and flexible spending account options.

**5-Year Historical Expenditures**



*Charts include General Fund fund code 1311 only. Starting in FY 2021-22, OSHR will be budgeted in its own budget code; previously, it was budgeted as a fund code within the Department of Administration.*

**Office of State Human Resources - General Fund (14111)**

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2021-22</b>						
Requirements	\$ 9,429,624	\$ 2,066,976	\$ 979,000	\$ 3,045,976	\$ 12,475,600	32.3%
Receipts	\$ 100,888	\$ -	\$ -	\$ -	\$ 100,888	0.0%
Net Appropriation	\$ 9,328,736	\$ 2,066,976	\$ 979,000	\$ 3,045,976	\$ 12,374,712	32.7%
Positions (FTE)	63.550	9.000	0.000	9.000	72.550	14.2%
<b>Year 2</b>	<b>Base Budget</b>	<b>Net Recurring</b>	<b>Net Nonrecurring</b>	<b>Recommended Change</b>	<b>Recommended Budget</b>	<b>% Δ from Base Budget</b>
<b>FY 2022-23</b>						
Requirements	\$ 9,429,624	\$ 2,738,837	\$ 1,229,000	\$ 3,967,837	\$ 13,397,461	42.1%
Receipts	\$ 100,888	\$ -	\$ -	\$ -	\$ 100,888	0.0%
Net Appropriation	\$ 9,328,736	\$ 2,738,837	\$ 1,229,000	\$ 3,967,837	\$ 13,296,573	42.5%
Positions (FTE)	63.550	14.000	0.000	14.000	77.550	22.0%

	FY 2021-22		FY 2022-23		
	R Changes	NR Changes	R Changes	NR Changes	
<b>Compensation and Benefits Reserve</b>					
<b>1 Cost of Living Adjustment - State Employees</b>					
Provides funds for a \$1,000 bonus in FY 2021-22 and 2.5% cost of living adjustments in each year of the biennium, increasing existing state employee salaries by more than 5% over the biennium. Corresponding special provisions provide additional details on these compensation adjustments.	Req \$	157,878	\$ 67,658	\$ 319,703	\$ 67,658
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	157,878	\$ 67,658	\$ 319,703	\$ 67,658
	FTE	0.000	0.000	0.000	0.000
<b>2 Reserve to Address Compression, Equity, and High Turnover</b>					
Provides funds based on agency-identified salary adjustment needs, such as compression, equity, and recruitment, as well as high turnover jobs, defined as jobs with voluntary turnover of at least 15% between July 2019 and December 2020. The department may use these funds as needed to address recruitment and retention needs across the department regardless of job classification.	Req \$	200,000	\$ -	\$ 200,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	200,000	\$ -	\$ 200,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>3 TSERS Retirement Contribution</b>					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2021-23 fiscal biennium to fund the actuarially determined contribution, retiree medical premiums, and increases for retirees, including a 2% recurring cost-of-living adjustment and a one-time 2% bonus in both FY 2021-22 and FY 2022-23. Corresponding special provisions provide additional details on these adjustments.	Req \$	100,393	\$ 31,342	\$ 114,106	\$ 31,342
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	100,393	\$ 31,342	\$ 114,106	\$ 31,342
	FTE	0.000	0.000	0.000	0.000
<b>4 State Health Plan Contribution</b>					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2021-23 fiscal biennium.	Req \$	15,964	\$ -	\$ 32,556	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	15,964	\$ -	\$ 32,556	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>OSHR Operations</b>					
<b>5 Improved Service Delivery</b>					
Provides three additional staff to meet growing demand from agencies and local government for support on human resources issues, in areas including recruitment and retention, diversity and inclusion, and classification and compensation.	Req \$	375,000	\$ -	\$ 375,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	375,000	\$ -	\$ 375,000	\$ -
	FTE	3.000	0.000	3.000	0.000
<b>6 HR Data Statistician</b>					
Funds one FTE with advanced quantitative and research skills to provide data-driven analysis and recommendations, to inform the development and implementation of evidence-based policy and programs at OSHR.	Req \$	140,380	\$ -	\$ 140,380	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	140,380	\$ -	\$ 140,380	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>7 Data Driven Human Resource Management</b>					
Provides funding for OSHR to partner with the Government Data Analytics Center (GDAC) to aid in aggregating, formatting, and organizing the state's human resources data into a client-friendly format. This will assist state agencies and other stakeholders in addressing challenges such as turnover, recruitment, workforce planning and leave management.	Req \$	-	\$ 500,000	\$ -	\$ 750,000
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 500,000	\$ -	\$ 750,000
	FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>Information Technology Improvements</b>					
<b>8 Improved NEOGOV Functionality</b>					
Provides additional funds to enable the addition of a text message service to the NEOGOV system used to apply for state government jobs. This new service will provide information on the progress of job applications, addressing a key concern raised by applicants about the lack of updates provided once applications are submitted.	Req \$	19,074	\$ -	\$ 19,074	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	19,074	\$ -	\$ 19,074	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>9 Contractual Increases for Software Packages</b>					
Provides funds to meet the costs of contractual price increases for three software packages used by the Office of State Human Resources (OSHR) to provide statewide learning, job application and administration services. The last budget increase received for these contracts was in 2017, and OSHR does not have sufficient existing funds to meet further annual cost increases which are built into the contracts.	Req \$	146,834	\$ -	\$ 215,113	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	146,834	\$ -	\$ 215,113	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>10 IT Support Positions</b>					
Provides funds for four IT staff, including a Chief Information Officer, who will oversee the development of OSHR's HR Digital Transformation Project. As a consolidated agency, these positions will be located in the Department of Information Technology but support OSHR.	Req \$	500,000	\$ -	\$ 500,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	500,000	\$ -	\$ 500,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>11 Consultant Positions to Support the HR Digital Transformation Project</b>					
Provides non-recurring funds to hire, on a contractual basis, senior IT system procurement and implementation experts to lead the process for procuring, developing and implementing the HR Digital Transformation Project.	Req \$	-	\$ 380,000	\$ -	\$ 380,000
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 380,000	\$ -	\$ 380,000
	FTE	0.000	0.000	0.000	0.000
<b>12 Information Technology Reserve - HR Digital Transformation Project</b>					
Provides \$20,500,000 in funding for a Human Resources Digital Transformation Project, to replace all of the state's existing HR software systems, other than Beacon, with an integrated software suite. This will enable more effective data sharing across platforms, improving functionality and reducing duplication of inputs and processes. Funding for this item is shown in the Information Technology Reserve in the Reserves Section of this document.	Req \$	-	\$ -	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Statewide</b>					
<b>13 NC Management Fellowship Program</b>					
Establishes a statewide graduate level fellowship program that enhances the talent pipeline into government and prepares young professionals for a career and future leadership roles in NC state government, while increasing agency data and evidence capacity. The fellowship will last two years, with funding supporting five fellows in the first year of the program, increasing to ten in the second year. State agencies will host a fellow during their two-year appointment based on interest and need. This program will be administered by OSHR.	Req \$	411,453	\$ -	\$ 822,905	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	411,453	\$ -	\$ 822,905	\$ -
	FTE	5.000	0.000	10.000	0.000
<b>Total Change to Requirements</b>	\$	<b>2,066,976</b>	\$ <b>979,000</b>	\$ <b>2,738,837</b>	\$ <b>1,229,000</b>
<b>Total Change to Receipts</b>	\$	<b>-</b>	\$ <b>-</b>	\$ <b>-</b>	\$ <b>-</b>
<b>Total Change to Net Appropriation</b>	\$	<b>2,066,976</b>	\$ <b>979,000</b>	\$ <b>2,738,837</b>	\$ <b>1,229,000</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>		<b>9.000</b>	<b>0.000</b>	<b>14.000</b>	<b>0.000</b>
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$	<b>3,045,976</b>	\$	<b>3,967,837</b>	
<b>Recommended Total FTE Changes</b>		<b>9.000</b>		<b>14.000</b>	

**Mission**

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

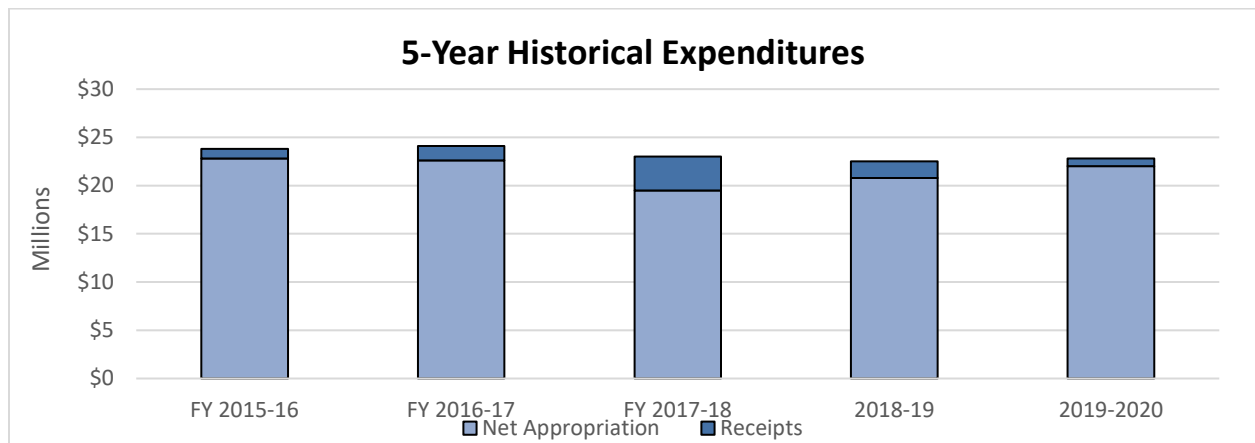
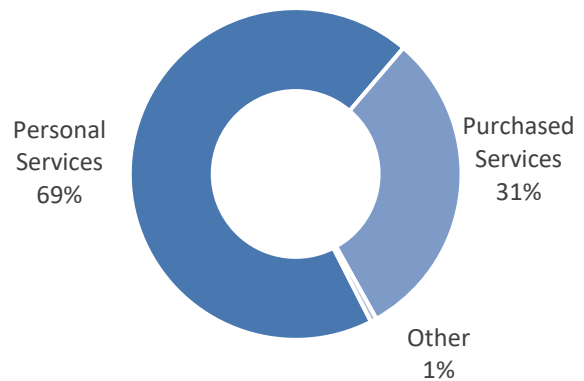
**Goals**

1. Implement a new enterprise financial system for State government.
2. Maintain and support the State’s triple-A bond rating.
3. Continue optimizing and expanding the Shared Services Center.
4. Improve information technology operations.

**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 Comprehensive Annual Financial Report (CAFR), which summarizes the State’s financial performance during a fiscal year and its financial position at the end of the year.
- North Carolina’s CAFR has received an unqualified, or “clean” audit opinion every year since 1994.

**FY 2020-2021 Authorized Expenditures**



Charts include General Fund budget code only.

**Office of the State Controller (14160)**

Year 1 FY 2021-22	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 26,552,574	\$ 4,097,148	\$ 248,259	\$ 4,345,407	\$ 30,897,981	16.4%
Receipts	\$ 816,202	\$ -	\$ -	\$ -	\$ 816,202	0.0%
Net Appropriation	\$ 25,736,372	\$ 4,097,148	\$ 248,259	\$ 4,345,407	\$ 30,081,779	16.9%
Positions (FTE)	167.454	20.000	0.000	20.000	187.454	11.9%

Year 2 FY 2022-23	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 26,552,574	\$ 5,607,577	\$ 248,259	\$ 5,855,836	\$ 32,408,410	22.1%
Receipts	\$ 816,202	\$ -	\$ -	\$ -	\$ 816,202	0.0%
Net Appropriation	\$ 25,736,372	\$ 5,607,577	\$ 248,259	\$ 5,855,836	\$ 31,592,208	22.8%
Positions (FTE)	167.454	20.000	0.000	20.000	187.454	11.9%

	FY 2021-22		FY 2022-23		
	R Changes	NR Changes	R Changes	NR Changes	
<b>Compensation and Benefits Reserve</b>					
<b>1 Cost of Living Adjustment - State Employees</b>					
Provides funds for a \$1,000 bonus in FY 2021-22 and 2.5% cost of living adjustments in each year of the biennium, increasing existing state employee salaries by more than 5% over the biennium. Corresponding special provisions provide additional details on these compensation adjustments.	Req \$	394,061	\$ 170,029	\$ 797,974	\$ 170,029
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	394,061	\$ 170,029	\$ 797,974	\$ 170,029
	FTE	0.000	0.000	0.000	0.000
<b>2 Reserve to Address Compression, Equity, and High Turnover</b>					
Provides funds based on agency-identified salary adjustment needs, such as compression, equity, and recruitment, as well as high turnover jobs, defined as jobs with voluntary turnover of at least 15% between July 2019 and December 2020. The department may use these funds as needed to address recruitment and retention needs across the department regardless of job classification.	Req \$	29,000	\$ -	\$ 29,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	29,000	\$ -	\$ 29,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>3 TSERS Retirement Contribution</b>					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2021-23 fiscal biennium to fund the actuarially determined contribution, retiree medical premiums, and increases for retirees, including a 2% recurring cost-of-living adjustment and a one-time 2% bonus in both FY 2021-22 and FY 2022-23. Corresponding special provisions provide additional details on these adjustments.	Req \$	250,579	\$ 78,230	\$ 284,805	\$ 78,230
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	250,579	\$ 78,230	\$ 284,805	\$ 78,230
	FTE	0.000	0.000	0.000	0.000
<b>4 State Health Plan Contribution</b>					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2021-23 fiscal biennium.	Req \$	40,118	\$ -	\$ 81,816	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	40,118	\$ -	\$ 81,816	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Department-wide</b>					
<b>5 Internal Auditor</b>					
Funds one Internal Auditor to help meet minimum recommended levels. This position should improve efficiency, effectiveness, and compliance for the agency.	Req \$	95,094	\$ -	\$ 95,094	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	95,094	\$ -	\$ 95,094	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>6 Advanced Analytics and Data Interpretation Positions</b>					
Provides two Advanced Analytics and Data Interpretation positions. These positions will help build capacity across state government to manage resources and programs more effectively. These skills are needed to inform evidence-based, data-driven decision-making for agency budgets and programs. OSBM will coordinate regular meetings and trainings with agency-based advanced analytics staff to facilitate continuous development of skills and capacity and to share best practices.	Req \$	280,763	\$ -	\$ 280,763	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	280,763	\$ -	\$ 280,763	\$ -
	FTE	2.000	0.000	2.000	0.000

		<b>R Changes</b>	<b>NR Changes</b>	<b>R Changes</b>	<b>NR Changes</b>
<b>7 Subscription Rate Increase</b>					
Funds the increase in Department of Information Technology subscription rates based on the FY 2021-22 approved rate. The subscription rate covers the administrative support provided for DIT, such as internal audit, finance, human resources, and facility management.	Req \$	19,095	\$ -	\$ 19,095	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	19,095	\$ -	\$ 19,095	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Financial Systems</b>					
<b>8 ERP Financial System Project Implementation</b>					
Provides \$50 million for the full implementation of the North Carolina Financial System (NCFS). This funding ensures the project is completed while replacing two legacy systems: the North Carolina Accounting System and Cash Management and Control System. Funding for this item is shown in the Information Technology Reserve in the Reserves Section of this document.	Req \$	-	\$ -	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>9 ERP Financial System Operations</b>					
Establishes an operational budget for NCFS. This funding supports the positions and equipment necessary to manage NCFS once fully implemented.	Req \$	2,988,438	\$ -	\$ 4,019,030	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	2,988,438	\$ -	\$ 4,019,030	\$ -
	FTE	17.000	0.000	17.000	0.000
<b>Total Change to Requirements</b>		\$ 4,097,148	\$ 248,259	\$ 5,607,577	\$ 248,259
<b>Total Change to Receipts</b>		\$ -	\$ -	\$ -	\$ -
<b>Total Change to Net Appropriation</b>		\$ 4,097,148	\$ 248,259	\$ 5,607,577	\$ 248,259
<b>Total Change to Full-Time Equivalent (FTE)</b>		20.000	0.000	20.000	0.000
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$		4,345,407	\$	5,855,836
<b>Recommended Total FTE Changes</b>			20.000		20.000

## Mission

To promote a stronger North Carolina that connects customers, citizens, business, education, and government.

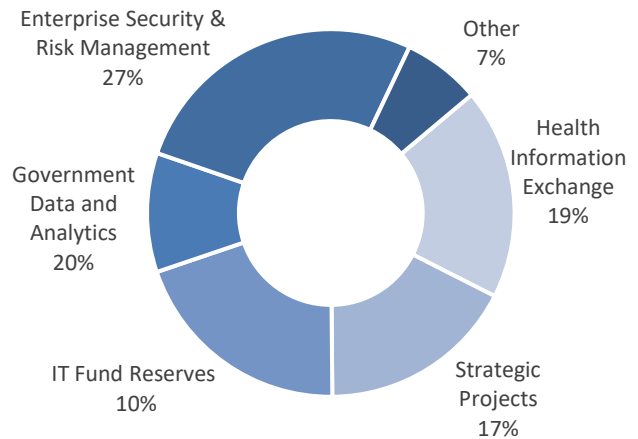
## Goals

1. Secure information technology (IT) systems and infrastructure.
2. Deepen trusted partnerships.
3. Improve the management and transparency of IT.
4. Cultivate the IT workforce.
5. Empower citizens through technology.
6. Modernize and centralize IT operations.

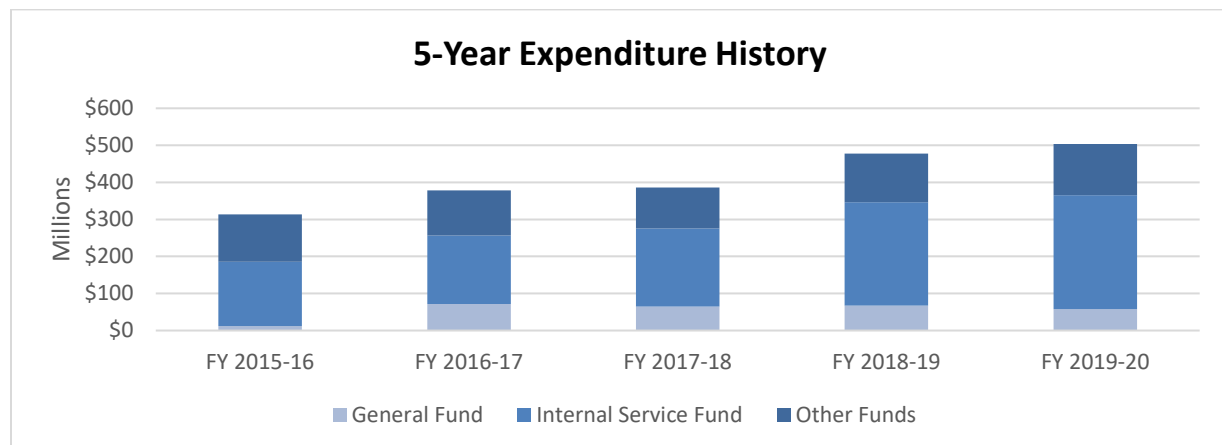
## Agency Profile

- 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 the state’s vast data resources to improve service delivery to residents.
- Six boards and commissions are housed in and supported by DIT including the state’s 911 Board and NC HealthConnex, the state’s health information exchange.
- Optimizes state IT functions, bringing IT personnel from most executive branch agencies into one organization address the digital government needs of the state more efficiently and effectively.

**FY 2020-21 Authorized Expenditures**



**5-Year Expenditure History**



FY 2020-21 expenditures chart include General Fund budget code only, 5-year history includes General Fund and Internal Service Fund budget codes.

**Department of Information Technology (14660)**

Year 1 FY 2021-22	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 55,156,933	\$ 6,382,874	\$ 13,606,308	\$ 19,989,182	\$ 75,146,115	36.2%
Receipts	\$ 411,223	\$ -	\$ 13,426,560	\$ 13,426,560	\$ 13,837,783	3265.0%
Net Appropriation	\$ 54,745,710	\$ 6,382,874	\$ 179,748	\$ 6,562,622	\$ 61,308,332	12.0%
Positions (FTE)	107.750	3.000	0.000	3.000	110.750	2.8%

Year 2 FY 2022-23	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 55,156,933	\$ 6,785,687	\$ 179,748	\$ 6,965,435	\$ 62,122,368	12.6%
Receipts	\$ 411,223	\$ -	\$ -	\$ -	\$ 411,223	0.0%
Net Appropriation	\$ 54,745,710	\$ 6,785,687	\$ 179,748	\$ 6,965,435	\$ 61,711,145	12.7%
Positions (FTE)	107.750	3.000	0.000	3.000	110.750	2.8%

	FY 2021-22		FY 2022-23		
	R Changes	NR Changes	R Changes	NR Changes	
<b>Compensation and Benefits Reserve</b>					
<b>1 Cost of Living Adjustment - State Employees</b>					
Provides funds for a \$1,000 bonus in FY 2021-22 and 2.5% cost of living adjustments in each year of the biennium, increasing existing state employee salaries by more than 5% over the biennium. Corresponding special provisions provide additional details on these compensation adjustments.	Req \$	337,417	\$ 112,763	\$ 683,270	\$ 112,763
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	337,417	\$ 112,763	\$ 683,270	\$ 112,763
	FTE	0.000	0.000	0.000	0.000
<b>2 TSERS Retirement Contribution</b>					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2021-23 fiscal biennium to fund the actuarially determined contribution, retiree medical premiums, and increases for retirees, including a 2% recurring cost-of-living adjustment and a one-time 2% bonus in both FY 2021-22 and FY 2022-23. Corresponding special provisions provide additional details on these adjustments.	Req \$	214,560	\$ 66,985	\$ 243,866	\$ 66,985
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	214,560	\$ 66,985	\$ 243,866	\$ 66,985
	FTE	0.000	0.000	0.000	0.000
<b>3 State Health Plan Contribution</b>					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2021-23 fiscal biennium.	Req \$	26,607	\$ -	\$ 54,261	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	26,607	\$ -	\$ 54,261	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Department-wide</b>					
<b>4 Advanced Analytics and Data Interpretation Positions</b>					
Provides two Advanced Analytics and Data Interpretation positions. These positions will help build capacity across state government to manage resources and programs more effectively. These skills are needed to inform evidence-based, data-driven decision-making for agency budgets and programs. OSBM will coordinate regular meetings and trainings with agency-based advanced analytics staff to facilitate continuous development of skills and capacity and to share best practices.	Req \$	280,763	\$ -	\$ 280,763	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	280,763	\$ -	\$ 280,763	\$ -
	FTE	2.000	0.000	2.000	0.000
<b>5 Subscription Rate Increase</b>					
Funds the increase in Department of Information Technology subscription rates based on the FY 2021-22 approved rate. The subscription rate covers the administrative support provided for DIT, such as internal audit, finance, human resources, and facility management.	Req \$	420,527	\$ -	\$ 420,527	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	420,527	\$ -	\$ 420,527	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>6 Agency Energy Manager</b>					
Provides funds for an Agency Energy Manager, who will assist the department in achieving utility cost savings and required energy consumption reductions, based on targets set in GS 143-64.12(a). Each Agency Energy Manager will analyze agency energy usage and submit an annual Agency Utility Report to DEQ.	Req \$	103,000	\$ -	\$ 103,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	103,000	\$ -	\$ 103,000	\$ -
	FTE	1.000	0.000	1.000	0.000



		R Changes	NR Changes	R Changes	NR Changes
<b>Cyber Security</b>					
<b>7 Cyber Security and Risk Management</b>					
Provides funding to the Information Technology Fund to support and enhance the department's cyber security initiatives across the state.	Req \$	5,000,000	\$ -	\$ 5,000,000	\$ -
Initiatives include, but are not limited to, continuous monitoring for state and local government infrastructure, incident response and threat identification, and proactive engagements by the North Carolina Assessment and Assist Team that conducts training, outreach and assessment of local government and covered academic entities.	Rec \$	-	\$ -	\$ -	\$ -
	App \$	5,000,000	\$ -	\$ 5,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Information Technology Services</b>					
<b>8 Internal Service Fund Recovery</b>					
Restores \$20 million to the Information Technology Fund to improve core services across the department through staff, technology, and security enhancements. Funding for this item is shown in the Information Technology Reserve in the Reserves Section of this document.	Req \$	-	\$ -	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Broadband Infrastructure</b>					
<b>9 Dish Network Settlement Funds</b>					
Invests the settlement funds from United States and the States of California, Illinois, North Carolina, and Ohio v. Dish Network in a distance-learning package that supports subscription payments for schools that have issued students hot spots and other devices using CARES Act funds but were prohibited from using those funds for monthly fees, classroom technology upgrades, digital literacy and equity projects, and other innovative solutions that increase student internet connectivity. Grant funding will be administered by the department, which will partner with Hometown Strong and their North Carolina Student Connect initiative to align student needs with the appropriate solution.	Req \$	-	\$ 13,426,560	\$ -	\$ -
	Rec \$	-	\$ 13,426,560	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Total Change to Requirements</b>	\$	<b>6,382,874</b>	\$ <b>13,606,308</b>	\$ <b>6,785,687</b>	\$ <b>179,748</b>
<b>Total Change to Receipts</b>	\$	<b>-</b>	\$ <b>13,426,560</b>	\$ <b>-</b>	\$ <b>-</b>
<b>Total Change to Net Appropriation</b>	\$	<b>6,382,874</b>	\$ <b>179,748</b>	\$ <b>6,785,687</b>	\$ <b>179,748</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>		<b>3.000</b>	<b>0.000</b>	<b>3.000</b>	<b>0.000</b>
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$		<b>6,562,622</b>	\$	<b>6,965,435</b>
<b>Recommended Total FTE Changes</b>			<b>3.000</b>		<b>3.000</b>

**Mission**

To fund public services benefiting the people of North Carolina by administering the tax laws and collecting the taxes due in an impartial, consistent, secure, and efficient manner.

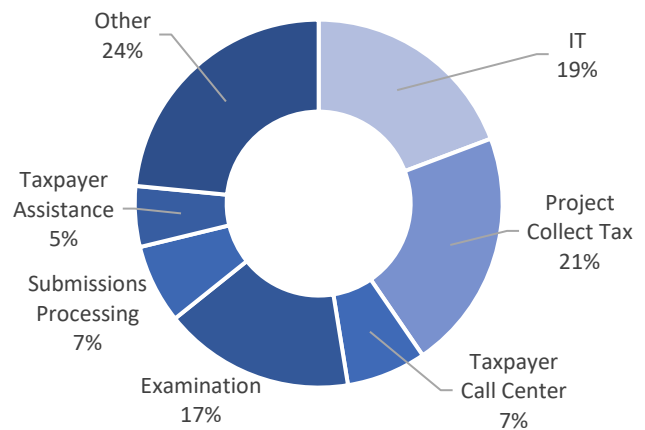
**Goals**

1. Improve HR processes.
2. Improve efficiencies and monitor for quality.
3. Improve personnel safety and security.
4. Improve communications & culture.
5. Implement a comprehensive Knowledge Management capability.
6. Implement a comprehensive Talent Management capability.

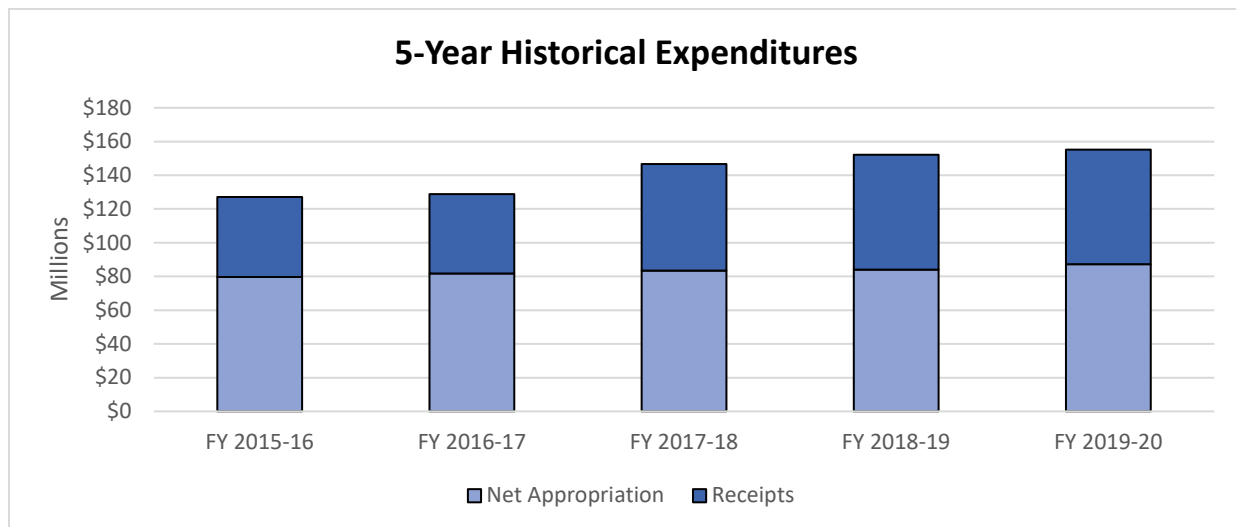
**Agency Profile**

- Administers more than 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 \$864 million during FY 2019-20.
- Collected \$32.1 billion in revenue during FY 2019-20 and deposited \$23 billion into the state’s General Fund.
- Received 65% of payments electronically during FY 2019-20.
- The individual income tax represents the largest source of revenue for the state General Fund, followed by the sales tax.

**FY 2020-21 Authorized Expenditures**



**5-Year Historical Expenditures**



*Charts include General Fund budget code only.*

**Department of Revenue (14700)**

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2021-22</b>						
Requirements	\$ 155,095,449	\$ 13,848,622	\$ 12,873,270	\$ 26,721,892	\$ 181,817,341	17.2%
Receipts	\$ 63,306,741	\$ (164,181)	\$ 3,000,000	\$ 2,835,819	\$ 66,142,560	4.5%
Net Appropriation	\$ 91,788,708	\$ 14,012,803	\$ 9,873,270	\$ 23,886,073	\$ 115,674,781	26.0%
Positions (FTE)	1463.386	4.000	0.000	4.000	1467.386	0.3%
<b>Year 2</b>	<b>Base Budget</b>	<b>Net Recurring</b>	<b>Net Nonrecurring</b>	<b>Recommended Change</b>	<b>Recommended Budget</b>	<b>% Δ from Base Budget</b>
<b>FY 2022-23</b>						
Requirements	\$ 155,096,811	\$ 15,891,002	\$ 12,123,270	\$ 28,014,272	\$ 183,111,083	18.1%
Receipts	\$ 63,311,155	\$ (164,181)	\$ 3,000,000	\$ 2,835,819	\$ 66,146,974	4.5%
Net Appropriation	\$ 91,785,656	\$ 16,055,183	\$ 9,123,270	\$ 25,178,453	\$ 116,964,109	27.4%
Positions (FTE)	1463.386	4.000	0.000	4.000	1467.386	0.3%

	FY 2021-22		FY 2022-23		
	R Changes	NR Changes	R Changes	NR Changes	
<b>Compensation and Benefits Reserve</b>					
<b>1 Cost of Living Adjustment - State Employees</b>					
Provides funds for a \$1,000 bonus in FY 2021-22 and 2.5% cost of living adjustments in each year of the biennium, increasing existing state employee salaries by more than 5% over the biennium. Corresponding special provisions provide additional details on these compensation adjustments.	Req \$	1,638,923	\$ 898,242	\$ 3,318,819	\$ 898,242
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	1,638,923	\$ 898,242	\$ 3,318,819	\$ 898,242
	FTE	0.000	0.000	0.000	0.000
<b>2 Reserve to Address Compression, Equity, and High Turnover</b>					
Provides funds based on agency-identified salary adjustment needs, such as compression, equity, and recruitment, as well as high turnover jobs, defined as jobs with voluntary turnover of at least 15% between July 2019 and December 2020. The department may use these funds as needed to address recruitment and retention needs across the department regardless of job classification.	Req \$	41,000	\$ -	\$ 41,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	41,000	\$ -	\$ 41,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>3 TSERS Retirement Contribution</b>					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2021-23 fiscal biennium to fund the actuarially determined contribution, retiree medical premiums, and increases for retirees, including a 2% recurring cost-of-living adjustment and a one-time 2% bonus in both FY 2021-22 and FY 2022-23. Corresponding special provisions provide additional details on these adjustments.	Req \$	1,041,107	\$ 325,028	\$ 1,183,307	\$ 325,028
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	1,041,107	\$ 325,028	\$ 1,183,307	\$ 325,028
	FTE	0.000	0.000	0.000	0.000
<b>4 State Health Plan Contribution</b>					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2021-23 fiscal biennium.	Req \$	211,940	\$ -	\$ 432,224	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	211,940	\$ -	\$ 432,224	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Department-wide</b>					
<b>5 Advanced Analytics and Data Interpretation Position</b>					
Provides one Advanced Analytics and Data Interpretation position. This position will help build capacity across state government to manage resources and programs more effectively. These skills are needed to inform evidence-based, data-driven decision-making for agency budgets and programs. OSBM will coordinate regular meetings and trainings with agency-based advanced analytics staff to facilitate continuous development of skills and capacity and to share best practices.	Req \$	140,380	\$ -	\$ 140,380	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	140,380	\$ -	\$ 140,380	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>6 Subscription Rate Increase</b>					
Funds the increase in Department of Information Technology subscription rates based on the FY 2021-22 approved rate. The subscription rate covers the administrative support provided for DIT, such as internal audit, finance, human resources, and facility management.	Req \$	146,286	\$ -	\$ 146,286	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	146,286	\$ -	\$ 146,286	\$ -
	FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>7 Research Unit</b>					
Funds two positions to build capacity to conduct research and develop partnerships with the external research community. The research unit would support the department's ability to answer critical questions, create and coordinate an agency's learning agenda, integrate research findings into programming and identify opportunities for outside coordination and financing.	Req \$	225,000	\$ -	\$ 225,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	225,000	\$ -	\$ 225,000	\$ -
	FTE	2.000	0.000	2.000	0.000
<b>8 Agency Energy Manager</b>					
Provides funds for an Agency Energy Manager, who will assist the department in achieving utility cost savings and required energy consumption reductions, based on targets set in GS 143-64.12(a). Each Agency Energy Manager will analyze agency energy usage and submit an annual Agency Utility Report to DEQ.	Req \$	103,000	\$ -	\$ 103,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	103,000	\$ -	\$ 103,000	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>Information Technology and Security</b>					
<b>9 Critical IT Operations and Maintenance</b>					
Provides funding for all of the department's tax filing systems, allowing individuals and businesses to file individual and corporate income, franchise, and partnership taxes electronically. This item also funds maintenance, support, and upgrades for DOR hardware and software. Traditionally this has been funded on a nonrecurring basis through the Collections Assistance Fee (CAF). However, recurring funding is needed because special-fund resources are being depleted.	Req \$	10,000,000	\$ 3,500,000	\$ 10,000,000	\$ 3,500,000
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	10,000,000	\$ 3,500,000	\$ 10,000,000	\$ 3,500,000
	FTE	0.000	0.000	0.000	0.000
<b>10 Identity Theft and Tax Fraud Prevention</b>					
Maintains funding for identity theft and refund fraud prevention as fraudulent schemes grow in volume and complexity. Identity theft prevention measures realized over \$50 million in refund fraud savings in FY 2019-20.	Req \$	-	\$ 4,400,000	\$ -	\$ 4,400,000
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 4,400,000	\$ -	\$ 4,400,000
	FTE	0.000	0.000	0.000	0.000
<b>11 Mainframe Migration</b>					
Provides funding from the Collection Assistance Fee to migrate the department's data from the DIT mainframe to IBM. This migration will improve the security of the data, much of which is confidential.	Req \$	-	\$ 3,000,000	\$ -	\$ 3,000,000
	Rec \$	-	\$ 3,000,000	\$ -	\$ 3,000,000
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>12 IT Security Positions</b>					
Reallocates three vacant positions to be repurposed as three new IT security positions: a Chief Information Security Officer, a VoIP Engineer, and a Network Manager. These positions will help safeguard the department's information systems and establish a successful and secure network. This item also eliminates the transfer of receipts from the CAF that supported these vacant positions; the new repurposed positions will be fully funded through net appropriations.	Req \$	300,986	\$ -	\$ 300,986	\$ -
	Rec \$	(164,181)	\$ -	\$ (164,181)	\$ -
	App \$	465,167	\$ -	\$ 465,167	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>13 High-Speed Check Printer</b>					
Funds a new high-speed check printer for the Department of Revenue. The current printer will reach the end of its useful life in fall 2022. This new printer ensures taxpayers will continue to receive checks and notices without delay.	Req \$	-	\$ 750,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 750,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Total Change to Requirements</b>	\$	<b>13,848,622</b>	\$ <b>12,873,270</b>	\$ <b>15,891,002</b>	\$ <b>12,123,270</b>
<b>Total Change to Receipts</b>	\$	<b>(164,181)</b>	\$ <b>3,000,000</b>	\$ <b>(164,181)</b>	\$ <b>3,000,000</b>
<b>Total Change to Net Appropriation</b>	\$	<b>14,012,803</b>	\$ <b>9,873,270</b>	\$ <b>16,055,183</b>	\$ <b>9,123,270</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>		<b>4.000</b>	<b>0.000</b>	<b>4.000</b>	<b>0.000</b>
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$		\$ <b>23,886,073</b>	\$	<b>25,178,453</b>
<b>Recommended Total FTE Changes</b>			<b>4.000</b>		<b>4.000</b>

**Revenue - Project Collect Tax (24704)**

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2021-22</b>						
Requirements	\$ 37,767,329	\$ (164,181)	\$ 3,000,000	\$ 2,835,819	\$ 40,603,148	7.5%
Receipts	\$ 34,801,864	\$ -	\$ -	\$ -	\$ 34,801,864	0.0%
Δ in Fund Balance	\$ (2,965,465)	\$ 164,181	\$ (3,000,000)	\$ (2,835,819)	\$ (5,801,284)	95.6%
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.0%
<b>Year 2</b>	<b>Base Budget</b>	<b>Net Recurring</b>	<b>Net Nonrecurring</b>	<b>Recommended Change</b>	<b>Recommended Budget</b>	<b>% Δ from Base Budget</b>
<b>FY 2022-23</b>						
Requirements	\$ 37,767,329	\$ (164,181)	\$ 3,000,000	\$ 2,835,819	\$ 40,603,148	7.5%
Receipts	\$ 34,801,864	\$ -	\$ -	\$ -	\$ 34,801,864	0.0%
Δ in Fund Balance	\$ (2,965,465)	\$ 164,181	\$ (3,000,000)	\$ (2,835,819)	\$ (5,801,284)	95.6%
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.0%

	FY 2021-22		FY 2022-23	
	R Changes	NR Changes	R Changes	NR Changes
<b>1 Mainframe Migration</b>				
Authorizes the use of fund balance from the Collection Assistance Fee (CAF) to support the migration of the department's data from the DIT mainframe to IBM.	Req \$ -	\$ 3,000,000	\$ -	\$ 3,000,000
	Rec \$ -	\$ -	\$ -	\$ -
	CFB \$ -	\$ (3,000,000)	\$ -	\$ (3,000,000)
	FTE 0.000	0.000	0.000	0.000
<b>2 IT Security Positions</b>				
Eliminates the transfer of receipts from the CAF associated with the three repurposed vacant positions that will become new IT security positions fully supported by appropriation.	Req \$ (164,181)	\$ -	\$ (164,181)	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	CFB \$ 164,181	\$ -	\$ 164,181	\$ -
	FTE 0.000	0.000	0.000	0.000
<b>Total Change to Requirements</b>	\$ (164,181)	\$ 3,000,000	\$ (164,181)	\$ 3,000,000
<b>Total Change to Receipts</b>	\$ -	\$ -	\$ -	\$ -
<b>Total Change to Fund Balance</b>	\$ 164,181	\$ (3,000,000)	\$ 164,181	\$ (3,000,000)
<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>	\$ (2,835,819)		\$ (2,835,819)	
<b>Recommended Total FTE Changes</b>	0.000		0.000	

## Mission

To promote among the citizens of North Carolina confidence in the integrity of the free election process through the consistent administration and equal application of all elections and campaign finance laws, rules, and regulations.

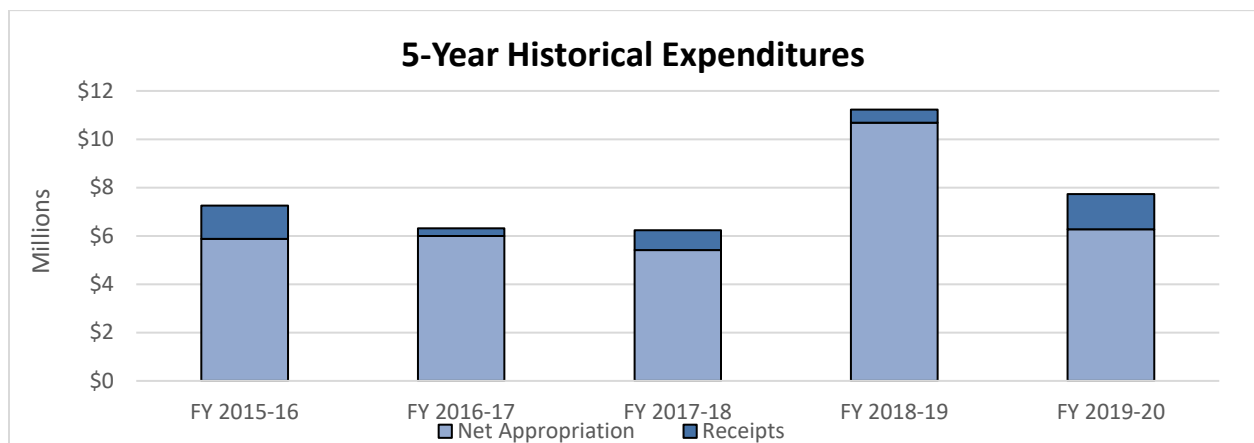
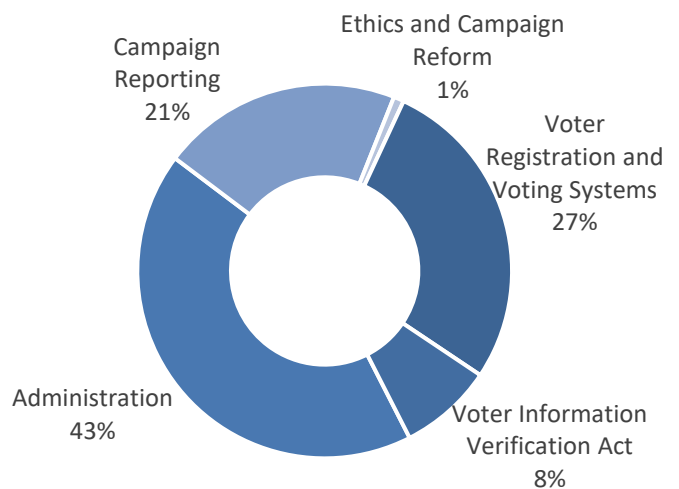
## Goals

1. Ensure fair elections and protect constitutional rights of voters and candidates through equal application of federal and state laws.
2. Increase political transparency and accountability by ensuring timely and accurate disclosure of campaign finance data.
3. Promote voter registration and participation by all qualified, eligible citizens of North Carolina.

## Agency Profile

- Supervises elections and campaign finance disclosure in the state. Elections are conducted by 100 county elections 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 as 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 2020-21 Authorized Expenditures



Charts include General Fund budget codes only. FY 2018-19 increase reflects additional funds to support the Voter Information Verification Act (VIVA) ballot measure.

**State Board of Elections (18025)**

Year 1 FY 2021-22	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 7,758,931	\$ 967,060	\$ 2,177,679	\$ 3,144,739	\$ 10,903,670	40.5%
Receipts	\$ 102,000	\$ -	\$ -	\$ -	\$ 102,000	0.0%
Net Appropriation	\$ 7,656,931	\$ 967,060	\$ 2,177,679	\$ 3,144,739	\$ 10,801,670	41.1%
Positions (FTE)	66.000	2.000	0.000	2.000	68.000	3.0%

Year 2 FY 2022-23	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 7,758,931	\$ 1,510,068	\$ 1,162,679	\$ 2,672,747	\$ 10,431,678	34.4%
Receipts	\$ 102,000	\$ -	\$ -	\$ -	\$ 102,000	0.0%
Net Appropriation	\$ 7,656,931	\$ 1,510,068	\$ 1,162,679	\$ 2,672,747	\$ 10,329,678	34.9%
Positions (FTE)	66.000	2.000	0.000	2.000	68.000	3.0%

	FY 2021-22		FY 2022-23		
	R Changes	NR Changes	R Changes	NR Changes	
<b>Compensation and Benefits Reserve</b>					
<b>1 Cost of Living Adjustment - State Employees</b>					
Provides funds for a \$1,000 bonus in FY 2021-22 and 2.5% cost of living adjustments in each year of the biennium, increasing existing state employee salaries by more than 5% over the biennium. Corresponding special provisions provide additional details on these compensation adjustments.	Req \$	144,686	\$ 73,956	\$ 292,990	\$ 73,956
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	144,686	\$ 73,956	\$ 292,990	\$ 73,956
	FTE	0.000	0.000	0.000	0.000
<b>2 Reserve to Address Compression, Equity, and High Turnover</b>					
Provides funds based on agency-identified salary adjustment needs, such as compression, equity, and recruitment, as well as high turnover jobs, defined as jobs with voluntary turnover of at least 15% between July 2019 and December 2020. The department may use these funds as needed to address recruitment and retention needs across the department regardless of job classification.	Req \$	230,000	\$ -	\$ 230,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	230,000	\$ -	\$ 230,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>3 TSERS Retirement Contribution</b>					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2021-23 fiscal biennium to fund the actuarially determined contribution, retiree medical premiums, and increases for retirees, including a 2% recurring cost-of-living adjustment and a one-time 2% bonus in both FY 2021-22 and FY 2022-23. Corresponding special provisions provide additional details on these adjustments.	Req \$	92,004	\$ 28,723	\$ 104,571	\$ 28,723
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	92,004	\$ 28,723	\$ 104,571	\$ 28,723
	FTE	0.000	0.000	0.000	0.000
<b>4 State Health Plan Contribution</b>					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2021-23 fiscal biennium.	Req \$	17,450	\$ -	\$ 35,587	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	17,450	\$ -	\$ 35,587	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Department-wide</b>					
<b>5 Advanced Analytics and Data Interpretation Position</b>					
Provides one Advanced Analytics and Data Interpretation position. This position will help build capacity across state government to manage resources and programs more effectively. These skills are needed to inform evidence-based, data-driven decision-making for agency budgets and programs. OSBM will coordinate regular meetings and trainings with agency-based advanced analytics staff to facilitate continuous development of skills and capacity and to share best practices.	Req \$	140,380	\$ -	\$ 140,380	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	140,380	\$ -	\$ 140,380	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>6 Subscription Rate Increase</b>					
Funds the increase in Department of Information Technology subscription rates based on the FY 2021-22 approved rate. The subscription rate covers the administrative support provided for DIT, such as internal audit, finance, human resources, and facility management.	Req \$	14,283	\$ -	\$ 14,283	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	14,283	\$ -	\$ 14,283	\$ -
	FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>Elections Administration</b>					
<b>7 Secure Office Space</b>					
Funds the move to and lease of a building that complies with enhanced security requirements from the US Department of Homeland Security. The new location will include badge readers on hallway doors, security equipment, and a voting systems lab.	Req	\$ 212,000	\$ 15,000	\$ 226,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 212,000	\$ 15,000	\$ 226,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>8 ERIC Annual Mailings</b>					
Continues annual mailing to update voter registration data across North Carolina that begins in FY 2021-22 through the use of Help America Vote Act (HAVA) funds. Analysis of voter registration data across all states in the Electronic Registration Information Center (ERIC) consortium identifies voters who may have deceased or moved without reporting the change. These annual mailings should keep voter registration rolls current with fewer ineligible voters and fewer eligible voters with outdated address information.	Req	\$ -	\$ -	\$ 350,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ -	\$ 350,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>9 Associate General Counsel</b>					
Provides funding for an Associate General Counsel position. The agency has seen a rise in the number of litigated election matters over the past several years. This additional attorney will perform the work necessary to respond to and ensure compliance with court orders when they are imposed.	Req	\$ 116,257	\$ -	\$ 116,257	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 116,257	\$ -	\$ 116,257	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>Information Systems</b>					
<b>10 Campaign Finance Software Modernization</b>					
Funds the purchase of enhanced financial reporting software. The updated software will more securely store campaign finance data and will offer improved financial reporting functionality and usability for e-filers.	Req	\$ -	\$ 2,000,000	\$ -	\$ 1,000,000
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ 2,000,000	\$ -	\$ 1,000,000
	FTE	0.000	0.000	0.000	0.000
<b>11 Historical Data Project</b>					
Supports the conversion of older state and local election information to searchable data. Researchers and the public will be able to access the database to view historical election data.	Req	\$ -	\$ 60,000	\$ -	\$ 60,000
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ 60,000	\$ -	\$ 60,000
	FTE	0.000	0.000	0.000	0.000
<b>Total Change to Requirements</b>		\$ 967,060	\$ 2,177,679	\$ 1,510,068	\$ 1,162,679
<b>Total Change to Receipts</b>		\$ -	\$ -	\$ -	\$ -
<b>Total Change to Net Appropriation</b>		\$ 967,060	\$ 2,177,679	\$ 1,510,068	\$ 1,162,679
<b>Total Change to Full-Time Equivalent (FTE)</b>		2.000	0.000	2.000	0.000
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>		\$	3,144,739	\$	2,672,747
<b>Recommended Total FTE Changes</b>			2.000		2.000



**State Board of Elections - HAVA Federal Fund (28025)**

Year 1 FY 2021-22	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 3,584,662	\$ -	\$ 530,000	\$ 530,000	\$ 4,114,662	14.8%
Receipts	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000	0.0%
Δ in Fund Balance	\$ (3,554,662)	\$ -	\$ (530,000)	\$ (530,000)	\$ (4,084,662)	14.9%
Positions (FTE)	31.000	0.000	0.000	0.000	31.000	0.0%

Year 2 FY 2022-23	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 3,584,662	\$ -	\$ -	\$ -	\$ 3,584,662	0.0%
Receipts	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000	0.0%
Δ in Fund Balance	\$ (3,554,662)	\$ -	\$ -	\$ -	\$ (3,554,662)	0.0%
Positions (FTE)	31.000	0.000	0.000	0.000	31.000	0.0%

	FY 2021-22		FY 2022-23	
	R Changes	NR Changes	R Changes	NR Changes

**1 ERIC Membership Fee & Initial Membership**

Expends cash balance to join the Electronic Registration Information Center (ERIC). Membership allows for the analysis of voter registration data across states in the consortium. This funding also covers the initial outreach to update registration data for in-state and cross-state movers and deceased registrants.	Req	\$ -	\$ 380,000	\$ -	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	CFB	\$ -	\$ (380,000)	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000

**2 Consultants to Develop Standards**

Expends cash balance to develop state standards for voting system certification and e-Pollbooks, pursuant to GS 163-165.7(c) and GS 163-182.1(b), respectively. This funding enables hiring of consultants to research and draft standards for equipment used in federal, state, and local elections.	Req	\$ -	\$ 150,000	\$ -	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	CFB	\$ -	\$ (150,000)	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000

<b>Total Change to Requirements</b>	\$ -	\$ 530,000	\$ -	\$ -
<b>Total Change to Receipts</b>	\$ -	\$ -	\$ -	\$ -
<b>Total Change to Fund Balance</b>	\$ -	\$ (530,000)	\$ -	\$ -
<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>	\$ -	\$ (530,000)	\$ -	\$ -
<b>Recommended Total FTE Changes</b>	0.000	0.000	0.000	0.000

**Mission**

To serve the citizens of North Carolina 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.

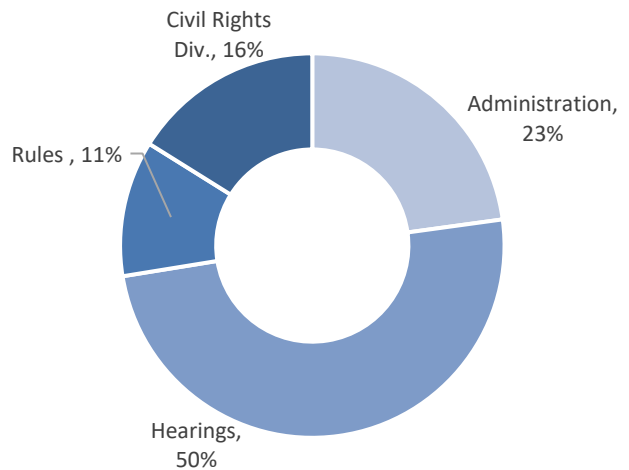
**Goals**

1. Manage dockets and case flow to conduct and conclude contested cases in a timely manner.
2. Publish and review all administrative rules within the established deadlines set by statute and rule.
3. Conduct and conclude discrimination investigations in a timely manner, consistent with state and federal law.

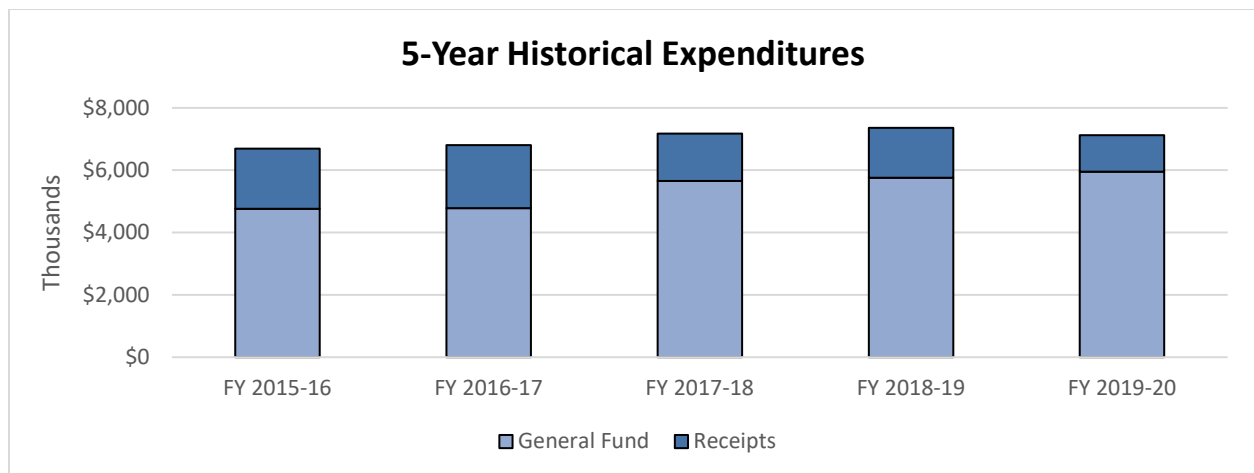
**Agency Profile**

- 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 US Dept. of Housing and Urban Development.
- Investigates acts of discrimination in employment and housing. Staffs both the Rules Review and Human Relations Commissions.

**FY 2020-21 Authorized Expenditures**



**5-Year Historical Expenditures**



*Charts include General Fund budget codes only.*

**Office of Administrative Hearings (18210)**

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended	Recommended	% Δ from Base
FY 2021-22				Change	Budget	Budget
Requirements	\$ 7,921,704	\$ 600,621	\$ 88,447	\$ 689,068	\$ 8,610,772	8.7%
Receipts	\$ 1,260,671	\$ -	\$ -	\$ -	\$ 1,260,671	0.0%
Net Appropriation	\$ 6,661,033	\$ 600,621	\$ 88,447	\$ 689,068	\$ 7,350,101	10.3%
Positions (FTE)	55.790	4.000	0.000	4.000	59.790	7.2%

Year 2	Base Budget	Net Recurring	Net Nonrecurring	Recommended	Recommended	% Δ from Base
FY 2022-23				Change	Budget	Budget
Requirements	\$ 7,934,389	\$ 752,522	\$ 80,947	\$ 833,469	\$ 8,767,858	10.5%
Receipts	\$ 1,260,671	\$ -	\$ -	\$ -	\$ 1,260,671	0.0%
Net Appropriation	\$ 6,673,718	\$ 752,522	\$ 80,947	\$ 833,469	\$ 7,507,187	12.5%
Positions (FTE)	55.790	4.000	0.000	4.000	59.790	7.2%

	FY 2021-22		FY 2022-23		
	R Changes	NR Changes	R Changes	NR Changes	
<b>Compensation and Benefits Reserve</b>					
<b>1 Cost of Living Adjustment - State Employees</b>					
Provides funds for a \$1,000 bonus in FY 2021-22 and 2.5% cost of living adjustments in each year of the biennium, increasing existing state employee salaries by more than 5% over the biennium. Corresponding special provisions provide additional details on these compensation adjustments.	Req \$	124,205	\$ 56,290	\$ 251,515	\$ 56,290
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	124,205	\$ 56,290	\$ 251,515	\$ 56,290
	FTE	0.000	0.000	0.000	0.000
<b>2 Reserve to Address Compression, Equity, and High Turnover</b>					
Provides funds based on agency-identified salary adjustment needs, such as compression, equity, and recruitment, as well as high turnover jobs, defined as jobs with voluntary turnover of at least 15% between July 2019 and December 2020. The department may use these funds as needed to address recruitment and retention needs across the department regardless of job classification.	Req \$	26,000	\$ -	\$ 26,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	26,000	\$ -	\$ 26,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>3 TSERS Retirement Contribution</b>					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2021-23 fiscal biennium to fund the actuarially determined contribution, retiree medical premiums, and increases for retirees, including a 2% recurring cost-of-living adjustment and a one-time 2% bonus in both FY 2021-22 and FY 2022-23. Corresponding special provisions provide additional details on these adjustments.	Req \$	78,981	\$ 24,657	\$ 89,768	\$ 24,657
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	78,981	\$ 24,657	\$ 89,768	\$ 24,657
	FTE	0.000	0.000	0.000	0.000
<b>4 State Health Plan Contribution</b>					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2021-23 fiscal biennium.	Req \$	13,282	\$ -	\$ 27,086	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	13,282	\$ -	\$ 27,086	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Department-wide</b>					
<b>5 Advanced Analytics and Data Interpretation Position</b>					
Provides one Advanced Analytics and Data Interpretation position. This position will help build capacity across state government to manage resources and programs more effectively. These skills are needed to inform evidence-based, data-driven decision-making for agency budgets and programs. OSBM will coordinate regular meetings and trainings with agency-based advanced analytics staff to facilitate continuous development of skills and capacity and to share best practices.	Req \$	140,380	\$ -	\$ 140,380	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	140,380	\$ -	\$ 140,380	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>6 Subscription Rate Increase</b>					
Funds the increase in Department of Information Technology subscription rates based on the FY 2021-22 approved rate. The subscription rate covers the administrative support provided for DIT, such as internal audit, finance, human resources, and facility management.	Req \$	13,155	\$ -	\$ 13,155	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	13,155	\$ -	\$ 13,155	\$ -
	FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>7 User Support Technician Position</b>					
Funds a dedicated IT user support position to provide high-level assistance to staff in assessing and resolving computer technical issues, provide training and maintenance for agency proprietary software, and to serve as Database Administrator.	Req \$	73,923	\$ 2,500	\$ 73,923	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	73,923	\$ 2,500	\$ 73,923	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>Civil Rights Division</b>					
<b>8 Human Relations Specialist Position</b>					
Provides funding for one position to support the work of the Human Relations Commission. The Human Relations Specialist investigates charges of discrimination filed by property owners, applicants for mortgages, applicants and tenants of rental property. Primary responsibilities include pre-investigative planning, technical report writing, settlement activities, post investigative activities and training to real estate agents, management companies, homeowners, HOA's, and the public.	Req \$	72,073	\$ 2,500	\$ 72,073	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	72,073	\$ 2,500	\$ 72,073	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>Hearings Division</b>					
<b>9 Administrative Specialist I Position</b>					
Provides funds for an Administrative Specialist I position for administrative and clerical work to support the functions of the Human Relations Commission that was transferred to OAH in 2017.	Req \$	58,622	\$ 2,500	\$ 58,622	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	58,622	\$ 2,500	\$ 58,622	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>Total Change to Requirements</b>		<b>\$ 600,621</b>	<b>\$ 88,447</b>	<b>\$ 752,522</b>	<b>\$ 80,947</b>
<b>Total Change to Receipts</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Change to Net Appropriation</b>		<b>\$ 600,621</b>	<b>\$ 88,447</b>	<b>\$ 752,522</b>	<b>\$ 80,947</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>		<b>4.000</b>	<b>0.000</b>	<b>4.000</b>	<b>0.000</b>
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>		<b>\$</b>	<b>689,068</b>	<b>\$</b>	<b>833,469</b>
<b>Recommended Total FTE Changes</b>			<b>4.000</b>		<b>4.000</b>



## **Closing the Coverage Gap for Healthier North Carolinians and a Healthier Economy**

Recommends expanding Medicaid eligibility beginning October 1, 2021 to provide healthcare access for more than 600,000 North Carolinians, help rural hospitals keep their doors open, address the opioid epidemic, and secure North Carolina's share of federal resources that will inject over \$5 billion in direct investment into the state.

## **Investing in Early Learning and Development**

Invests more than \$78 million in early education and child development. Increases Child Care Subsidy for children from low-income working families to receive high-quality care. Increases NC Pre-K reimbursement rates and slots using lottery proceeds so that more children can attend Pre-K. Increases Smart Start by 13 percent using lottery receipts to support families and children in all 100 counties. Increases funding by over \$10 million for individualized early intervention services.

## **Strengthening Supports and Oversight to Serve Vulnerable Adults**

Expands nutrition, transportation, and in-home aid services to older and vulnerable adults with over \$7 million in increased state funding. Invests over \$4 million to improve state oversight of long-term care facilities and enhance county Adult Protective Services units. Expands rental assistance and housing initiatives for disabled, homeless and low-income adults by over \$6 million.

## **Helping People with Disabilities Live, Work, and Learn in Their Home Communities**

Increases funding by over \$15 million to expand housing and employment supports for individuals at risk of institutionalization. Invests \$1 million in state-of-the-art adaptive equipment and assistive technologies to help people with disabilities live, work, and be educated in their communities.

## **Supporting Abused and Neglected Children**

Provides \$8 million to improve child welfare services and add critical staffing and training to improve safety and outcomes for children experiencing abuse or neglect. Invests \$53 million in continued enhancements and statewide implementation of the Child Welfare Data System to improve monitoring and coordinate service delivery.

## **Improving Wages for Direct Care and Early Childhood Workforces**

Invests \$60 million in improving wages for direct care workers and early childhood education providers so that individuals who support our most vulnerable adults and nurture our youngest children can also support themselves.

## **Addressing Disparities and Promoting Equity**

Directs more than \$250 million in Medicaid resources to address social determinants that contribute to health disparities such as a lack of access to food, quality housing, and reliable transportation. Provides over \$800,000 to expand the Office of Minority Health and Health Disparities to reduce health inequities among racial and ethnic minorities and other underserved populations. Provides \$1.5 million to decrease the impact of implicit bias on students of color and students with disabilities in early childhood.

**Mission**

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

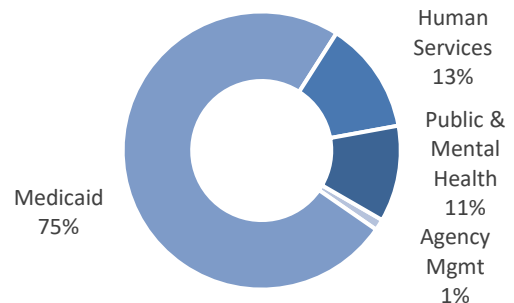
**Goals**

1. Advance the health and well-being of North Carolinians using the programmatic tools of our Department.
2. Build an innovative, coordinated, and whole-person centered system that addresses medical and non-medical drivers of health.
3. Turn the tide of North Carolina’s opioid crisis.
4. Ensure all North Carolina children get a healthy start and develop to their full potential in safe and nurturing families, schools and communities.
5. Achieve operational excellence.

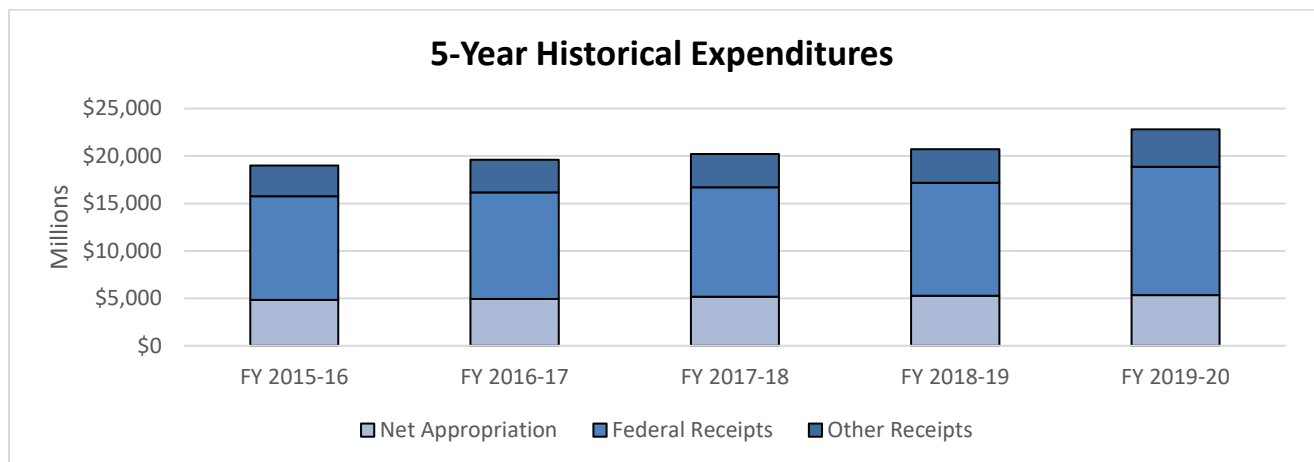
**Agency Profile**

- Buys health for people through our Medicaid program, including working with underserved communities to improve access to quality health care 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 2020-21 Authorized Expenditures**



**5-Year Historical Expenditures**



*Charts include General Fund budget code only.*

**Division of Aging and Adult Services (14411)**

Year 1 FY 2021-22	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 156,196,515	\$ 13,824,710	\$ 49,157	\$ 13,873,867	\$ 170,070,382	8.9%
Receipts	\$ 111,901,760	\$ 372,222	\$ -	\$ 372,222	\$ 112,273,982	0.3%
Net Appropriation	\$ 44,294,755	\$ 13,452,488	\$ 49,157	\$ 13,501,645	\$ 57,796,400	30.5%
Positions (FTE)	77.000	0.000	0.000	0.000	77.000	0.0%

Year 2 FY 2022-23	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 122,881,371	\$ 13,907,611	\$ 49,157	\$ 13,956,768	\$ 136,838,139	11.4%
Receipts	\$ 78,586,616	\$ 372,222	\$ -	\$ 372,222	\$ 78,958,838	0.5%
Net Appropriation	\$ 44,294,755	\$ 13,535,389	\$ 49,157	\$ 13,584,546	\$ 57,879,301	30.7%
Positions (FTE)	77.000	0.000	0.000	0.000	77.000	0.0%

	FY 2021-22		FY 2022-23		
	R Changes	NR Changes	R Changes	NR Changes	
<b>Compensation and Benefits Reserve</b>					
<b>1 Cost of Living Adjustment - State Employees</b>					
Provides funds for a \$1,000 bonus in FY 2021-22 and 2.5% cost of living adjustments in each year of the biennium, increasing existing state employee salaries by more than 5% over the biennium. Corresponding special provisions provide additional details on these compensation adjustments.	Req \$	66,637	\$ 35,928	\$ 134,940	\$ 35,928
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	66,637	\$ 35,928	\$ 134,940	\$ 35,928
	FTE	0.000	0.000	0.000	0.000
<b>2 TSERS Retirement Contribution</b>					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2021-23 fiscal biennium to fund the actuarially determined contribution, retiree medical premiums, and increases for retirees, including a 2% recurring cost-of-living adjustment and a one-time 2% bonus in both FY 2021-22 and FY 2022-23. Corresponding special provisions provide additional details on these adjustments.	Req \$	42,374	\$ 13,229	\$ 48,161	\$ 13,229
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	42,374	\$ 13,229	\$ 48,161	\$ 13,229
	FTE	0.000	0.000	0.000	0.000
<b>3 State Health Plan Contribution</b>					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2021-23 fiscal biennium.	Req \$	8,477	\$ -	\$ 17,288	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	8,477	\$ -	\$ 17,288	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>4 Support for Aging and Adult Services</b>					
Supports aging and adult services by increasing the state's supplement in the Home and Community Care Block Grant, which funds services such as transportation, in-home aid, and home-delivered meals for older adults and their caregivers in all 100 counties across the state. The expansion would reduce the waitlist by an estimated 1,000 individuals.	Req \$	2,222,222	\$ -	\$ 2,222,222	\$ -
	Rec \$	222,222	\$ -	\$ 222,222	\$ -
	App \$	2,000,000	\$ -	\$ 2,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>5 Nutrition Services for Older Adults</b>					
Increases the state's investment in nutrition services for older adults. Invests \$3.1 million to provide two meals per week or \$20 in groceries for 3,000 individuals and \$255,000 for the NC Senior Farmers Market Nutrition Program (SFMNP) to serve an additional 8,500 low-income older adults. Also funds \$210,000 throughout each year to provide two weeks of healthy meals to 1,000 high-risk older adults after being discharged from a hospital stay.	Req \$	3,585,000	\$ -	\$ 3,585,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	3,585,000	\$ -	\$ 3,585,000	\$ -
	FTE	0.000	0.000	0.000	0.000

		<b>R Changes</b>	<b>NR Changes</b>	<b>R Changes</b>	<b>NR Changes</b>
<b>6 Key Rental Assistance</b>					
Provides additional funding for Key Rental Assistance, a partnership between the Division of Aging and Adult Services and the NC Housing Finance Agency, providing supportive housing programs for people who are very low income and/or disabled and in need of affordable housing. Currently about 2,350 households are supported by Key Rental Assistance. This item would provide funding to sustain the current caseload.	Req \$	6,250,000	\$ -	\$ 6,250,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	6,250,000	\$ -	\$ 6,250,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>7 Adult Protective Services - Essential Services</b>					
Establishes an Adult Protective Services (APS) Essential Services Fund to provide services such as caregiver support, housing improvements, transportation, and adult day/health care to individuals ages 18 and older. Services provided will help prevent and reduce recidivism of maltreatment, allow adults to age in place, eliminate unnecessary institutionalization, and promote deinstitutionalizations.	Req \$	1,650,000	\$ -	\$ 1,650,000	\$ -
	Rec \$	150,000	\$ -	\$ 150,000	\$ -
	App \$	1,500,000	\$ -	\$ 1,500,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Total Change to Requirements</b>		<b>\$ 13,824,710</b>	<b>\$ 49,157</b>	<b>\$ 13,907,611</b>	<b>\$ 49,157</b>
<b>Total Change to Receipts</b>		<b>\$ 372,222</b>	<b>\$ -</b>	<b>\$ 372,222</b>	<b>\$ -</b>
<b>Total Change to Net Appropriation</b>		<b>\$ 13,452,488</b>	<b>\$ 49,157</b>	<b>\$ 13,535,389</b>	<b>\$ 49,157</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 Net Appropriation Changes (Recurring + Nonrecurring)</b>		<b>\$</b>	<b>13,501,645</b>	<b>\$</b>	<b>13,584,546</b>
<b>Recommended Total FTE Changes</b>			<b>0.000</b>		<b>0.000</b>



**Division of Social Services (14440)**

Year 1 FY 2021-22	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 1,962,379,539	\$ 11,372,761	\$ 1,702,343	\$ 13,075,104	\$ 1,975,454,643	0.7%
Receipts	\$ 1,767,412,891	\$ 561,795	\$ (5,505,962)	\$ (4,944,167)	\$ 1,762,468,724	-0.3%
Net Appropriation	\$ 194,966,648	\$ 10,810,966	\$ 7,208,305	\$ 18,019,271	\$ 212,985,919	9.2%
Positions (FTE)	402.000	15.000	0.000	15.000	417.000	3.7%

Year 2 FY 2022-23	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 1,962,379,539	\$ 13,277,342	\$ 258,305	\$ 13,535,647	\$ 1,975,915,186	0.7%
Receipts	\$ 1,767,412,891	\$ 561,795	\$ (6,000,000)	\$ (5,438,205)	\$ 1,761,974,686	-0.3%
Net Appropriation	\$ 194,966,648	\$ 12,715,547	\$ 6,258,305	\$ 18,973,852	\$ 213,940,500	9.7%
Positions (FTE)	402.000	15.000	0.000	15.000	417.000	3.7%

	FY 2021-22		FY 2022-23		
	R Changes	NR Changes	R Changes	NR Changes	
<b>Compensation and Benefits Reserve</b>					
<b>1 Cost of Living Adjustment - State Employees</b>					
Provides funds for a \$1,000 bonus in FY 2021-22 and 2.5% cost of living adjustments in each year of the biennium, increasing existing state employee salaries by more than 5% over the biennium. Corresponding special provisions provide additional details on these compensation adjustments.	Req \$	320,959	\$ 194,588	\$ 649,942	\$ 194,588
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	320,959	\$ 194,588	\$ 649,942	\$ 194,588
	FTE	0.000	0.000	0.000	0.000
<b>2 TSERS Retirement Contribution</b>					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2021-23 fiscal biennium to fund the actuarially determined contribution, retiree medical premiums, and increases for retirees, including a 2% recurring cost-of-living adjustment and a one-time 2% bonus in both FY 2021-22 and FY 2022-23. Corresponding special provisions provide additional details on these adjustments.	Req \$	204,094	\$ 63,717	\$ 231,971	\$ 63,717
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	204,094	\$ 63,717	\$ 231,971	\$ 63,717
	FTE	0.000	0.000	0.000	0.000
<b>3 State Health Plan Contribution</b>					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2021-23 fiscal biennium.	Req \$	45,913	\$ -	\$ 93,634	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	45,913	\$ -	\$ 93,634	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>4 Regional Support Model and CPS Hotline</b>					
Provides funding for 15 new positions to provide support, training, and technical assistance to counties under the regional support model directed by Rylan's Law, and to staff a Child Protective Services (CPS) technical hotline. Also provides \$250,000 in salary reserve to preserve salary equity between new and existing staff who will provide regional support.	Req \$	2,012,987	\$ -	\$ 2,012,987	\$ -
	Rec \$	462,987	\$ -	\$ 462,987	\$ -
	App \$	1,550,000	\$ -	\$ 1,550,000	\$ -
	FTE	15.000	0.000	15.000	0.000
<b>5 Family First Prevention Services Act</b>					
Under the Family First Prevention Services Act, the federal IV-E reimbursement for children in congregate care settings is limited to 14 days, significantly reducing federal revenues the state and counties receive to pay for room and board for children in foster care. This provides nonrecurring funds to help the state and counties with the estimated federal revenue loss during the initial course of transition.	Req \$	-	\$ -	\$ -	\$ -
	Rec \$	-	\$ (6,000,000)	\$ -	\$ (6,000,000)
	App \$	-	\$ 6,000,000	\$ -	\$ 6,000,000
	FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>6 APS/CPS Workforce Shortage</b>					
Critical staffing shortages have been identified for local social services for Adult Protective Services (APS) and Child Protective Services (CPS). APS and CPS workers provide services to adults and children who are, or who are suspected of being, abused, neglected, or exploited. Funding will be provided to fill more than 100 full-time county positions and be allocated equitably statewide based on a formula considering existing staffing levels and need.	Req	\$ 8,500,000	\$ -	\$ 10,000,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 8,500,000	\$ -	\$ 10,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>7 Replacement of County Reimbursement System</b>					
Provides funds to replace the county reimbursement system to reduce county resource time and reporting effort, allowing workers to spend more time serving NC families.	Req	\$ 288,808	\$ 1,444,038	\$ 288,808	\$ -
	Rec	\$ 98,808	\$ 494,038	\$ 98,808	\$ -
	App	\$ 190,000	\$ 950,000	\$ 190,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Total Change to Requirements</b>		\$ 11,372,761	\$ 1,702,343	\$ 13,277,342	\$ 258,305
<b>Total Change to Receipts</b>		\$ 561,795	\$ (5,505,962)	\$ 561,795	\$ (6,000,000)
<b>Total Change to Net Appropriation</b>		\$ 10,810,966	\$ 7,208,305	\$ 12,715,547	\$ 6,258,305
<b>Total Change to Full-Time Equivalent (FTE)</b>		15.000	0.000	15.000	0.000
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>		\$	18,019,271	\$	18,973,852
<b>Recommended Total FTE Changes</b>			15.000		15.000

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

Year 1 FY 2021-22	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 42,596,973	\$ 247,766	\$ 73,854	\$ 321,620	\$ 42,918,593	0.8%
Receipts	\$ 33,827,639	\$ 73,981	\$ -	\$ 73,981	\$ 33,901,620	0.2%
Net Appropriation	\$ 8,769,334	\$ 173,785	\$ 73,854	\$ 247,639	\$ 9,016,973	2.8%
Positions (FTE)	335.510	1.000	0.000	1.000	336.510	0.3%

Year 2 FY 2022-23	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 42,596,973	\$ 357,093	\$ 73,854	\$ 430,947	\$ 43,027,920	1.0%
Receipts	\$ 33,827,639	\$ 73,981	\$ -	\$ 73,981	\$ 33,901,620	0.2%
Net Appropriation	\$ 8,769,334	\$ 283,112	\$ 73,854	\$ 356,966	\$ 9,126,300	4.1%
Positions (FTE)	335.510	1.000	0.000	1.000	336.510	0.3%

	FY 2021-22		FY 2022-23		
	R Changes	NR Changes	R Changes	NR Changes	
<b>Compensation and Benefits Reserve</b>					
<b>1 Cost of Living Adjustment - State Employees</b>					
Provides funds for a \$1,000 bonus in FY 2021-22 and 2.5% cost of living adjustments in each year of the biennium, increasing existing state employee salaries by more than 5% over the biennium as well as increases for state agency teachers paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation adjustments.	Req \$	85,797	\$ 56,821	\$ 173,739	\$ 56,821
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	85,797	\$ 56,821	\$ 173,739	\$ 56,821
	FTE	0.000	0.000	0.000	0.000
<b>2 TSERS Retirement Contribution</b>					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2021-23 fiscal biennium to fund the actuarially determined contribution, retiree medical premiums, and increases for retirees, including a 2% recurring cost-of-living adjustment and a one-time 2% bonus in both FY 2021-22 and FY 2022-23. Corresponding special provisions provide additional details on these adjustments.	Req \$	54,558	\$ 17,033	\$ 62,010	\$ 17,033
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	54,558	\$ 17,033	\$ 62,010	\$ 17,033
	FTE	0.000	0.000	0.000	0.000
<b>3 State Health Plan Contribution</b>					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2021-23 fiscal biennium.	Req \$	13,407	\$ -	\$ 27,340	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	13,407	\$ -	\$ 27,340	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>4 Benefit Counseling</b>					
Provides funding to support one Benefit Counselor in the Division for Services for the Blind, Deaf and Hard of Hearing for individuals who are blind and/or have other disabilities to support their employment efforts and explain available support services.	Req \$	94,004	\$ -	\$ 94,004	\$ -
	Rec \$	73,981	\$ -	\$ 73,981	\$ -
	App \$	20,023	\$ -	\$ 20,023	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>Total Change to Requirements</b>	\$	<b>247,766</b>	\$ <b>73,854</b>	\$ <b>357,093</b>	\$ <b>73,854</b>
<b>Total Change to Receipts</b>	\$	<b>73,981</b>	\$ <b>-</b>	\$ <b>73,981</b>	\$ <b>-</b>
<b>Total Change to Net Appropriation</b>	\$	<b>173,785</b>	\$ <b>73,854</b>	\$ <b>283,112</b>	\$ <b>73,854</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>		<b>1.000</b>	<b>0.000</b>	<b>1.000</b>	<b>0.000</b>
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$		<b>247,639</b>	\$	<b>356,966</b>
<b>Recommended Total FTE Changes</b>			<b>1.000</b>		<b>1.000</b>

**Division of Vocational Rehabilitation (14480)**

Year 1 FY 2021-22	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 156,002,121	\$ 1,050,548	\$ 1,334,953	\$ 2,385,501	\$ 158,387,622	1.5%
Receipts	\$ 115,681,595	\$ 295,924	\$ -	\$ 295,924	\$ 115,977,519	0.3%
Net Appropriation	\$ 40,320,526	\$ 754,624	\$ 1,334,953	\$ 2,089,577	\$ 42,410,103	5.2%
Positions (FTE)	989.250	4.000	0.000	4.000	993.250	0.4%

Year 2 FY 2022-23	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 156,004,374	\$ 1,531,120	\$ 334,953	\$ 1,866,073	\$ 157,870,447	1.2%
Receipts	\$ 115,681,595	\$ 295,924	\$ -	\$ 295,924	\$ 115,977,519	0.3%
Net Appropriation	\$ 40,322,779	\$ 1,235,196	\$ 334,953	\$ 1,570,149	\$ 41,892,928	3.9%
Positions (FTE)	989.250	4.000	0.000	4.000	993.250	0.4%

	FY 2021-22		FY 2022-23		
	R Changes	NR Changes	R Changes	NR Changes	
<b>Compensation and Benefits Reserve</b>					
<b>1 Cost of Living Adjustment - State Employees</b>					
Provides funds for a \$1,000 bonus in FY 2021-22 and 2.5% cost of living adjustments in each year of the biennium, increasing existing state employee salaries by more than 5% over the biennium. Corresponding special provisions provide additional details on these compensation adjustments.	Req \$	374,755	\$ 260,556	\$ 758,879	\$ 260,556
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	374,755	\$ 260,556	\$ 758,879	\$ 260,556
	FTE	0.000	0.000	0.000	0.000
<b>2 TSERS Retirement Contribution</b>					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2021-23 fiscal biennium to fund the actuarially determined contribution, retiree medical premiums, and increases for retirees, including a 2% recurring cost-of-living adjustment and a one-time 2% bonus in both FY 2021-22 and FY 2022-23. Corresponding special provisions provide additional details on these adjustments.	Req \$	238,300	\$ 74,397	\$ 270,849	\$ 74,397
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	238,300	\$ 74,397	\$ 270,849	\$ 74,397
	FTE	0.000	0.000	0.000	0.000
<b>3 State Health Plan Contribution</b>					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2021-23 fiscal biennium.	Req \$	61,478	\$ -	\$ 125,377	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	61,478	\$ -	\$ 125,377	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>4 Benefit Counseling</b>					
Provides funding to support four Benefit Counselors in the Division of Vocational Rehabilitation for individuals who are blind and/or have other disabilities to support their employment efforts and explain available support services.	Req \$	376,015	\$ -	\$ 376,015	\$ -
	Rec \$	295,924	\$ -	\$ 295,924	\$ -
	App \$	80,091	\$ -	\$ 80,091	\$ -
	FTE	4.000	0.000	4.000	0.000
<b>5 Assistive Technologies</b>					
Invests state funding to make a robust supply of state-of-the-art adaptive equipment and assistive technologies available to people with disabilities to enable them to live, work, and be educated in their communities.	Req \$	-	\$ 1,000,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 1,000,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Total Change to Requirements</b>		\$ 1,050,548	\$ 1,334,953	\$ 1,531,120	\$ 334,953
<b>Total Change to Receipts</b>		\$ 295,924	\$ -	\$ 295,924	\$ -
<b>Total Change to Net Appropriation</b>		\$ 754,624	\$ 1,334,953	\$ 1,235,196	\$ 334,953
<b>Total Change to Full-Time Equivalent (FTE)</b>		4.000	0.000	4.000	0.000
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>		\$	2,089,577	\$	1,570,149
<b>Recommended Total FTE Changes</b>			4.000		4.000

**Division of Central Management and Support (14410)**

Year 1 FY 2021-22	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 235,183,857	\$ 62,046,209	\$ 3,208,068	\$ 65,254,277	\$ 300,438,134	27.7%
Receipts	\$ 91,972,760	\$ 40,383	\$ -	\$ 40,383	\$ 92,013,143	0.0%
Net Appropriation	\$ 143,211,097	\$ 62,005,826	\$ 3,208,068	\$ 65,213,894	\$ 208,424,991	45.5%
Positions (FTE)	988.000	23.000	0.000	23.000	1011.000	2.3%

Year 2 FY 2022-23	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 235,255,297	\$ 64,853,508	\$ 958,068	\$ 65,811,576	\$ 301,066,873	28.0%
Receipts	\$ 92,015,961	\$ 92,378	\$ -	\$ 92,378	\$ 92,108,339	0.1%
Net Appropriation	\$ 143,239,336	\$ 64,761,130	\$ 958,068	\$ 65,719,198	\$ 208,958,534	45.9%
Positions (FTE)	988.000	28.000	0.000	28.000	1016.000	2.8%

	FY 2021-22		FY 2022-23		
	R Changes	NR Changes	R Changes	NR Changes	
<b>Compensation and Benefits Reserve</b>					
<b>1 Cost of Living Adjustment - State Employees</b>					
Provides funds for a \$1,000 bonus in FY 2021-22 and 2.5% cost of living adjustments in each year of the biennium, increasing existing state employee salaries by more than 5% over the biennium. Corresponding special provisions provide additional details on these compensation adjustments.	Req \$	1,411,415	\$ 677,872	\$ 2,858,115	\$ 677,872
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	1,411,415	\$ 677,872	\$ 2,858,115	\$ 677,872
	FTE	0.000	0.000	0.000	0.000
<b>2 Reserve to Address Compression, Equity, and High Turnover</b>					
Provides funds based on agency-identified salary adjustment needs, such as compression, equity, and recruitment, as well as high turnover jobs, defined as jobs with voluntary turnover of at least 15% between July 2019 and December 2020. The department may use these funds as needed to address recruitment and retention needs across the department regardless of job classification.	Req \$	17,178,000	\$ -	\$ 17,178,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	17,178,000	\$ -	\$ 17,178,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>3 TSERS Retirement Contribution</b>					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2021-23 fiscal biennium to fund the actuarially determined contribution, retiree medical premiums, and increases for retirees, including a 2% recurring cost-of-living adjustment and a one-time 2% bonus in both FY 2021-22 and FY 2022-23. Corresponding special provisions provide additional details on these adjustments.	Req \$	897,504	\$ 280,196	\$ 1,020,089	\$ 280,196
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	897,504	\$ 280,196	\$ 1,020,089	\$ 280,196
	FTE	0.000	0.000	0.000	0.000
<b>4 State Health Plan Contribution</b>					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2021-23 fiscal biennium.	Req \$	159,944	\$ -	\$ 326,185	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	159,944	\$ -	\$ 326,185	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Department-wide</b>					
<b>5 Subscription Rate Increase</b>					
Funds the increase in Department of Information Technology subscription rates based on the FY 2021-22 approved rate. The subscription rate covers the administrative support provided for DIT, such as internal audit, finance, human resources, and facility management.	Req \$	1,093,305	\$ -	\$ 1,093,305	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	1,093,305	\$ -	\$ 1,093,305	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>6 Agency Energy Manager</b>					
Provides funds for an Agency Energy Manager, who will assist the department in achieving utility cost savings and required energy consumption reductions, based on targets set in GS 143-64.12(a). Each Agency Energy Manager will analyze agency energy usage and submit an annual Agency Utility Report to DEQ.	Req \$	103,000	\$ -	\$ 103,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	103,000	\$ -	\$ 103,000	\$ -
	FTE	1.000	0.000	1.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>7 Housing Coordination Office</b>					
Establishes new office within the Department of Health and Human Services to coordinate housing programs and services across divisions and to coordinate with external partners on statewide housing issues. Funds provide a total of four staff and one-time funding for the Homeless Management Information System. Funds will support additional licensing costs and data integration from disparate systems.	Req	\$ 600,000	\$ 400,000	\$ 600,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 600,000	\$ 400,000	\$ 600,000	\$ -
	FTE	4.000	0.000	4.000	0.000
<b>8 Data Office Expansion</b>					
Expands funding to improve data integration and accuracy, enhance reporting, and increase staff with advanced quantitative research skills to provide department-wide analytical support. Nonrecurring funds support contract staff development of information technology infrastructure, dashboard design, and integration across multiple systems statewide.	Req	\$ 420,000	\$ 1,850,000	\$ 420,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 420,000	\$ 1,850,000	\$ 420,000	\$ -
	FTE	3.000	0.000	3.000	0.000
<b>9 Extended Property Insurance</b>					
Funds increased property insurance for DHHS facilities to comply with Department of Insurance recommendations and FEMA reimbursement requirements.	Req	\$ 754,565	\$ -	\$ 754,565	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 754,565	\$ -	\$ 754,565	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>10 Communications Office Expansion</b>					
Expands Communications Office funding to support centralized communications across all Health and Human Services areas and ensure timely, accessible, and accurate communications to improve health, safety, and well-being of residents.	Req	\$ 336,524	\$ -	\$ 769,818	\$ -
	Rec	\$ 40,383	\$ -	\$ 92,378	\$ -
	App	\$ 296,141	\$ -	\$ 677,440	\$ -
	FTE	4.000	0.000	9.000	0.000
<b>11 Diversity, Equity, and Inclusion Resources</b>					
Supports enhanced training materials to promote diversity and equity across all departments. Funds positions to deliver training, support strategic planning, and manage Diversity, Equity and Inclusion Councils.	Req	\$ 300,000	\$ -	\$ 300,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 300,000	\$ -	\$ 300,000	\$ -
	FTE	2.000	0.000	2.000	0.000
<b>12 Healthy Opportunities Office Expansion</b>					
Funds support additional positions in the Healthy Opportunities Office to develop public-private partnerships to address social determinants of health such as food insecurity, transportation access, and domestic violence, and to continue implementation of the NCCARE360 network. Additional staff will also focus on bolstering community capacity to address increased support needs in the face of COVID-19. The office provides strategic planning, operational support, and technical assistance to community providers and will facilitate the Healthy Opportunities Pilots.	Req	\$ 600,000	\$ -	\$ 600,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 600,000	\$ -	\$ 600,000	\$ -
	FTE	5.000	0.000	5.000	0.000
<b>13 Critical Information Technology Initiatives</b>					
Funds operations, maintenance, and development for critical information technology projects including security applications, independent assessments, and NC FAST Child Welfare System enhancements. Nonrecurring appropriations total \$33.4 million in 2021-22 and \$31.9 million in 2022-23. Nonrecurring funding for this item is shown in the Information Technology Reserve in the Reserves Section of this document.	Req	\$ 3,155,000	\$ -	\$ 3,155,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 3,155,000	\$ -	\$ 3,155,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>14 Information Technology Operations and Maintenance</b>					
Funds operations and maintenance, training, and additional technical assistance for NC FAST Child Welfare System enhancements and supports continued transition from legacy Medicaid Management Information Systems to modular Medicaid Enterprise Systems to meet evolving programmatic needs and federal requirements.	Req	\$ 35,036,952	\$ -	\$ 35,675,431	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 35,036,952	\$ -	\$ 35,675,431	\$ -
	FTE	4.000	0.000	4.000	0.000

		<b>R Changes</b>	<b>NR Changes</b>	<b>R Changes</b>	<b>NR Changes</b>
<b>15 Information Technology Infrastructure Modernization and Support</b>					
Modernizes NC FAST through cloud-based computing solutions and development of a document management system to enhance program integrity and security. Also supports nonrecurring costs related to Medicaid systems transition. Nonrecurring appropriations total \$16 million in 2021-22 and \$13.5 million in 2022-23. Funding for this item is shown in the Information Technology Reserve in the Reserves Section of this document.	Req	\$ -	\$ -	\$ -	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Total Change to Requirements</b>		\$ 62,046,209	\$ 3,208,068	\$ 64,853,508	\$ 958,068
<b>Total Change to Receipts</b>		\$ 40,383	\$ -	\$ 92,378	\$ -
<b>Total Change to Net Appropriation</b>		\$ 62,005,826	\$ 3,208,068	\$ 64,761,130	\$ 958,068
<b>Total Change to Full-Time Equivalent (FTE)</b>		23.000	0.000	28.000	0.000
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>		\$	65,213,894	\$	65,719,198
<b>Recommended Total FTE Changes</b>			23.000		28.000

**DHHS - Central Management - Special Fund (24410)**

Year 1 FY 2021-22	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 3,967,286	\$ -	\$ 45,899,901	\$ 45,899,901	\$ 49,867,187	1157.0%
Receipts	\$ 3,967,289	\$ -	\$ 45,899,901	\$ 45,899,901	\$ 49,867,190	1157.0%
Δ in Fund Balance	\$ 3	\$ -	\$ -	\$ -	\$ 3	0.0%
Positions (FTE)	69.000	0.000	0.000	0.000	69.000	0.0%

Year 2 FY 2022-23	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 3,967,286	\$ -	\$ 57,425,904	\$ 57,425,904	\$ 61,393,190	1447.5%
Receipts	\$ 3,967,289	\$ -	\$ 57,425,904	\$ 57,425,904	\$ 61,393,193	1447.5%
Δ in Fund Balance	\$ 3	\$ -	\$ -	\$ -	\$ 3	0.0%
Positions (FTE)	69.000	0.000	0.000	0.000	69.000	0.0%

	FY 2021-22		FY 2022-23	
	R Changes	NR Changes	R Changes	NR Changes
<b>1 NC FAST Child Welfare System</b>				
Authorizes the use of receipts for NC FAST Child Welfare System.	Req \$ -	\$ 34,776,428	\$ -	\$ 36,476,430
	Rec \$ -	\$ 34,776,428	\$ -	\$ 36,476,430
	CFB \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
<b>2 NC FAST Infrastructure Modernization</b>				
Authorizes the use of receipts for NC FAST Infrastructure Modernization.	Req \$ -	\$ 11,123,473	\$ -	\$ 20,949,474
	Rec \$ -	\$ 11,123,473	\$ -	\$ 20,949,474
	CFB \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
<b>Total Change to Requirements</b>	\$ -	\$ 45,899,901	\$ -	\$ 57,425,904
<b>Total Change to Receipts</b>	\$ -	\$ 45,899,901	\$ -	\$ 57,425,904
<b>Total Change to Fund Balance</b>	\$ -	\$ -	\$ -	\$ -
<b>Total Change to Full-Time Equivalent (FTE)</b>		0.000	0.000	0.000
<b>Recommended Fund Balance Changes (Recurring + Nonrecurring)</b>	\$ -	\$ -	\$ -	\$ -
<b>Recommended Total FTE Changes</b>		0.000	0.000	0.000



**Division of Child Development and Early Education (14420)**

Year 1 FY 2021-22	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 807,780,318	\$ 67,371,117	\$ 1,993,970	\$ 69,365,087	\$ 877,145,405	8.6%
Receipts	\$ 579,117,011	\$ 46,660,280	\$ -	\$ 46,660,280	\$ 625,777,291	8.1%
Net Appropriation	\$ 228,663,307	\$ 20,710,837	\$ 1,993,970	\$ 22,704,807	\$ 251,368,114	9.9%
Positions (FTE)	336.000	5.000	0.000	5.000	341.000	1.5%

Year 2 FY 2022-23	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 807,780,318	\$ 113,465,735	\$ 43,970	\$ 113,509,705	\$ 921,290,023	14.1%
Receipts	\$ 579,117,011	\$ 65,560,280	\$ -	\$ 65,560,280	\$ 644,677,291	11.3%
Net Appropriation	\$ 228,663,307	\$ 47,905,455	\$ 43,970	\$ 47,949,425	\$ 276,612,732	21.0%
Positions (FTE)	336.000	5.000	0.000	5.000	341.000	1.5%

	FY 2021-22		FY 2022-23		
	R Changes	NR Changes	R Changes	NR Changes	
<b>Compensation and Benefits Reserve</b>					
<b>1 Cost of Living Adjustment - State Employees</b>					
Provides funds for a \$1,000 bonus in FY 2021-22 and 2.5% cost of living adjustments in each year of the biennium, increasing existing state employee salaries by more than 5% over the biennium. Corresponding special provisions provide additional details on these compensation adjustments.	Req \$	50,636	\$ 33,917	\$ 102,537	\$ 33,917
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	50,636	\$ 33,917	\$ 102,537	\$ 33,917
	FTE	0.000	0.000	0.000	0.000
<b>2 TSERS Retirement Contribution</b>					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2021-23 fiscal biennium to fund the actuarially determined contribution, retiree medical premiums, and increases for retirees, including a 2% recurring cost-of-living adjustment and a one-time 2% bonus in both FY 2021-22 and FY 2022-23. Corresponding special provisions provide additional details on these adjustments.	Req \$	32,198	\$ 10,053	\$ 36,597	\$ 10,053
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	32,198	\$ 10,053	\$ 36,597	\$ 10,053
	FTE	0.000	0.000	0.000	0.000
<b>3 State Health Plan Contribution</b>					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2021-23 fiscal biennium.	Req \$	8,003	\$ -	\$ 16,321	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	8,003	\$ -	\$ 16,321	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>NC Pre-K</b>					
<b>4 Cost Per Slot Increase</b>					
Incrementally increases the NC Pre-K slot reimbursement rates by investing lottery receipts of \$22.75 million in FY 2021-22 and \$27.55 million in FY 2022-23. The fundamental barrier to NC Pre-K expansion is inadequate resources to cover costs including: rising operating costs, recruiting and retaining qualified teachers, expanding facilities, and providing transportation. NC Pre-K rates have been stagnant since 2012, but this will increase rates by 16% over the biennium.	Req \$	22,750,000	\$ -	\$ 27,550,000	\$ -
	Rec \$	22,750,000	\$ -	\$ 27,550,000	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>5 Administrative Rate Increase</b>					
Incrementally increases the NC Pre-K local administrative rate to 10% over the biennium by investing lottery receipts of almost \$3.8 million in FY 2021-22 and over \$8.1 million in FY 2022-23. Pre-K contractors are currently limited to using 6% of total funding for program administration. Extensive responsibilities in overseeing this program include providing oversight, monitoring, and support to the Pre-K program providers.	Req \$	3,750,000	\$ -	\$ 8,100,000	\$ -
	Rec \$	3,750,000	\$ -	\$ 8,100,000	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>6 Slot Expansion</b>					
Incrementally expands slot allocation beginning in the second year of the biennium by investing \$9.75 million in lottery receipts. Decreased enrollment due to the COVID-19 pandemic has temporarily reduced NC Pre-K waitlists, but adding 1500 slots in FY 2022-23 will address historical shortfalls when enrollment returns to pre-pandemic levels.	Req \$	- \$	- \$	9,750,000 \$	-
	Rec \$	- \$	- \$	9,750,000 \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>Living Wage</b>					
<b>7 Child Care WAGE\$</b>					
Provides funding for and expands participation statewide in the Child Care WAGE\$ program that provides educational attainment-based salary supplements for early childhood educators. The early childhood educator workforce is essential to supporting young children's healthy development and learning, family employment, and the state's economic prosperity; but remains persistently low paid. The program is a proven strategy to enhance compensation and retention.	Req \$	10,000,000 \$	- \$	26,000,000 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	10,000,000 \$	- \$	26,000,000 \$	-
	FTE	0.000	0.000	0.000	0.000
<b>8 Pre-K Teacher B-K License Pay Equity</b>					
Provides compensation based on the K-12 Teacher Salary Scale for all birth to kindergarten (B-K) licensed Pre-K educators working in private child care settings. Seven percent, or 2,500, of North Carolina's early educators maintain a B-K license but are compensated approximately \$27,000/year less than aligned K-12 licensed educators. Salary and benefits supplements narrow the compensation gap between B-K licensed educators in private child care and their K-12 counterparts.	Req \$	- \$	250,000 \$	9,000,000 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	250,000 \$	9,000,000 \$	-
	FTE	1.000	0.000	1.000	0.000
<b>Equitable Opportunities for All Students</b>					
<b>9 Smart Start</b>					
Invests \$20 million in lottery receipts to Smart Start to expand access statewide to high-quality early childhood education and a continuum of evidence-based services for young children and families, especially those in under resourced communities.	Req \$	20,000,000 \$	- \$	20,000,000 \$	-
	Rec \$	20,000,000 \$	- \$	20,000,000 \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>10 Child Care for Working Families</b>					
Provides approximately 1,700 additional slots for child care subsidy payments for children from low-income working families. Child care subsidy allows these children to receive high-quality child care that supports their healthy development while parents go to work, search for employment, or receive job training.	Req \$	10,000,000 \$	- \$	10,000,000 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	10,000,000 \$	- \$	10,000,000 \$	-
	FTE	0.000	0.000	0.000	0.000
<b>11 Addressing Equity for Young Children</b>					
Provides funding to decrease the impact of implicit bias on children of color and children with disabilities. Research indicates that Black boys account for 48% of preschool expulsions while comprising 18% of preschool students. This initiative will work directly with program administrators and educators to decrease the impact of implicit bias and to reduce or eliminate preschool expulsion.	Req \$	500,000 \$	- \$	1,000,000 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	500,000 \$	- \$	1,000,000 \$	-
	FTE	1.000	0.000	1.000	0.000
<b>12 Child Care Development Fund Quality Improvement</b>					
Establishes two FTE to improve contract monitoring and administration of child care quality and availability initiatives. These positions will be supported entirely by the Child Care Development Fund block grant.	Req \$	160,280 \$	- \$	160,280 \$	-
	Rec \$	160,280 \$	- \$	160,280 \$	-
	App \$	- \$	- \$	- \$	-
	FTE	2.000	0.000	2.000	0.000
<b>Strengthening the Educator Workforce</b>					
<b>13 Early Childhood Educator Pipeline Program</b>					
Increases the quality of the early childhood educator pipeline by providing funding to leverage professional development and scale innovative strategies in the Educator Workforce Program. The Program will advance pathways to higher education and employment in early education for 1000 new early educators in the first two years.	Req \$	- \$	500,000 \$	1,250,000 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	500,000 \$	1,250,000 \$	-
	FTE	0.000	0.000	0.000	0.000

		<b>R Changes</b>	<b>NR Changes</b>	<b>R Changes</b>	<b>NR Changes</b>
<b>14 Early Childhood Workforce Data System</b>					
Provides funding to develop and implement a real-time Early Childhood Workforce Data System to support building the pipeline of early childhood educators. This system will help DHHS understand the status and needs of the early childhood workforce by organizing data such as credentials and continuing education as well as facilitating communication between DHHS and early childhood educators.	Req	\$ 120,000	\$ 1,200,000	\$ 500,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 120,000	\$ 1,200,000	\$ 500,000	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>Total Change to Requirements</b>		\$ 67,371,117	\$ 1,993,970	\$ 113,465,735	\$ 43,970
<b>Total Change to Receipts</b>		\$ 46,660,280	\$ -	\$ 65,560,280	\$ -
<b>Total Change to Net Appropriation</b>		\$ 20,710,837	\$ 1,993,970	\$ 47,905,455	\$ 43,970
<b>Total Change to Full-Time Equivalent (FTE)</b>		5.000	0.000	5.000	0.000
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>		\$	22,704,807	\$	47,949,425
<b>Recommended Total FTE Changes</b>			5.000		5.000

**Division of Public Health (14430)**

Year 1 FY 2021-22	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 971,712,464	\$ 12,815,855	\$ 879,238	\$ 13,695,093	\$ 985,407,557	1.4%
Receipts	\$ 814,008,283	\$ -	\$ -	\$ -	\$ 814,008,283	0.0%
Net Appropriation	\$ 157,704,181	\$ 12,815,855	\$ 879,238	\$ 13,695,093	\$ 171,399,274	8.7%
Positions (FTE)	1960.960	18.000	0.000	18.000	1978.960	0.9%

Year 2 FY 2022-23	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 971,814,383	\$ 16,394,296	\$ 879,238	\$ 17,273,534	\$ 989,087,917	1.8%
Receipts	\$ 814,027,157	\$ -	\$ -	\$ -	\$ 814,027,157	0.0%
Net Appropriation	\$ 157,787,226	\$ 16,394,296	\$ 879,238	\$ 17,273,534	\$ 175,060,760	10.9%
Positions (FTE)	1960.960	18.000	0.000	18.000	1978.960	0.9%

	FY 2021-22		FY 2022-23	
	R Changes	NR Changes	R Changes	NR Changes
<b>Compensation and Benefits Reserve</b>				
<b>1 Cost of Living Adjustment - State Employees</b>				
Provides funds for a \$1,000 bonus in FY 2021-22 and 2.5% cost of living adjustments in each year of the biennium, increasing existing state employee salaries by more than 5% over the biennium. Corresponding special provisions provide additional details on these compensation adjustments.	Req \$ 1,187,789	\$ 643,436	\$ 2,405,272	\$ 643,436
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 1,187,789	\$ 643,436	\$ 2,405,272	\$ 643,436
	FTE 0.000	0.000	0.000	0.000
<b>2 TSERS Retirement Contribution</b>				
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2021-23 fiscal biennium to fund the actuarially determined contribution, retiree medical premiums, and increases for retirees, including a 2% recurring cost-of-living adjustment and a one-time 2% bonus in both FY 2021-22 and FY 2022-23. Corresponding special provisions provide additional details on these adjustments.	Req \$ 755,302	\$ 235,802	\$ 858,465	\$ 235,802
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 755,302	\$ 235,802	\$ 858,465	\$ 235,802
	FTE 0.000	0.000	0.000	0.000
<b>3 State Health Plan Contribution</b>				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2021-23 fiscal biennium.	Req \$ 151,819	\$ -	\$ 309,614	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 151,819	\$ -	\$ 309,614	\$ -
	FTE 0.000	0.000	0.000	0.000
<b>4 Office of the Chief Medical Examiner</b>				
Improves death investigations by funding six Medicolegal Death Investigators and one Medical Examiner Specialist. Replaces expiring grant funds and adds new positions. The positions will support increased investigatory caseloads, address backlogs, and expand death investigator coverage within the area served by the Office of the Chief Medical Examiner.	Req \$ 503,404	\$ -	\$ 503,404	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 503,404	\$ -	\$ 503,404	\$ -
	FTE 7.000	0.000	7.000	0.000
<b>5 Office of Minority Health and Health Disparities</b>				
Expands the Office of Minority Health and Health Disparities to increase efforts to eliminate health disparities among racial and ethnic minorities and other underserved populations in NC. Funding will support six positions that will fill critical functions like developing and measuring health equity objectives across DHHS and providing technical assistance to small and emerging community-based health and human service non-profits led by and serving historically marginalized populations. One of the positions will serve as a HUB liaison to expand DHHS's use of historically underutilized businesses.	Req \$ 845,000	\$ -	\$ 845,000	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 845,000	\$ -	\$ 845,000	\$ -
	FTE 6.000	0.000	6.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>6 State Metabolic Formula Program</b>					
Increases funding for the State Metabolic Formula Program, which serves NC residents without insurance coverage by providing life-saving special formula for persons with inborn errors of metabolism. The funding will support the increase in demand and provide one position to coordinate the program.	Req	\$ 600,000	\$ -	\$ 600,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 600,000	\$ -	\$ 600,000	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>7 PFAS Biomonitoring Program</b>					
Establishes four positions focused on measuring exposure to PFAS in NC residents. These positions will support the collection and analysis of biospecimens in 1,000 adults and 300 children from the Cape Fear Region, and provide test results and health education.	Req	\$ 622,541	\$ -	\$ 622,541	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 622,541	\$ -	\$ 622,541	\$ -
	FTE	4.000	0.000	4.000	0.000
<b>8 Early Intervention</b>					
Increases funding for individualized early intervention services and supports to families with children birth to age three with developmental delays and established medical conditions currently eligible for the NC Infant Toddler Program (Early Intervention). Funding will support increases in state and local staffing, establish a centralized provider network system, provide professional development focused on infant mental health, and address salary inequities that affect retention and recruitment of necessary providers. Funds may be used to establish positions as needed.	Req	\$ 8,150,000	\$ -	\$ 10,250,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 8,150,000	\$ -	\$ 10,250,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Total Change to Requirements</b>		\$ 12,815,855	\$ 879,238	\$ 16,394,296	\$ 879,238
<b>Total Change to Receipts</b>		\$ -	\$ -	\$ -	\$ -
<b>Total Change to Net Appropriation</b>		\$ 12,815,855	\$ 879,238	\$ 16,394,296	\$ 879,238
<b>Total Change to Full-Time Equivalent (FTE)</b>		18.000	0.000	18.000	0.000
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>		\$	13,695,093	\$	17,273,534
<b>Recommended Total FTE Changes</b>			18.000		18.000

**Division of Health Benefits (14445)**

Year 1 FY 2021-22	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 14,864,863,270	\$ 2,008,242,100	\$ 2,810,161,456	\$ 4,818,403,556	\$ 19,683,266,826	32.4%
Receipts	\$ 10,941,685,770	\$ 1,674,641,341	\$ 2,997,408,811	\$ 4,672,050,152	\$ 15,613,735,922	42.7%
Net Appropriation	\$ 3,923,177,500	\$ 333,600,759	\$ (187,247,355)	\$ 146,353,404	\$ 4,069,530,904	3.7%
Positions (FTE)	469.000	0.000	0.000	0.000	469.000	0.0%

Year 2 FY 2022-23	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 14,864,874,323	\$ 3,145,949,779	\$ 510,046,231	\$ 3,655,996,010	\$ 18,520,870,333	24.6%
Receipts	\$ 10,941,688,914	\$ 2,441,020,186	\$ 509,727,080	\$ 2,950,747,266	\$ 13,892,436,180	27.0%
Net Appropriation	\$ 3,923,185,409	\$ 704,929,593	\$ 319,151	\$ 705,248,744	\$ 4,628,434,153	18.0%
Positions (FTE)	469.000	0.000	0.000	0.000	469.000	0.0%

	FY 2021-22		FY 2022-23		
	R Changes	NR Changes	R Changes	NR Changes	
<b>Compensation and Benefits Reserve</b>					
<b>1 Cost of Living Adjustment - State Employees</b>					
Provides funds for a \$1,000 bonus in FY 2021-22 and 2.5% cost of living adjustments in each year of the biennium, increasing existing state employee salaries by more than 5% over the biennium. Corresponding special provisions provide additional details on these compensation adjustments.	Req \$	451,490	\$ 229,520	\$ 914,268	\$ 229,520
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	451,490	\$ 229,520	\$ 914,268	\$ 229,520
	FTE	0.000	0.000	0.000	0.000
<b>2 TSERS Retirement Contribution</b>					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2021-23 fiscal biennium to fund the actuarially determined contribution, retiree medical premiums, and increases for retirees, including a 2% recurring cost-of-living adjustment and a one-time 2% bonus in both FY 2021-22 and FY 2022-23. Corresponding special provisions provide additional details on these adjustments.	Req \$	287,098	\$ 89,631	\$ 326,312	\$ 89,631
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	287,098	\$ 89,631	\$ 326,312	\$ 89,631
	FTE	0.000	0.000	0.000	0.000
<b>3 State Health Plan Contribution</b>					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2021-23 fiscal biennium.	Req \$	54,155	\$ -	\$ 110,443	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	54,155	\$ -	\$ 110,443	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>4 Medicaid Coverage Gap</b>					
Supports expanding Medicaid eligibility beginning October 1, 2021 to provide healthcare access for more than 600,000 North Carolinians, help prevent rural hospitals from closing, reduce the number of uninsured veterans, help fight the opioid epidemic, and secure North Carolina's share of federal resources that will inject over \$5 billion in direct investment into the state. The American Rescue Plan Act of 2021 provides an additional \$1.7 billion in federal funds through Medicaid expansion over two years, of which \$1.3 billion would support expansion, offsetting the need for additional hospital assessments for up to six years. \$400 million would support other health initiatives including increased mental health and telehealth access and programs to support workforce development and Medicaid beneficiary transitions to employer or other private coverage options.	Req \$	-	\$ -	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>5 Medicaid Rebase</b>					
Provides funds to reflect changes in the federal medical assistance percentage (FMAP), as well as changes in enrollment, utilization, costs, rates, and services associated with the Medicaid program for the upcoming biennium. Managed care launch is incorporated into the rebase as Standard Plans begin July 1, 2021 and Tailored Plans begin July 1, 2022.	Req \$	1,792,983,893	\$ 1,819,844,021	\$ 2,887,752,616	\$ -
	Rec \$	1,537,039,145	\$ 2,007,410,527	\$ 2,273,531,857	\$ -
	App \$	255,944,748	\$ (187,566,506)	\$ 614,220,759	\$ -
	FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>6 Medicaid and Health Choice Transformation</b>					
Provides funds to support the transition to and implementation of Medicaid Transformation, including enrollment broker and ombudsman programs, centralized provider credential verification, readiness review plans, transition to the Medicaid Enterprise System, and Centers for Medicare and Medicaid (CMS)-required compliance review and evaluation. Recurring funding allows for the transition of up to 30 positions from time-limited to permanent. The State's share of nonrecurring project expenses is supported with transfers from the Medicaid Transformation Fund.	Req \$	60,333,290	\$ 208,183,000	\$ 76,733,944	\$ 149,583,000
	Rec \$	33,721,461	\$ 208,183,000	\$ 45,991,972	\$ 149,583,000
	App \$	26,611,829	\$ -	\$ 30,741,972	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>7 Fee-for-Service Claims Runout</b>					
Provides funds for the runout of Medicaid and NC Health Choice fee-for-service claims associated with beneficiaries who have moved to managed care. The State share of costs will be funded with transfers from the Medicaid Transformation Fund.	Req \$	-	\$ 606,803,920	\$ -	\$ 192,969,080
	Rec \$	-	\$ 606,803,920	\$ -	\$ 192,969,080
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>8 Tailored Plan Care Management</b>					
Provides funds for implementation of Tailored Plan Care Management provided by a Tailored Plan, Advanced Medical Home, or Care Management Agency. Funds will be used to build provider capacity to meet qualification requirements and coordinate services. The State share of costs will be funded with transfers from the Medicaid Transformation Fund.	Req \$	-	\$ 91,000,000	\$ -	\$ -
	Rec \$	-	\$ 91,000,000	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>9 Healthy Opportunities Pilots</b>					
Supports pilot initiatives to test the impact on health outcomes and health care costs of integrating and financing evidence-based, non-medical services into the delivery of Medicaid in up to three pilot regions. These initiatives were authorized for up to five years in the state's Section 1115 waiver and are the first-of-their-kind to receive CMS approval. Funds will be used for capacity building and the provision of services addressing social determinants of health such as food assistance, housing, and transportation. The State share of costs will be funded with transfers from the Medicaid Transformation Fund.	Req \$	-	\$ 84,011,364	\$ -	\$ 167,175,000
	Rec \$	-	\$ 84,011,364	\$ -	\$ 167,175,000
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>10 Medicaid Eligibility Determinations</b>					
Funds increased contractual costs for income and employment verification related to Medicaid eligibility determinations.	Req \$	2,915,000	\$ -	\$ 2,915,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	2,915,000	\$ -	\$ 2,915,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>11 Medicaid Information Technology Infrastructure</b>					
Funds increased contractual costs for NC Tracks operations and maintenance functions.	Req \$	43,994,198	\$ -	\$ 43,994,198	\$ -
	Rec \$	32,995,649	\$ -	\$ 32,995,649	\$ -
	App \$	10,998,549	\$ -	\$ 10,998,549	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>12 Electronic Vendor Verification System</b>					
Provides recurring operations and maintenance costs for the electronic vendor verification system to support services requiring an in-home visit by providers.	Req \$	628,160	\$ -	\$ 628,160	\$ -
	Rec \$	314,080	\$ -	\$ 314,080	\$ -
	App \$	314,080	\$ -	\$ 314,080	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>13 Developmental Disability Innovations Waiver Program</b>					
Provides funding for an additional 520 slots for the NC Innovations waiver effective October 1, 2021. This waiver provides individualized services in the home and community to individuals who qualify for institutional level care due to intellectual or developmental disabilities.	Req \$	31,200,000	\$ -	\$ 41,600,000	\$ -
	Rec \$	21,106,800	\$ -	\$ 28,142,400	\$ -
	App \$	10,093,200	\$ -	\$ 13,457,600	\$ -
	FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>14 Community Alternatives Program for Disabled Adults (CAP/DA)</b>					
Provides funding for an additional 114 slots for the Community Alternatives Program for Disabled Adults waiver effective July 1, 2021. This waiver provides individualized services in the home and community for Medicaid beneficiaries who are medically fragile and at risk for institutionalization.	Req \$	3,085,467	\$ -	\$ 3,091,190	\$ -
	Rec \$	2,085,467	\$ -	\$ 2,091,190	\$ -
	App \$	1,000,000	\$ -	\$ 1,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>15 Transition to Community Living</b>					
Increases funding for the Transition to Community Living Initiative, which supports eligible adults with mental illness in transitioning from institutions to community care settings. This funding will provide additional tenancy and peer support services related to the US DOJ Olmstead Settlement.	Req \$	2,100,000	\$ -	\$ 2,103,895	\$ -
	Rec \$	1,419,390	\$ -	\$ 1,423,285	\$ -
	App \$	680,610	\$ -	\$ 680,610	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>16 Consolidated Independent Assessment Entity</b>					
Provides funding for additional independent assessment services for individuals served through the Community Alternatives Program for Children. This funding is necessary to put the State in compliance with federal regulations requiring independent assessments of eligibility for the program.	Req \$	8,500,000	\$ -	\$ 8,500,000	\$ -
	Rec \$	4,250,000	\$ -	\$ 4,250,000	\$ -
	App \$	4,250,000	\$ -	\$ 4,250,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>17 Long-Term Care Workforce Support</b>					
Funds the first step in a multi-year initiative to stabilize the long-term care workforce by increasing wages to support recruitment and retention of highly qualified direct care workers. This funding is for the following Medicaid programs: Community Alternatives Program for Children (CAP/C), Community Alternatives Program for Disabled Adults (CAP/DA), Innovations Waiver, Traumatic Brain Injury (TBI) Waiver, Personal Care Services (PCS) programs, Intermediate Care Facilities for Individuals with Developmental Disabilities (ICF/IDD), Home Health and Nursing Homes. This investment will support a pay increase of at least \$0.50 per hour for over 60,000 direct care providers.	Req \$	61,709,349	\$ -	\$ 77,279,753	\$ -
	Rec \$	41,709,349	\$ -	\$ 52,279,753	\$ -
	App \$	20,000,000	\$ -	\$ 25,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Total Change to Requirements</b>		\$ 2,008,242,100	\$ 2,810,161,456	\$ 3,145,949,779	\$ 510,046,231
<b>Total Change to Receipts</b>		\$ 1,674,641,341	\$ 2,997,408,811	\$ 2,441,020,186	\$ 509,727,080
<b>Total Change to Net Appropriation</b>		\$ 333,600,759	\$ (187,247,355)	\$ 704,929,593	\$ 319,151
<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>	\$		146,353,404	\$	705,248,744
<b>Recommended Total FTE Changes</b>			0.000		0.000



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

Year 1 FY 2021-22	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 1,601,236,593	\$ 42,380,227	\$ 7,139,652	\$ 49,519,879	\$ 1,650,756,472	3.1%
Receipts	\$ 813,466,768	\$ 1,434,376	\$ -	\$ 1,434,376	\$ 814,901,144	0.2%
Net Appropriation	\$ 787,769,825	\$ 40,945,851	\$ 7,139,652	\$ 48,085,503	\$ 835,855,328	6.1%
Positions (FTE)	11271.100	12.000	0.000	12.000	11283.100	0.1%

Year 2 FY 2022-23	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 1,601,236,595	\$ 51,133,597	\$ 7,139,652	\$ 58,273,249	\$ 1,659,509,844	3.6%
Receipts	\$ 813,466,768	\$ 1,434,376	\$ -	\$ 1,434,376	\$ 814,901,144	0.2%
Net Appropriation	\$ 787,769,827	\$ 49,699,221	\$ 7,139,652	\$ 56,838,873	\$ 844,608,700	7.2%
Positions (FTE)	11271.100	12.000	0.000	12.000	11283.100	0.1%

	FY 2021-22		FY 2022-23	
	R Changes	NR Changes	R Changes	NR Changes
<b>Compensation and Benefits Reserve</b>				
<b>1 Cost of Living Adjustment - State Employees</b>				
Provides funds for a \$1,000 bonus in FY 2021-22 and 2.5% cost of living adjustments in each year of the biennium, increasing existing state employee salaries by more than 5% over the biennium as well as increases for state agency teachers paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation adjustments.	Req \$ 6,880,064	\$ 4,526,474	\$ 13,926,975	\$ 4,526,474
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 6,880,064	\$ 4,526,474	\$ 13,926,975	\$ 4,526,474
	FTE 0.000	0.000	0.000	0.000
<b>2 TSERS Retirement Contribution</b>				
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2021-23 fiscal biennium to fund the actuarially determined contribution, retiree medical premiums, and increases for retirees, including a 2% recurring cost-of-living adjustment and a one-time 2% bonus in both FY 2021-22 and FY 2022-23. Corresponding special provisions provide additional details on these adjustments.	Req \$ 4,366,429	\$ 1,363,178	\$ 4,962,819	\$ 1,363,178
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 4,366,429	\$ 1,363,178	\$ 4,962,819	\$ 1,363,178
	FTE 0.000	0.000	0.000	0.000
<b>3 State Health Plan Contribution</b>				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2021-23 fiscal biennium.	Req \$ 1,068,021	\$ -	\$ 2,178,090	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 1,068,021	\$ -	\$ 2,178,090	\$ -
	FTE 0.000	0.000	0.000	0.000
<b>4 Transition to Community Living Initiative</b>				
Completes the phased-in implementation of the Transitions to Community Living Initiative to ensure compliance with the US DOJ Olmstead settlement. This funding expands the number of individuals transitioning into housing slots, increases the number of referrals to supported employment, and serves more individuals in Assertive Community Treatment (ACT). Nonrecurring funding will support development and implementation of controls to ensure high quality service.	Req \$ 15,077,155	\$ -	\$ 15,077,155	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 15,077,155	\$ -	\$ 15,077,155	\$ -
	FTE 0.000	0.000	0.000	0.000
<b>5 Mental Health First Aid</b>				
Expands funding for Mental Health First Aid training to identify mental health and substance use disorders and connect individuals with resources and supports. This expansion includes training for teens in school and community settings.	Req \$ 4,604,182	\$ -	\$ 4,604,182	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 4,604,182	\$ -	\$ 4,604,182	\$ -
	FTE 0.000	0.000	0.000	0.000
<b>6 Mobile Crisis Management</b>				
Provides funds for Mobile Crisis Management services to decrease wait times, enhance family engagement, and provide stabilization services up to four weeks post-acute crisis event to better connect children to behavioral health services. Mobile Crisis Management teams can travel to individuals experiencing mental health crises to provide services in safe locations.	Req \$ 1,950,000	\$ -	\$ 1,950,000	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 1,950,000	\$ -	\$ 1,950,000	\$ -
	FTE 0.000	0.000	0.000	0.000

		<b>R Changes</b>	<b>NR Changes</b>	<b>R Changes</b>	<b>NR Changes</b>
<b>7 Incident Response Improvement System</b>					
Funds replacement, operations, and maintenance of the Incident Response Improvement System (IRIS), a web-based application through which service providers are required to report on adverse incidents that may negatively affect the health and safety of individuals receiving publicly-funded mental health, developmental disabilities, or substance abuse services. The current application utilizes dated technology and could inhibit incident reporting required to protect consumers and maintain regulatory compliance if not replaced. Over 2,700 providers reported 19,345 incidents through IRIS in FY 2019-20.	Req	\$ 821,875	\$ 1,250,000	\$ 821,875	\$ 1,250,000
	Rec	\$ 121,875	\$ -	\$ 121,875	\$ -
	App	\$ 700,000	\$ 1,250,000	\$ 700,000	\$ 1,250,000
	FTE	0.000	0.000	0.000	0.000
<b>8 Broughton Hospital Building Reserves</b>					
Increases funding required to operate the new Broughton Hospital. The new facility has higher operating costs at current bed levels than the previous facility, including utilities and maintenance agreements.	Req	\$ 6,300,000	\$ -	\$ 6,300,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 6,300,000	\$ -	\$ 6,300,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>9 Electronic Health Records for State Facilities</b>					
Provides \$10.9 million in 2021-22 and \$20 million in 2022-23 for technology upgrades and electronic health record system development at State Psychiatric Hospitals, Drug and Alcohol Treatment Centers, and other state-operated health care facilities to enhance services and patient safety. Funding for this item is shown in the Information Technology Reserve in the Reserves Section of this document.	Req	\$ -	\$ -	\$ -	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>10 Substance Abuse Treatment and Prevention Services Improvement</b>					
Establishes nine FTE to improve substance abuse treatment and prevention services. These positions will be supported entirely by the Substance Abuse Prevention and Treatment Block Grant and include three positions responsible for behavioral health substance abuse prevention services and six positions focused on addiction and recovery services.	Req	\$ 983,351	\$ -	\$ 983,351	\$ -
	Rec	\$ 983,351	\$ -	\$ 983,351	\$ -
	App	\$ -	\$ -	\$ -	\$ -
	FTE	9.000	0.000	9.000	0.000
<b>11 Mental Health Services Improvement</b>					
Establishes three FTE to improve the quality of mental health services. These positions will be supported entirely by the Community Mental Health Services Block Grant and include two mental health recovery specialists and one crisis coordinator.	Req	\$ 329,150	\$ -	\$ 329,150	\$ -
	Rec	\$ 329,150	\$ -	\$ 329,150	\$ -
	App	\$ -	\$ -	\$ -	\$ -
	FTE	3.000	0.000	3.000	0.000
<b>Total Change to Requirements</b>		\$ 42,380,227	\$ 7,139,652	\$ 51,133,597	\$ 7,139,652
<b>Total Change to Receipts</b>		\$ 1,434,376	\$ -	\$ 1,434,376	\$ -
<b>Total Change to Net Appropriation</b>		\$ 40,945,851	\$ 7,139,652	\$ 49,699,221	\$ 7,139,652
<b>Total Change to Full-Time Equivalent (FTE)</b>		12.000	0.000	12.000	0.000
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$		48,085,503	\$	56,838,873
<b>Recommended Total FTE Changes</b>			12.000		12.000

**Division of Health Services Regulation (14470)**

Year 1 FY 2021-22	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 76,225,433	\$ 2,507,453	\$ 369,376	\$ 2,876,829	\$ 79,102,262	3.8%
Receipts	\$ 55,313,486	\$ 469,104	\$ -	\$ 469,104	\$ 55,782,590	0.8%
Net Appropriation	\$ 20,911,947	\$ 2,038,349	\$ 369,376	\$ 2,407,725	\$ 23,319,672	11.5%
Positions (FTE)	578.500	14.000	0.000	14.000	592.500	2.4%

Year 2 FY 2022-23	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 76,231,658	\$ 3,205,275	\$ 369,376	\$ 3,574,651	\$ 79,806,309	4.7%
Receipts	\$ 55,319,711	\$ 452,379	\$ -	\$ 452,379	\$ 55,772,090	0.8%
Net Appropriation	\$ 20,911,947	\$ 2,752,896	\$ 369,376	\$ 3,122,272	\$ 24,034,219	14.9%
Positions (FTE)	578.500	14.000	0.000	14.000	592.500	2.4%

	FY 2021-22		FY 2022-23		
	R Changes	NR Changes	R Changes	NR Changes	
<b>Compensation and Benefits Reserve</b>					
<b>1 Cost of Living Adjustment - State Employees</b>					
Provides funds for a \$1,000 bonus in FY 2021-22 and 2.5% cost of living adjustments in each year of the biennium, increasing existing state employee salaries by more than 5% over the biennium. Corresponding special provisions provide additional details on these compensation adjustments.	Req \$	649,880	\$ 267,826	\$ 1,254,320	\$ 267,826
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	649,880	\$ 267,826	\$ 1,254,320	\$ 267,826
	FTE	0.000	0.000	0.000	0.000
<b>2 TSERS Retirement Contribution</b>					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2021-23 fiscal biennium to fund the actuarially determined contribution, retiree medical premiums, and increases for retirees, including a 2% recurring cost-of-living adjustment and a one-time 2% bonus in both FY 2021-22 and FY 2022-23. Corresponding special provisions provide additional details on these adjustments.	Req \$	325,275	\$ 101,550	\$ 369,701	\$ 101,550
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	325,275	\$ 101,550	\$ 369,701	\$ 101,550
	FTE	0.000	0.000	0.000	0.000
<b>3 State Health Plan Contribution</b>					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2021-23 fiscal biennium.	Req \$	63,194	\$ -	\$ 128,875	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	63,194	\$ -	\$ 128,875	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>4 Health Services Regulation Staff</b>					
Funds new complaint intake, nursing home licensure, and adult care licensure positions in the Division of Health Services Regulation to meet demand for increased health and safety inspections of long-term care facilities and oversight of the Substance Use Dependence Demonstration Project.	Req \$	1,469,104	\$ -	\$ 1,452,379	\$ -
	Rec \$	469,104	\$ -	\$ 452,379	\$ -
	App \$	1,000,000	\$ -	\$ 1,000,000	\$ -
	FTE	14.000	0.000	14.000	0.000
<b>Total Change to Requirements</b>		\$ 2,507,453	\$ 369,376	\$ 3,205,275	\$ 369,376
<b>Total Change to Receipts</b>		\$ 469,104	\$ -	\$ 452,379	\$ -
<b>Total Change to Net Appropriation</b>		\$ 2,038,349	\$ 369,376	\$ 2,752,896	\$ 369,376
<b>Total Change to Full-Time Equivalent (FTE)</b>		14.000	0.000	14.000	0.000
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$	2,407,725		\$ 3,122,272	
<b>Recommended Total FTE Changes</b>		14.000		14.000	

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### **Creating a Pay Plan for Adult Corrections and Juvenile Justice Employees**

Invests \$47.9 million over the biennium to establish a pay plan for certified employees within Adult Correction and Juvenile Justice in an effort to increase recruitment and retention, reduce the high turnover rate, and maintain a more efficient and safer corrections system.

### **Enhancing the Public Safety System**

Provides \$27.2 million in the first year of the biennium for safety and security equipment, including VIPER communication equipment updates, automated external defibrillators in Highway Patrol cars and prisons, and National Guard high frequency radios. Includes \$5.9 million for critical safety improvements in prisons to ensure that prison staff can safely respond to incidents.

### **Fostering Successful Re-Entry**

Builds on existing justice reinvestment strategies with a total of \$11.6 million over the biennium to address the needs of justice-involved individuals under probation, parole, or post-release supervision or who are leaving confinement and re-entering communities. Includes \$6.1 million for new positions to supervise justice-involved individuals on probation, parole, and post-release supervision and \$5.5 million to expand capacity for re-entry personnel and programming, reducing the likelihood of recidivism.

### **Securing Law Enforcement Sustainability**

Invests over \$3.6 million to ensure a sustainable law enforcement workforce pipeline, including funds to implement the Criminal Justice Fellows Program, which supports community colleges scholarships for individuals interested in law enforcement careers. Additionally, provides \$2 million to support the increased enrollment in the State Highway Patrol's cadet training program and \$1 million annually for new State Bureau of Investigation positions.

### **Supporting Evidence Testing to Solve Cases**

Invests \$10 million over the biennium for sexual assault evidence testing to solve cases and provide information to victims and the criminal justice system. Adds capacity to the State Crime Lab by creating six scientist positions to manage the growth in evidence submissions.

### **Building Capacity in the Judicial System**

Provides \$15.8 million over the biennium to automate all court processes. Invests \$2.2 million each year to fund Guardian ad Litem supervisors and \$278,000 for Custody Mediation attorneys, protecting children in family court. Also establishes superior court, district attorney, and magistrate positions to ensure cases are processed effectively and efficiently across the state.

### **Providing Equitable Legal Representation**

Provides \$25.5 million over the biennium to increase private assigned counsel (PAC) rates, to improve retention of qualified attorneys. Invests \$3.4 million over the biennium to create specialized defender positions to address PAC shortages and provide public defender offices with staff and operational resources to address staff shortages, ensuring they provide high-quality representation.

**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.

The NC Administrative Office of the Courts (NCAOC) provides services to help North Carolina’s unified court system operate more efficiently and effectively, considering each courthouse’s diverse needs, caseloads, and available resources.

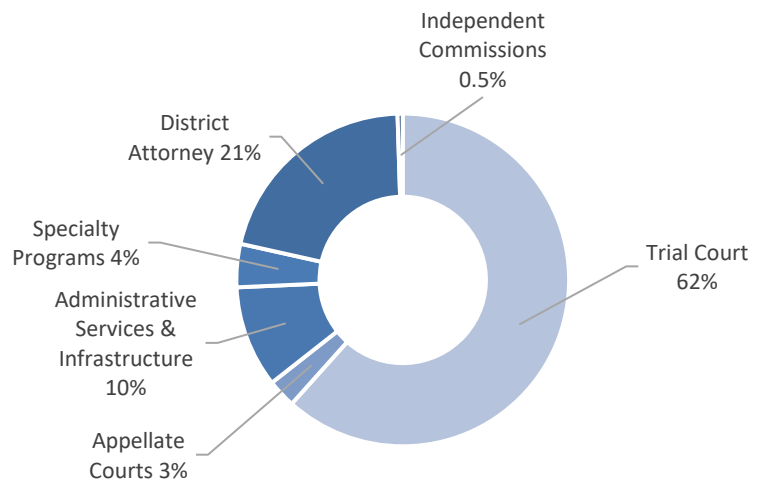
**Goals**

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

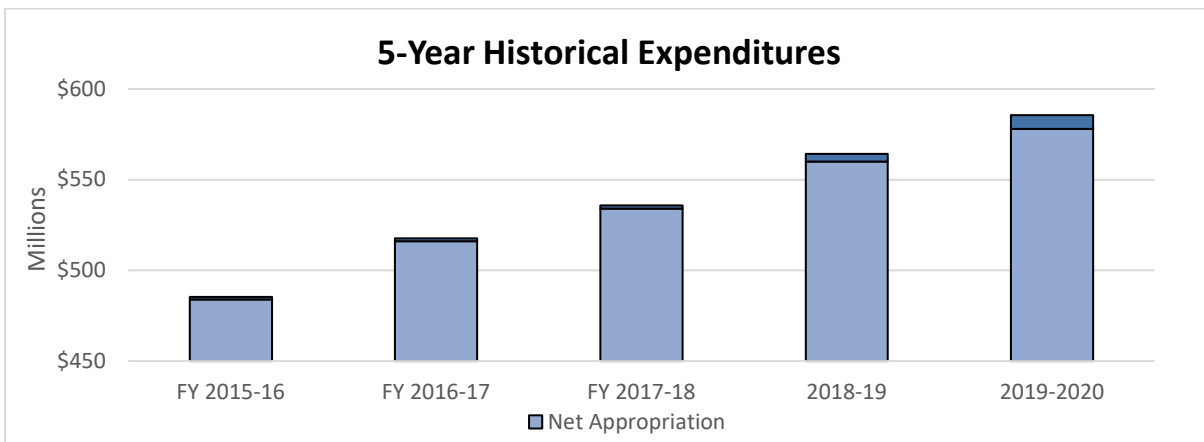
**Agency Profile**

- Employs nearly 300 NCAOC staff positions to support the needs of 545 independently elected court officials and almost 6,400 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 2020-2021 Authorized Expenditures**



**5-Year Historical Expenditures**



*Charts include General Fund budget code only.*

**Judicial Branch (12000)**

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2021-22</b>						
Requirements	\$ 606,039,793	\$ 37,465,989	\$ 11,574,419	\$ 49,040,408	\$ 655,080,201	8.1%
Receipts	\$ 1,221,050	\$ -	\$ -	\$ -	\$ 1,221,050	0.0%
Net Appropriation	\$ 604,818,743	\$ 37,465,989	\$ 11,574,419	\$ 49,040,408	\$ 653,859,151	8.1%
Positions (FTE)	5970.250	112.000	0.000	112.000	6082.250	1.9%
<b>Year 2</b>						
Year 2	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2022-23</b>						
Requirements	\$ 606,039,793	\$ 54,732,425	\$ 9,325,308	\$ 64,057,733	\$ 670,097,526	10.6%
Receipts	\$ 1,221,050	\$ -	\$ -	\$ -	\$ 1,221,050	0.0%
Net Appropriation	\$ 604,818,743	\$ 54,732,425	\$ 9,325,308	\$ 64,057,733	\$ 668,876,476	10.6%
Positions (FTE)	5970.250	132.000	0.000	132.000	6102.250	2.2%

	FY 2021-22		FY 2022-23		
	R Changes	NR Changes	R Changes	NR Changes	
<b>Compensation and Benefits Reserve</b>					
<b>1 Cost of Living Adjustment - State Employees</b>					
Provides funds for a \$1,000 bonus in FY 2021-22 and 2.5% cost of living adjustments in each year of the biennium, increasing existing state employee salaries by more than 5% over the biennium. Corresponding special provisions provide additional details on these compensation adjustments.	Req \$	12,238,938	\$ 6,400,245	\$ 24,783,850	\$ 6,400,245
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	12,238,938	\$ 6,400,245	\$ 24,783,850	\$ 6,400,245
	FTE	0.000	0.000	0.000	0.000
<b>2 TSERS Retirement Contribution</b>					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2021-23 fiscal biennium to fund the actuarially determined contribution, retiree medical premiums, and increases for retirees, including a 2% recurring cost-of-living adjustment and a one-time 2% bonus in both FY 2021-22 and FY 2022-23. Corresponding special provisions provide additional details on these adjustments.	Req \$	6,006,358	\$ 1,875,155	\$ 6,826,737	\$ 1,875,155
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	6,006,358	\$ 1,875,155	\$ 6,826,737	\$ 1,875,155
	FTE	0.000	0.000	0.000	0.000
<b>3 Consolidated Judicial Retirement System Contribution</b>					
Increases the state's contribution for members of CJRS supported by the General Fund for 2021-23 fiscal biennium to fund the actuarially determined contribution, retiree medical premiums, and increases for retirees, including a 2% recurring cost-of-living adjustment and a one-time 2% bonus in both FY 2021-22 and FY 2022-23. Corresponding special provisions provide additional details on these adjustments.	Req \$	3,125,824	\$ 980,068	\$ 3,333,718	\$ 980,068
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	3,125,824	\$ 980,068	\$ 3,333,718	\$ 980,068
	FTE	0.000	0.000	0.000	0.000
<b>4 State Health Plan Contribution</b>					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2021-23 fiscal biennium.	Req \$	1,510,137	\$ -	\$ 3,079,728	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	1,510,137	\$ -	\$ 3,079,728	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>5 Salary Adjustment Fund</b>					
Funds a Salary Adjustment Fund for the Judicial Branch. These funds will be used to provide funds to address hard-to-staff, high turnover positions, salaries below market rates, gender equity, and other salary adjustments identified through analysis using HR best practices.	Req \$	1,350,000	\$ -	\$ 1,350,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	1,350,000	\$ -	\$ 1,350,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Department-wide</b>					
<b>6 Internal Auditor</b>					
Funds one Internal Auditor to help meet minimum recommended levels. This position should improve efficiency, effectiveness, and compliance for the agency.	Req \$	95,094	\$ -	\$ 95,094	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	95,094	\$ -	\$ 95,094	\$ -
	FTE	1.000	0.000	1.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>7 Advanced Analytics and Data Interpretation Position</b>					
Provides one Advanced Analytics and Data Interpretation position. This position will help build capacity across state government to manage resources and programs more effectively. These skills are needed to inform evidence-based, data-driven decision-making for agency budgets and programs. OSBM will coordinate regular meetings and trainings with agency-based advanced analytics staff to facilitate continuous development of skills and capacity and to share best practices.	Req \$	140,380	\$ -	\$ 140,380	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	140,380	\$ -	\$ 140,380	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>8 Subscription Rate Increase</b>					
Funds the increase in Department of Information Technology subscription rates based on the FY 2021-22 approved rate. The subscription rate covers the administrative support provided for DIT, such as internal audit, finance, human resources, and facility management.	Req \$	72,860	\$ -	\$ 72,860	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	72,860	\$ -	\$ 72,860	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Court Technology Transformation</b>					
<b>9 eCourts Development and Implementation</b>					
Provides \$15.8 million for the statewide rollout of an integrated, cloud-based system for the automation of all court processes. The eCourts system will provide statewide electronic filing, paperless courthouses, integrated case management and calendaring, and integrated financial management. This system will bring higher efficiencies to the justice system by providing "anytime, anywhere" access to information, reducing manual processes and reliance on paper, and increasing collaboration among court officials, lawyers, and law enforcement. Funding for this item is shown in the Information Technology Reserve in the Reserves Section of this document.	Req \$	-	\$ -	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>10 Public Safety Technology and Courthouse Wireless Expansion</b>					
Provides funding to integrate the state's electronic warrant and traffic citation repositories into the eCourts software rollout, and expand WiFi into state courthouses, ensuring a smooth transition to the cloud-based system.	Req \$	3,955,337	\$ 2,000,000	\$ 3,955,337	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	3,955,337	\$ 2,000,000	\$ 3,955,337	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Support of Court Programs</b>					
<b>11 Guardian ad Litem Program</b>					
Funds 20 Guardian ad Litem (GAL) supervisors in each year of the biennium to increase statewide capacity for the GAL program. GAL supervisors equip volunteers to advocate in court for the best interests of abused and neglected children.	Req \$	2,123,660	\$ 69,840	\$ 4,247,320	\$ 69,840
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	2,123,660	\$ 69,840	\$ 4,247,320	\$ 69,840
	FTE	20.000	0.000	40.000	0.000
<b>12 Custody Mediators</b>					
Creates three new custody mediation positions to address staffing shortages. All cases involving contested custody and visitation issues must go through custody mediation before being tried in court. Mediators resolve cases before court, reduce conflict, keep parents focused on the best interest of children, and save the state court proceeding costs.	Req \$	277,667	\$ 7,838	\$ 277,667	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	277,667	\$ 7,838	\$ 277,667	\$ -
	FTE	3.000	0.000	3.000	0.000
<b>Independent Commissions</b>					
<b>13 Human Trafficking Commission</b>					
Provides recurring funding for the Executive Director and three staff positions that were originally funded by a non-recurring appropriation. The Human Trafficking Commission staff coordinate and conduct trainings throughout the state, speak at educational events on the topics of human trafficking awareness and prevention, and staff the Human Trafficking Commission.	Req \$	500,000	\$ -	\$ 500,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	500,000	\$ -	\$ 500,000	\$ -
	FTE	4.000	0.000	4.000	0.000



		R Changes	NR Changes	R Changes	NR Changes
<b>14 Innocence Inquiry Commission</b>					
Funds two new attorney positions and one Associate Director within the Innocence Inquiry Commission. This funding will increase the Commission's capacity to investigate credible post-conviction claims of innocence in North Carolina.	Req \$	450,000	\$ 28,183	\$ 450,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	450,000	\$ 28,183	\$ 450,000	\$ -
	FTE	3.000	0.000	3.000	0.000
<b>Pass Through Funds</b>					
<b>15 Legal Education Assistance Funding</b>					
Provides funds to the NC Legal Education Assistance Foundation, which encourages attorneys to pursue careers in public service and retains well-trained public servants in the legal profession.	Req \$	500,000	\$ -	\$ 500,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	500,000	\$ -	\$ 500,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>16 Pisgah Legal Services</b>					
Maintains pass-through funding for Pisgah Legal Services Veterans Assistance Program, which assists homeless or otherwise vulnerable military veterans access services and resources to obtain permanent housing and improve access to benefits in western North Carolina.	Req \$	100,000	\$ -	\$ 100,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	100,000	\$ -	\$ 100,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Local Courthouse Resources</b>					
<b>17 Conference of Clerks of Superior Court</b>					
Provides funding to the Conference of Superior Clerks to address workload needs. This funding also supports the creation of deputy clerk positions to support Recovery Courts, which are a critical tool in ensuring that chemically dependent offenders follow their court-ordered treatment plans.	Req \$	2,738,900	\$ 114,950	\$ 2,738,900	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	2,738,900	\$ 114,950	\$ 2,738,900	\$ -
	FTE	50.000	0.000	50.000	0.000
<b>18 Conference of District Attorneys</b>					
Provides funding to the Conference of District Attorneys to address workload shortages, ensuring efficient coordination of prosecution efforts statewide. This funding also shifts victims service coordinator positions from grant funding to General Fund support.	Req \$	1,938,139	\$ 83,000	\$ 1,938,139	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	1,938,139	\$ 83,000	\$ 1,938,139	\$ -
	FTE	25.000	0.000	25.000	0.000
<b>19 Magistrates</b>					
Provides funds for five new Magistrate positions to address workload shortages, thereby ensuring that cases are processed efficiently across the state.	Req \$	342,695	\$ 15,140	\$ 342,695	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	342,695	\$ 15,140	\$ 342,695	\$ -
	FTE	5.000	0.000	5.000	0.000
<b>Total Change to Requirements</b>		\$ 37,465,989	\$ 11,574,419	\$ 54,732,425	\$ 9,325,308
<b>Total Change to Receipts</b>		\$ -	\$ -	\$ -	\$ -
<b>Total Change to Net Appropriation</b>		\$ 37,465,989	\$ 11,574,419	\$ 54,732,425	\$ 9,325,308
<b>Total Change to Full-Time Equivalent (FTE)</b>		112.000	0.000	132.000	0.000
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$		49,040,408	\$	64,057,733
<b>Recommended Total FTE Changes</b>			112.000		132.000

## Mission

To oversee the provision of legal representation to indigent clients who are entitled to counsel under the Constitution and North Carolina law, per the Indigent Defense Services Act of 2000.

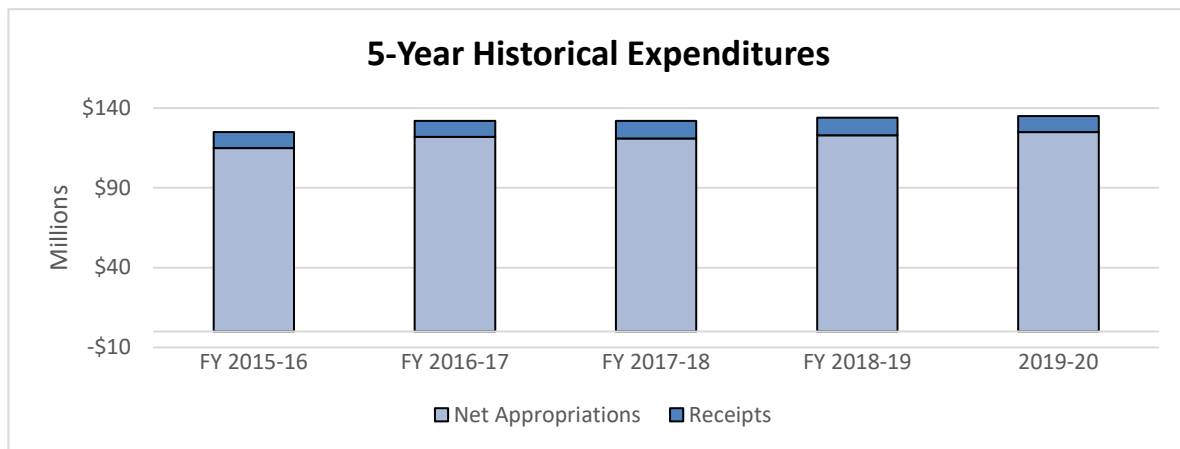
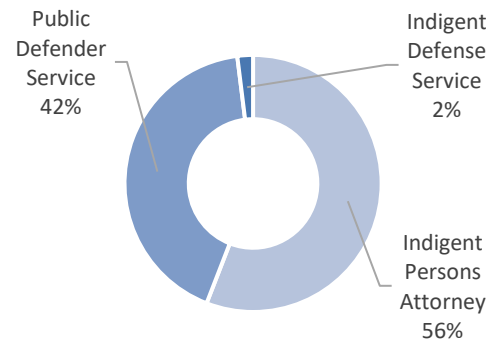
## Goals

1. Enhance oversight of the delivery of counsel and related services provided at state expense.
2. Improve the quality of representation and ensure the independence of counsel.
3. Establish uniform policies and procedures for the delivery of services.
4. Deliver services in the most efficient and cost-effective manner without sacrificing quality representation.
5. Generate reliable statistical information to evaluate the services provided and funds expended.

## Agency Profile

- IDS’s central office staff administers and implements policy as directed by the 13-member Indigent Defense Commission and the financial services office processes appointed attorney and expert fee applications and contractor payments.
- Manages the Private Assigned Counsel Fund, which pays court appointed attorneys to represent indigent individuals and provides direct support for court appointed counsel through resources such as Forensic Resource Counsel and Regional Defenders.
- Administers and oversees Offices of the Appellate Defender, Capital Defender, Juvenile Defender, Parent Representation and Special Counsel, as well as Public Defender Offices in 18 court districts and contract defenders.
- Develops training, and qualification and performance standards to govern the provision of legal services to indigent persons.

## FY 2020 - 2021 Authorized Expenditures



Charts include General Fund budget code only.

**Judicial Branch - Indigent Defense (12001)**

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2021-22</b>						
Requirements	\$ 140,297,520	\$ 12,722,894	\$ 1,312,007	\$ 14,034,901	\$ 154,332,421	10.0%
Receipts	\$ 12,311,025	\$ -	\$ -	\$ -	\$ 12,311,025	0.0%
Net Appropriation	\$ 127,986,495	\$ 12,722,894	\$ 1,312,007	\$ 14,034,901	\$ 142,021,396	11.0%
Positions (FTE)	554.000	21.000	0.000	21.000	575.000	3.8%
<b>Year 2</b>						
<b>FY 2022-23</b>						
Requirements	\$ 140,302,624	\$ 23,708,013	\$ 882,007	\$ 24,590,020	\$ 164,892,644	17.5%
Receipts	\$ 12,311,025	\$ -	\$ -	\$ -	\$ 12,311,025	0.0%
Net Appropriation	\$ 127,991,599	\$ 23,708,013	\$ 882,007	\$ 24,590,020	\$ 152,581,619	19.2%
Positions (FTE)	554.000	34.000	0.000	34.000	588.000	6.1%

	FY 2021-22		FY 2022-23		
	R Changes	NR Changes	R Changes	NR Changes	
<b>Compensation and Benefits Reserve</b>					
<b>1 Cost of Living Adjustment - State Employees</b>					
Provides funds for a \$1,000 bonus in FY 2021-22 and 2.5% cost of living adjustments in each year of the biennium, increasing existing state employee salaries by more than 5% over the biennium. Corresponding special provisions provide additional details on these compensation adjustments.	Req \$	1,347,150	\$ 597,458	\$ 2,727,980	\$ 597,458
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	1,347,150	\$ 597,458	\$ 2,727,980	\$ 597,458
	FTE	0.000	0.000	0.000	0.000
<b>2 TSERS Retirement Contribution</b>					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2021-23 fiscal biennium to fund the actuarially determined contribution, retiree medical premiums, and increases for retirees, including a 2% recurring cost-of-living adjustment and a one-time 2% bonus in both FY 2021-22 and FY 2022-23. Corresponding special provisions provide additional details on these adjustments.	Req \$	785,236	\$ 245,147	\$ 892,487	\$ 245,147
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	785,236	\$ 245,147	\$ 892,487	\$ 245,147
	FTE	0.000	0.000	0.000	0.000
<b>3 Consolidated Judicial Retirement System Contribution</b>					
Increases the state's contribution for members of CJRS supported by the General Fund for 2021-23 fiscal biennium to fund the actuarially determined contribution, retiree medical premiums, and increases for retirees, including a 2% recurring cost-of-living adjustment and a one-time 2% bonus in both FY 2021-22 and FY 2022-23. Corresponding special provisions provide additional details on these adjustments.	Req \$	125,668	\$ 39,402	\$ 134,026	\$ 39,402
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	125,668	\$ 39,402	\$ 134,026	\$ 39,402
	FTE	0.000	0.000	0.000	0.000
<b>4 State Health Plan Contribution</b>					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2021-23 fiscal biennium.	Req \$	140,970	\$ -	\$ 287,490	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	140,970	\$ -	\$ 287,490	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Department-wide</b>					
<b>5 Advanced Analytics and Data Interpretation Position</b>					
Provides one Advanced Analytics and Data Interpretation position. This position will help build capacity across state government to manage resources and programs more effectively. These skills are needed to inform evidence-based, data-driven decision-making for agency budgets and programs. OSBM will coordinate regular meetings and trainings with agency-based advanced analytics staff to facilitate continuous development of skills and capacity and to share best practices.	Req \$	140,380	\$ -	\$ 140,380	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	140,380	\$ -	\$ 140,380	\$ -
	FTE	1.000	0.000	1.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>Support for Private Assigned Counsel</b>					
<b>6 Private Assigned Counsel Rate Restoration</b>					
Provides funds for rate increases for private assigned counsel (PAC) representing persons declared indigent by the courts. Rate reductions in previous years have affected Indigent Defense Services' ability to recruit and retain qualified counsel.	Req	\$ 8,500,000	\$ -	\$ 17,000,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 8,500,000	\$ -	\$ 17,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>7 Regional Defender and Contracts Administrator Positions</b>					
Provides funds for one regional defender and one contract administrator, who will supervise and support PAC and contract attorneys across the state. These positions will provide case and county specific support, training, oversight, and analysis to deliver efficient and cost-effective defense counsel.	Req	\$ 264,748	\$ 30,000	\$ 264,748	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 264,748	\$ 30,000	\$ 264,748	\$ -
	FTE	2.000	0.000	2.000	0.000
<b>Public Defender Capacity</b>					
<b>8 Specialized Defender Positions and Long-Term Resources</b>					
Funds targeted capital, special counsel, and assistant appellate defender positions to address the workload capacity and shortage of PAC in counties where special case caseloads are rising, thereby ensuring representation in those areas. This funding also phases in 24 public defender positions based on the 2019 legislatively mandated workload study. These new positions will address staff shortages, ensuring efficient and effective representation, and resource availability in existing public defender offices.	Req	\$ 1,293,766	\$ -	\$ 2,135,926	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 1,293,766	\$ -	\$ 2,135,926	\$ -
	FTE	17.000	0.000	30.000	0.000
<b>9 Address Long-Term Public Defender Needs</b>					
Funds a consultant to create a long-term expansion plan for public defender offices across the state.	Req	\$ -	\$ 100,000	\$ -	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ 100,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Technology Modernization</b>					
<b>10 Technology Initiatives</b>					
Provides nonrecurring funds to implement critical technology updates identified in Indigent Defense Service's IT strategic plan, and recurring funds for a full-time IT Director to improve work processes and data analytics capabilities.	Req	\$ 124,976	\$ 300,000	\$ 124,976	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 124,976	\$ 300,000	\$ 124,976	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>Total Change to Requirements</b>		\$ 12,722,894	\$ 1,312,007	\$ 23,708,013	\$ 882,007
<b>Total Change to Receipts</b>		\$ -	\$ -	\$ -	\$ -
<b>Total Change to Net Appropriation</b>		\$ 12,722,894	\$ 1,312,007	\$ 23,708,013	\$ 882,007
<b>Total Change to Full-Time Equivalent (FTE)</b>		21.000	0.000	34.000	0.000
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>		\$	14,034,901	\$	24,590,020
<b>Recommended Total FTE Changes</b>			21.000		34.000

**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 and its people.

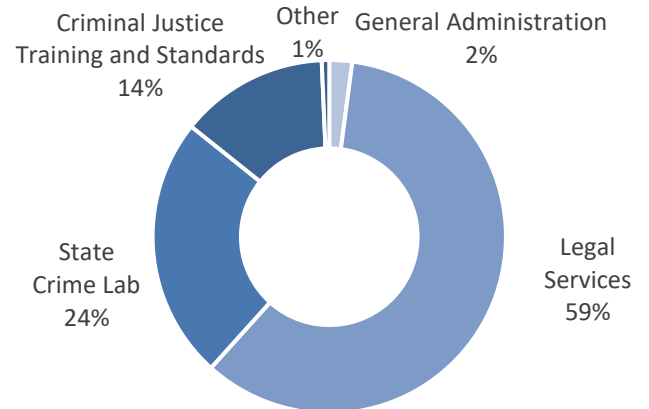
**Goals**

1. Put and keep violent criminals behind bars.
2. Provide 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. Use science to promote justice.
5. Provide high-quality and responsive consumer protection services to the state and its citizens.

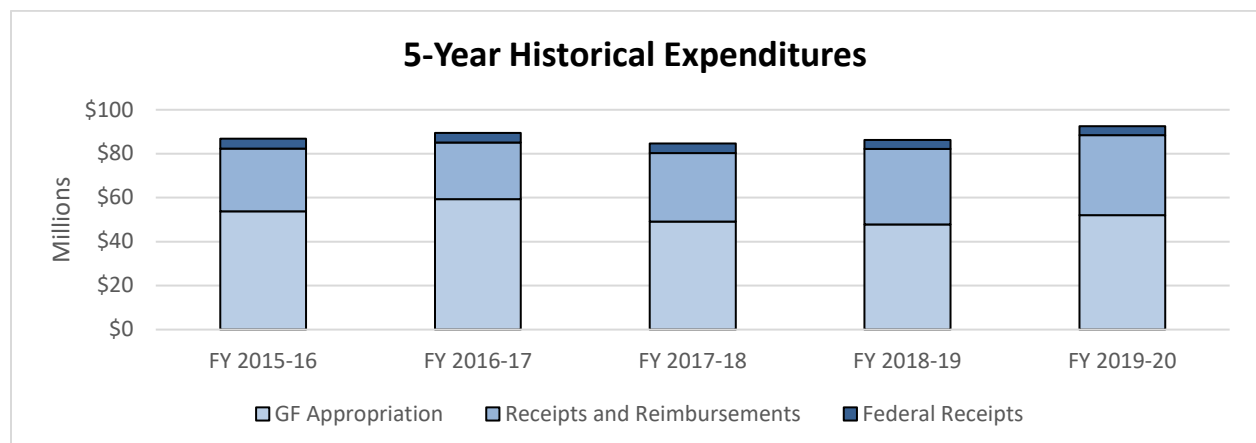
**Agency Profile**

- 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 Standards, which certifies law enforcement officers.

**FY 2020-21 Authorized Expenditures**



**5-Year Historical Expenditures**



Charts include General Fund budget code only.

**Department of Justice (13600)**

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2021-22</b>						
Requirements	\$ 93,681,674	\$ 6,012,158	\$ 6,772,210	\$ 12,784,368	\$ 106,466,042	13.6%
Receipts	\$ 42,994,597	\$ -	\$ -	\$ -	\$ 42,994,597	0.0%
Net Appropriation	\$ 50,687,077	\$ 6,012,158	\$ 6,772,210	\$ 12,784,368	\$ 63,471,445	25.2%
Positions (FTE)	789.885	19.000	0.000	19.000	808.885	2.4%
<b>Year 2</b>	<b>Base Budget</b>	<b>Net Recurring</b>	<b>Net Nonrecurring</b>	<b>Recommended Change</b>	<b>Recommended Budget</b>	<b>% Δ from Base Budget</b>
<b>FY 2022-23</b>						
Requirements	\$ 93,681,674	\$ 7,430,438	\$ 3,772,210	\$ 11,202,648	\$ 104,884,322	12.0%
Receipts	\$ 42,994,597	\$ -	\$ -	\$ -	\$ 42,994,597	0.0%
Net Appropriation	\$ 50,687,077	\$ 7,430,438	\$ 3,772,210	\$ 11,202,648	\$ 61,889,725	22.1%
Positions (FTE)	789.885	19.000	0.000	19.000	808.885	2.4%

	FY 2021-22		FY 2022-23	
	R Changes	NR Changes	R Changes	NR Changes

**Compensation and Benefits Reserve**

**1 Cost of Living Adjustment - State Employees**

Provides funds for a \$1,000 bonus in FY 2021-22 and 2.5% cost of living adjustments in each year of the biennium, increasing existing state employee salaries by more than 5% over the biennium. Corresponding special provisions provide additional details on these compensation adjustments.

Req	\$ 1,156,020	\$ 543,439	\$ 2,340,940	\$ 543,439
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 1,156,020	\$ 543,439	\$ 2,340,940	\$ 543,439
FTE	0.000	0.000	0.000	0.000

**2 Reserve to Address Compression, Equity, and High Turnover**

Provides funds based on agency-identified salary adjustment needs, such as compression, equity, and recruitment, as well as high turnover jobs, defined as jobs with voluntary turnover of at least 15% between July 2019 and December 2020. The department may use these funds as needed to address recruitment and retention needs across the department regardless of job classification.

Req	\$ 456,000	\$ -	\$ 456,000	\$ -
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 456,000	\$ -	\$ 456,000	\$ -
FTE	0.000	0.000	0.000	0.000

**3 TSERS Retirement Contribution**

Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2021-23 fiscal biennium to fund the actuarially determined contribution, retiree medical premiums, and increases for retirees, including a 2% recurring cost-of-living adjustment and a one-time 2% bonus in both FY 2021-22 and FY 2022-23. Corresponding special provisions provide additional details on these adjustments.

Req	\$ 732,782	\$ 228,771	\$ 832,869	\$ 228,771
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 732,782	\$ 228,771	\$ 832,869	\$ 228,771
FTE	0.000	0.000	0.000	0.000

**4 State Health Plan Contribution**

Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2021-23 fiscal biennium.

Req	\$ 128,224	\$ -	\$ 261,497	\$ -
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 128,224	\$ -	\$ 261,497	\$ -
FTE	0.000	0.000	0.000	0.000

**Department-wide**

**5 Internal Auditor**

Funds one Internal Auditor to help meet minimum recommended levels. This position should improve efficiency, effectiveness, and compliance for the agency.

Req	\$ 95,094	\$ -	\$ 95,094	\$ -
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 95,094	\$ -	\$ 95,094	\$ -
FTE	1.000	0.000	1.000	0.000

**6 Advanced Analytics and Data Interpretation Position**

Provides one Advanced Analytics and Data Interpretation position. This position will help build capacity across state government to manage resources and programs more effectively. These skills are needed to inform evidence-based, data-driven decision-making for agency budgets and programs. OSBM will coordinate regular meetings and trainings with agency-based advanced analytics staff to facilitate continuous development of skills and capacity and to share best practices.

Req	\$ 140,380	\$ -	\$ 140,380	\$ -
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 140,380	\$ -	\$ 140,380	\$ -
FTE	1.000	0.000	1.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>7 Subscription Rate Increase</b>					
Funds the increase in Department of Information Technology subscription rates based on the FY 2021-22 approved rate. The subscription rate covers the administrative support provided for DIT, such as internal audit, finance, human resources, and facility management.	Req \$	3,408	\$ -	\$ 3,408	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	3,408	\$ -	\$ 3,408	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>NC State Crime Laboratory</b>					
<b>8 Sexual Assault Evidence Collection Kit Testing</b>					
Provides funds to analyze untested sexual assault evidence collection kits. These funds address the 125.7% increase in submitted kits, from 821 kits in FY 2018-19 to 1,853 in FY 2019-20. These funds also cover the cost to outsource testing, which increased 79.1% from \$695 per kit to \$1,245 per kit. The recurring funds cover supply costs for the internal testing of sexual assault kits.	Req \$	500,000	\$ 6,000,000	\$ 500,000	\$ 3,000,000
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	500,000	\$ 6,000,000	\$ 500,000	\$ 3,000,000
	FTE	0.000	0.000	0.000	0.000
<b>9 Crime Analysis Scientists</b>					
Provides funds for six State Crime Lab positions - three Forensic Scientists, two Drug Chemists, and one Latent Evidence Scientist. These positions will help address continuing growth in evidence submissions from law enforcement agencies caused by the opioid crisis, sexual assault kit testing needs, and population growth.	Req \$	633,801	\$ -	\$ 633,801	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	633,801	\$ -	\$ 633,801	\$ -
	FTE	6.000	0.000	6.000	0.000
<b>Training and Standards</b>					
<b>10 Criminal Justice Fellows Program</b>					
Provides funds to implement the Criminal Justice Fellows Program, which will recruit qualified in-state high school seniors or unemployed/underemployed graduates and provide them with a forgivable community college loan to pursue a career in law enforcement. Section 17.1 of SL 2018-5 established the Criminal Justice Fellows Program but did not appropriate funds for the program. This funding provides \$6,310 per year for each county for loans.	Req \$	663,579	\$ -	\$ 663,579	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	663,579	\$ -	\$ 663,579	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>11 Sheriffs' Standards Telecommunicator</b>					
Provides funds for an additional Certification Specialist/Investigator I. Pursuant to G.S. 17E-7(c2), all police telecommunicators must be certified with the Sheriffs' Standards Commission, beginning July 1, 2021. This legislative change did not include additional funding to fulfill the requirement. This new position addresses those responsibilities, including providing the certification exam to telecommunicators statewide.	Req \$	68,740	\$ -	\$ 68,740	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	68,740	\$ -	\$ 68,740	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>Legal Services</b>					
<b>12 Appellate Attorneys - Criminal Division</b>					
Addresses the criminal appeal demands and caseload increases by funding attorney positions to focus on criminal appellate work. North Carolina is the only state that assigns criminal appellate briefs to non-criminal attorneys due to a lack of criminal appellate attorneys to manage the state's caseload. Attorneys appropriately trained for complex and serious criminal cases will better handle criminal appeals than civil and administrative attorneys.	Req \$	860,478	\$ -	\$ 860,478	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	860,478	\$ -	\$ 860,478	\$ -
	FTE	6.000	0.000	6.000	0.000
<b>13 Civil Attorneys</b>					
Provides funds for attorney positions to protect taxpayers and mitigate state liability. The additional attorneys will enable the department to meet the demands in representing state agencies, boards, and commissions.	Req \$	573,652	\$ -	\$ 573,652	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	573,652	\$ -	\$ 573,652	\$ -
	FTE	4.000	0.000	4.000	0.000
<b>Total Change to Requirements</b>	\$	<b>6,012,158</b>	\$ <b>6,772,210</b>	\$ <b>7,430,438</b>	\$ <b>3,772,210</b>
<b>Total Change to Receipts</b>	\$	<b>-</b>	\$ <b>-</b>	\$ <b>-</b>	\$ <b>-</b>
<b>Total Change to Net Appropriation</b>	\$	<b>6,012,158</b>	\$ <b>6,772,210</b>	\$ <b>7,430,438</b>	\$ <b>3,772,210</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>		<b>19.000</b>	<b>0.000</b>	<b>19.000</b>	<b>0.000</b>
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$		\$ <b>12,784,368</b>	\$	<b>11,202,648</b>
<b>Recommended Total FTE Changes</b>			<b>19.000</b>		<b>19.000</b>

**Mission**

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

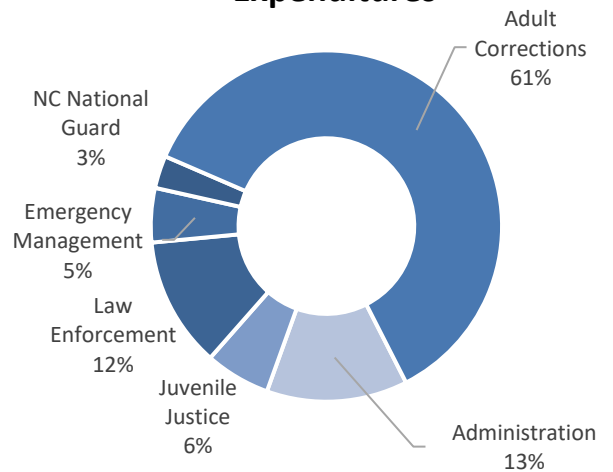
**Goals**

1. Create a true culture of preparedness, prevention, and protection.
2. Create and maintain an environment throughout the Department where employees are engaged, accountable, and recognized for the contributions the Department makes to enhance public safety.

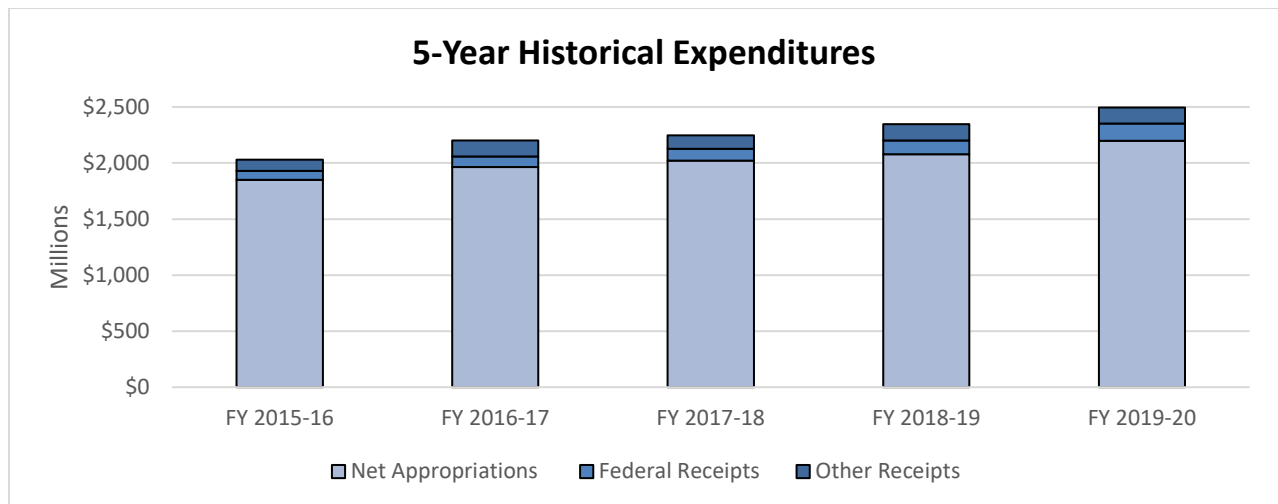
**Agency Profile**

- Serves as the state’s chief protector and defender of the public and is the statewide public safety and homeland security agency.
- The Division of Adult Correction and Juvenile Justice is responsible for the care, custody and supervision of all adults and juveniles sentenced after conviction for violations of North Carolina Law.
- The State Highway Patrol mission is to reduce collisions and make the highways as safe as possible.
- The State Bureau of Investigation provides expert criminal investigative assistance to local law enforcement agencies.
- Emergency Management personnel help plan for and recover from man-made or natural disasters.
- The North Carolina National Guard deploys military capabilities, in support of state and/or national authorities, to protect the lives and properties of fellow citizens, defend the state and nation, and secure our American way of life.

**FY 2020-21 Authorized Expenditures**



**5-Year Historical Expenditures**



Charts include General Fund budget code only.



**Department of Public Safety (14550)**

Year 1 FY 2021-22	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 2,514,604,984	\$ 119,966,639	\$ 75,039,337	\$ 195,005,976	\$ 2,709,610,960	7.8%
Receipts	\$ 262,562,580	\$ (3,119,323)	\$ -	\$ (3,119,323)	\$ 259,443,257	-1.2%
Net Appropriation	\$ 2,252,042,404	\$ 123,085,962	\$ 75,039,337	\$ 198,125,299	\$ 2,450,167,703	8.8%
Positions (FTE)	24727.416	202.000	0.000	202.000	24929.416	0.8%

Year 2 FY 2022-23	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 2,514,714,449	\$ 186,678,393	\$ 33,778,666	\$ 220,457,059	\$ 2,735,171,508	8.8%
Receipts	\$ 262,562,580	\$ (3,189,323)	\$ -	\$ (3,189,323)	\$ 259,373,257	-1.2%
Net Appropriation	\$ 2,252,151,869	\$ 189,867,716	\$ 33,778,666	\$ 223,646,382	\$ 2,475,798,251	9.9%
Positions (FTE)	24727.416	245.000	0.000	245.000	24972.416	1.0%

	FY 2021-22		FY 2022-23		
	R Changes	NR Changes	R Changes	NR Changes	
<b>Compensation and Benefits Reserve</b>					
<b>1 Cost of Living Adjustment - State Employees</b>					
Provides funds for a \$1,000 bonus in FY 2021-22 and 2.5% cost of living adjustments in each year of the biennium, increasing existing state employee salaries by more than 5% over the biennium as well as increases for state agency teachers paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation adjustments.	Req \$	36,571,989	\$ 26,174,828	\$ 73,900,537	\$ 26,174,828
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	36,571,989	\$ 26,174,828	\$ 73,900,537	\$ 26,174,828
	FTE	0.000	0.000	0.000	0.000
<b>2 Reserve to Address Compression, Equity, and High Turnover</b>					
Provides funds based on agency-identified salary adjustment needs, such as compression, equity, and recruitment, as well as high turnover jobs, defined as jobs with voluntary turnover of at least 15% between July 2019 and December 2020. The department may use these funds as needed to address recruitment and retention needs across the department regardless of job classification.	Req \$	8,296,000	\$ -	\$ 8,296,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	8,296,000	\$ -	\$ 8,296,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>3 TSERS Retirement Contribution</b>					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2021-23 fiscal biennium to fund the actuarially determined contribution, retiree medical premiums, and increases for retirees, including a 2% recurring cost-of-living adjustment and a one-time 2% bonus in both FY 2021-22 and FY 2022-23. Corresponding special provisions provide additional details on these adjustments.	Req \$	22,928,218	\$ 7,158,077	\$ 26,059,877	\$ 7,158,077
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	22,928,218	\$ 7,158,077	\$ 26,059,877	\$ 7,158,077
	FTE	0.000	0.000	0.000	0.000
<b>4 State Health Plan Contribution</b>					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2021-23 fiscal biennium.	Req \$	6,175,946	\$ -	\$ 12,595,040	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	6,175,946	\$ -	\$ 12,595,040	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Department-wide</b>					
<b>5 Advanced Analytics and Data Interpretation Position</b>					
Provides one Advanced Analytics and Data Interpretation position. This position will help build capacity across state government to manage resources and programs more effectively. These skills are needed to inform evidence-based, data-driven decision-making for agency budgets and programs. OSBM will coordinate regular meetings and trainings with agency-based advanced analytics staff to facilitate continuous development of skills and capacity and to share best practices.	Req \$	140,380	\$ -	\$ 140,380	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	140,380	\$ -	\$ 140,380	\$ -
	FTE	1.000	0.000	1.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>6 Subscription Rate Increase</b>					
Funds the increase in Department of Information Technology subscription rates based on the FY 2021-22 approved rate. The subscription rate covers the administrative support provided for DIT, such as internal audit, finance, human resources, and facility management.	Req \$	820,761	\$ -	\$ 820,761	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	820,761	\$ -	\$ 820,761	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Alcohol Law Enforcement</b>					
<b>7 Lease Space and Administrative Staff</b>					
Provides funding for administrative support positions for each of the eight district offices and the newly formed Gambling Unit and to lease office space. This funding is needed pursuant to SL 2019-203, which separated Alcohol Law Enforcement (ALE) from the State Bureau of Investigation (SBI). ALE currently remains co-located with SBI, which kept the office furnishings that were not surplus. The co-location also does not provide enough secure, temperature-controlled evidence storage for either division. ALE needs its own furnished space and administrative staff as a separate division of the Department of Public Safety.	Req \$	1,238,121	\$ 291,950	\$ 1,238,121	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	1,238,121	\$ 291,950	\$ 1,238,121	\$ -
	FTE	9.000	0.000	9.000	0.000
<b>State Bureau of Investigation</b>					
<b>8 Reduction of Law Enforcement Use of Deadly Force</b>					
Provides funding for one position and one contractor to support the efforts of the Center for the Reduction of Law Enforcement Use of Deadly Force. These personnel will assist the Center with data collection and analysis, training, and presentation of data.	Req \$	101,276	\$ 159,417	\$ 101,276	\$ 325,000
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	101,276	\$ 159,417	\$ 101,276	\$ 325,000
	FTE	1.000	0.000	1.000	0.000
<b>9 Human Trafficking Agents</b>					
Provides additional funding for positions that support law enforcement efforts to respond, coordinate, and work with local and federal law enforcement entities in human trafficking investigations.	Req \$	1,037,553	\$ 461,920	\$ 1,037,553	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	1,037,553	\$ 461,920	\$ 1,037,553	\$ -
	FTE	8.000	0.000	8.000	0.000
<b>State Capitol Police</b>					
<b>10 Funding Supports for Increased Security</b>					
Shifts funding for the State Capitol Police (SCP) from receipts to net appropriation in order to run all facets of a police department efficiently and effectively. Reliance on agency receipts restricts SCP's ability to deploy officers to the Downtown State Government Complex. When agencies struggle to meet their contractual obligations, SCP in turn faces challenges in covering its operational costs. This funding allows SCP to assign officers as needed and removes agency contracts as its primary funding source. The increased flexibility to reallocate and relocate officers will improve public safety.	Req \$	-	\$ -	\$ -	\$ -
	Rec \$	(4,814,600)	\$ -	\$ (4,814,600)	\$ -
	App \$	4,814,600	\$ -	\$ 4,814,600	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>11 New Officers and Vehicles</b>					
Supports positions to address increased security needs and provide adequate coverage and provides funds for a vehicle replacement plan. The increase in protests and permitted events highlight the need for flexible security to protect the public and Downtown State Government Complex. These additional positions enhance the SCP's ability to assign officers and shift resources as the need arises.	Req \$	1,450,000	\$ 279,426	\$ 1,450,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	1,450,000	\$ 279,426	\$ 1,450,000	\$ -
	FTE	20.000	0.000	20.000	0.000
<b>12 Officer Pay Plan</b>					
Creates a pay plan for SCP law enforcement officers similar to that of the State Highway Patrol with First Class and Master Class Officer designations. This plan is expected to increase Officer recruitment and retention, and reduce the high turnover rate, which is costly and hampers efficiency. A corresponding special provision provides additional details on this pay plan.	Req \$	75,000	\$ -	\$ 75,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	75,000	\$ -	\$ 75,000	\$ -
	FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>State Highway Patrol</b>					
<b>13 Computer Aided Dispatch System</b>					
Provides \$11.1 million to update the computer aided dispatch (CAD) system. The Administrative Office of the Courts currently hosts the CAD technology and will not provide CAD functionality following the move to the digital court system. This update would allow for continued operations and increased efficiency of dispatch. Funding for this item is shown in the Information Technology Reserve in the Reserves Section of this document.	Req \$	- \$	- \$	- \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>14 Training Sustainability</b>					
Provides funds to support the increased number of cadets entering Highway Patrol Basic School, the introductory training that all State Highway Patrol (SHP) Troopers receive. Enrollment in Basic School has increased by 50.8% since 2018. Funds are needed for training operations and to provide new equipment, uniforms, vehicles, and safety gear for new Troopers.	Req \$	2,000,000 \$	- \$	2,000,000 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	2,000,000 \$	- \$	2,000,000 \$	-
	FTE	0.000	0.000	0.000	0.000
<b>Adult Corrections and Juvenile Justice</b>					
<b>15 Certified Employee Pay Plan</b>					
Creates a pay plan for certified employees within Adult Correction and Juvenile Justice. This plan addresses compression, creates a career progression, and establishes a step plan for certified Adult Correction employees in their first 7 years of service. This plan is expected to increase recruitment and retention and reduce the high turnover rate, which is costly and hampers efficiency. A corresponding special provision provides additional details on this pay plan.	Req \$	16,126,383 \$	- \$	31,725,885 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	16,126,383 \$	- \$	31,725,885 \$	-
	FTE	0.000	0.000	0.000	0.000
<b>16 Long-Term Care Facility for Central Prison</b>					
Provides funds for operating costs and positions to open the long-term care facility for chronically ill inmates, decreasing external medical costs and providing a more secure environment. This facility was completed in 2019 and needs operating funds and positions to open.	Req \$	3,508,710 \$	1,272,194 \$	7,179,161 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	3,508,710 \$	1,272,194 \$	7,179,161 \$	-
	FTE	35.000	0.000	77.000	0.000
<b>17 Community Corrections</b>					
Provides funding for 6 new Chief PPOs (CPPO), 18 new PPO's, 4 Field Officers, and 4 Social Workers. Funding these positions will expand Community Corrections capacity to monitor offenders on probation and parole and ensure that they are adhering to their treatment plans and learning to live as constructive citizens in the community. Funding includes operating support as well as 15 vehicles for CPPO, ensuring that CPPOs can provide consistent and timely support to PPOs in the field.	Req \$	2,367,653 \$	1,398,052 \$	2,367,653 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	2,367,653 \$	1,398,052 \$	2,367,653 \$	-
	FTE	32.000	0.000	32.000	0.000
<b>18 Re-Entry Personnel and Community Partner Support</b>					
Funds ten re-entry probation and parole officers (PPOs) to provide transition planning to offenders for release from custody, and one Parole Case Analyst II to perform an evidence-based risk assessment on post-release/supervision cases to ensure offenders are matched with appropriate community resources. The funding also provides operational support for local re-entry councils and funds one new community development specialist in each year. These positions will work with local re-entry councils to coordinate with community and educational partners, manage re-entry data, and report on outcomes.	Req \$	1,309,211 \$	299,562 \$	1,871,711 \$	5,000
	Rec \$	- \$	- \$	- \$	-
	App \$	1,309,211 \$	299,562 \$	1,871,711 \$	5,000
	FTE	12.000	0.000	13.000	0.000
<b>19 Treatment for Effective Supervision</b>					
Increases funding for the Treatment for Effective Community Supervision (TECS) fund. The TECS fund covers transitional housing, which provides short-term housing to offenders who are re-entering into the community, as well as the Recidivism Reduction Services program, which provides pro-social programming and support to offenders who are re-entering into the community.	Req \$	500,000 \$	1,000,000 \$	500,000 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	500,000 \$	1,000,000 \$	500,000 \$	-
	FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>20 Staff Training Resources</b>					
Funds the expansion of evidence-based training for staff facilitators at all prison facilities, such as Thinking for a Change. The funding also provides electronic guides for correctional case managers, which provides tools that staff can use to promote pro-social behavior. These resources train staff how to use interventions during offender conflicts and have been shown to reduce criminogenic thinking and reduce recidivism.	Req	\$ -	\$ 212,911	\$ -	\$ 115,761
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ 212,911	\$ -	\$ 115,761
	FTE	0.000	0.000	0.000	0.000
<b>21 Prison Health Electronic Records Update</b>					
Funds Prisons Health Electronic Records system upgrades to ensure compliance with HIPAA standards and maintain security of offender electronic health records.	Req	\$ -	\$ 300,000	\$ -	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ 300,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>22 Contraband Detection Equipment at Scotland and Maury</b>					
Continues to fund the lease of cell phone detection equipment at Scotland and Maury correctional facilities, where offenders with cell phone infractions can be sent. Detection and prevention of contraband cell phone usage increases the safety and security of staff at these facilities.	Req	\$ 1,131,000	\$ -	\$ 1,131,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 1,131,000	\$ -	\$ 1,131,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>23 Prisons Capital Assessment</b>					
Provide funds to create a coordinated capital plan for prisons across the state. The plan will ensure that aging facilities and facilities impacted by natural disasters are prioritized for repairs, and that additional facility updates are implemented in order of need to ensure safety and security of North Carolina's prison complex.	Req	\$ -	\$ 5,000,000	\$ -	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ 5,000,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>24 SOIU Communications Center Personnel</b>					
Creates 11 positions within the Prisons Special Operations Investigative Unit Communication Center, which consistently communicate with PPOs in the field who are contacting potentially dangerous offenders on probation and parole. These positions ensure that PPOs know the status of offenders they will encounter and provide dispatch emergency services to the field if an incident occurs.	Req	\$ 641,190	\$ -	\$ 641,190	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 641,190	\$ -	\$ 641,190	\$ -
	FTE	11.000	0.000	11.000	0.000
<b>25 Juvenile Justice Re-Entry Support and Detention Beds</b>					
Provides funding for Re-entry to Resilience, which provides intensive re-entry support for youth exiting youth development centers. This funding will also be used to cover the cost of juvenile detention beds and other services, such as education, offered to youth while they are in juvenile detention.	Req	\$ 5,582,463	\$ -	\$ 5,582,463	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 5,582,463	\$ -	\$ 5,582,463	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>26 Juvenile Justice Separation</b>					
Provides funds to allow the Division of Juvenile Justice to become an independent division within the Department of Public Safety. Funds cover new positions, such as a Chief Deputy Secretary, Program Coordinator, and Communications Director, which will allow Juvenile Justice to function independently from the Division of Adult Corrections. Given the Divisions' different philosophies, the separation will ensure that each division can maintain their own budget and continue to address the needs of the individuals under their jurisdiction, enhancing public safety in the state.	Req	\$ 1,360,898	\$ -	\$ 1,360,898	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 1,360,898	\$ -	\$ 1,360,898	\$ -
	FTE	13.000	0.000	13.000	0.000
<b>Emergency Response</b>					
<b>27 NC Emergency Management Positions</b>					
Provides funding for eight Emergency Management positions to support school safety, cyber security, disaster recovery operations, and division-wide financial oversight and management.	Req	\$ 753,000	\$ -	\$ 753,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 753,000	\$ -	\$ 753,000	\$ -
	FTE	8.000	0.000	8.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>28 Statewide Search and Rescue Teams</b>					
Provides operating funds to search and rescue teams located throughout the state to supplement local funding for training, administration, and equipment maintenance expenses. These teams ensure national standards are met and responses are effective in the event of a disaster.	Req	\$ 1,500,000	\$ -	\$ 1,500,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 1,500,000	\$ -	\$ 1,500,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>29 Agency Impact Analyst</b>					
Provides funds for one position to serve as an environmental justice, equity, and inclusion coordinator within the division. This position will complete analyses to better understand how the agency's work impacts underserved communities through an environmental justice and equity lens. The Coordinator will also ensure that North Carolina communities have a clear point of contact, thereby increasing transparency of these efforts.	Req	\$ 103,000	\$ -	\$ 103,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 103,000	\$ -	\$ 103,000	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>30 Tarheel Challenge High School</b>					
Provides the state match portion of funding to hire additional program and support staff to improve staff-to-student ratio at Tarheel Challenge Academies. These academies provide educational and skill-building programming to at-risk 16-18-year-olds who have dropped out of high school.	Req	\$ 2,167,035	\$ -	\$ 2,167,035	\$ -
	Rec	\$ 1,625,277	\$ -	\$ 1,625,277	\$ -
	App	\$ 541,758	\$ -	\$ 541,758	\$ -
	FTE	37.000	0.000	37.000	0.000
<b>31 Enhancing NCORR through Resiliency</b>					
Invests resources in North Carolina's Office of Recovery and Resiliency to continue the work they have started to support resiliency in the State through initiatives such as Executive Order 80, adding resiliency components to Hazard Mitigation Plans, and providing technical support to communities with resiliency planning and projects to protect communities from flooding and natural disasters.	Req	\$ 594,363	\$ -	\$ 594,363	\$ -
	Rec	\$ 70,000	\$ -	\$ -	\$ -
	App	\$ 524,363	\$ -	\$ 594,363	\$ -
	FTE	5.000	0.000	5.000	0.000
<b>32 Enhanced Hazard Mitigation Plan</b>					
Provides funding to contract for the research needed to incorporate climate science into North Carolina's Hazard Mitigation Plan. This will improve North Carolina's competitiveness for federal grants that enhance resiliency against natural disasters and other risks. Analyses will also be utilized in long-term resilience planning and preparations by local governments, state agencies, and other entities.	Req	\$ -	\$ 1,000,000	\$ -	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ 1,000,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Administration</b>					
<b>33 Migration of OPUS Data</b>					
Modernizes the storage of OPUS, the system housing inmate data. OPUS will be moved off the mainframe to cloud storage, providing additional security and accessibility.	Req	\$ -	\$ 1,800,000	\$ -	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ 1,800,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>34 HR and IT Support</b>					
Provides funding for nine positions (five HR positions; four IT positions) to support the department's operations and provide the necessary and timely customer service to its employees and those seeking employment with the department.	Req	\$ 1,136,489	\$ -	\$ 1,136,489	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 1,136,489	\$ -	\$ 1,136,489	\$ -
	FTE	9.000	0.000	9.000	0.000
<b>35 Rehabilitative Programming Grants</b>					
Supports evidence-based rehabilitative programming for offenders. Organizations that receive these funds may provide conflict mediation, education, and other services to teach offenders health coping skills and prepare them for their re-entry into the community.	Req	\$ 350,000	\$ -	\$ 350,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 350,000	\$ -	\$ 350,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Governor's Crime Commission</b>					
<b>36 Community-Based Violence Intervention Grants</b>					
Provides funding for community violence prevention grants. Grants will be awarded to community and healthcare organization that approach violence as a public health issue and use evidence-based interventions to reduce the incidence of community-based violence.	Req	\$ -	\$ 1,000,000	\$ -	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ 1,000,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>Public Safety Reserve</b>					
<b>37 VIPER Equipment Updates</b>					
Provides funding for updates to the statewide VIPER system, which supports public safety communications across state agencies and local municipalities and other 911 system needs.	Req \$	-	\$ 19,325,000	\$ -	-
	Rec \$	-	\$ -	\$ -	-
	App \$	-	\$ 19,325,000	\$ -	-
	FTE	0.000	0.000	0.000	0.000
<b>38 SHP - Automated External Defibrillators</b>					
Provides funding for the placement of automated external defibrillators (AEDs) in Highway Patrol vehicles. Troopers are often the first responders to an emergency. Immediately accessible AEDs will improve the likelihood of providing lifesaving treatment to citizens suffering a sudden cardiac arrest.	Req \$	-	\$ 1,540,000	\$ -	-
	Rec \$	-	\$ -	\$ -	-
	App \$	-	\$ 1,540,000	\$ -	-
	FTE	0.000	0.000	0.000	0.000
<b>39 ACJJ - Critical Safety Improvements</b>					
Provides funds to increase the safety for staff and inmates at prison facilities through activities such as implementing man-down technology, increasing access to AEDs, replacing firearms, providing critical safety upgrades to facilities, and replacing metal bed springs.	Req \$	-	\$ 5,966,000	\$ -	-
	Rec \$	-	\$ -	\$ -	-
	App \$	-	\$ 5,966,000	\$ -	-
	FTE	0.000	0.000	0.000	0.000
<b>40 NCG - High Frequency Radios</b>					
Purchases high frequency radios to be used by the National Guard, especially in cases of disaster when traditional communication lines may be down.	Req \$	-	\$ 400,000	\$ -	-
	Rec \$	-	\$ -	\$ -	-
	App \$	-	\$ 400,000	\$ -	-
	FTE	0.000	0.000	0.000	0.000
<b>Total Change to Requirements</b>	\$	<b>119,966,639</b>	\$ <b>75,039,337</b>	\$ <b>186,678,393</b>	\$ <b>33,778,666</b>
<b>Total Change to Receipts</b>	\$	<b>(3,119,323)</b>	\$ -	\$ <b>(3,189,323)</b>	\$ -
<b>Total Change to Net Appropriation</b>	\$	<b>123,085,962</b>	\$ <b>75,039,337</b>	\$ <b>189,867,716</b>	\$ <b>33,778,666</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>		<b>202.000</b>	<b>0.000</b>	<b>245.000</b>	<b>0.000</b>
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$		<b>198,125,299</b>	\$	<b>223,646,382</b>
<b>Recommended Total FTE Changes</b>			<b>202.000</b>		<b>245.000</b>

**Public Safety - Disasters after July 1, 2006 (24552)**

Year 1 FY 2021-22	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 347,132,833	\$ 697,363	\$ 1,000,000	\$ 1,697,363	\$ 348,830,196	0.5%
Receipts	\$ 347,132,833	\$ 697,363	\$ 1,000,000	\$ 1,697,363	\$ 348,830,196	0.5%
Δ in Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Positions (FTE)	104.810	6.000	0.000	6.000	110.810	5.7%

Year 2 FY 2022-23	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 347,132,833	\$ 697,363	\$ -	\$ 697,363	\$ 347,830,196	0.2%
Receipts	\$ 347,132,833	\$ 697,363	\$ -	\$ 697,363	\$ 347,830,196	0.2%
Δ in Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Positions (FTE)	104.810	6.000	0.000	6.000	110.810	5.7%

	FY 2021-22		FY 2022-23	
	R Changes	NR Changes	R Changes	NR Changes

**1 Enhancing NCORR through Resiliency**

Invests resources in North Carolina's Office of Recovery and Resiliency to continue the work they have started to support resiliency in the State through initiatives such as Executive Order 80, adding resiliency components to Hazard Mitigation Plans, and providing technical support to communities with resiliency planning and projects to protect communities from flooding and natural disasters.

Req	\$ 594,363	\$ -	\$ 594,363	\$ -
Rec	\$ 594,363	\$ -	\$ 594,363	\$ -
CFB	\$ -	\$ -	\$ -	\$ -
FTE	5.000	0.000	5.000	0.000

**2 Agency Impact Analyst**

Provides funds for one position to serve as an environmental justice, equity, and inclusion coordinator within the agency. This position will complete analyses to better understand how the agency's work impacts underserved communities through an environmental justice and equity lens. The Coordinator will also ensure that North Carolina communities have a clear point of contact, thereby increasing transparency of these efforts.

Req	\$ 103,000	\$ -	\$ 103,000	\$ -
Rec	\$ 103,000	\$ -	\$ 103,000	\$ -
CFB	\$ -	\$ -	\$ -	\$ -
FTE	1.000	0.000	1.000	0.000

**3 Enhanced Hazard Mitigation Plan**

Provides funding to contract for the research needed to incorporate climate science into North Carolina's Hazard Mitigation Plan. This will improve North Carolina's competitiveness for federal grants that enhance resilience against natural disasters and other risks. Analyses will also be utilized in long-term resilience planning and preparations by local governments, state agencies, and other entities.

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

<b>Total Change to Requirements</b>	\$ 697,363	\$ 1,000,000	\$ 697,363	\$ -
<b>Total Change to Receipts</b>	\$ 697,363	\$ 1,000,000	\$ 697,363	\$ -
<b>Total Change to Fund Balance</b>	\$ -	\$ -	\$ -	\$ -
<b>Total Change to Full-Time Equivalent (FTE)</b>	6.000	0.000	6.000	0.000

<b>Recommended Fund Balance Changes (Recurring + Nonrecurring)</b>	\$ -	\$ -	\$ -	\$ -
<b>Recommended Total FTE Changes</b>	6.000	6.000	6.000	6.000

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### **Safeguarding and Improving Access to Our Natural Resources**

Increases support for the Parks and Recreation Trust Fund and Land and Water Fund by \$210 million over the biennium. Allocates \$56 million over the biennium for floodplain buyouts, conservation, and stream restoration to decrease future flood risks for communities. Provides \$10 million for farmland preservation and \$4 million for forest development over the biennium. Invests \$20 million over the biennium for paved and natural surface trail planning and construction to increase access to natural resources throughout the state.

### **Protecting Our Water and Air**

Invests in measures to ensure the state has clean and safe water and air, including providing over \$3.8 million in each year of the biennium to mitigate emerging compounds and budgeting \$67.3 million in FY 2021-22 to reduce nitrogen oxide emissions, the second phase of the Volkswagen Settlement.

### **Advancing Clean Energy Development and Business**

Dedicates a total of over \$95 million over the biennium to advance clean energy development and a clean energy economy, including \$50 million over the biennium to local governments and schools for planning and implementing clean energy and transportation projects; \$14.5 million in FY 2021-22 for clean energy economic development, from start-up to expansion of existing businesses; and \$25 million for the Low-Income Clean Energy Program to expand access to clean energy and energy efficiency improvements in low-income households, saving energy and reducing utility bills.

### **Strengthening North Carolina Business and Industry**

Invests a total of \$45.4 million over the biennium to strengthen business, agriculture, and industry in North Carolina. Includes \$24.7 million for small businesses, through support for the One NC Small Business Fund and Carolina Small Business Fund, and for dedicated agency staff to assist start-ups and entrepreneurs; \$9 million to prepare rural and economically distressed communities for an innovation-based economy; \$11 million to market North Carolina; and funds for staff to support agricultural growth and exports.

### **Investing in Communities**

Provides more than \$111 million over the biennium to help our communities grow and thrive, including \$79.7 million in state support for Water Resource Development Projects for communities to leverage federal funds for navigation, water management, flood mitigation, and beach re-nourishment; support for the A+ Schools and Outdoor Experiential Science Education programs, which use the arts and outdoors to enhance student learning; and the SmART Initiative, which fosters economic development through arts and recreation.

### **Improving the Customer Experience**

Provides funds to support state agency needs and improve customer experience, including permitting and IT systems improvements, website support, and operating funds for new and expanded facilities such as, the NC Agricultural Sciences Center and 14 park facilities.

**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.

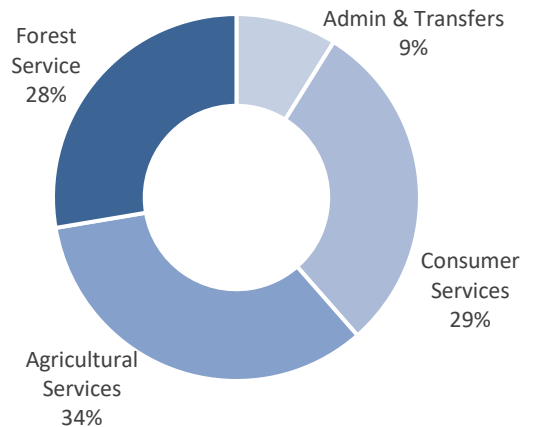
**Goals**

1. Ensure the sound stewardship of farmland and natural resources for all North Carolina citizens.
2. Protect, manage, and promote forest resources for the citizens of North Carolina.
3. Protect public health, safety and welfare, and preserve environmental quality by monitoring and managing risk for activities associated with North Carolina agricultural production and marketing and prevent fraud, deception, and unfair business practices for activities within the Department of Agriculture and Consumer Sciences’ 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.

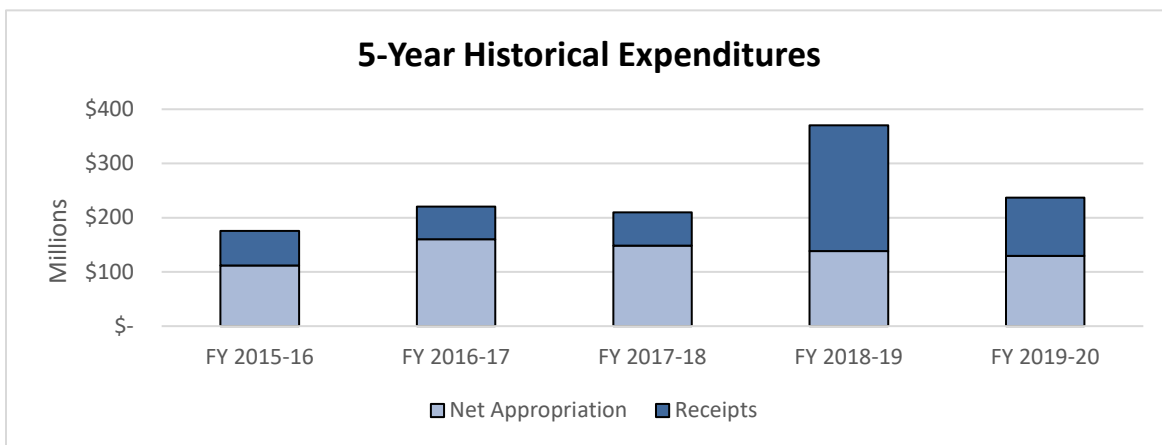
**Agency Profile**

- 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 24 million pounds for a 25% yearly increase of USDA food assistance in FY 2020 to schools, food banks, and other partners.
- Protected 3,722 homes and structures with an estimated value of \$349,356,370 from wildfire.
- Funded grants that will conserve over 14,000 acres of privately-owned farms and forests in FY2021 through the Agricultural Development and Farmland Preservation Trust Fund.

**FY 2020-21 Authorized Expenditures**



**5-Year Historical Expenditures**



*Charts include General Fund budget code only.*

**Department of Agriculture and Consumer Services (13700)**

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2021-22</b>						
Requirements	\$ 196,448,314	\$ 11,577,293	\$ 7,210,317	\$ 18,787,610	\$ 215,235,924	9.6%
Receipts	\$ 62,702,495	\$ -	\$ -	\$ -	\$ 62,702,495	0.0%
Net Appropriation	\$ 133,745,819	\$ 11,577,293	\$ 7,210,317	\$ 18,787,610	\$ 152,533,429	14.0%
Positions (FTE)	1811.521	20.000	0.000	20.000	1831.521	1.1%
<b>Year 2</b>	<b>Base Budget</b>	<b>Net Recurring</b>	<b>Net Nonrecurring</b>	<b>Recommended Change</b>	<b>Recommended Budget</b>	<b>% Δ from Base Budget</b>
<b>FY 2022-23</b>						
Requirements	\$ 196,466,278	\$ 14,313,243	\$ 1,860,317	\$ 16,173,560	\$ 212,639,838	8.2%
Receipts	\$ 62,702,696	\$ -	\$ -	\$ -	\$ 62,702,696	0.0%
Net Appropriation	\$ 133,763,582	\$ 14,313,243	\$ 1,860,317	\$ 16,173,560	\$ 149,937,142	12.1%
Positions (FTE)	1811.521	20.000	0.000	20.000	1831.521	1.1%

	FY 2021-22		FY 2022-23		
	R Changes	NR Changes	R Changes	NR Changes	
<b>Compensation and Benefits Reserve</b>					
<b>1 Cost of Living Adjustment - State Employees</b>					
Provides funds for a \$1,000 bonus in FY 2021-22 and 2.5% cost of living adjustments in each year of the biennium, increasing existing state employee salaries by more than 5% over the biennium. Corresponding special provisions provide additional details on these compensation adjustments.	Req \$	2,144,322	\$ 1,434,867	\$ 4,342,252	\$ 1,434,867
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	2,144,322	\$ 1,434,867	\$ 4,342,252	\$ 1,434,867
	FTE	0.000	0.000	0.000	0.000
<b>2 Reserve to Address Compression, Equity, and High Turnover</b>					
Provides funds based on agency-identified salary adjustment needs, such as compression, equity, and recruitment, as well as high turnover jobs, defined as jobs with voluntary turnover of at least 15% between July 2019 and December 2020. The department may use these funds as needed to address recruitment and retention needs across the department regardless of job classification.	Req \$	1,819,000	\$ -	\$ 1,819,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	1,819,000	\$ -	\$ 1,819,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>3 TSERS Retirement Contribution</b>					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2021-23 fiscal biennium to fund the actuarially determined contribution, retiree medical premiums, and increases for retirees, including a 2% recurring cost-of-living adjustment and a one-time 2% bonus in both FY 2021-22 and FY 2022-23. Corresponding special provisions provide additional details on these adjustments.	Req \$	1,362,768	\$ 425,450	\$ 1,548,903	\$ 425,450
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	1,362,768	\$ 425,450	\$ 1,548,903	\$ 425,450
	FTE	0.000	0.000	0.000	0.000
<b>4 State Health Plan Contribution</b>					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2021-23 fiscal biennium.	Req \$	338,557	\$ -	\$ 690,442	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	338,557	\$ -	\$ 690,442	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Department-wide</b>					
<b>5 Advanced Analytics and Data Interpretation Position</b>					
Provides one Advanced Analytics and Data Interpretation position. This position will help build capacity across state government to manage resources and programs more effectively. These skills are needed to inform evidence-based, data-driven decision-making for agency budgets and programs. OSBM will coordinate regular meetings and trainings with agency-based advanced analytics staff to facilitate continuous development of skills and capacity and to share best practices.	Req \$	140,380	\$ -	\$ 140,380	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	140,380	\$ -	\$ 140,380	\$ -
	FTE	1.000	0.000	1.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>6 Subscription Rate Increase</b>					
Funds the increase in Department of Information Technology subscription rates based on the FY 2021-22 approved rate. The subscription rate covers the administrative support provided for DIT, such as internal audit, finance, human resources, and facility management.	Req	\$ 77,364	\$ -	\$ 77,364	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 77,364	\$ -	\$ 77,364	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>7 Department Equipment and Supply Needs</b>					
Provides funds for department-wide equipment and supply needs, including emergency response and communications equipment, scientific equipment, laboratory supplies, and purchased services.	Req	\$ 1,425,000	\$ 4,000,000	\$ 1,425,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 1,425,000	\$ 4,000,000	\$ 1,425,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>8 Research Unit</b>					
Funds two positions to build capacity to conduct research and develop partnerships with the external research community. The research unit would support the department's ability to answer critical questions, create and coordinate a department-wide learning agenda, integrate research findings into programming and identify opportunities for outside coordination and financing.	Req	\$ 225,000	\$ -	\$ 225,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 225,000	\$ -	\$ 225,000	\$ -
	FTE	2.000	0.000	2.000	0.000
<b>Building Reserves</b>					
<b>9 Agricultural Sciences Center</b>					
Funds the recurring operational expenses of the new Agricultural Sciences Center. The Center will fully open in May 2021 and will house the following division: Standards, Structural Pest and Pesticides, Food and Drug Protection and Veterinary.	Req	\$ 2,404,902	\$ -	\$ 2,404,902	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 2,404,902	\$ -	\$ 2,404,902	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>10 Mountain Island Educational State Forest</b>					
Funds the operations of the new educational center at the Mountain Island Educational State Forest, which is a 1700 acre tract of land and one of seven Educational State Forests designed to teach the public about the forest environment. Funding supports new Forest Technicians, Forestry Law Enforcement Agents, and Technicians positions to maintain and operate the facility as well as educational center operations. The educational center, which is expected to draw over 1.25 million people annually, is scheduled to be completed in August 2021.	Req	\$ 565,000	\$ 350,000	\$ 565,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 565,000	\$ 350,000	\$ 565,000	\$ -
	FTE	7.000	0.000	7.000	0.000
<b>Emergency Programs</b>					
<b>11 Emergency Programs Division Personnel</b>					
Creates four positions for the Emergency Programs Division to bolster statewide response coordination, emergency planning, safety, training, and specialized equipment maintenance, allowing field staff to devote additional time to regional preparedness and response duties.	Req	\$ 375,000	\$ -	\$ 375,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 375,000	\$ -	\$ 375,000	\$ -
	FTE	4.000	0.000	4.000	0.000
<b>Marketing</b>					
<b>12 Agricultural Marketing</b>					
Provides funds for agricultural marketing to assist with developing new markets for agricultural products, to educate the public about the food supply NC farmers provide, and to educate school children about farming.	Req	\$ -	\$ 1,000,000	\$ -	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ 1,000,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Agronomics</b>					
<b>13 Nematode Lab Personnel</b>					
Creates two positions and funds associated operating and equipment costs for the Nematode Assay Program, which has experienced record-breaking volumes of testing samples.	Req	\$ 150,000	\$ -	\$ 150,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 150,000	\$ -	\$ 150,000	\$ -
	FTE	2.000	0.000	2.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>Plant Industry</b>					
<b>14 Phytosanitary Personnel</b>					
Creates two positions and funds associated operating and equipment costs for Plant Industry's Phytosanitary Program to handle the new requirements of phytosanitary certification required by European Union countries and the United Kingdom. In 2020, the Plant Industry Division saw a 34% increase in the number of federal phytosanitary certificates issued by department staff.	Req	\$ 200,000	\$ -	\$ 200,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 200,000	\$ -	\$ 200,000	\$ -
	FTE	2.000	0.000	2.000	0.000
<b>Soil and Water</b>					
<b>15 Soil and Water Conservation Engineers</b>					
Funds two engineer positions for the Soil and Water Division. These personnel will allow the department to provide more timely responses to disasters and other conservation needs.	Req	\$ 350,000	\$ -	\$ 350,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 350,000	\$ -	\$ 350,000	\$ -
	FTE	2.000	0.000	2.000	0.000
<b>Energy and Environment Reserve</b>					
<b>16 Agriculture Development &amp; Farmland Preservation Trust Fund</b>					
Provides \$5 million nonrecurring in each year of the biennium to protect working family farms, sustain military buffers and to provide matching grants for federal grant programs. Total requirements for Farmland Preservation grant spending, from all funding sources, is expected to be \$20 million over the biennium. This item is funded in the Energy and Environment Reserve in the Reserves Section of this document.	Req	\$ -	\$ -	\$ -	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>17 Swine Floodplain Buyout Program</b>					
Provides \$9 million nonrecurring in each year of the biennium to purchase permanent conservation easements on properties within the 100-year floodplain currently used for swine production. This item is funded in the Energy and Environment Reserve in the Reserves Section of this document.	Req	\$ -	\$ -	\$ -	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>18 Forest Development Program</b>					
Provides \$2 million nonrecurring in each year of the biennium for cost-share assistance to NC landowners to help lessen the upfront costs of best practice forestry management practices. This item is funded in the Energy and Environment Reserve in the Reserves Section of this document.	Req	\$ -	\$ -	\$ -	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Total Change to Requirements</b>		\$ 11,577,293	\$ 7,210,317	\$ 14,313,243	\$ 1,860,317
<b>Total Change to Receipts</b>		\$ -	\$ -	\$ -	\$ -
<b>Total Change to Net Appropriation</b>		\$ 11,577,293	\$ 7,210,317	\$ 14,313,243	\$ 1,860,317
<b>Total Change to Full-Time Equivalent (FTE)</b>		20.000	0.000	20.000	0.000
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>		\$	18,787,610	\$	16,173,560
<b>Recommended Total FTE Changes</b>			20.000		20.000

**Agriculture and Consumer Services - Livestock Acquisition (23700)**

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2021-22</b>						
Requirements	\$ 10,102,211	\$ -	\$ 5,000,000	\$ 5,000,000	\$ 15,102,211	49.5%
Receipts	\$ 9,844,133	\$ -	\$ 5,000,000	\$ 5,000,000	\$ 14,844,133	50.8%
Δ in Fund Balance	\$ (258,078)	\$ -	\$ -	\$ -	\$ (258,078)	0.0%
Positions (FTE)	41.730	0.000	0.000	0.000	41.730	0.0%

Year 2	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2022-23</b>						
Requirements	\$ 10,102,211	\$ -	\$ 5,000,000	\$ 5,000,000	\$ 15,102,211	49.5%
Receipts	\$ 9,844,133	\$ -	\$ 5,000,000	\$ 5,000,000	\$ 14,844,133	50.8%
Δ in Fund Balance	\$ (258,078)	\$ -	\$ -	\$ -	\$ (258,078)	0.0%
Positions (FTE)	41.730	0.000	0.000	0.000	41.730	0.0%

	FY 2021-22		FY 2022-23	
	R Changes	NR Changes	R Changes	NR Changes
<b>1 Agriculture Development &amp; Farmland Preservation Trust Fund</b>				
Budgets the transfer from the General Fund for the Agriculture Development & Farmland Preservation Trust Fund.	Req \$ -	\$ 5,000,000	\$ -	\$ 5,000,000
	Rec \$ -	\$ 5,000,000	\$ -	\$ 5,000,000
	CFB \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
<b>Total Change to Requirements</b>	\$ -	\$ 5,000,000	\$ -	\$ 5,000,000
<b>Total Change to Receipts</b>	\$ -	\$ 5,000,000	\$ -	\$ 5,000,000
<b>Total Change to Fund Balance</b>	\$ -	\$ -	\$ -	\$ -
<b>Total Change to Full-Time Equivalent (FTE)</b>		0.000	0.000	0.000
<b>Recommended Fund Balance Changes (Recurring + Nonrecurring)</b>	\$ -	\$ -	\$ -	\$ -
<b>Recommended Total FTE Changes</b>		0.000		0.000

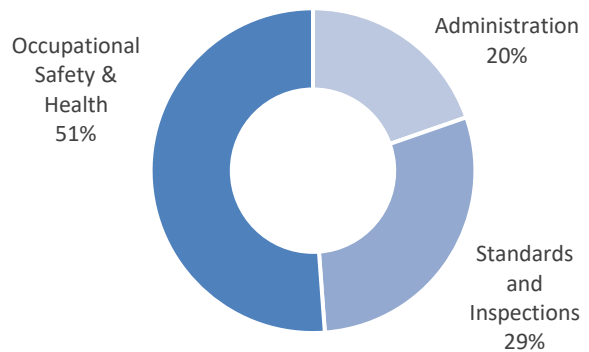
**Mission**

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;  
 Enhancing public confidence in the Department of Labor (DOL).

**Goals**

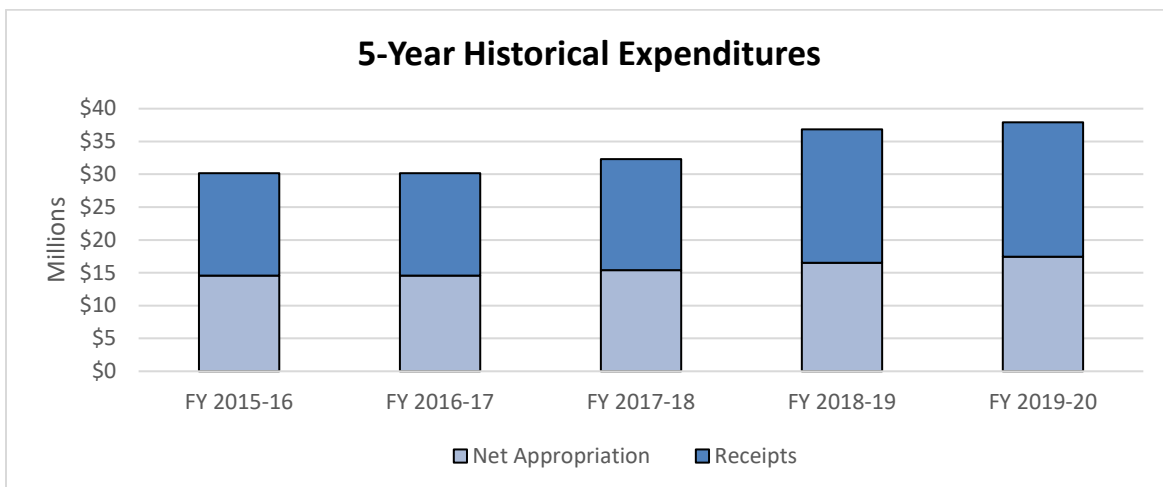
1. Protect the safety and health of North Carolina’s workforce.
2. Ensure public safety by conducting timely periodic inspections of elevators, boilers, pressure vessels, amusement devices, etc.
3. Protect employees from labor law violations by investigating allegations of wage and hour matters and retaliatory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

**FY 2020-21 Authorized Expenditures**



**Agency Profile**

- Works to ensure the safety of employees and employers through administration of the Occupational Safety and Health Act as well as providing education, consultation, and training opportunities.
- Sets standards and provides inspections through five bureaus within DOL: 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.



*Charts include General Fund budget code only.*

**Department of Labor (13800)**

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2021-22</b>						
Requirements	\$ 39,658,872	\$ 4,208,238	\$ 305,470	\$ 4,513,708	\$ 44,172,580	11.4%
Receipts	\$ 20,180,125	\$ -	\$ -	\$ -	\$ 20,180,125	0.0%
Net Appropriation	\$ 19,478,747	\$ 4,208,238	\$ 305,470	\$ 4,513,708	\$ 23,992,455	23.2%
Positions (FTE)	378.000	3.000	0.000	3.000	381.000	0.8%
<b>Year 2</b>	<b>Base Budget</b>	<b>Net Recurring</b>	<b>Net Nonrecurring</b>	<b>Recommended Change</b>	<b>Recommended Budget</b>	<b>% Δ from Base Budget</b>
<b>FY 2022-23</b>						
Requirements	\$ 39,664,649	\$ 4,716,699	\$ 305,470	\$ 5,022,169	\$ 44,686,818	12.7%
Receipts	\$ 20,180,125	\$ -	\$ -	\$ -	\$ 20,180,125	0.0%
Net Appropriation	\$ 19,484,524	\$ 4,716,699	\$ 305,470	\$ 5,022,169	\$ 24,506,693	25.8%
Positions (FTE)	378.000	3.000	0.000	3.000	381.000	0.8%

	FY 2021-22		FY 2022-23		
	R Changes	NR Changes	R Changes	NR Changes	
<b>Compensation and Benefits Reserve</b>					
<b>1 Cost of Living Adjustment - State Employees</b>					
Provides funds for a \$1,000 bonus in FY 2021-22 and 2.5% cost of living adjustments in each year of the biennium, increasing existing state employee salaries by more than 5% over the biennium. Corresponding special provisions provide additional details on these compensation adjustments.	Req \$	407,788	\$ 224,515	\$ 825,771	\$ 224,515
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	407,788	\$ 224,515	\$ 825,771	\$ 224,515
	FTE	0.000	0.000	0.000	0.000
<b>2 Reserve to Address Compression, Equity, and High Turnover</b>					
Provides funds based on agency-identified salary adjustment needs, such as compression, equity, and recruitment, as well as high turnover jobs, defined as jobs with voluntary turnover of at least 15% between July 2019 and December 2020. The department may use these funds as needed to address recruitment and retention needs across the department regardless of job classification.	Req \$	2,479,000	\$ -	\$ 2,479,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	2,479,000	\$ -	\$ 2,479,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>3 TSERS Retirement Contribution</b>					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2021-23 fiscal biennium to fund the actuarially determined contribution, retiree medical premiums, and increases for retirees, including a 2% recurring cost-of-living adjustment and a one-time 2% bonus in both FY 2021-22 and FY 2022-23. Corresponding special provisions provide additional details on these adjustments.	Req \$	259,308	\$ 80,955	\$ 294,726	\$ 80,955
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	259,308	\$ 80,955	\$ 294,726	\$ 80,955
	FTE	0.000	0.000	0.000	0.000
<b>4 State Health Plan Contribution</b>					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2021-23 fiscal biennium.	Req \$	52,974	\$ -	\$ 108,034	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	52,974	\$ -	\$ 108,034	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Department-wide</b>					
<b>5 Advanced Analytics and Data Interpretation Position</b>					
Provides one Advanced Analytics and Data Interpretation position. This position will help build capacity across state government to manage resources and programs more effectively. These skills are needed to inform evidence-based, data-driven decision-making for agency budgets and programs. OSBM will coordinate regular meetings and trainings with agency-based advanced analytics staff to facilitate continuous development of skills and capacity and to share best practices.	Req \$	140,380	\$ -	\$ 140,380	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	140,380	\$ -	\$ 140,380	\$ -
	FTE	1.000	0.000	1.000	0.000



		R Changes	NR Changes	R Changes	NR Changes
<b>6 Subscription Rate Increase</b>					
Funds the increase in Department of Information Technology subscription rates based on the FY 2021-22 approved rate. The subscription rate covers the administrative support provided for DIT, such as internal audit, finance, human resources, and facility management.	Req \$	23,707	\$ -	\$ 23,707	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	23,707	\$ -	\$ 23,707	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Occupational Safety &amp; Health</b>					
<b>7 Agricultural Safety &amp; Health Officers</b>					
Funds additional Agricultural Safety & Health (ASH) Compliance Officers to address the ASH Bureau's increasing workload due to significantly higher requests for migrant housing inspection by NC employers. Per state General Statute, all migrant housing must have a pre-occupancy inspection and corrections made for all deficiencies found prior to allowing employees to occupy the housing.	Req \$	201,940	\$ -	\$ 201,940	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	201,940	\$ -	\$ 201,940	\$ -
	FTE	2.000	0.000	2.000	0.000
<b>8 Occupational Safety &amp; Health Legal Services</b>					
Supports the continued need for legal services for the Occupational Safety & Health Bureau.	Req \$	583,123	\$ -	\$ 583,123	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	583,123	\$ -	\$ 583,123	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>9 Occupational Safety &amp; Health Review Commission</b>					
Provides needed funds for operating expenses to facilitate the timely disposition of additional court cases and for staff development and training.	Req \$	60,018	\$ -	\$ 60,018	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	60,018	\$ -	\$ 60,018	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Total Change to Requirements</b>	\$	<b>4,208,238</b>	\$ <b>305,470</b>	\$ <b>4,716,699</b>	\$ <b>305,470</b>
<b>Total Change to Receipts</b>	\$	<b>-</b>	\$ <b>-</b>	\$ <b>-</b>	\$ <b>-</b>
<b>Total Change to Net Appropriation</b>	\$	<b>4,208,238</b>	\$ <b>305,470</b>	\$ <b>4,716,699</b>	\$ <b>305,470</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>		<b>3.000</b>	<b>0.000</b>	<b>3.000</b>	<b>0.000</b>
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$		<b>4,513,708</b>	\$	<b>5,022,169</b>
<b>Recommended Total FTE Changes</b>			<b>3.000</b>		<b>3.000</b>

**Mission**

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

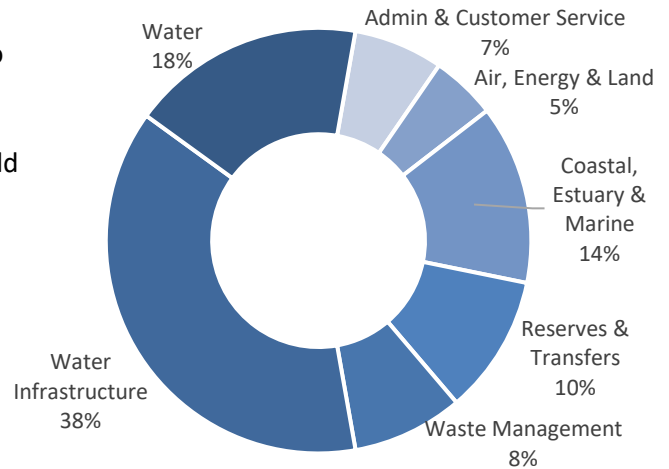
**Goals**

1. Protect and restore water quality, air quality, and natural resources through regulatory and voluntary programs.
2. Modernize Department of Environmental Quality (DEQ) customer service for North Carolina’s regulated community and improve transparency through user-friendly data sources.
3. Support North Carolina’s commitment to address climate change and transition to a clean energy economy, as outlined in Executive Order 80.
4. Strive to ensure that every North Carolinian has the same access to clean water and air.
5. Provide technical assistance to businesses, farmers, local governments, and the public, encouraging environmentally responsible behavior through education programs and outreach.
6. Use lessons learned from recent extreme weather to reassess critical infrastructure and develop greater resiliency in areas of DEQ influence.
7. Provide necessary tools and resources for DEQ staff to accomplish their missions and tasks.

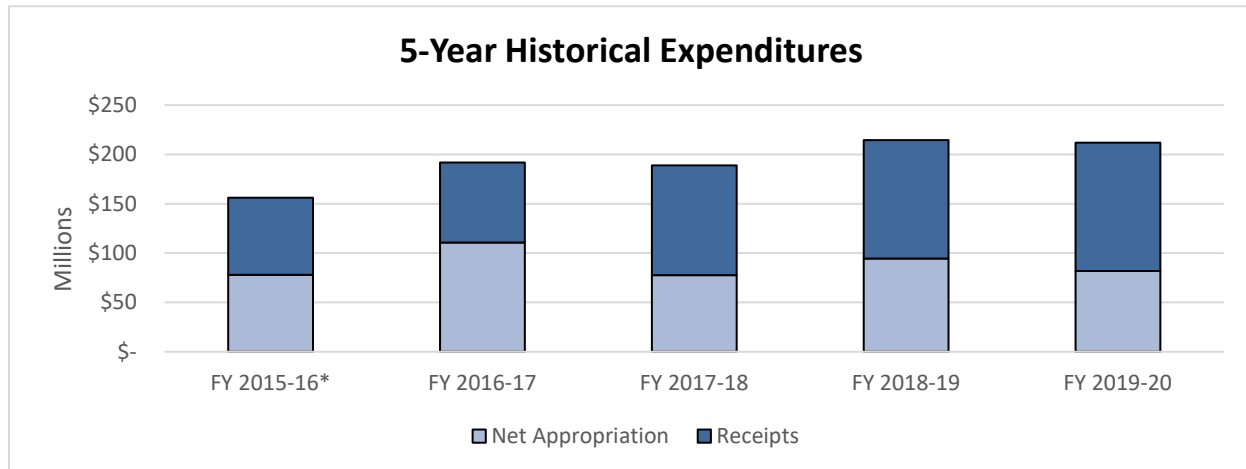
**Agency Profile**

- Secured the nation’s largest coal ash excavation of 80 million tons and required additional measures to prevent PFAS from entering the Cape Fear River.
- Awarded \$360 million in loans and grants for water infrastructure in 2020, and surpassed 600 brownfield agreements, leading to over \$1 billion in economic investment and more than 1,000 acres returned to productive reuse as of 2020.
- Awarded \$30 million for new school buses, public transit buses, and charging stations for electric vehicles, under Phase 1 of the Volkswagen Settlement plan in FY 2020-21.

**FY 2020-21 Authorized Expenditures**



**5-Year Historical Expenditures**



Charts include General Fund budget code only.

**Department of Environmental Quality (14300)**

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2021-22</b>						
Requirements	\$ 255,006,113	\$ 9,441,552	\$ 60,283,476	\$ 69,725,028	\$ 324,731,141	27.3%
Receipts	\$ 167,811,600	\$ 894,099	\$ 10,786,944	\$ 11,681,043	\$ 179,492,643	7.0%
Net Appropriation	\$ 87,194,513	\$ 8,547,453	\$ 49,496,532	\$ 58,043,985	\$ 145,238,498	66.6%
Positions (FTE)	1097.871	58.800	0.000	58.800	1156.671	5.4%
<b>Year 2</b>	<b>Base Budget</b>	<b>Net Recurring</b>	<b>Net Nonrecurring</b>	<b>Recommended Change</b>	<b>Recommended Budget</b>	<b>% Δ from Base Budget</b>
<b>FY 2022-23</b>						
Requirements	\$ 255,007,643	\$ 10,693,357	\$ 36,750,941	\$ 47,444,298	\$ 302,451,941	18.6%
Receipts	\$ 167,819,309	\$ 894,099	\$ 250,997	\$ 1,145,096	\$ 168,964,405	0.7%
Net Appropriation	\$ 87,188,334	\$ 9,799,258	\$ 36,499,944	\$ 46,299,202	\$ 133,487,536	53.1%
Positions (FTE)	1097.871	58.800	0.000	58.800	1156.671	5.4%

	FY 2021-22		FY 2022-23		
	R Changes	NR Changes	R Changes	NR Changes	
<b>Compensation and Benefits Reserve</b>					
<b>1 Cost of Living Adjustment - State Employees</b>					
Provides funds for a \$1,000 bonus in FY 2021-22 and 2.5% cost of living adjustments in each year of the biennium, increasing existing state employee salaries by more than 5% over the biennium. Corresponding special provisions provide additional details on these compensation adjustments.	Req \$	1,000,290	\$ 570,373	\$ 2,025,587	\$ 570,373
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	1,000,290	\$ 570,373	\$ 2,025,587	\$ 570,373
	FTE	0.000	0.000	0.000	0.000
<b>2 Reserve to Address Compression, Equity, and High Turnover</b>					
Provides funds based on agency-identified salary adjustment needs, such as compression, equity, and recruitment, as well as high turnover jobs, defined as jobs with voluntary turnover of at least 15% between July 2019 and December 2020. The department may use these funds as needed to address recruitment and retention needs across the department regardless of job classification.	Req \$	596,000	\$ -	\$ 596,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	596,000	\$ -	\$ 596,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>3 TSERS Retirement Contribution</b>					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2021-23 fiscal biennium to fund the actuarially determined contribution, retiree medical premiums, and increases for retirees, including a 2% recurring cost-of-living adjustment and a one-time 2% bonus in both FY 2021-22 and FY 2022-23. Corresponding special provisions provide additional details on these adjustments.	Req \$	634,255	\$ 198,011	\$ 720,885	\$ 198,011
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	634,255	\$ 198,011	\$ 720,885	\$ 198,011
	FTE	0.000	0.000	0.000	0.000
<b>4 State Health Plan Contribution</b>					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2021-23 fiscal biennium.	Req \$	134,579	\$ -	\$ 274,457	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	134,579	\$ -	\$ 274,457	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Department-wide</b>					
<b>5 Internal Auditor</b>					
Funds one Internal Auditor to help meet minimum recommended levels. This position should improve efficiency, effectiveness, and compliance for the agency.	Req \$	95,094	\$ -	\$ 95,094	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	95,094	\$ -	\$ 95,094	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>6 Advanced Analytics and Data Interpretation Position</b>					
Provides one Advanced Analytics and Data Interpretation position. This position will help build capacity across state government to manage resources and programs more effectively. These skills are needed to inform evidence-based, data-driven decision-making for agency budgets and programs. OSBM will coordinate regular meetings and trainings with agency-based advanced analytics staff to facilitate continuous development of skills and capacity and to share best practices.	Req \$	140,380	\$ -	\$ 140,380	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	140,380	\$ -	\$ 140,380	\$ -
	FTE	1.000	0.000	1.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>7 Subscription Rate Increase</b>					
Funds the increase in Department of Information Technology subscription rates based on the FY 2021-22 approved rate. The subscription rate covers the administrative support provided for DIT, such as internal audit, finance, human resources, and facility management.	Req	\$ 202,491	\$ -	\$ 202,491	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 202,491	\$ -	\$ 202,491	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>8 Streamlined Permitting Processes to Support Businesses</b>					
Provides \$5.6 million in each year of the biennium for the Permit Transformation Project in order to modernize and streamline DEQ permitting processes, creating more transparency and better customer services for the regulated community and NC residents. Funding for this item is shown in the Information Technology Reserve in the Reserves Section of this document.	Req	\$ -	\$ -	\$ -	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>9 Program Manager for Permit Transformation Project</b>					
Funds a program manager for the Permit Transformation Project, a new agency-wide permit database.	Req	\$ 142,932	\$ -	\$ 142,932	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 142,932	\$ -	\$ 142,932	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>10 Research Unit</b>					
Funds two positions to build capacity to conduct research and develop partnerships with the external research community. The research unit would support DEQ's ability to answer critical questions, create and coordinate a department-wide learning agenda, integrate research findings into programming and identify opportunities for outside coordination and financing.	Req	\$ 225,000	\$ -	\$ 225,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 225,000	\$ -	\$ 225,000	\$ -
	FTE	2.000	0.000	2.000	0.000
<b>11 Clean Energy Supporting Personnel</b>					
Provides funds for three staff to support clean energy. These positions will administer its expanded portfolio of clean energy programs and provide technical assistance in this area statewide.	Req	\$ 300,000	\$ 10,000	\$ 300,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 300,000	\$ 10,000	\$ 300,000	\$ -
	FTE	3.000	0.000	3.000	0.000
<b>Energy and Environment Reserve</b>					
<b>12 Clean Energy Communities</b>					
Provides \$24 million nonrecurring in FY 2021-22 and \$6 million nonrecurring in FY 2022-23 to local governments statewide to achieve their sustainability goals through planning and implementation of clean energy and clean transportation projects that equitably advance energy efficiency, renewable energy, vehicle electrification, and related priorities. This item is funded in the Energy & Environment Reserve in the Reserves Section of this budget.	Req	\$ -	\$ -	\$ -	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>13 Clean Energy Schools</b>					
Provides \$15 million nonrecurring in FY 2021-22 and \$5 million nonrecurring in FY 2022-23 for a grant program for school districts to implement energy efficiency and clean energy projects that provide a healthier, safer, and more cost-effective learning environment. A portion of funds would support a statewide transition to clean, zero-emission school buses. This item is funded in the Energy & Environment Reserve in the Reserves Section of the budget.	Req	\$ -	\$ -	\$ -	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>14 Low-Income Clean Energy Program</b>					
Provides \$14 million nonrecurring in FY 2021-22 and \$9 million nonrecurring in FY 2022-23 to expand access to clean energy and energy efficiency improvements in low-income households. This program supplements the existing federal Weatherization program, expanding the number of low-income households across the state who can implement energy efficiency measures, access clean energy sources, and weatherize their homes with energy efficient improvements. The improvements will allow these households to save energy and reduce their utility bills. This item is funded in Energy & Environment Reserve in the Reserves Section of the budget.	Req \$	-	\$ -	\$ -	-
	Rec \$	-	\$ -	\$ -	-
	App \$	-	\$ -	\$ -	-
	FTE	0.000		0.000	0.000
<b>15 State Energy Centers Operations, Research, and Student Fellowships</b>					
Provides \$2 million nonrecurring in each year of the biennium to enable workforce training, innovative research, technical assistance, and work-based student fellowships that help advance North Carolina's transition to a clean energy economy. This item is funded in the Energy & Environment Reserve in the Reserves Section of the budget.	Req \$	-	\$ -	\$ -	-
	Rec \$	-	\$ -	\$ -	-
	App \$	-	\$ -	\$ -	-
	FTE	0.000		0.000	0.000
<b>Water Resources and Waste Management</b>					
<b>16 Emerging Compounds in Water and Air</b>					
Funds agency-wide work on emerging compounds to hire additional staff, such as chemists, hydrogeologists, and engineers, to abate hazardous substances where no financially-viable party can be located, and to provide alternative drinking water to eligible people affected by emerging compounds. A portion of these funds will be transferred to the appropriate special funds in budget codes 24318 and 64305.	Req \$	3,367,223	\$ 554,336	\$ 3,367,223	\$ 500,000
	Rec \$	-	\$ -	\$ -	-
	App \$	3,367,223	\$ 554,336	\$ 3,367,223	\$ 500,000
	FTE	26.000		0.000	26.000
<b>Water Resources</b>					
<b>17 Animal Feeding Operations Oversight</b>					
Creates three positions to provide farmers at animal feeding operations direct technical assistance with regulatory compliance and wastewater management.	Req \$	255,576	\$ 10,188	\$ 255,576	\$ -
	Rec \$	-	\$ -	\$ -	-
	App \$	255,576	\$ 10,188	\$ 255,576	\$ -
	FTE	3.000		0.000	3.000
<b>18 Water Resource Development Projects</b>					
Funds the state share of Water Resources Development Projects. The projects include navigation, water management, flood mitigation, and beach re-nourishment. State and local funds will leverage more than \$220 million in federal funds. This item is a grant program that has traditionally been funded in the Capital section of the budget, but the budget structure has been updated. There is a corresponding special provision for the item.	Req \$	-	\$ 54,995,423	\$ -	\$ 35,231,560
	Rec \$	-	\$ 10,525,759	\$ -	\$ -
	App \$	-	\$ 44,469,664	\$ -	\$ 35,231,560
	FTE	0.000		0.000	0.000
<b>19 NPDES Fee Changes Transfer</b>					
Budgets the transfer of receipts for certain National Pollutant Discharge Elimination System (NPDES) permit fees from budget code 24300 to allow the division to fund existing time-limited positions, add additional staff, and maintain existing staffing to decrease permit processing times for regulated entities.	Req \$	578,817	\$ -	\$ 578,817	\$ -
	Rec \$	578,817	\$ -	\$ 578,817	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	6.000		0.000	6.000

		R Changes	NR Changes	R Changes	NR Changes
<b>Waste Management</b>					
<b>20 Commercial LUST Cleanup Fund Changes Transfer</b>					
Budgets the transfer of receipts from the Commercial Leaking Petroleum Underground Storage Tank (LUST) Cleanup Fund in budget code 64305 . These receipts will allow for increased administrative expenses in order to address staffing needs, transfer section data from an obsolete database, and convert paper files to electronic files. Additional funding will also provide for increased assessment and cleanup where no responsible parties can be found, which will reduce the risk of exposure to petroleum releases for NC residents and the environment, especially groundwater and surface water resources.	Req	\$ -	\$ 250,997	\$ -	\$ 250,997
	Rec	\$ -	\$ 250,997	\$ -	\$ 250,997
	App	\$ -	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Marine Fisheries</b>					
<b>21 Marine Patrol Law Enforcement Officers and Equipment</b>					
Funds Law Enforcement Officers and replacement of aged Marine Patrol equipment, which could include new flat bottom skiffs, v-hull boats, and engines. Marine Patrol has no recurring budget for replacing equipment.	Req	\$ 450,000	\$ 150,000	\$ 450,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 450,000	\$ 150,000	\$ 450,000	\$ -
	FTE	2.800	0.000	2.800	0.000
<b>Coastal Management</b>					
<b>22 Division of Coastal Management Staff</b>					
Provides funds for a Coastal Resilience Coordinator and a Southern Sites manager. The Coastal Resilience Coordinator will support local governments with resilience planning and hazard mitigation activities; the Southern Sites Manager will manage the new Bird Island Reserve.	Req	\$ 180,091	\$ 6,792	\$ 180,091	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 180,091	\$ 6,792	\$ 180,091	\$ -
	FTE	2.000	0.000	2.000	0.000
<b>Energy, Mineral, and Land Resources</b>					
<b>23 Dam Safety Emergency Action Planning Staff</b>					
Funds four staff to provide technical assistance to dam owners, conduct dam safety inspections, and to manage the annual review of Emergency Action Plans. Annual review of Emergency Action Plans is required by S.L. 2014-122 for North Carolina's 1,559 Intermediate and High Hazard dams.	Req	\$ 453,821	\$ 13,584	\$ 453,821	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 453,821	\$ 13,584	\$ 453,821	\$ -
	FTE	4.000	0.000	4.000	0.000
<b>24 Dam Safety Emergency Fund</b>					
Provides emergency reserve funds to implement emergency dam safety remedial actions when there are imminent threats to the downstream public and sufficient funds or corrective action cannot be obtained from other sources. Dams either need to be drained or breached to remove the hazard threat downstream, with emergency costs ranging from \$150,000 to \$2 million per dam. Without remedial actions, these dams risk failure, which would cause millions of dollars of property damage and threaten loss of life.	Req	\$ -	\$ 3,500,000	\$ -	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ 3,500,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>25 Landslide Mapping and Emergency Response Program</b>					
Funds four geologists and hydrogeologists to manage and continue landslide mapping in NC's western counties. This program provides the public, local governments and emergency managers with landslide hazard maps and data to improve public health and safety and improve community resilience by providing information to reduce the vulnerability to losses from landslides. These positions provide technical assistance to local governments and serve as emergency response personnel to ensure that state can rapidly respond to local government requests.	Req	\$ 369,721	\$ 13,584	\$ 369,721	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 369,721	\$ 13,584	\$ 369,721	\$ -
	FTE	4.000	0.000	4.000	0.000
<b>26 Stormwater Program Amendment for Updated Fee Structure</b>					
Updates the Stormwater Program fee structure to be more in-line with surrounding states. Fees have not been adjusted since 2007. This change will allow the program to hire additional staff to significantly shorten permit response time and enable better service for permit applicants.	Req	\$ 315,282	\$ 10,188	\$ 315,282	\$ -
	Rec	\$ 315,282	\$ 10,188	\$ 315,282	\$ -
	App	\$ -	\$ -	\$ -	\$ -
	FTE	3.000	0.000	3.000	0.000

	R Changes		NR Changes		R Changes		NR Changes	
<b>Total Change to Requirements</b>	\$	9,441,552	\$	60,283,476	\$	10,693,357	\$	36,750,941
<b>Total Change to Receipts</b>	\$	894,099	\$	10,786,944	\$	894,099	\$	250,997
<b>Total Change to Net Appropriation</b>	\$	8,547,453	\$	49,496,532	\$	9,799,258	\$	36,499,944
<b>Total Change to Full-Time Equivalent (FTE)</b>		58.800		0.000		58.800		0.000
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$		\$	58,043,985	\$		\$	46,299,202
<b>Recommended Total FTE Changes</b>				58.800				58.800

**Environmental Quality - Special (24300)**

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2021-22</b>						
Requirements	\$ 80,826,173	\$ 3,167,723	\$ 67,377,792	\$ 70,545,515	\$ 151,371,688	87.3%
Receipts	\$ 73,669,395	\$ 3,167,723	\$ 67,377,792	\$ 70,545,515	\$ 144,214,910	95.8%
Δ in Fund Balance	\$ (7,156,778)	\$ -	\$ -	\$ -	\$ (7,156,778)	0.0%
Positions (FTE)	191.519	23.000	0.000	23.000	214.519	12.0%
<b>Year 2</b>	<b>Base Budget</b>	<b>Net Recurring</b>	<b>Net Nonrecurring</b>	<b>Recommended Change</b>	<b>Recommended Budget</b>	<b>% Δ from Base Budget</b>
<b>FY 2022-23</b>						
Requirements	\$ 80,826,173	\$ 3,167,723	\$ -	\$ 3,167,723	\$ 83,993,896	3.9%
Receipts	\$ 73,669,395	\$ 3,167,723	\$ -	\$ 3,167,723	\$ 76,837,118	4.3%
Δ in Fund Balance	\$ (7,156,778)	\$ -	\$ -	\$ -	\$ (7,156,778)	0.0%
Positions (FTE)	191.519	23.000	0.000	23.000	214.519	12.0%

	FY 2021-22		FY 2022-23	
	R Changes	NR Changes	R Changes	NR Changes

**1 Phase II - Volkswagen Settlement Fund**

Appropriates remaining funds from North Carolina's share of the Volkswagen Settlement to Department of Environmental Quality, the designated management agency. The funds must be used to achieve beneficial nitrogen oxides (NOx) emissions reduction. States must develop plans for their settlement funds and submit them for approval. North Carolina's plan for the remaining funding will be detailed in the "Phase 2 Mitigation Plan."

Req	\$ -	\$ 67,320,060	\$ -	\$ -
Rec	\$ -	\$ 67,320,060	\$ -	\$ -
CFB	\$ -	\$ -	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

**2 Erosion and Sedimentation Fee Changes**

Adjusts the sediment fee of \$65 per acre to \$170 per acre and adds receipt-supported positions for erosion and sedimentation control plan review and associated compliance activities statewide, including enhanced technical assistance to the regulated community and oversight of delegated local programs. The Sediment Fee has not been increased since 2007. The updated fee structure is more in line with local erosion and sedimentation control fees. These additional resources would significantly enhance customer service to the regulated community through more technical assistance, improved communication and education, and quicker responses to complaints and environmental issues.

Req	\$ 2,241,000	\$ 54,336	\$ 2,241,000	\$ -
Rec	\$ 2,241,000	\$ 54,336	\$ 2,241,000	\$ -
CFB	\$ -	\$ -	\$ -	\$ -
FTE	16.000	0.000	16.000	0.000

**3 Dam Safety Fee Amendment**

Amends the dam safety fee structure to support a dedicated position for processing and reviewing dam safety applications and related compliance activities, which would allow for better technical assistance and education for dam owners. It would also allow for more timely high-hazard dam inspections, which protect against failures that could result in loss of life or significant property damage downstream.

Req	\$ 105,093	\$ 3,396	\$ 105,093	\$ -
Rec	\$ 105,093	\$ 3,396	\$ 105,093	\$ -
CFB	\$ -	\$ -	\$ -	\$ -
FTE	1.000	0.000	1.000	0.000

**4 NPDES Fee Changes**

Increases certain National Pollutant Discharge Elimination System (NPDES) permit fees to allow the division to adequately staff its permit process. Fees have not been changed since 2006. These changes will reduce the permit backlog and significantly shorten permit response time for regulated entities. These also allow for faster implementation of recent water quality standards and Environmental Protection Agency criteria, which will enhance protection of North Carolina's water supply.

Req	\$ 821,630	\$ -	\$ 821,630	\$ -
Rec	\$ 821,630	\$ -	\$ 821,630	\$ -
CFB	\$ -	\$ -	\$ -	\$ -
FTE	6.000	0.000	6.000	0.000



	R Changes		NR Changes		R Changes		NR Changes	
<b>Total Change to Requirements</b>	\$	3,167,723	\$	67,377,792	\$	3,167,723	\$	-
<b>Total Change to Receipts</b>	\$	3,167,723	\$	67,377,792	\$	3,167,723	\$	-
<b>Total Change to Fund Balance</b>	\$	-	\$	-	\$	-	\$	-
<b>Total Change to Full-Time Equivalent (FTE)</b>		23.000		0.000		23.000		0.000
<b>Recommended Fund Balance Changes (Recurring + Nonrecurring)</b>	\$		\$	-	\$		\$	-
<b>Recommended Total FTE Changes</b>				23.000				23.000

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

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2021-22</b>						
Requirements	\$ 7,197,657	\$ 300,000	\$ -	\$ 300,000	\$ 7,497,657	4.2%
Receipts	\$ 7,127,753	\$ 300,000	\$ -	\$ 300,000	\$ 7,427,753	4.2%
Δ in Fund Balance	\$ (69,904)	\$ -	\$ -	\$ -	\$ (69,904)	0.0%
Positions (FTE)	2.230	0.000	0.000	0.000	2.230	0.0%
<b>Year 2</b>	<b>Base Budget</b>	<b>Net Recurring</b>	<b>Net Nonrecurring</b>	<b>Recommended Change</b>	<b>Recommended Budget</b>	<b>% Δ from Base Budget</b>
<b>FY 2022-23</b>						
Requirements	\$ 7,197,657	\$ 300,000	\$ -	\$ 300,000	\$ 7,497,657	4.2%
Receipts	\$ 7,127,753	\$ 300,000	\$ -	\$ 300,000	\$ 7,427,753	4.2%
Δ in Fund Balance	\$ (69,904)	\$ -	\$ -	\$ -	\$ (69,904)	0.0%
Positions (FTE)	2.230	0.000	0.000	0.000	2.230	0.0%

	FY 2021-22		FY 2022-23	
	R Changes	NR Changes	R Changes	NR Changes
<b>1 Bernard Allen Fund</b>				
Budgets the transfer of \$300,000 in net appropriation from the Emerging Compounds appropriation in budget code 14300. The Bernard Allen Fund provides alternative drinking water for eligible residents who lack access to clean drinking water.	Req \$ 300,000	\$ -	\$ 300,000	\$ -
	Rec \$ 300,000	\$ -	\$ 300,000	\$ -
	CFB \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
<b>Total Change to Requirements</b>	\$ 300,000	\$ -	\$ 300,000	\$ -
<b>Total Change to Receipts</b>	\$ 300,000	\$ -	\$ 300,000	\$ -
<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>Recommended Total FTE Changes</b>		0.000		0.000

**Environmental Quality - Coal Ash Management Fund (24340)**

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2021-22</b>						
Requirements	\$ 1,922,808	\$ 680,000	\$ -	\$ 680,000	\$ 2,602,808	35.4%
Receipts	\$ 1,922,808	\$ 680,000	\$ -	\$ 680,000	\$ 2,602,808	35.4%
Δ in Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Positions (FTE)	21.746	2.000	0.000	2.000	23.746	9.2%

Year 2	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2022-23</b>						
Requirements	\$ 1,922,808	\$ 680,000	\$ -	\$ 680,000	\$ 2,602,808	35.4%
Receipts	\$ 1,922,808	\$ 680,000	\$ -	\$ 680,000	\$ 2,602,808	35.4%
Δ in Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Positions (FTE)	21.746	2.000	0.000	2.000	23.746	9.2%

	FY 2021-22		FY 2022-23	
	R Changes	NR Changes	R Changes	NR Changes
<b>1 Coal Ash Implementation</b>				
Changes the combustion residuals surface impoundments fee from .022% to .03% to provide for more effective implementation of the Coal Ash Management Act. Funds would allow for additional staff, including an engineer and hydrogeologist, to provided expedited permits for industrial coal ash landfills, to monitor soil and erosion permits, and to provide proper regulatory oversight of coal ash management in North Carolina.	Req \$ 680,000	\$ -	\$ 680,000	\$ -
	Rec \$ 680,000	\$ -	\$ 680,000	\$ -
	CFB \$ -	\$ -	\$ -	\$ -
	FTE 2.000	0.000	2.000	0.000
<b>Total Change to Requirements</b>	\$ 680,000	\$ -	\$ 680,000	\$ -
<b>Total Change to Receipts</b>	\$ 680,000	\$ -	\$ 680,000	\$ -
<b>Total Change to Fund Balance</b>	\$ -	\$ -	\$ -	\$ -
<b>Total Change to Full-Time Equivalent (FTE)</b>	2.000	0.000	2.000	0.000
<b>Recommended Fund Balance Changes (Recurring + Nonrecurring)</b>	\$ -	\$ -	\$ -	\$ -
<b>Recommended Total FTE Changes</b>		2.000		2.000

**Environmental Quality - Waste Management Cleanup (64305)**

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2021-22</b>						
Requirements	\$ 43,329,649	\$ 1,574,549	\$ 312,125	\$ 1,886,674	\$ 45,216,323	4.4%
Receipts	\$ 40,809,657	\$ 1,574,549	\$ 61,128	\$ 1,635,677	\$ 42,445,334	4.0%
Δ in Fund Balance	\$ (2,519,992)	\$ -	\$ (250,997)	\$ (250,997)	\$ (2,770,989)	10.0%
Positions (FTE)	30.750	14.000	0.000	14.000	44.750	45.5%
<b>Year 2</b>						
<b>FY 2022-23</b>						
Requirements	\$ 43,329,649	\$ 1,574,549	\$ 250,997	\$ 1,825,546	\$ 45,155,195	4.2%
Receipts	\$ 40,809,657	\$ 1,574,549	\$ -	\$ 1,574,549	\$ 42,384,206	3.9%
Δ in Fund Balance	\$ (2,519,992)	\$ -	\$ (250,997)	\$ (250,997)	\$ (2,770,989)	10.0%
Positions (FTE)	30.750	14.000	0.000	14.000	44.750	45.5%

	FY 2021-22		FY 2022-23	
	R Changes	NR Changes	R Changes	NR Changes
<b>1 Inactive Hazardous Waste Sites Staff and Site Cleanup Transfer</b>				
Transfer from Emerging Compounds request in budget code 14300 for 14 hydrogeologists to provide pollution incident oversight for and manage nonregulated petroleum releases and to provide increased funds to abate site-specific public health exposure from hazardous substances, including emerging compounds.	Req \$ 1,574,549	\$ 61,128	\$ 1,574,549	\$ -
	Rec \$ 1,574,549	\$ 61,128	\$ 1,574,549	\$ -
	CFB \$ -	\$ -	\$ -	\$ -
	FTE 14.000	0.000	14.000	0.000
<b>2 Commercial LUST Fund Changes</b>				
Amends the Commercial LUST fund to allow for increased administrative expenses in order to address staffing needs, transfer section data from an obsolete database, and convert paper files to electronic files. Additional funding will also provide for increased assessment and cleanup where no responsible parties can be found, which will reduce the risk of exposure to petroleum releases for NC people and the environment, especially groundwater and surface water resources.	Req \$ -	\$ 250,997	\$ -	\$ 250,997
	Rec \$ -	\$ -	\$ -	\$ -
	CFB \$ -	\$ (250,997)	\$ -	\$ (250,997)
	FTE 0.000	0.000	0.000	0.000
<b>Total Change to Requirements</b>	\$ 1,574,549	\$ 312,125	\$ 1,574,549	\$ 250,997
<b>Total Change to Receipts</b>	\$ 1,574,549	\$ 61,128	\$ 1,574,549	\$ -
<b>Total Change to Fund Balance</b>	\$ -	\$ (250,997)	\$ -	\$ (250,997)
<b>Total Change to Full-Time Equivalent (FTE)</b>	14.000	0.000	14.000	0.000
<b>Recommended Fund Balance Changes (Recurring + Nonrecurring)</b>	\$ -	\$ (250,997)	\$ -	\$ (250,997)
<b>Recommended Total FTE Changes</b>		14.000		14.000

**Mission**

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

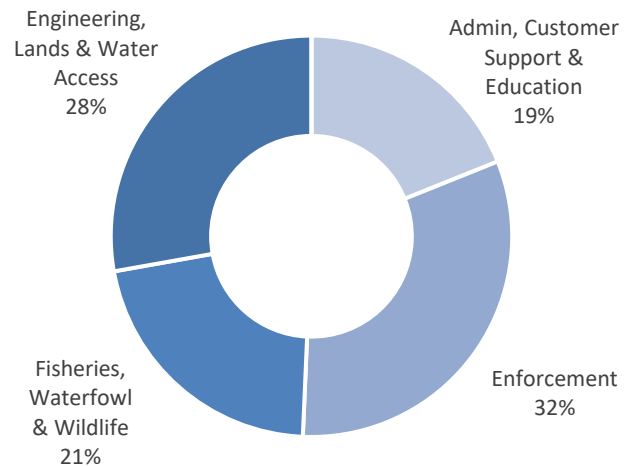
**Goals**

1. Ensure North Carolinians have opportunities for safe and readily available wildlife-related activities.
2. Provide and promote opportunities for every adult and child, regardless of physical abilities, to experience North Carolina’s wildlife resources.
3. Conserve and enhance the abundance and diversity of North Carolina’s fish and wildlife resources.
4. Be recognized as a leader in sustaining working lands, conserving wildlife habitats and species diversity, and maintaining the hunting and fishing heritage of North Carolina.
5. Communicate, educate, and market wildlife conservation and the role of hunting and fishing in effective wildlife-management programs.
6. Maintain a sound funding model that meets resource and constituent needs and supports current and future programs.
7. Create a work environment with clear priorities, efficient and effective decision-making, and where employees feel a sense of creativity, accountability, value, and satisfaction.

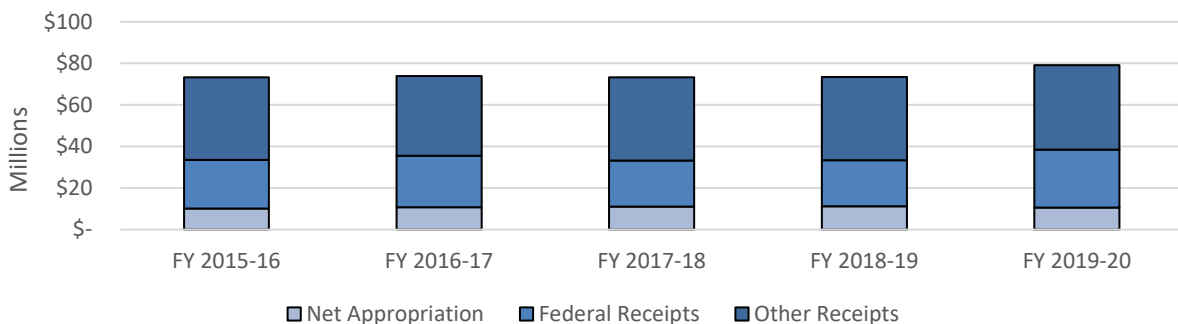
**Agency Profile**

- 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 69 game lands of almost 500,000 acres and manages an additional 1.6 million acres through cooperative agreements for wildlife management and conservation efforts.
- Manages over 240 boating access areas, 200 public fishing areas, four educational centers and six shooting ranges to provide opportunity and access to the public.

**FY 2020-21 Authorized Expenditures**



**5-Year Historical Expenditures**



**Wildlife Resources Commission (14350)**

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2021-22</b>						
Requirements	\$ 94,382,144	\$ 710,747	\$ 182,750	\$ 893,497	\$ 95,275,641	0.9%
Receipts	\$ 81,574,562	\$ -	\$ -	\$ -	\$ 81,574,562	0.0%
Net Appropriation	\$ 12,807,582	\$ 710,747	\$ 182,750	\$ 893,497	\$ 13,701,079	7.0%
Positions (FTE)	655.000	2.000	0.000	2.000	657.000	0.3%
<b>Year 2</b>	<b>Base Budget</b>	<b>Net Recurring</b>	<b>Net Nonrecurring</b>	<b>Recommended Change</b>	<b>Recommended Budget</b>	<b>% Δ from Base Budget</b>
<b>FY 2022-23</b>						
Requirements	\$ 94,382,144	\$ 1,012,314	\$ 182,750	\$ 1,195,064	\$ 95,577,208	1.3%
Receipts	\$ 81,574,562	\$ -	\$ -	\$ -	\$ 81,574,562	0.0%
Net Appropriation	\$ 12,807,582	\$ 1,012,314	\$ 182,750	\$ 1,195,064	\$ 14,002,646	9.3%
Positions (FTE)	655.000	2.000	0.000	2.000	657.000	0.3%

	FY 2021-22		FY 2022-23	
	R Changes	NR Changes	R Changes	NR Changes

**Compensation and Benefits Reserve**

**1 Cost of Living Adjustment - State Employees**

Provides funds for a \$1,000 bonus in FY 2021-22 and 2.5% cost of living adjustments in each year of the biennium, increasing existing state employee salaries by more than 5% over the biennium. Corresponding special provisions provide additional details on these compensation adjustments.

Req	\$ 241,645	\$ 135,607	\$ 489,331	\$ 135,607
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 241,645	\$ 135,607	\$ 489,331	\$ 135,607
FTE	0.000	0.000	0.000	0.000

**2 Reserve to Address Compression, Equity, and High Turnover**

Provides funds based on agency-identified salary adjustment needs, such as compression, equity, and recruitment, as well as high turnover jobs, defined as jobs with voluntary turnover of at least 15% between July 2019 and December 2020. The department may use these funds as needed to address recruitment and retention needs across the department regardless of job classification.

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

**3 TSERS Retirement Contribution**

Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2021-23 fiscal biennium to fund the actuarially determined contribution, retiree medical premiums, and increases for retirees, including a 2% recurring cost-of-living adjustment and a one-time 2% bonus in both FY 2021-22 and FY 2022-23. Corresponding special provisions provide additional details on these adjustments.

Req	\$ 151,004	\$ 47,143	\$ 171,629	\$ 47,143
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 151,004	\$ 47,143	\$ 171,629	\$ 47,143
FTE	0.000	0.000	0.000	0.000

**4 State Health Plan Contribution**

Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2021-23 fiscal biennium.

Req	\$ 31,996	\$ -	\$ 65,252	\$ -
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 31,996	\$ -	\$ 65,252	\$ -
FTE	0.000	0.000	0.000	0.000

**Department-wide**

**5 Internal Auditor**

Funds one Internal Auditor to help meet minimum recommended levels. This position should improve efficiency, effectiveness, and compliance for the agency.

Req	\$ 95,094	\$ -	\$ 95,094	\$ -
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 95,094	\$ -	\$ 95,094	\$ -
FTE	1.000	0.000	1.000	0.000

**6 Advanced Analytics and Data Interpretation Position**

Provides one Advanced Analytics and Data Interpretation position. This position will help build capacity across state government to manage resources and programs more effectively. These skills are needed to inform evidence-based, data-driven decision-making for agency budgets and programs. OSBM will coordinate regular meetings and trainings with agency-based advanced analytics staff to facilitate continuous development of skills and capacity and to share best practices.

Req	\$ 140,380	\$ -	\$ 140,380	\$ -
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 140,380	\$ -	\$ 140,380	\$ -
FTE	1.000	0.000	1.000	0.000

		<b>R Changes</b>	<b>NR Changes</b>	<b>R Changes</b>	<b>NR Changes</b>
<b>7 Subscription Rate Increase</b>					
Funds the increase in Department of Information Technology subscription rates based on the FY 2021-22 approved rate. The subscription rate covers the administrative support provided for DIT, such as internal audit, finance, human resources, and facility management.	Req \$	23,628	\$ -	\$ 23,628	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	23,628	\$ -	\$ 23,628	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Total Change to Requirements</b>	\$	<b>710,747</b>	\$ <b>182,750</b>	\$ <b>1,012,314</b>	\$ <b>182,750</b>
<b>Total Change to Receipts</b>	\$	<b>-</b>	\$ <b>-</b>	\$ <b>-</b>	\$ <b>-</b>
<b>Total Change to Net Appropriation</b>	\$	<b>710,747</b>	\$ <b>182,750</b>	\$ <b>1,012,314</b>	\$ <b>182,750</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>		<b>2.000</b>	<b>0.000</b>	<b>2.000</b>	<b>0.000</b>
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$		<b>893,497</b>	\$	<b>1,195,064</b>
<b>Recommended Total FTE Changes</b>			<b>2.000</b>		<b>2.000</b>

**Mission**

To improve the economic well-being and quality of life for all North Carolinians. To do that, the North Carolina Department of Commerce works closely with local, regional, national, and international organizations to propel economic, community and workforce development for the state.

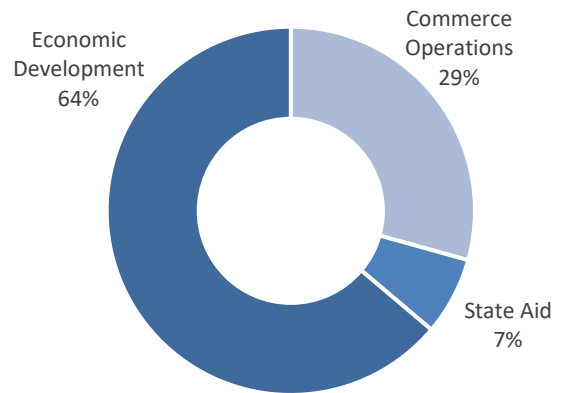
**Goals**

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.

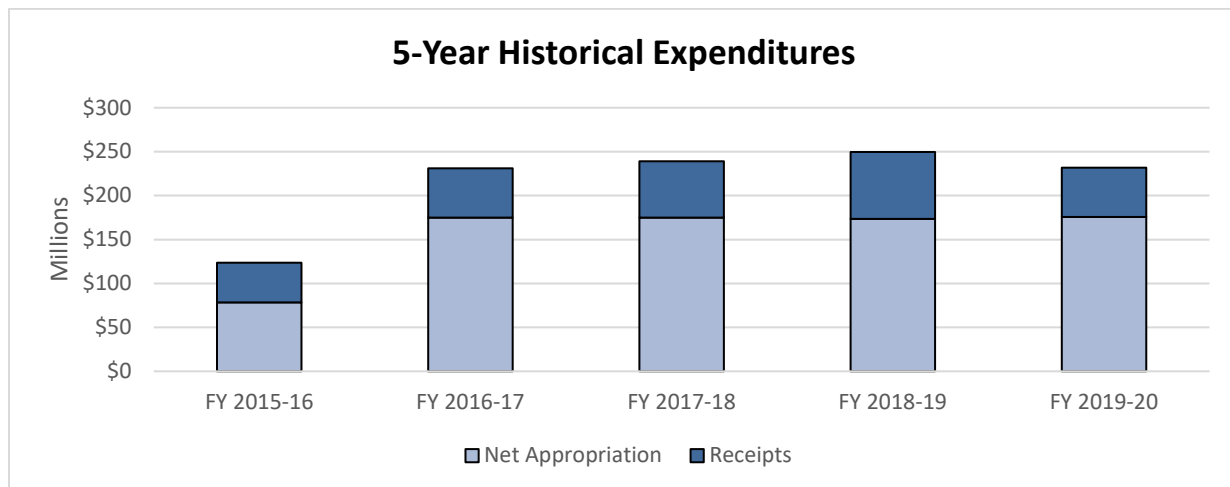
**Agency Profile**

- Comprises six divisions: Employment Security; Labor and Economic Analysis; Division-Finance Center; Rural Economic Development; Science, Technology and Innovation; and Workforce Solutions.
- Connects businesses with the site locations, workforce, and infrastructure they need to set themselves 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 2020-21 Authorized Expenditures**



**5-Year Historical Expenditures**



*Charts include General Fund budget codes only.*



**Department of Commerce (14600)**

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2021-22</b>						
Requirements	\$ 68,689,734	\$ 2,676,007	\$ 171,735	\$ 2,847,742	\$ 71,537,476	4.1%
Receipts	\$ 56,947,040	\$ -	\$ -	\$ -	\$ 56,947,040	0.0%
Net Appropriation	\$ 11,742,694	\$ 2,676,007	\$ 171,735	\$ 2,847,742	\$ 14,590,436	24.3%
Positions (FTE)	172.051	18.000	0.000	18.000	190.051	10.5%

Year 2	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2022-23</b>						
Requirements	\$ 68,689,734	\$ 3,246,461	\$ 161,735	\$ 3,408,196	\$ 72,097,930	5.0%
Receipts	\$ 56,947,040	\$ -	\$ -	\$ -	\$ 56,947,040	0.0%
Net Appropriation	\$ 11,742,694	\$ 3,246,461	\$ 161,735	\$ 3,408,196	\$ 15,150,890	29.0%
Positions (FTE)	172.051	20.000	0.000	20.000	192.051	11.6%

	FY 2021-22		FY 2022-23	
	R Changes	NR Changes	R Changes	NR Changes

**Compensation and Benefits Reserve**

**1 Cost of Living Adjustment - State Employees**

Provides funds for a \$1,000 bonus in FY 2021-22 and 2.5% cost of living adjustments in each year of the biennium, increasing existing state employee salaries by more than 5% over the biennium. Corresponding special provisions provide additional details on these compensation adjustments.

Req	\$ 217,077	\$ 118,640	\$ 439,581	\$ 118,640
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 217,077	\$ 118,640	\$ 439,581	\$ 118,640
FTE	0.000	0.000	0.000	0.000

**2 Reserve to Address Compression, Equity, and High Turnover**

Provides funds based on agency-identified salary adjustment needs, such as compression, equity, and recruitment, as well as high turnover jobs, defined as jobs with voluntary turnover of at least 15% between July 2019 and December 2020. The department may use these funds as needed to address recruitment and retention needs across the department regardless of job classification.

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

**3 TSERS Retirement Contribution**

Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2021-23 fiscal biennium to fund the actuarially determined contribution, retiree medical premiums, and increases for retirees, including a 2% recurring cost-of-living adjustment and a one-time 2% bonus in both FY 2021-22 and FY 2022-23. Corresponding special provisions provide additional details on these adjustments.

Req	\$ 138,037	\$ 43,095	\$ 156,891	\$ 43,095
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 138,037	\$ 43,095	\$ 156,891	\$ 43,095
FTE	0.000	0.000	0.000	0.000

**4 State Health Plan Contribution**

Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2021-23 fiscal biennium.

Req	\$ 27,993	\$ -	\$ 57,089	\$ -
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 27,993	\$ -	\$ 57,089	\$ -
FTE	0.000	0.000	0.000	0.000

**Department-wide**

**5 Internal Auditors**

Funds two Internal Auditors to help meet minimum recommended levels. These positions should improve efficiency, effectiveness, and compliance for the agency.

Req	\$ 190,190	\$ -	\$ 190,190	\$ -
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 190,190	\$ -	\$ 190,190	\$ -
FTE	2.000	0.000	2.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>6 Advanced Analytics and Data Interpretation Position</b>					
Provides one Advanced Analytics and Data Interpretation position. This position will help build capacity across state government to manage resources and programs more effectively. These skills are needed to inform evidence-based, data-driven decision-making for agency budgets and programs. OSBM will coordinate regular meetings and trainings with agency-based advanced analytics staff to facilitate continuous development of skills and capacity and to share best practices.	Req \$	140,380	\$ -	\$ 140,380	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	140,380	\$ -	\$ 140,380	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>7 Subscription Rate Increase</b>					
Funds the increase in Department of Information Technology subscription rates based on the FY 2021-22 approved rate. The subscription rate covers the administrative support provided for DIT, such as internal audit, finance, human resources, and facility management.	Req \$	190,330	\$ -	\$ 190,330	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	190,330	\$ -	\$ 190,330	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>8 Positions to Enhance Core Capabilities</b>					
Provides funding for a Web Content Manager, a Certified Sites Upgrade & Product Development Director, and analytic support staff at the Labor and Economic Analysis Division.	Req \$	450,000	\$ -	\$ 450,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	450,000	\$ -	\$ 450,000	\$ -
	FTE	4.000	0.000	4.000	0.000
<b>9 Housing &amp; Community Development Office</b>					
Establishes a new office within the Department of Commerce to provide statewide housing and community development policy coordination, capacity, and technical assistance. By looking holistically at housing and community development, the office will help North Carolina foster attractive communities to live and work. Funds provide a total of four staff, including an Office Director, supporting and technical assistance staff, and an operating budget.	Req \$	300,000	\$ -	\$ 600,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	300,000	\$ -	\$ 600,000	\$ -
	FTE	2.000	0.000	4.000	0.000
<b>10 Agency Impact Analyst</b>					
Provides funds for a position to serve as an environmental justice, equity, and inclusion coordinator within the agency. This position will complete analyses to better understand how the agency's work impacts underserved communities through an environmental justice and equity lens. The Coordinator will also ensure that North Carolina communities have a clear point of contact, thereby increasing transparency of these efforts.	Req \$	103,000	\$ -	\$ 103,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	103,000	\$ -	\$ 103,000	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>11 Agency Energy Manager</b>					
Provides funds for an Agency Energy Manager, who will assist the department in achieving utility cost savings and required energy consumption reductions, based on targets set in GS 143-64.12(a). Each Agency Energy Manager will analyze agency energy usage and submit an annual Agency Utility Report to DEQ.	Req \$	103,000	\$ -	\$ 103,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	103,000	\$ -	\$ 103,000	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>Small Business</b>					
<b>12 Small Business Resources Division</b>					
Provides funding for a Program Director and staff position to lead the department's support of start-ups and small firms across the state. These positions will improve start-up and small firm success by working with local governments and economic development organizations to identify and retrofit available buildings or storefronts to provide incubator spaces for fledgling entrepreneurs, providing business planning and financial management advice during early growth periods, helping small businesses access capital through microloan resources, and building business owners' capacity by helping them better understand their market and manage their day-to-day financial position.	Req \$	265,000	\$ -	\$ 265,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	265,000	\$ -	\$ 265,000	\$ -
	FTE	2.000	0.000	2.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>Economic Development Partnership of North Carolina</b>					
<b>13 Small Business Support Staff</b>					
Funds additional support staff at Business Link North Carolina within the Economic Development Partnership of North Carolina which will provide small business outreach and assistance services statewide, including guidance on leveraging COVID-19 related resources.	Req \$	125,000	\$ -	\$ 125,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	125,000	\$ -	\$ 125,000	\$ -
	FTE	2.000	0.000	2.000	0.000
<b>Clean Energy</b>					
<b>14 Clean Energy Supply Chain and Economic Development Personnel</b>					
Provides funds for three personnel to administer the department's portfolio of clean energy programs and provide technical assistance statewide.	Req \$	400,000	\$ 10,000	\$ 400,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	400,000	\$ 10,000	\$ 400,000	\$ -
	FTE	3.000	0.000	3.000	0.000
<b>Total Change to Requirements</b>	\$	<b>2,676,007</b>	\$ <b>171,735</b>	\$ <b>3,246,461</b>	\$ <b>161,735</b>
<b>Total Change to Receipts</b>	\$	<b>-</b>	\$ <b>-</b>	\$ <b>-</b>	\$ <b>-</b>
<b>Total Change to Net Appropriation</b>	\$	<b>2,676,007</b>	\$ <b>171,735</b>	\$ <b>3,246,461</b>	\$ <b>161,735</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>		<b>18.000</b>	<b>0.000</b>	<b>20.000</b>	<b>0.000</b>
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$		<b>2,847,742</b>	\$	<b>3,408,196</b>
<b>Recommended Total FTE Changes</b>			<b>18.000</b>		<b>20.000</b>

**Commerce - General State Aid (14601)**

Year 1 FY 2021-22	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 16,155,810	\$ -	\$ 3,000,000	\$ 3,000,000	\$ 19,155,810	18.6%
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Net Appropriation	\$ 16,155,810	\$ -	\$ 3,000,000	\$ 3,000,000	\$ 19,155,810	18.6%
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.0%

Year 2 FY 2022-23	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 16,155,810	\$ -	\$ 3,000,000	\$ 3,000,000	\$ 19,155,810	18.6%
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Net Appropriation	\$ 16,155,810	\$ -	\$ 3,000,000	\$ 3,000,000	\$ 19,155,810	18.6%
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.0%

	FY 2021-22		FY 2022-23	
	R Changes	NR Changes	R Changes	NR Changes
<b>1 Carolina Small Business Development Fund</b>				
Provides funds to support small business loans and financial training to start-ups and existing businesses and to lending services for community-based organizations.	Req \$ -	\$ 3,000,000	\$ -	\$ 3,000,000
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ -	\$ 3,000,000	\$ -	\$ 3,000,000
	FTE 0.000	0.000	0.000	0.000
<b>Total Change to Requirements</b>	\$ -	\$ 3,000,000	\$ -	\$ 3,000,000
<b>Total Change to Receipts</b>	\$ -	\$ -	\$ -	\$ -
<b>Total Change to Net Appropriation</b>	\$ -	\$ 3,000,000	\$ -	\$ 3,000,000
<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>	\$ -	\$ 3,000,000	\$ -	\$ 3,000,000
<b>Recommended Total FTE Changes</b>		0.000		0.000

**Commerce - Economic Development (14602)**

Year 1 FY 2021-22	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 150,295,700	\$ 5,000,000	\$ (8,000,000)	\$ (3,000,000)	\$ 147,295,700	-2.0%
Receipts	\$ 120,000	\$ -	\$ -	\$ -	\$ 120,000	0.0%
Net Appropriation	\$ 150,175,700	\$ 5,000,000	\$ (8,000,000)	\$ (3,000,000)	\$ 147,175,700	-2.0%
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.0%

Year 2 FY 2022-23	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 150,295,700	\$ 5,000,000	\$ 15,000,000	\$ 20,000,000	\$ 170,295,700	13.3%
Receipts	\$ 120,000	\$ -	\$ -	\$ -	\$ 120,000	0.0%
Net Appropriation	\$ 150,175,700	\$ 5,000,000	\$ 15,000,000	\$ 20,000,000	\$ 170,175,700	13.3%
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.0%

	FY 2021-22		FY 2022-23		
	R Changes	NR Changes	R Changes	NR Changes	
<b>Targeting Businesses</b>					
<b>1 Innovation Assistance for Industry Diversification and Extension</b>					
Provides \$3 million nonrecurring in FY 2021-22 and \$6 million nonrecurring in FY 2022-23 for the Innovation Assistance for Industry Diversification and Extension (Innovation AIDE) program that will identify, develop, and scale a targeted set of innovation initiatives tailored to communities—in particular rural and economically distressed communities across the state—based on their core assets, priorities, and strengths to increase their economic resilience in the global, innovation-based economy. Initiatives include but are not limited to competitive and comparative economic analyses, leadership and management training, strategic planning, supply chain optimization, and workforce development.	Req \$	- \$	3,000,000 \$	- \$	6,000,000
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	3,000,000 \$	- \$	6,000,000
	FTE	0.000	0.000	0.000	0.000
<b>2 One North Carolina Small Business Program</b>					
Provides funding to offer early-stage technology development grants for small businesses that receive federal awards from the Small Business Innovative Research program or the Small Business Technology Transfer program.	Req \$	- \$	9,000,000 \$	- \$	9,000,000
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	9,000,000 \$	- \$	9,000,000
	FTE	0.000	0.000	0.000	0.000
<b>Economic Development Partnership of North Carolina</b>					
<b>3 Advertising NC as a Business Destination</b>					
Provides funding for business and tourism marketing to the Economic Development Partnership of North Carolina. These funds support activities that increase awareness of North Carolina and draw visitors, conventions, prospective businesses, and investment to the state.	Req \$	5,000,000 \$	- \$	5,000,000 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	5,000,000 \$	- \$	5,000,000 \$	-
	FTE	0.000	0.000	0.000	0.000
<b>Energy and Environment Reserve</b>					
<b>4 Clean Energy Innovation and Research (CLEIR) Grants</b>					
Provides \$4.5 million nonrecurring in FY 2021-22 for a competitive grant program for clean energy and energy efficiency innovations and research to encourage innovation, entrepreneurship, and the development of small business in this area. This item is funded in the Energy & Environment Reserve in the Reserves Section of this document.	Req \$	- \$	- \$	- \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>5 Clean Energy Economic Development</b>					
Provides \$10 million nonrecurring in FY 2021-22 for grants to eligible clean energy and clean transportation projects to incentivize clean energy economic development and grow clean energy jobs within the state reducing emissions. This item is funded in the Energy & Environment Reserve in the Reserves Section of this document.	Req \$	- \$	- \$	- \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000

		<b>R Changes</b>	<b>NR Changes</b>	<b>R Changes</b>	<b>NR Changes</b>
<b>6 Energy Workforce Support Study</b>					
Provides \$1 million nonrecurring in FY 2021-22 for a study to determine the impact of ongoing changes in North Carolina's energy sector. The study will evaluate the economic effects on communities, workers, and local governments as the energy sector shifts away from fossil fuel-based electricity generation. A portion of these fund will support pilot strategies to help communities shift to a clean energy economy, including planning, workforce development, and community engagement. This item is funded in the Energy & Environment Reserve in the Reserves Section of this document.	Req \$	- \$	- \$	- \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>7 Net-Zero 2050 Strategy</b>					
Provides \$1.5 million nonrecurring in FY 2021-22 to develop a North Carolina strategy for achieving a net-zero emissions economy by 2050. This item is funded in the Energy & Environment Reserve in the Reserves Section of this document.	Req \$	- \$	- \$	- \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>Job Development Investment Grant (JDIG)</b>					
<b>8 Job Development Investment Grant (JDIG)</b>					
Reduces funding for the Job Development Investment Grants (JDIG) Fund based on the department's assessment of estimated needs for FY 2021-22 and the projected fund balance available to meet these needs. This adjustment does not affect any of the operations of the JDIG Program per Chapter 143B, Part 2G of the North Carolina General Statutes. The revised net appropriation for the JDIG program is \$51.7 million in FY 2021-22 and \$71.7 million in FY 2022-23.	Req \$	- \$	(20,000,000) \$	- \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	(20,000,000) \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>Total Change to Requirements</b>	\$	<b>5,000,000</b>	<b>(8,000,000)</b>	<b>5,000,000</b>	<b>15,000,000</b>
<b>Total Change to Receipts</b>	\$	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Change to Net Appropriation</b>	\$	<b>5,000,000</b>	<b>(8,000,000)</b>	<b>5,000,000</b>	<b>15,000,000</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 Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$		<b>(3,000,000)</b>	\$	<b>20,000,000</b>
<b>Recommended Total FTE Changes</b>			<b>0.000</b>		<b>0.000</b>

**Commerce - Special (24609)**

Year 1 FY 2021-22	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 149,069,571	\$ -	\$ 1,000,000	\$ 1,000,000	\$ 150,069,571	0.7%
Receipts	\$ 149,069,571	\$ -	\$ (19,000,000)	\$ (19,000,000)	\$ 130,069,571	-12.7%
Δ in Fund Balance	\$ -	\$ -	\$ (20,000,000)	\$ (20,000,000)	\$ (20,000,000)	0.0%
Positions (FTE)	3.250	0.000	0.000	0.000	3.250	0.0%

Year 2 FY 2022-23	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 149,069,571	\$ -	\$ -	\$ -	\$ 149,069,571	0.0%
Receipts	\$ 149,069,571	\$ -	\$ -	\$ -	\$ 149,069,571	0.0%
Δ in Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Positions (FTE)	3.250	0.000	0.000	0.000	3.250	0.0%

	FY 2021-22		FY 2022-23	
	R Changes	NR Changes	R Changes	NR Changes

**1 Energy Workforce Support Study**

Budgets the transfer from the General Fund of the Energy Workforce Support Study.	Req \$	- \$	1,000,000 \$	- \$	-
	Rec \$	- \$	1,000,000 \$	- \$	-
	CFB \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000

**2 Job Development Investment Grant (JDIG)**

Reduces funding for the Job Development Investment Grants (JDIG) Fund based on the department's assessment of estimated needs for FY 2021-22 and the projected fund balance available to meet these needs.	Req \$	- \$	- \$	- \$	-
	Rec \$	- \$	(20,000,000) \$	- \$	-
This adjustment does not affect any of the operations of the JDIG Program per Chapter 143B, Part 2G of the North Carolina General Statutes. The revised net appropriation for the JDIG program is \$51.7 million in FY 2021-22 and \$71.7 million in FY 2022-23.	CFB \$	- \$	(20,000,000) \$	- \$	-
	FTE	0.000	0.000	0.000	0.000

<b>Total Change to Requirements</b>	\$	- \$	1,000,000 \$	- \$	-
<b>Total Change to Receipts</b>	\$	- \$	(19,000,000) \$	- \$	-
<b>Total Change to Fund Balance</b>	\$	- \$	(20,000,000) \$	- \$	-
<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>	\$	(20,000,000) \$			-
<b>Recommended Total FTE Changes</b>			0.000		0.000

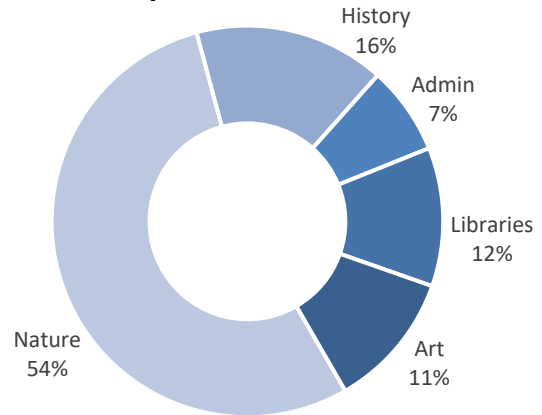
**Mission**

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 and cultural inclusion in departmental programs, recruitment, administration, and community engagement.

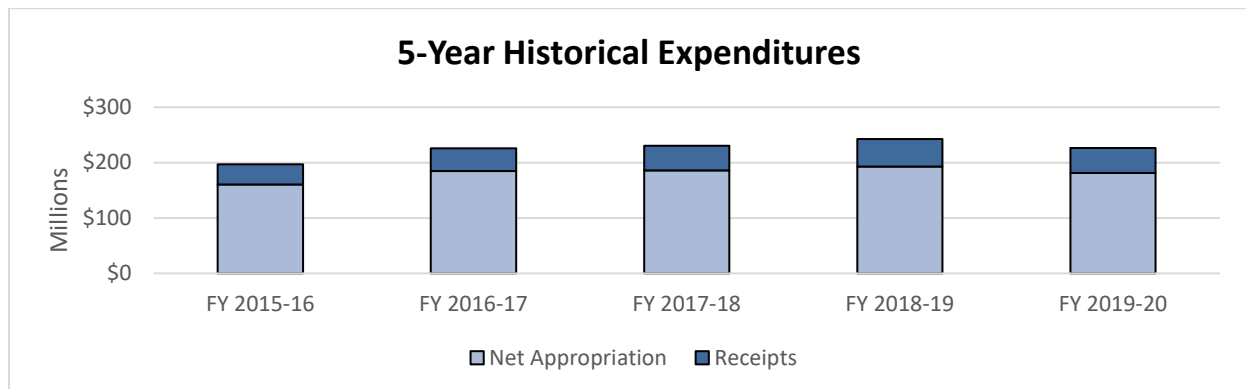
**FY 2020-21 Authorized Expenditures**



**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)**

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2021-22</b>						
Requirements	\$ 231,632,149	\$ 20,049,207	\$ 6,895,619	\$ 26,944,826	\$ 258,576,975	11.6%
Receipts	\$ 42,719,903	\$ -	\$ -	\$ -	\$ 42,719,903	0.0%
Net Appropriation	\$ 188,912,246	\$ 20,049,207	\$ 6,895,619	\$ 26,944,826	\$ 215,857,072	14.3%
Positions (FTE)	1860.821	68.000	0.000	68.000	1928.821	3.7%
<b>Year 2</b>	<b>Base Budget</b>	<b>Net Recurring</b>	<b>Net Nonrecurring</b>	<b>Recommended Change</b>	<b>Recommended Budget</b>	<b>% Δ from Base Budget</b>
<b>FY 2022-23</b>						
Requirements	\$ 231,632,149	\$ 23,177,137	\$ 2,842,619	\$ 26,019,756	\$ 257,651,905	11.2%
Receipts	\$ 42,719,903	\$ -	\$ -	\$ -	\$ 42,719,903	0.0%
Net Appropriation	\$ 188,912,246	\$ 23,177,137	\$ 2,842,619	\$ 26,019,756	\$ 214,932,002	13.8%
Positions (FTE)	1860.821	68.000	0.000	68.000	1928.821	3.7%

		FY 2021-22		FY 2022-23	
		R Changes	NR Changes	R Changes	NR Changes
<b>Compensation and Benefits Reserve</b>					
<b>1 Cost of Living Adjustment - State Employees</b>					
Provides funds for a \$1,000 bonus in FY 2021-22 and 2.5% cost of living adjustments in each year of the biennium, increasing existing state employee salaries by more than 5% over the biennium. Corresponding special provisions provide additional details on these compensation adjustments.	Req	\$ 2,422,452	\$ 1,775,956	\$ 4,905,465	\$ 1,775,956
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 2,422,452	\$ 1,775,956	\$ 4,905,465	\$ 1,775,956
	FTE	0.000	0.000	0.000	0.000
<b>2 Reserve to Address Compression, Equity, and High Turnover</b>					
Provides funds based on agency-identified salary adjustment needs, such as compression, equity, and recruitment, as well as high turnover jobs, defined as jobs with voluntary turnover of at least 15% between July 2019 and December 2020. The department may use these funds as needed to address recruitment and retention needs across the department regardless of job classification.	Req	\$ 621,000	\$ -	\$ 621,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 621,000	\$ -	\$ 621,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>3 TSERS Retirement Contribution</b>					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2021-23 fiscal biennium to fund the actuarially determined contribution, retiree medical premiums, and increases for retirees, including a 2% recurring cost-of-living adjustment and a one-time 2% bonus in both FY 2021-22 and FY 2022-23. Corresponding special provisions provide additional details on these adjustments.	Req	\$ 1,532,983	\$ 478,590	\$ 1,742,366	\$ 478,590
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 1,532,983	\$ 478,590	\$ 1,742,366	\$ 478,590
	FTE	0.000	0.000	0.000	0.000
<b>4 State Health Plan Contribution</b>					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2021-23 fiscal biennium.	Req	\$ 419,037	\$ -	\$ 854,571	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 419,037	\$ -	\$ 854,571	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Department-wide</b>					
<b>5 Internal Auditor</b>					
Funds one Internal Auditor to help meet minimum recommended levels. This position should improve efficiency, effectiveness, and compliance for the agency.	Req	\$ 95,094	\$ -	\$ 95,094	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 95,094	\$ -	\$ 95,094	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>6 Advanced Analytics and Data Interpretation Position</b>					
Provides one Advanced Analytics and Data Interpretation position. This position will help build capacity across state government to manage resources and programs more effectively. These skills are needed to inform evidence-based, data-driven decision-making for agency budgets and programs. OSBM will coordinate regular meetings and trainings with agency-based advanced analytics staff to facilitate continuous development of skills and capacity and to share best practices.	Req	\$ 140,380	\$ -	\$ 140,380	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 140,380	\$ -	\$ 140,380	\$ -
	FTE	1.000	0.000	1.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>7 Subscription Rate Increase</b>					
Funds the increase in Department of Information Technology subscription rates based on the FY 2021-22 approved rate. The subscription rate covers the administrative support provided for DIT, such as internal audit, finance, human resources, and facility management.	Req \$	144,625	\$ -	\$ 144,625	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	144,625	\$ -	\$ 144,625	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>8 Diversity, Equity, Accessibility, and Inclusion</b>					
Provides funding for a position to develop training materials, expand community engagement and outreach, work with divisions to create inclusive exhibits and programming, and support staff department wide with facilitated diversity training. Up to \$205,000 shall be used to promote internship opportunities throughout the department. By supporting diversity and inclusion, the department strives to enhance cross-cultural understanding, break down racial and gender-based stereotypes, and create a diverse and productive workforce.	Req \$	277,924	\$ -	\$ 277,924	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	277,924	\$ -	\$ 277,924	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>9 Agency Impact Analyst</b>					
Provides funds for a position to serve as an environmental justice, equity, and inclusion coordinator within the agency. This position will complete analyses to better understand how the agency's work impacts underserved communities through an environmental justice and equity lens. The Coordinator will also ensure that North Carolina communities have a clear point of contact, thereby increasing transparency of these efforts.	Req \$	103,000	\$ -	\$ 103,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	103,000	\$ -	\$ 103,000	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>10 Agency Energy Manager</b>					
Provides funds for an Agency Energy Manager, who will assist the department in achieving utility cost savings and required energy consumption reductions, based on targets set in GS 143-64.12(a). Each Agency Energy Manger will analyze agency energy usage and submit an annual Agency Utility Report to DEQ.	Req \$	103,000	\$ -	\$ 103,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	103,000	\$ -	\$ 103,000	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>History</b>					
<b>11 Historic Sites Maintenance Funds</b>					
Funds two positions, a Regional Supervisor and a Mechanic, supplies, materials, travel, and contractual services required to maintain state historic sites. Continuing to delay maintenance of these sites increases the long-term costs of repair and negatively affects visitor experience.	Req \$	500,000	\$ 500,000	\$ 500,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	500,000	\$ 500,000	\$ 500,000	\$ -
	FTE	2.000	0.000	2.000	0.000
<b>12 African American History Curator Position</b>					
Provides funds for a Curator of African American History within the Historic Sites Division. This position will work with the Division's central education staff to provide research, consultation, and programming expertise related to African American history across all state historic sites.	Req \$	80,439	\$ -	\$ 80,439	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	80,439	\$ -	\$ 80,439	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>13 African American Heritage Commission</b>					
Funds two positions, an Education and Outreach Coordinator and a Program Coordinator, and operational support for the African American Heritage Commission's education, outreach, and communication efforts.	Req \$	270,000	\$ -	\$ 270,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	270,000	\$ -	\$ 270,000	\$ -
	FTE	2.000	0.000	2.000	0.000
<b>14 Resiliency for Historic Sites</b>					
Provides funding to ensure the Historic Sites Division is prepared for and can recover quickly from natural disasters. Funds shall be used to purchase portable electric power generators, industrial fans, dehumidifiers, and other equipment and maintenance.	Req \$	1,000,000	\$ 2,500,000	\$ 1,000,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	1,000,000	\$ 2,500,000	\$ 1,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>15 Queen Anne's Revenge Conservation and Excavation Project</b>					
Provides resources to excavate and conserve artifacts from the 1718 shipwreck of the Queen Anne's Revenge. The funding will be used for temporary staff, supplies, equipment, maintenance agreements, travel, and lab operational expenses. These efforts have previously been funded on a nonrecurring basis, and all funds have been exhausted.	Req \$	500,000	\$ -	\$ 500,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	500,000	\$ -	\$ 500,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>16 Highway Historical Marker Program</b>					
Provides funds to address the backlog of Highway Marker maintenance and to replace out-of-date signage.	Req \$	100,000	\$ -	\$ 100,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	100,000	\$ -	\$ 100,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>17 Dinosaur Lab Positions</b>					
Funds five positions at the Museum of Natural Sciences for the new Dinosaur Lab expansion which will feature the recently acquired "Dueling Dinosaurs". The lab is anticipated to open in July 2021.	Req \$	475,000	\$ -	\$ 475,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	475,000	\$ -	\$ 475,000	\$ -
	FTE	5.000	0.000	5.000	0.000
<b>18 America's 250th Anniversary Preparations</b>					
Provides funding for temporary positions, marketing, and IT support costs needed to begin planning the celebration of America's 250th Anniversary in 2026.	Req \$	-	\$ 258,073	\$ -	\$ 588,073
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 258,073	\$ -	\$ 588,073
	FTE	0.000	0.000	0.000	0.000
<b>19 Bath High School Preservation</b>					
Provides a directed grant to preserve the Bath High School for programming, interpretation and staffing. Every dollar granted by the state to the Bath High School Preservation nonprofit shall be matched by one dollar in non-state funds. The grant shall remain available until June 30, 2023.	Req \$	-	\$ 280,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 280,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Nature</b>					
<b>20 Conservation Corps North Carolina</b>					
Expands the use of Conservation Corps of North Carolina crews in state parks. This program introduces young adults to public service while enhancing participants' understanding and appreciation of North Carolina's natural and cultural resources and providing needed trail and maintenance work in state parks.	Req \$	200,000	\$ -	\$ 200,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	200,000	\$ -	\$ 200,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>21 Natural Heritage Program Position</b>					
Funds an Environmental Specialist II position to identify, evaluate, and survey natural areas in support of the North Carolina Nature Preserves Act. This position will allow the Natural Heritage Program to update and maintain its inventory of the state's natural resources, helping ensure that the most vital natural areas are protected.	Req \$	82,430	\$ -	\$ 82,430	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	82,430	\$ -	\$ 82,430	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>22 Sea Turtle Assistance and Rehabilitation Center Position</b>					
Funds one position to provide enhanced conservation of and education about sea turtles for visitors to the NC Aquarium on Roanoke Island.	Req \$	76,983	\$ -	\$ 76,983	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	76,983	\$ -	\$ 76,983	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>23 Connect Bond Operating Reserve</b>					
Funds the positions and operational needs of parks expanded and improved through Connect NC bonds (including Carvers Creek, Eno River, Falls Lake, Hammocks Beach, Jockey's Ridge, Lake Norman, Morrow Mountain, Mount Mitchell, Pettigrew, Hanging Rock), as well as newly authorized units (Pisgah View, Bobs Creek, Salmon Creek, Wilderness Gateway). Staffing needs include additional park superintendents, park rangers, maintenance staff, and administrative support.	Req \$	3,000,000	\$ -	\$ 3,000,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	3,000,000	\$ -	\$ 3,000,000	\$ -
	FTE	30.000	0.000	30.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>24 Outdoor Experiential Science Education</b>					
Provides funds for four multi-day workshops for teachers to increase their use of the outdoors in teaching required curricula. Outdoor science-focused field trips are proven to improve science test scores. These funds will support staffing needs, transportation, meals, educational resources, and a stipend for workshop attendees. The division will contract with universities to offer best-practice teacher education, tools for teacher engagement, and continuing education credit to teachers who complete the training and bring students on an experiential field trip to a state park.	Req \$	1,000,000	\$ -	\$ 1,000,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	1,000,000	\$ -	\$ 1,000,000	\$ -
	FTE	10.000	0.000	10.000	0.000
<b>Art</b>					
<b>25 Museum of Art Operational Needs</b>					
Funds positions to support core Museum operational functions including, but not limited to, ticket sales, Museum Park, collection care, exhibition production, and maintenance.	Req \$	500,000	\$ 500,000	\$ 500,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	500,000	\$ 500,000	\$ 500,000	\$ -
	FTE	4.000	0.000	4.000	0.000
<b>26 Southeastern Center for Contemporary Art</b>					
Funds operational support, utilities, and maintenance currently unmet by the state. This Museum is an affiliate of the Museum of Art and a division of the Department of Natural and Cultural Resources, and major systems on the property have had irregular and deferred maintenance over the years, leading to higher repair and replacement costs as well as safety concerns.	Req \$	140,000	\$ -	\$ 140,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	140,000	\$ -	\$ 140,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>27 Arts Touring to Rural and Underserved Communities</b>					
Provides funds to increase the number of touring exhibit grants to State Arts Organizations. Additional funds will allow these organizations to provide meaningful arts experiences in many of the state's rural and low-wealth counties.	Req \$	250,000	\$ -	\$ 250,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	250,000	\$ -	\$ 250,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>28 Arts Council Film Grants</b>					
Funds a grant program creating opportunities for small and independent film makers, encouraging diversity and inclusion in the NC film industry.	Req \$	1,000,000	\$ -	\$ 1,000,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	1,000,000	\$ -	\$ 1,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>29 Grassroots Arts Grants</b>					
Funds local arts councils and other community arts organizations in all 100 counties.	Req \$	1,000,000	\$ -	\$ 1,000,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	1,000,000	\$ -	\$ 1,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>30 SmART Initiative</b>					
Provides two positions and operating funds for the SmART Initiative, which works with cities and towns across the state to create arts driven economic development projects. Four SmART communities – Burnsville, Durham, Wilson, and Kinston – illustrate the central role of the arts in downtown revitalization and sustainable economic development. These funds will allow the department to expand the program to the growing list of interested communities.	Req \$	500,000	\$ -	\$ 500,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	500,000	\$ -	\$ 500,000	\$ -
	FTE	2.000	0.000	2.000	0.000
<b>31 NC Symphony Funding</b>					
Provides recurring funding to support the NC Symphony. Up to \$50,000 may be used to provide access to NC Symphony concerts for public schools without transportation. At least \$300,000 shall be used to support the Symphony's statewide music education program.	Req \$	350,000	\$ 500,000	\$ 350,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	350,000	\$ 500,000	\$ 350,000	\$ -
	FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>Education</b>					
<b>32 A+ Schools</b>					
Provides two positions and operating funds to expand the A+ Schools program, a whole-school reform model that combines interdisciplinary teaching and daily arts instruction. Over 20 years of research shows that the A+ Schools philosophy increases overall school performance and student proficiency, narrows the achievement gap, improves attendance and discipline, enhances teacher satisfaction, and increases community and parental involvement.	Req	\$ 500,000	\$ -	\$ 500,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 500,000	\$ -	\$ 500,000	\$ -
	FTE	2.000	0.000	2.000	0.000
<b>33 Aid to Public Libraries</b>					
Provides grant funding to promote, aid, and standardize public library service in North Carolina.	Req	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>34 North Carolina Science Museums Grant</b>					
Provides additional grant funds to sustain and advance a diverse and widespread network of science museums.	Req	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>35 NC Cardinal Consortium</b>					
Funds the increased technology and logistical costs needed to allow users to request materials from more libraries in the NC Cardinal Consortium. This will allow the State Library to continue to meet growing demand while providing materials to more residents throughout the state.	Req	\$ 400,000	\$ -	\$ 400,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 400,000	\$ -	\$ 400,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>36 Race Exhibition Operations and Staffing</b>					
Funds the marketing and operations of the award-winning "Race: Are We So Different?" exhibition. The exhibit, which was on display at the Museum of Natural Sciences from April to October 2017, uses science to talk about race and how all humans share 99+% DNA. The exhibition will be purchased with private donations, but state funds and one position are needed to install, operate, and maintain the exhibit.	Req	\$ 100,000	\$ 75,000	\$ 100,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 100,000	\$ 75,000	\$ 100,000	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>37 Online History Resource (ANCHOR)</b>					
Provides funds for positions to support ANCHOR, A North Carolina Online History Resource. ANCHOR provides teachers vetted, reliable historical resources to aid in their instruction of NC history.	Req	\$ 164,860	\$ 28,000	\$ 164,860	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 164,860	\$ 28,000	\$ 164,860	\$ -
	FTE	2.000	0.000	2.000	0.000
<b>Energy and Environment Reserve</b>					
<b>38 Additional Support for PARTF</b>					
Provides \$75 million in each year of the biennium for Parks and Recreation Trust Fund (PARTF) grants in the PARTF Special Fund. These grants support projects within state parks, the development and renovation of local parks, and beach access. Of the funds appropriated, up to 3% may be used by the department to administer the program in accordance with G.S. 143B-135.56(d). Funding for this item is shown in the Energy and Environment Reserve in the Reserves Section of this document.	Req	\$ -	\$ -	\$ -	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>39 Land and Water Fund Grants</b>					
Provides \$30 million in each year of the biennium in additional funds to support Land and Water Fund (LWF) grants, which help protect and restore the state's land and water resources, preserve military buffers, restore degraded streams, and develop and improve stormwater treatment. Of the funds appropriated, up to 3% may be used for additional administrative cost associated with program implementation. Funding for this item is shown in the Energy and Environment Reserve in the Reserves Section of this document.	Req	\$ -	\$ -	\$ -	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>40 Land &amp; Water Fund - Floodplain Buyouts and Stream Restoration</b>					
Provides \$19 million in each year of the biennium for a new program that acquires and restores high-priority floodplains to increase water storage capacity and decrease future flood risk for communities impacted by recent disasters. Of the funds appropriated, up to 3% may be used for additional administrative cost associated with program implementation. Funding for this item is shown in the Energy and Environment Reserve in the Reserves Section of this document.	Req \$	- \$	- \$	- \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>41 Paved Trails Planning and Development</b>					
Funds \$5 million in each year of the biennium to the Division of Parks and Recreation to develop a grant program that enable local governments and non-profits to develop and construct shared-use paths and greenway trails. Up to \$2 million shall go towards feasibility studies for shared-use paths in Tier 1 and 2 counties. Funding for this item is shown in the Energy and Environment Reserve in the Reserves Section of this document.	Req \$	- \$	- \$	- \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>42 Natural Surface Trails Planning and Development</b>					
Funds \$5 million in each year of the biennium to the Division of Parks and Recreation to develop a grant program which enables local governments and non-profits to develop and construct natural surface trails that better connect rural and urban areas. Up to \$2 million shall go towards feasibility studies in Tier 1 and 2 counties. Funding for this item is shown in the Energy and Environment Reserve in the Reserves Section of this document.	Req \$	- \$	- \$	- \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>Total Change to Requirements</b>	\$	<b>20,049,207</b>	\$ <b>6,895,619</b>	\$ <b>23,177,137</b>	\$ <b>2,842,619</b>
<b>Total Change to Receipts</b>	\$	<b>-</b>	\$ <b>-</b>	\$ <b>-</b>	\$ <b>-</b>
<b>Total Change to Net Appropriation</b>	\$	<b>20,049,207</b>	\$ <b>6,895,619</b>	\$ <b>23,177,137</b>	\$ <b>2,842,619</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>		<b>68.000</b>	<b>0.000</b>	<b>68.000</b>	<b>0.000</b>
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$		<b>26,944,826</b>	\$	<b>26,019,756</b>
<b>Recommended Total FTE Changes</b>			<b>68.000</b>		<b>68.000</b>

**Natural and Cultural Resources - Clean Water Management Trust Fund (24818)**

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2021-22</b>						
Requirements	\$ 17,751,747	\$ -	\$ 49,000,000	\$ 49,000,000	\$ 66,751,747	276.0%
Receipts	\$ 17,751,747	\$ -	\$ 49,000,000	\$ 49,000,000	\$ 66,751,747	276.0%
Δ in Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.0%
<b>Year 2</b>	<b>Base Budget</b>	<b>Net Recurring</b>	<b>Net Nonrecurring</b>	<b>Recommended Change</b>	<b>Recommended Budget</b>	<b>% Δ from Base Budget</b>
<b>FY 2022-23</b>						
Requirements	\$ 17,751,747	\$ -	\$ 49,000,000	\$ 49,000,000	\$ 66,751,747	276.0%
Receipts	\$ 17,751,747	\$ -	\$ 49,000,000	\$ 49,000,000	\$ 66,751,747	276.0%
Δ in Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.0%

	FY 2021-22		FY 2022-23	
	R Changes	NR Changes	R Changes	NR Changes
<b>1 Land and Water Fund Grants Transfer</b>				
Budgets the transfer from the General Fund for the Land and Water Fund Grants.	Req \$ -	\$ 30,000,000	\$ -	\$ 30,000,000
	Rec \$ -	\$ 30,000,000	\$ -	\$ 30,000,000
	CFB \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
<b>2 Land &amp; Water Fund - Floodplain Buyouts and Stream Restoration</b>				
Budgets the transfer from the General Fund for the Land and Water Fund Floodplain Buyouts and Stream Restoration.	Req \$ -	\$ 19,000,000	\$ -	\$ 19,000,000
	Rec \$ -	\$ 19,000,000	\$ -	\$ 19,000,000
	CFB \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
<b>Total Change to Requirements</b>	\$ -	\$ 49,000,000	\$ -	\$ 49,000,000
<b>Total Change to Receipts</b>	\$ -	\$ 49,000,000	\$ -	\$ 49,000,000
<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>Recommended Total FTE Changes</b>		0.000		0.000

**Natural and Cultural Resources - DPR - PARTF (Parks and Recreation Trust Fund) (24820)**

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2021-22</b>						
Requirements	\$ 16,612,884	\$ -	\$ 75,000,000	\$ 75,000,000	\$ 91,612,884	451.5%
Receipts	\$ 17,668,033	\$ -	\$ 75,000,000	\$ 75,000,000	\$ 92,668,033	424.5%
Δ in Fund Balance	\$ 1,055,149	\$ -	\$ -	\$ -	\$ 1,055,149	0.0%
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.0%

Year 2	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2022-23</b>						
Requirements	\$ 16,612,884	\$ -	\$ 75,000,000	\$ 75,000,000	\$ 91,612,884	451.5%
Receipts	\$ 17,668,033	\$ -	\$ 75,000,000	\$ 75,000,000	\$ 92,668,033	424.5%
Δ in Fund Balance	\$ 1,055,149	\$ -	\$ -	\$ -	\$ 1,055,149	0.0%
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.0%

	FY 2021-22		FY 2022-23	
	R Changes	NR Changes	R Changes	NR Changes
<b>1 Additional Support for PARTF Transfer</b>				
Budgets the transfer from the General Fund for the Parks and Recreation Trust Fund Grants.	Req \$ -	\$ 75,000,000	\$ -	\$ 75,000,000
	Rec \$ -	\$ 75,000,000	\$ -	\$ 75,000,000
	CFB \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
<b>Total Change to Requirements</b>	\$ -	\$ 75,000,000	\$ -	\$ 75,000,000
<b>Total Change to Receipts</b>	\$ -	\$ 75,000,000	\$ -	\$ 75,000,000
<b>Total Change to Fund Balance</b>	\$ -	\$ -	\$ -	\$ -
<b>Total Change to Full-Time Equivalent (FTE)</b>		0.000	0.000	0.000
<b>Recommended Fund Balance Changes (Recurring + Nonrecurring)</b>	\$ -	\$ -	\$ -	\$ -
<b>Recommended Total FTE Changes</b>		0.000		0.000





### **Investing in Well-Maintained Roads**

Invests over \$66 million in FY 2021-22 and \$33 million in FY 2022-23 to ensure North Carolina's roads are well-maintained, including highway maintenance, pavement preservation, bridge preservation and replacement, and contract resurfacing. The increased spending results in almost \$1.5 billion of Highway Fund availability each year of the biennium that will be directed to maintaining and enhancing the state's highway infrastructure.

### **Ensuring Good Governance and Robust Performance Oversight**

Provides \$571,000 per year for new positions in the Department of Transportation Finance Division and \$500,000 annually for the Office of Inspector General to ensure that the department has sufficient staff with the right skills to meet growing reporting demands, ensuring robust financial oversight and greater transparency.

### **Traveling the State by Sea and Rail**

Provides an additional \$34 million over the biennium for rail services to establish new services and leverage new federal grant opportunities. In addition, invests \$18.5 million over the biennium in the Ferry Division to meet increased operating and maintenance costs, implement technology solutions to long standing challenges, pursue federal grants, and continue training and development.

### **Offering Local Alternatives to Driving**

Increases funding for Integrated Mobility by nearly \$17 million over the biennium, and allocates \$10 million in each year of the biennium to local governments for bicycle and pedestrian paths, providing more alternatives to driving and increased opportunities for exercise.

### **Planning for Clean Transportation**

Allocates \$500,000 to fund the development of a Clean Transportation Plan for North Carolina. DOT will lead both analytical work and a stakeholder process to develop a plan to decarbonize North Carolina's transportation sector by 2050. Together with the report of the NC First Commission, this plan will form the basis for a clear and sustainable strategy for the state's transportation system over the medium- and long-term.

**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.

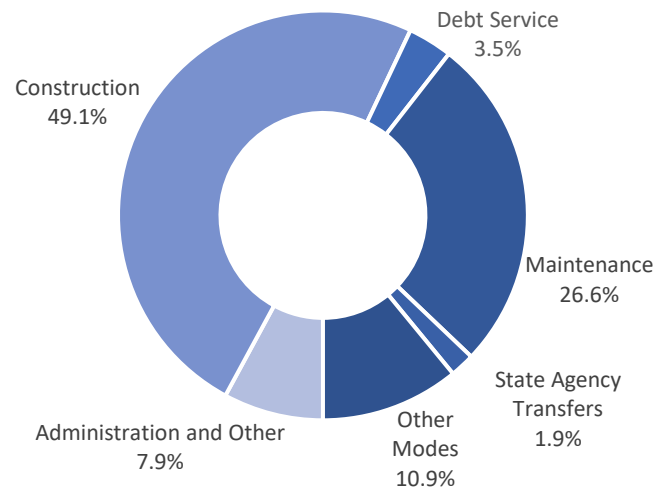
**Goals**

- Make transportation safer.
- Provide GREAT customer service.
- Deliver and maintain infrastructure effectively and efficiently.
- Improve the reliability and connectivity of the transportation system.
- Promote economic growth through better use of infrastructure.
- Make the organization a great place to work.

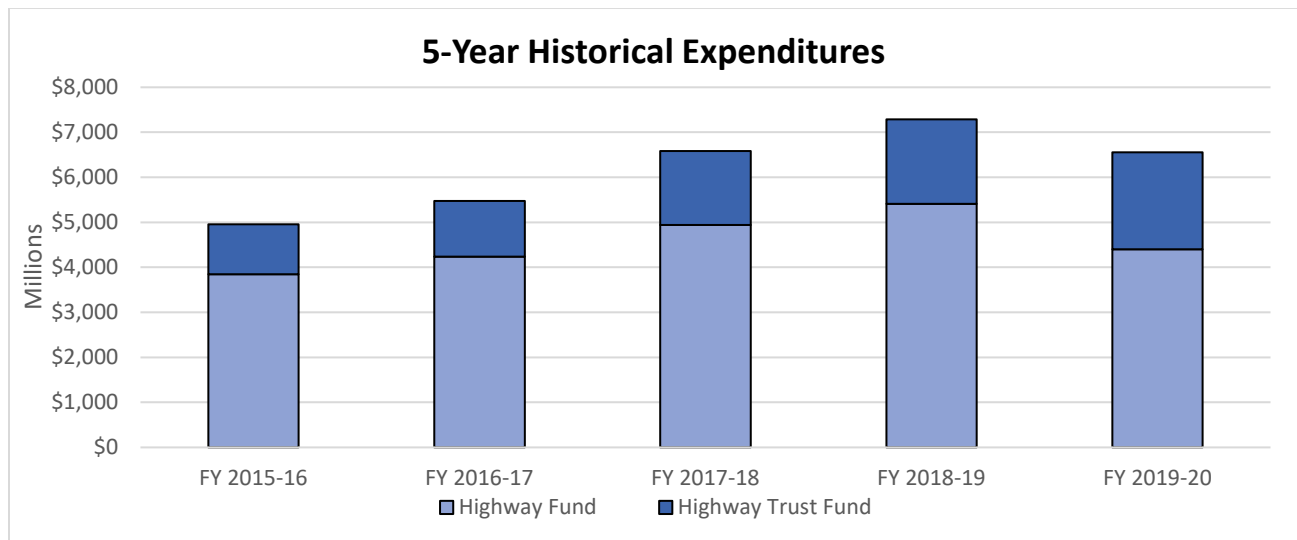
**Agency Profile**

- Responsible for all modes of transportation in North Carolina, including highways, rail, aviation, ferries, public transit, and bicycle and pedestrian transportation.
- Maintains one of the largest state-maintained highway systems in the nation with nearly 80,000 miles of road and more than 13,500 bridges.
- Every year, more than 56 million passengers and 1.3 billion pounds of cargo pass through state airports.
- Serves 2 million passengers on the 2<sup>nd</sup> largest state-operated ferry system in the country.
- Provides more than 78 million passenger trips on 99 transit systems serving residents in all 100 NC counties.

**FY 2020-21 Authorized Expenditures**



**5-Year Historical Expenditures**



**Transportation - Highway Fund (84210)**

Year 1 FY 2021-22	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 3,970,462,679	\$ 92,964,340	\$ 80,184,202	\$ 173,148,542	\$ 4,143,611,221	4.4%
Receipts	\$ 1,609,614,221	\$ 280,000	\$ -	\$ 280,000	\$ 1,609,894,221	0.0%
Net Appropriation	\$ 2,360,848,458	\$ 92,684,340	\$ 80,184,202	\$ 172,868,542	\$ 2,533,717,000	7.3%
Positions (FTE)	11345.000	20.000	0.000	20.000	11365.000	0.2%

Year 2 FY 2022-23	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 3,890,041,084	\$ 107,040,664	\$ 23,795,457	\$ 130,836,121	\$ 4,020,877,205	3.4%
Receipts	\$ 1,529,180,245	\$ 280,000	\$ -	\$ 280,000	\$ 1,529,460,245	0.0%
Net Appropriation	\$ 2,360,860,839	\$ 106,760,664	\$ 23,795,457	\$ 130,556,121	\$ 2,491,416,960	5.5%
Positions (FTE)	11345.000	27.000	0.000	27.000	11372.000	0.2%

	FY 2021-22		FY 2022-23		
	R Changes	NR Changes	R Changes	NR Changes	
<b>Compensation and Benefits Reserve</b>					
<b>1 Cost of Living Adjustment - State Employees</b>					
Provides funds for a \$1,000 bonus in FY 2021-22 and 2.5% cost of living adjustments in each year of the biennium, increasing existing state employee salaries by more than 5% over the biennium. Corresponding special provisions provide additional details on these compensation adjustments.	Req \$	10,629,877	\$ 6,236,703	\$ 21,525,501	\$ 6,236,703
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	10,629,877	\$ 6,236,703	\$ 21,525,501	\$ 6,236,703
	FTE	0.000	0.000	0.000	0.000
<b>2 Reserve to Address Compression, Equity, and High Turnover</b>					
Provides funds based on agency-identified salary adjustment needs, such as compression, equity, and recruitment, as well as high turnover jobs, defined as jobs with voluntary turnover of at least 15% between July 2019 and December 2020. The department may use these funds as needed to address recruitment and retention needs across the department regardless of job classification, excluding positions that received salary increases as a result of the pilot authorized in S.L. 2018-5, Section 34.19.	Req \$	2,300,000	\$ -	\$ 2,300,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	2,300,000	\$ -	\$ 2,300,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>3 TSERS Retirement Contribution</b>					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2021-23 fiscal biennium to fund the actuarially determined contribution, retiree medical premiums, and increases for retirees, including a 2% recurring cost-of-living adjustment and a one-time 2% bonus in both FY 2021-22 and FY 2022-23. Corresponding special provisions provide additional details on these adjustments.	Req \$	6,743,373	\$ 2,105,248	\$ 7,664,419	\$ 2,105,248
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	6,743,373	\$ 2,105,248	\$ 7,664,419	\$ 2,105,248
	FTE	0.000	0.000	0.000	0.000
<b>4 State Health Plan Contribution</b>					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2021-23 fiscal biennium.	Req \$	1,471,549	\$ -	\$ 3,001,033	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	1,471,549	\$ -	\$ 3,001,033	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Multimodal</b>					
<b>5 Ferry Shoreside Infrastructure Preservation &amp; Enhancement</b>					
Increases funding for shoreside ferry infrastructure to enable the Ferry Division to end maintenance deferrals, increasing ferry safety and reliability.	Req \$	1,000,000	\$ 2,500,000	\$ 1,000,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	1,000,000	\$ 2,500,000	\$ 1,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>6 Ferry Division Operating Budget</b>					
Provides increased operating funding to the Ferry Division to enable timely maintenance, preventing higher costs and stopping routes being taken out of service, as well as to meet growing demand from an increased population.	Req \$	7,000,000	\$ -	\$ 7,000,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	7,000,000	\$ -	\$ 7,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>7 Integrated Mobility Positions</b>					
Provides funding for one Engineer III and one Deputy Director in the Integrated Mobility Division (IMD). These positions were removed last year, but are needed for the completion of the merger of IMD's predecessor units and to deliver increased planning, coordination, and innovation in how to move people across North Carolina.	Req \$	190,514	\$ -	\$ 190,514	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	190,514	\$ -	\$ 190,514	\$ -
	FTE	2.000	0.000	2.000	0.000
<b>8 Integrated Mobility - Public Transport Innovation</b>					
Provides nonrecurring funds to support integrated mobility pilots, to help rural local authorities seek grants, and to fund consultants to seek Federal grants.	Req \$	-	\$ 10,000,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 10,000,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>9 Integrated Mobility - Rural Operating Assistance Program</b>					
Increases support of the Federal Transit Administration's Section 5310 program for the enhanced mobility of seniors and individuals with disabilities, which provides formula-based funding to states. This program assists transit agencies and nonprofit groups to meet the transportation needs of older adults and people with disabilities when other public transportation services are unavailable, insufficient, or inappropriate to meeting their needs.	Req \$	-	\$ 5,000,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 5,000,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>10 Bicycle and Pedestrian Projects</b>					
Provides funds for local government grants 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	0.000	0.000	0.000
<b>11 Rail - Class 1 Railroads Infrastructure</b>					
Increases funding for rail maintenance to meet existing needs, which have resulted in a structural deficit in this budget line in recent years.	Req \$	2,000,000	\$ -	\$ 2,000,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	2,000,000	\$ -	\$ 2,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>12 Rail Corridor Passenger Service Pilot Program</b>					
Provides funding to match Federal Grant cycles, with the aim of creating new passenger rail services.	Req \$	10,000,000	\$ 10,000,000	\$ 10,000,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	10,000,000	\$ 10,000,000	\$ 10,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Division of Motor Vehicles</b>					
<b>13 DMV - New Headquarters Operations</b>					
Provides funding for increased operating costs arising from the transfer of the headquarters of the Division of Motor Vehicles to Rocky Mount.	Req \$	450,349	\$ -	\$ 450,349	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	450,349	\$ -	\$ 450,349	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>14 Support Services Postage</b>					
Provides funding to cover a structural deficit in the DMV's postage budget arising from increased postal volumes and postal expenses. These changes have required funds to be diverted from equipment and other maintenance.	Req \$	2,500,000	\$ -	\$ 2,500,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	2,500,000	\$ -	\$ 2,500,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Maintenance and Construction</b>					
<b>15 Contract Resurfacing</b>					
Increases funding for contract resurfacing to prevent additional growth in the work backlog that has built up in recent years. The additional funds will be deployed across all 14 Transportation Divisions to prevent further deteriorations in road surfaces.	Req \$	13,164,708	\$ 11,726,618	\$ 13,164,708	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	13,164,708	\$ 11,726,618	\$ 13,164,708	\$ -
	FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>16 General Maintenance Reserve</b>					
Increases funding for general maintenance activities to address critical maintenance needs. Increased funds will be used to focus on repairs to pavements, drainage assets, and traffic safety assets needed to improve conditions across our highway system. Critical activities such as snow and ice removal, pothole patching, removal of roadway hazards, pipe replacements, shoulder & ditch maintenance and pavement markings/markers are funded through this program.	Req	\$ 15,770,221	\$ 16,140,157	\$ 15,770,221	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 15,770,221	\$ 16,140,157	\$ 15,770,221	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>17 Bridge Replacement Program</b>					
Provides increased funding for bridge replacement, preventing additional work backlogs. The additional funds will be used to focus on replacing structurally deficient bridges across all 14 Transportation Divisions to ensure condition targets are met.	Req	\$ 2,988,428	\$ 2,661,977	\$ 2,988,428	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 2,988,428	\$ 2,661,977	\$ 2,988,428	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>18 Pavement Preservation - Secondary Road Systems</b>					
Provides increased funding for secondary road maintenance. This increase will prevent further growth of the current work backlog, and will help prevent further deterioration of pavement conditions. Pavement preservation funds are critical to providing a mechanism to address pavements in fair condition and extend their lifespan prior to them falling into poor condition, which increases costs.	Req	\$ 916,200	\$ 816,113	\$ 916,200	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 916,200	\$ 816,113	\$ 916,200	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>19 Bridge Preservation</b>					
Provides funding for increased bridge maintenance to meet growing need and avoid backlogs. Bridge preservation funds are critical to providing a mechanism to address bridges in fair condition and extend their lifespan prior to them falling into poor condition, which increases costs and adds burden to our bridge program. Particular investment into our high value bridges will be the focus of a substantial portion of the overall bridge preservation budget.	Req	\$ 756,858	\$ 674,180	\$ 756,858	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 756,858	\$ 674,180	\$ 756,858	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>20 Roadside Environmental</b>					
Increases funding to maintain roadside areas and rest stops, including clearing litter and excessive roadside vegetation growth, which can reduce sign visibility. Budgeted amounts will be distributed across all 14 Transportation Divisions, improving the aesthetics of roadways across the state.	Req	\$ 1,044,440	\$ 930,347	\$ 1,044,440	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 1,044,440	\$ 930,347	\$ 1,044,440	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Office of Civil Rights (OCR)</b>					
<b>21 Equal Employment Opportunity (EEO)</b>					
Provides four positions for the Equal Employment Opportunity section in the Office of Civil Rights (OCR). These positions will enable the office to meet the statutory timeframes for EEO cases.	Req	\$ 361,258	\$ -	\$ 361,258	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 361,258	\$ -	\$ 361,258	\$ -
	FTE	4.000	0.000	4.000	0.000
<b>22 Agency Impact Analyst</b>					
Provides funds for one position to serve as an environmental justice, equity, and inclusion coordinator within the agency. This position will complete analyses to better understand how the agency's work impacts underserved communities through an environmental justice and equity lens. The Coordinator will also ensure that North Carolina communities have a clear point of contact, thereby increasing the transparency of these efforts. Costs are offset by receipts from the Highway Trust Fund.	Req	\$ 103,000	\$ -	\$ 103,000	\$ -
	Rec	\$ 103,000	\$ -	\$ 103,000	\$ -
	App	\$ -	\$ -	\$ -	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>23 Highway Trust Fund-supported Positions</b>					
Provides increased funding for program administration costs, including one additional Administrative Specialist II position to direct all administrative, customer service and project management activities in the OCR. Costs are offset by receipts from the Highway Trust Fund.	Req	\$ 177,000	\$ -	\$ 177,000	\$ -
	Rec	\$ 177,000	\$ -	\$ 177,000	\$ -
	App	\$ -	\$ -	\$ -	\$ -
	FTE	1.000	0.000	1.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>24 EEO database enhancements</b>					
Provides nonrecurring funding for enhancements to the office's EEO database.	Req \$	-	\$ 150,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 150,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Department-wide</b>					
<b>25 Subscription Rate Increase</b>					
Funds the increase in Department of Information Technology subscription rates based on the FY 2021-22 approved rate. The subscription rate covers the administrative support provided for DIT, such as internal audit, finance, human resources, and facility management.	Req \$	1,007,779	\$ -	\$ 1,007,779	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	1,007,779	\$ -	\$ 1,007,779	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>26 Accounting Operations Positions</b>					
Provides funding for four additional positions in DOT's Finance Division. These positions will help the department to improve financial operations and performance, and meet increased reporting requirements put in place over the past year.	Req \$	571,647	\$ -	\$ 571,647	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	571,647	\$ -	\$ 571,647	\$ -
	FTE	4.000	0.000	4.000	0.000
<b>27 Facilities Management</b>					
Provides funding to the Facilities Management Division for increased insurance and deferred maintenance costs. The division has had to divert maintenance funds for insurance needs.	Req \$	500,000	\$ -	\$ 500,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	500,000	\$ -	\$ 500,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>28 Clean Transportation Plan</b>					
Provides funds for the department to produce analysis and run a stakeholder process to develop a plan for decarbonizing North Carolina's transportation sector by 2050.	Req \$	-	\$ 500,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 500,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>29 Contractor audit funding</b>					
Provides increased funding to DOT's Office of the Inspector General for contractors to carry out audits across the department, enhancing transparency and accountability.	Req \$	500,000	\$ -	\$ 500,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	500,000	\$ -	\$ 500,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>30 Agency Energy Manager</b>					
Provides funds for an Agency Energy Manager, who will assist the department in achieving utility cost savings and required energy consumption reductions, based on targets set in GS 143-64.12(a). Each Agency Energy Manager will analyze agency energy usage and submit an annual Agency Utility Report to DEQ.	Req \$	103,000	\$ -	\$ 103,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	103,000	\$ -	\$ 103,000	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>31 Purchasing Division Positions</b>					
Provides funding over two years for an additional 14 skilled staff in the Purchasing Division. The division formerly employed 40 staff, but currently has only 13 positions, which has significantly hampered its ability to provide effective oversight of, and advice on contracts. The additional staff will give the division the ability to efficiently and effectively manage the procurement and contractual needs of an agency as large and diverse as NCDOT, ensuring compliance with statutory and administrative requirements.	Req \$	714,139	\$ -	\$ 1,444,309	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	714,139	\$ -	\$ 1,444,309	\$ -
	FTE	7.000	0.000	14.000	0.000
<b>Capital, Repairs and Renovations</b>					
<b>32 Polk County Maintenance Shop Replacement</b>					
Replaces three outdated buildings at the Polk County Maintenance Shop with a single, more efficient building.	Req \$	-	\$ 745,285	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 745,285	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>33 Currituck Equipment and Maintenance Storage Facility</b>					
Replaces an outdated building with one better able to handle modern equipment and working practices.	Req \$	-	\$ 447,574	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 447,574	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000

		<b>R Changes</b>	<b>NR Changes</b>	<b>R Changes</b>	<b>NR Changes</b>
<b>34 Northampton County Jackson Sub-Shop</b>					
Replaces a 1952 building with a modern facility that will be able to better accommodate equipment and staff.	Req \$	- \$	3,000,000 \$	- \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	3,000,000 \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>35 Alamance County Graham Sub-Shop</b>					
Replaces existing shop built in 1955 with a new facility designed to accommodate large, modern equipment.	Req \$	- \$	- \$	- \$	1,792,764
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	- \$	- \$	1,792,764
	FTE	0.000	0.000	0.000	0.000
<b>36 Edgecombe County Maintenance and Storage</b>					
Replaces buildings constructed in 1964 and 1955 with one combined maintenance office and storage space. Current buildings are outdated and functionally obsolete.	Req \$	- \$	- \$	- \$	1,751,208
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	- \$	- \$	1,751,208
	FTE	0.000	0.000	0.000	0.000
<b>37 Shelby, Cleveland County - Division 12 Office</b>					
Replaces two outdated buildings with a single modern building to provide better workflow to match current business processes.	Req \$	- \$	- \$	- \$	5,022,534
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	- \$	- \$	5,022,534
	FTE	0.000	0.000	0.000	0.000
<b>38 Alleghany County Equipment Shop</b>					
Replaces an older building that has structural damage. The current building is inadequate for servicing large, modern equipment.	Req \$	- \$	- \$	- \$	162,000
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	- \$	- \$	162,000
	FTE	0.000	0.000	0.000	0.000
<b>39 Repairs and Renovations</b>					
Provides funds to repair and renovate Department of Transportation facilities across the state.	Req \$	- \$	6,550,000 \$	- \$	6,725,000
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	6,550,000 \$	- \$	6,725,000
	FTE	0.000	0.000	0.000	0.000
<b>Total Change to Requirements</b>	\$	<b>92,964,340</b>	<b>\$ 80,184,202</b>	<b>\$ 107,040,664</b>	<b>\$ 23,795,457</b>
<b>Total Change to Receipts</b>	\$	<b>280,000</b>	<b>\$ -</b>	<b>\$ 280,000</b>	<b>\$ -</b>
<b>Total Change to Net Appropriation</b>	\$	<b>92,684,340</b>	<b>\$ 80,184,202</b>	<b>\$ 106,760,664</b>	<b>\$ 23,795,457</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>		<b>20.000</b>	<b>0.000</b>	<b>27.000</b>	<b>0.000</b>
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$		<b>172,868,542</b>	\$	<b>130,556,121</b>
<b>Recommended Total FTE Changes</b>			<b>20.000</b>		<b>27.000</b>

**Transportation - Highway Trust Fund (84290)**

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2021-22</b>						
Requirements	\$ 1,656,800,000	\$ (23,997,000)	\$ (148,800,000)	\$ (172,797,000)	\$ 1,484,003,000	-10.4%
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Net Appropriation	\$ 1,656,800,000	\$ (23,997,000)	\$ (148,800,000)	\$ (172,797,000)	\$ 1,484,003,000	-10.4%
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.0%
<b>Year 2</b>	<b>Base Budget</b>	<b>Net Recurring</b>	<b>Net Nonrecurring</b>	<b>Recommended Change</b>	<b>Recommended Budget</b>	<b>% Δ from Base Budget</b>
<b>FY 2022-23</b>						
Requirements	\$ 1,656,800,000	\$ (23,997,000)	\$ -	\$ (23,997,000)	\$ 1,632,803,000	-1.4%
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Net Appropriation	\$ 1,656,800,000	\$ (23,997,000)	\$ -	\$ (23,997,000)	\$ 1,632,803,000	-1.4%
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.0%

	FY 2021-22		FY 2022-23	
	R Changes	NR Changes	R Changes	NR Changes
<b>1 Transfer to Highway Fund for Office of Civil Rights Position</b>				
Transfers \$280,000 recurring to the Highway Fund to cover the costs of two positions in DOT's Office of Civil Rights. The positions funded are shown in the Highway Fund section of this document.	Req \$ 280,000	\$ -	\$ 280,000	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 280,000	\$ -	\$ 280,000	\$ -
	FTE 0.000	0.000	0.000	0.000
<b>2 Strategic Transportation Investments - Reprioritization</b>				
Reduces the Base Budget for Strategic Transportation Investments to match forecast funds availability in the Highway Trust Fund.	Req \$ (24,277,000)	\$ (148,800,000)	\$ (24,277,000)	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ (24,277,000)	\$ (148,800,000)	\$ (24,277,000)	\$ -
	FTE 0.000	0.000	0.000	0.000
<b>Total Change to Requirements</b>	\$ (23,997,000)	\$ (148,800,000)	\$ (23,997,000)	\$ -
<b>Total Change to Receipts</b>	\$ -	\$ -	\$ -	\$ -
<b>Total Change to Net Appropriation</b>	\$ (23,997,000)	\$ (148,800,000)	\$ (23,997,000)	\$ -
<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>	\$	(172,797,000)	\$	(23,997,000)
<b>Recommended Total FTE Changes</b>		0.000		0.000





### **Investing in Our Infrastructure**

Invests in North Carolina infrastructure through the strategic use of voter-approved bonds, general funds, and state agency receipts to meet the needs of our growing state. A blended approach to addressing capital needs provides for modern, safe buildings, and infrastructure to support public health, public education, and economic development, while using less than one-third of the state's debt capacity and ensures that the state maintains a AAA credit rating.

### **Invest NC Bond**

Places a \$4.7 billion General Obligation Bond on the November 2021 ballot to ask voters to address strategic education, health and safety, and cultural infrastructure needs across the state.

Invests \$2.5 billion for public school construction, a start on addressing the more than over \$8 billion in documented capital needs in Public Schools across all 115 public school districts.

Invests \$488 million to improve facilities at campuses within the University of North Carolina system, helping to meet \$4 billion in identified needs.

Invests \$500 million in the North Carolina Community College System, which will be allocated across all 58 community colleges.

Directs \$295 million in major health and safety projects within the University of North Carolina system, including funding for the construction of a new medical school at East Carolina University, and the renovation of the School of Nursing at UNC-Chapel Hill. Provides \$430 million to health and safety projects across state agencies, including the relocation of the Department of Health and Human Services from Dorothea Dix Park and the renovation and expansion of the state's primary environmental testing location, Reedy Creek Lab, to better detect and identify pollutants and protect water, soil, and air.

Invests \$460 million in our state's cultural and visitor attractions, including: expanding and upgrading state parks and their facilities; renovating the Museum of History to better educate visitors about the history and progress of North Carolina; and expanding exhibits at the North Carolina Zoo.

### **General Fund and Receipt Projects**

Invests General Funds and receipts in capital projects across the state in order to match federal funding, improve building efficiency, ensure safety, and plan for state projects including: a new State Veterans Home in Wake County; renovation of the Julian Keith Alcohol and Drug Treatment Center; and upgrades to Wildlife Resources Commission facilities across the state.

### **Maintaining State Infrastructure**

Invests \$393 million over the biennium in Repairs and Renovations (R&R), providing \$143 million for the University of North Carolina System, \$150 million for state agencies, and \$100 million for an R&R Reserve for energy efficiency upgrades and improvements, split equally between the UNC System and State Agencies. Since 2015, R&R funding has averaged approximately \$100 million per year.

**Capital Improvements (19600)**

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended	Recommended	% Δ from Base
FY 2021-22				Change	Budget	Budget
Requirements	\$ -	\$ -	\$ 5,328,596,225	\$ 5,328,596,225	\$ 5,328,596,225	0.0%
Receipts	\$ -	\$ -	\$ 5,328,596,225	\$ 5,328,596,225	\$ 5,328,596,225	0.0%
Net Appropriation	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.0%

Year 2	Base Budget	Net Recurring	Net Nonrecurring	Recommended	Recommended	% Δ from Base
FY 2022-23				Change	Budget	Budget
Requirements	\$ -	\$ -	\$ 605,935,000	\$ 605,935,000	\$ 605,935,000	0.0%
Receipts	\$ -	\$ -	\$ 605,935,000	\$ 605,935,000	\$ 605,935,000	0.0%
Net Appropriation	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.0%

	FY 2021-22		FY 2022-23	
	R Changes	NR Changes	R Changes	NR Changes

**Administration - General Obligation Bonds**

**1 Department of Health and Human Services New Office Complex**

Authorizes General Obligation Bonds, subject to a vote of the people, to construct a new Administrative Complex for the Department of Health and Human Services (DHHS) on Blue Ridge Road in Raleigh. DHHS is required to move from the Dorothea Dix Campus, per the sale of the property to the City of Raleigh.	Req \$	-	\$ 229,000,000	\$ -	\$ -
	Rec \$	-	\$ 229,000,000	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000

**Health and Human Services - General Obligation Bonds**

**2 J. Iverson Riddle Developmental Center**

Authorizes General Obligation Bonds, subject to a vote of the people, to fund major renovations at the J. Iverson Riddle Development Center. Projects include the demolition and replacement of building systems at the cottages that serve patients at the Center.	Req \$	-	\$ 60,275,700	\$ -	\$ -
	Rec \$	-	\$ 60,275,700	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000

**3 Black Mountain Neuro-medical Center**

Authorizes General Obligation Bonds, subject to a vote of the people, to fund major renovations at the medical center. These funds support the replacement of the HVAC, electrical, plumbing, and fire alarm systems that are nearing the end of their useful life.	Req \$	-	\$ 20,808,000	\$ -	\$ -
	Rec \$	-	\$ 20,808,000	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000

**4 Murdoch Developmental Center**

Authorizes General Obligation Bonds, subject to a vote of the people, to fund major renovations at the center. These funds support the renovation of several cottages that house patients at the center, provide for building system replacements in the administration building, and campus-wide electrical distribution replacement.	Req \$	-	\$ 50,904,000	\$ -	\$ -
	Rec \$	-	\$ 50,904,000	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000

**5 O'Berry Neuro-medical Center**

Authorizes General Obligation Bonds, subject to a vote of the people, to fund major renovations at the medical center. These funds support the replacement of life and safety and building systems upgrades across the campus.	Req \$	-	\$ 23,833,800	\$ -	\$ -
	Rec \$	-	\$ 23,833,800	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000

**Environmental Quality - General Obligation Bonds**

**6 DEQ Reedy Creek Laboratory**

Authorizes General Obligation Bonds, subject to a vote of the people, to renovate and expand the Department of Environmental Quality's Reedy Creek Road Laboratory. The lab performs analysis for water quality, water resources, and air quality.	Req \$	-	\$ 45,000,000	\$ -	\$ -
	Rec \$	-	\$ 45,000,000	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000

**Public Schools - General Obligation Bonds**

**7 Public School Facilities**

Supports the authorization, subject to a vote of the people, of up to \$2.5 billion in General Obligation Bonds for construction and renovation of public school facilities to begin to address the estimated \$8 billion in statewide public school facility need.	Req \$	-	\$ 2,500,000,000	\$ -	\$ -
	Rec \$	-	\$ 2,500,000,000	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>Community Colleges - General Obligation Bonds</b>					
<b>8 Community Colleges - General Obligation Bond</b>					
Supports the authorization, subject to a vote of the people, of a \$500 million General Obligation Bond for the North Carolina Community College System for new capital and renovation projects across the system.	Req \$	-	\$ 500,000,000	\$ -	\$ -
	Rec \$	-	\$ 500,000,000	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>University of North Carolina - General Obligation Bonds</b>					
<b>9 ASU – Duncan Hall Renovation</b>					
Authorizes General Obligation Bonds, subject to a vote of the people, to fund the renovation of Duncan Hall at Appalachian State University.	Req \$	-	\$ 20,000,000	\$ -	\$ -
	Rec \$	-	\$ 20,000,000	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>10 ECU - Brody School of Medicine</b>					
Authorizes General Obligation Bonds, subject to a vote of the people, to fund the construction of a new School of Medicine to replace the existing Brody School of Medicine at East Carolina University. This will expand primary care and rural physician training and biomedical research	Req \$	-	\$ 187,000,000	\$ -	\$ -
	Rec \$	-	\$ 187,000,000	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>11 ECU – Howell Science Building South</b>					
Authorizes General Obligation Bonds, subject to a vote of the people, to fund the renovation of Howell Hall at East Carolina University, which will be vacated upon the completion of the Life Sciences Building, funded by the Connect NC Bond Act of 2015.	Req \$	-	\$ 30,000,000	\$ -	\$ -
	Rec \$	-	\$ 30,000,000	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>12 ECSU – Infrastructure Upgrades – Water and Electrical, Phase II</b>					
Authorizes General Obligation Bonds, subject to a vote of the people, to fund the replacement of water and electrical infrastructure at Elizabeth City State University.	Req \$	-	\$ 27,000,000	\$ -	\$ -
	Rec \$	-	\$ 27,000,000	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>13 NCSU - Renovation of 111 Lampe Drive</b>					
Authorizes General Obligation Bonds, subject to a vote of the people, to fund the renovation of 111 Lampe Drive at NC State University.	Req \$	-	\$ 42,000,000	\$ -	\$ -
	Rec \$	-	\$ 42,000,000	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>14 NCSU – STEM Building</b>					
Authorizes General Obligation Bonds, subject to a vote of the people, to fund the construction of a new STEM Building at NC State University. \$7 million in planning funds were appropriated in FY 2020-21.	Req \$	-	\$ 73,000,000	\$ -	\$ -
	Rec \$	-	\$ 73,000,000	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>15 UNC-Chapel Hill - Carrington Hall Renovation</b>					
Authorizes General Obligation Bonds, subject to a vote of the people, to fund the comprehensive renovation of Carrington Hall / the School of Nursing at UNC-Chapel Hill.	Req \$	-	\$ 40,500,000	\$ -	\$ -
	Rec \$	-	\$ 40,500,000	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>16 UNC-Chapel Hill – Business School</b>					
Authorizes General Obligation Bonds, subject to a vote of the people, to fund the construction of a new Business School at UNC-Chapel Hill. \$7 million in planning funds were appropriated in FY 2020-21.	Req \$	-	\$ 68,000,000	\$ -	\$ -
	Rec \$	-	\$ 68,000,000	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>17 UNC-Charlotte – Cameron Second Floor Renovation</b>					
Authorizes General Obligation Bonds, subject to a vote of the people, to fund the renovation of the second floor of Cameron Hall at UNC-Charlotte.	Req \$	-	\$ 19,100,000	\$ -	\$ -
	Rec \$	-	\$ 19,100,000	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>18 UNC-Charlotte – Burson Renovation</b>					
Authorizes General Obligation Bonds, subject to a vote of the people, to fund the renovation of the Burson Building at UNC-Charlotte.	Req \$	-	\$ 25,900,000	\$ -	\$ -
	Rec \$	-	\$ 25,900,000	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>19 UNC-Greensboro - Jackson Library Renovation / Addition</b>					
Authorizes General Obligation Bonds, subject to a vote of the people, to fund the renovation and expansion of the Jackson Library at UNC-Greensboro.	Req \$	-	\$ 81,000,000	\$ -	\$ -
	Rec \$	-	\$ 81,000,000	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>20 UNC-Pembroke – Health Sciences Center</b>					
Authorizes General Obligation Bonds, subject to a vote of the people, to fund the construction of a new School of Health Sciences to expand health sciences education in rural North Carolina at UNC-Pembroke.	Req \$	-	\$ 67,500,000	\$ -	\$ -
	Rec \$	-	\$ 67,500,000	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>21 UNC-School of the Arts - Stevens Center Renovation, Phase I</b>					
Authorizes General Obligation Bonds, subject to a vote of the people, to fund the first phase of renovation at the Stevens Center at UNC-School of the Arts. The Stevens Center is the downtown performing arts center for the campus.	Req \$	-	\$ 25,000,000	\$ -	\$ -
	Rec \$	-	\$ 25,000,000	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>22 UNC-Wilmington - Randall Library Renovation and Expansion</b>					
Authorizes General Obligation Bonds, subject to a vote of the people, to fund the renovation and expansion of the Randall Library at UNC-Wilmington.	Req \$	-	\$ 56,000,000	\$ -	\$ -
	Rec \$	-	\$ 56,000,000	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>23 NC Center for the Advancement of Teaching Facility</b>					
Authorizes the issuance of General Obligation Bonds, subject to a vote of the people, for the renovation and expansion of the Professional Development Center at the North Carolina Center for the Advancement of Teaching. Funds will also provide for construction of a new 81-bed residence hall at the facility.	Req \$	-	\$ 21,000,000	\$ -	\$ -
	Rec \$	-	\$ 21,000,000	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Natural and Cultural Resources - General Obligation Bonds</b>					
<b>24 Museum of History Expansion and Renovation</b>					
Authorizes the issuance of General Obligation Bonds, subject to a vote of the people, for the expansion and renovation of the Museum of History in Downtown Raleigh.	Req \$	-	\$ 54,000,000	\$ -	\$ -
	Rec \$	-	\$ 54,000,000	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>25 NC Zoo Asia Exhibit</b>					
Authorizes the issuance of General Obligation Bonds, subject to a vote of the people, to complete the Asia exhibit at the NC Zoo.	Req \$	-	\$ 45,000,000	\$ -	\$ -
	Rec \$	-	\$ 45,000,000	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>26 NC Zoo Australia Exhibit</b>					
Authorizes the issuance of General Obligation Bonds, subject to a vote of the people, for the design and construction of the Australia complex at the NC Zoo.	Req \$	-	\$ 25,000,000	\$ -	\$ -
	Rec \$	-	\$ 25,000,000	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>27 NC Museum of Art - Museum Park</b>					
Authorizes the issuance of General Obligation Bonds, subject to a vote of the people, to fund the Preserve Master Plan, for grounds improvements, stream restoration, and the building of an environmental learning center at the NC Museum of Art-Museum Park.	Req \$	-	\$ 20,000,000	\$ -	\$ -
	Rec \$	-	\$ 20,000,000	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>28 NC Historic Sites</b>					
Authorizes the issuance of General Obligation Bonds, subject to a vote of the people, to fund upgrades and renovations at historic sites across the state. These funds support renovations and improvements at the state's colonial and Revolutionary War-era historic sites in advance of the America250th commemoration events.	Req \$	-	\$ 45,000,000	\$ -	\$ -
	Rec \$	-	\$ 45,000,000	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>29 State Parks</b>					
Authorizes the issuance of General Obligation Bonds, subject to a favorable vote of the people, to fund land acquisitions, renovations, repairs, and floodplain enhancements for state and local parks.	Req \$	-	\$ 250,000,000	\$ -	\$ -
	Rec \$	-	\$ 250,000,000	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Unforeseen Costs Reserve</b>					
<b>30 Unforeseen Costs Reserve for Bond-Funded Projects</b>					
Authorizes the issuance of General Obligation Bonds, subject to a favorable vote of the people, to fund a small reserve of just over one percent of the total General Obligation Bond value. This reserve may only be distributed to agencies or UNC campuses to meet unexpected costs arising on projects funded by the General Obligation Bond.	Req \$	-	\$ 48,178,500	\$ -	\$ -
	Rec \$	-	\$ 48,178,500	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Capital Improvements Project Reserve</b>					
<b>31 Agency Cash-Funded Capital Projects</b>					
Provides funds for 30 cash-funded capital projects across state agencies. A complete list of projects can be found in Capital Appendix A in this section.	Req \$	-	\$ 144,849,234	\$ -	\$ -
	Rec \$	-	\$ 144,849,234	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Environmental Quality - Capital Improvements Project Reserve</b>					
<b>32 Reedy Creek Laboratory</b>					
Provides planning funds for the renovation and expansion of the Department of Environmental Quality's Reedy Creek Road Laboratory, to be funded by the issue of Limited Obligation Bonds.	Req \$	-	\$ 5,000,000	\$ -	\$ -
	Rec \$	-	\$ 5,000,000	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Health and Human Services - Capital Improvements Project Reserve</b>					
<b>33 Longleaf Neuro-medical Center</b>					
Provides funds for major renovations of the facilities at Longleaf Neuro-medical Center, including replacement of the plumbing, heating, ventilation, and air conditioning systems.	Req \$	-	\$ 14,100,000	\$ -	\$ -
	Rec \$	-	\$ 14,100,000	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>34 J Iverson Riddle Development Center</b>					
Provides planning funds for the renovation of facilities at the J. Iverson Riddle Development Center. Full construction will be funded by the issuance of Limited Obligation Bonds.	Req \$	-	\$ 6,697,300	\$ -	\$ -
	Rec \$	-	\$ 6,697,300	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>35 Black Mountain Neuro-medical Center</b>					
Provides planning funds for the renovation of facilities at the Black Mountain Neuro-medical Center. Full construction will be funded by the issuance of Limited Obligation Bonds.	Req \$	-	\$ 2,312,000	\$ -	\$ -
	Rec \$	-	\$ 2,312,000	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>36 Murdoch Development Center</b>					
Provides planning funds for renovations of the facilities at the Murdoch Development Center. Full construction will be funded by the issuance of Limited Obligation Bonds.	Req \$	-	\$ 5,656,000	\$ -	\$ -
	Rec \$	-	\$ 5,656,000	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>37 O'Berry Neuro-medical Center</b>					
Provides planning funds for the renovation of facilities at the O'Berry Neuro-medical Center. Full construction will be funded by the issuance of Limited Obligation Bonds.	Req \$	-	\$ 2,648,200	\$ -	\$ -
	Rec \$	-	\$ 2,648,200	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>38 Julian Keith Alcohol and Drug Abuse Treatment Center</b>					
Provides funding for building upgrades at the Julian Keith Center's dorms. These funds provide for the replacement of the HVAC system, fire alarm sprinkler system, and security upgrades among other renovations.	Req \$	-	\$ 4,492,000	\$ -	\$ -
	Rec \$	-	\$ 4,492,000	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>39 TROSA Expansion</b>					
Provides funds to expand TROSA into the Triad area to provide substance abuse disorder treatment and counselling, and help participants learn work skills and find employment.	Req \$	-	\$ 9,000,000	\$ -	\$ -
	Rec \$	-	\$ 9,000,000	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>Natural and Cultural Resources - Capital Improvements Project Fund</b>					
<b>40 Zoo - Asia Exhibit</b>					
Provides planning funds for the Asia Exhibit at NC Zoo. Full construction will be part of a General Obligation Bond referendum	Req \$	- \$	5,000,000 \$	- \$	-
	Rec \$	- \$	5,000,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>41 NC Museum of History</b>					
Provides planning funds for the expansion and renovation of the Museum of History in Downtown Raleigh. Full construction will be part of a General Obligation Bond referendum.	Req \$	- \$	6,000,000 \$	- \$	-
	Rec \$	- \$	6,000,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>42 Historic Sites</b>					
Provides planning funds for upgrades and renovations at Colonial and Revolutionary-era historic sites. Full construction will be part of a General Obligation Bond referendum.	Req \$	- \$	5,000,000 \$	- \$	-
	Rec \$	- \$	5,000,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>43 North Carolina Maritime Museum</b>					
Provides funding for a grant to the Maritime Heritage Foundation of Beaufort, North Carolina, Inc. for a new North Carolina Maritime Museum in Beaufort at Gallants Channel.	Req \$	- \$	1,500,000 \$	- \$	-
	Rec \$	- \$	1,500,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>University of North Carolina - Capital Improvements Project Reserve</b>					
<b>44 ECU - Brody School of Medicine</b>					
Provides funds for the planning and initial construction of a new School of Medicine to replace the existing Brody School of Medicine at East Carolina University. Full construction will be part of a General Obligation Bond referendum.	Req \$	- \$	28,000,000 \$	- \$	-
	Rec \$	- \$	28,000,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>45 NC A&amp;T University - Laboratory Animal Science Unit Renovation</b>					
Provides funding for the renovation of the vivarium at NC Agricultural and Technical State University.	Req \$	- \$	- \$	- \$	15,000,000
	Rec \$	- \$	- \$	- \$	15,000,000
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>46 UNC-Chapel Hill - Carrington Hall Renovation</b>					
Provides planning funds for the comprehensive renovation of Carrington Hall / the School of Nursing at UNC-Chapel Hill. Full construction will be part of a General Obligation Bond referendum.	Req \$	- \$	4,500,000 \$	- \$	-
	Rec \$	- \$	4,500,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>47 UNC-Pembroke – Health Sciences Center</b>					
Provides planning funds for the construction of a new School of Health Sciences at UNC-Pembroke. Full construction will be part of a General Obligation Bond referendum.	Req \$	- \$	6,750,000 \$	- \$	-
	Rec \$	- \$	6,750,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>48 ASU - Duncan Hall Renovation</b>					
Provides planning funds for the renovation of Duncan Hall at Appalachian State University. Full construction will be part of a General Obligation Bond referendum.	Req \$	- \$	2,000,000 \$	- \$	-
	Rec \$	- \$	2,000,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>49 ECU - Howell Science Building South</b>					
Provides planning funds for the renovation of Howell Hall at East Carolina University. Full construction will be part of a General Obligation Bond referendum.	Req \$	- \$	3,000,000 \$	- \$	-
	Rec \$	- \$	3,000,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>50 ECSU – Infrastructure Upgrades – Water and Electrical, Phase II</b>					
Provides planning funds for the replacement of water and electrical infrastructure at Elizabeth City State University. Full construction will be part of a General Obligation Bond referendum.	Req \$	- \$	3,000,000 \$	- \$	-
	Rec \$	- \$	3,000,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>51 FSU – Rosenthal and Chick Building Renovations</b>					
Provides funds for targeted renovations at the Rosenthal and Chick Buildings at Fayetteville State University.	Req \$	- \$	- \$	- \$	9,500,000
	Rec \$	- \$	- \$	- \$	9,500,000
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>52 NC A&amp;T – Carver Hall Comprehensive Modernization, Phase II</b>					
Provides funds for the second phase of renovations at Carver Hall at NC Agricultural and Technical State University.	Req \$	- \$	- \$	- \$	10,400,000
	Rec \$	- \$	- \$	- \$	10,400,000
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>53 NC A&amp;T – Price Hall Renovation, Phase II</b>					
Provides funds for the second phase of renovations at Price Hall at NC Agricultural and Technical State University.	Req \$	- \$	- \$	- \$	8,500,000
	Rec \$	- \$	- \$	- \$	8,500,000
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>54 NCCU - Taylor Education Building Renovation</b>					
Provides funds for the renovation of the Taylor Education Building at NC Central University.	Req \$	- \$	- \$	- \$	13,750,000
	Rec \$	- \$	- \$	- \$	13,750,000
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>55 NCSSM - Academic Commons and Dining Hall Renovation</b>					
Provides funds for the renovation of the Academic Commons and Dining Hall at the Durham campus of the NC School of Science and Mathematics.	Req \$	- \$	- \$	- \$	12,400,000
	Rec \$	- \$	- \$	- \$	12,400,000
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>56 NCSU - Renovation of 111 Lampe Drive</b>					
Provides planning funds for the renovation of 111 Lampe Drive at NC State University. Full construction will be part of a General Obligation Bond referendum.	Req \$	- \$	4,200,000 \$	- \$	-
	Rec \$	- \$	4,200,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>57 UNC-Asheville - Lipinsky Renovation</b>					
Provides funds for the renovation of the Lipinsky Building at UNC-Asheville.	Req \$	- \$	- \$	- \$	10,000,000
	Rec \$	- \$	- \$	- \$	10,000,000
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>58 UNC-Charlotte - Cameron Second Floor Renovation</b>					
Provides planning funds for the renovation of the second floor of Cameron Hall at UNC-Charlotte. Full construction will be part of a General Obligation Bond referendum.	Req \$	- \$	1,910,000 \$	- \$	-
	Rec \$	- \$	1,910,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>59 UNC-Charlotte - Burson Renovation</b>					
Provides planning funds for the renovation of the Burson Building at UNC-Charlotte. Full construction will be part of a General Obligation Bond referendum.	Req \$	- \$	2,590,000 \$	- \$	-
	Rec \$	- \$	2,590,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>60 UNC-Greensboro - Jackson Library Renovation / Addition</b>					
Provides planning funds for the renovation and expansion of the Jackson Library at UNC-Greensboro. Full construction will be part of a General Obligation Bond referendum.	Req \$	- \$	7,000,000 \$	- \$	-
	Rec \$	- \$	7,000,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>61 UNC-Pembroke - Business Administration Renovation</b>					
Provides funds for the renovation of the Business Administration Building at UNC Pembroke, which will be vacated upon completion of the New Business School, funded by the Connect NC Bond Act of 2015.	Req \$	- \$	- \$	- \$	12,500,000
	Rec \$	- \$	- \$	- \$	12,500,000
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>62 UNC School of the Arts</b>					
Provides planning funds for the first phase of renovation at the Stevens Center at UNC-School of the Arts. Full construction will be part of a General Obligation Bond referendum.	Req \$	- \$	2,500,000 \$	- \$	-
	Rec \$	- \$	2,500,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>63 WCU - Moore Building Renovation</b>					
Provides funding for the renovation of the Moore Building at Western Carolina University. Full construction will be part of a General Obligation Bond referendum.	Req \$	- \$	- \$	- \$	15,000,000
	Rec \$	- \$	- \$	- \$	15,000,000
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>64 UNC Specific Repair and Renovations Projects</b>					
Provides funds for 293 repair and renovations projects across UNC campuses, as well as UNC System repair and renovations projects. A complete list of projects can be found in Capital Appendix B in this section.	Req \$	- \$	143,555,000 \$	- \$	-
	Rec \$	- \$	143,555,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>65 WSSU - Hauser Hall Renovation, Phase II</b>					
Provides funding for the second phase of renovations at Hauser Hall, at Winston-Salem State University.	Req \$	- \$	- \$	- \$	7,500,000
	Rec \$	- \$	- \$	- \$	7,500,000
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>66 UNC Comprehensive Renovation and Modernization Projects</b>					
Provides funding for 67 renovation and modernization projects across UNC campuses. A complete list of projects can be found in Capital Appendix C in this section.	Req \$	- \$	- \$	- \$	347,620,000
	Rec \$	- \$	- \$	- \$	347,620,000
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>67 NC Center for the Advancement of Teaching Facility</b>					
Provides planning funds for the renovation and expansion of the Professional Development Center at the North Carolina Center for the Advancement of Teaching. Full construction will be part of a General Obligation Bond referendum.	Req \$	- \$	2,300,000 \$	- \$	-
	Rec \$	- \$	2,300,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>Repair and Renovations Reserves</b>					
<b>68 Repairs and Renovations Reserve</b>					
Provides funding for small repairs and renovations across state agencies.	Req \$	- \$	75,000,000 \$	- \$	75,000,000
	Rec \$	- \$	75,000,000 \$	- \$	75,000,000
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>69 Energy Saving Repairs and Renovations Reserve</b>					
Provides funding for small repairs and renovations across state agencies and the University of North Carolina System, where they are specifically aimed at increasing energy efficiency and / or reducing agencies' or campus' energy costs.	Req \$	- \$	50,000,000 \$	- \$	50,000,000
	Rec \$	- \$	50,000,000 \$	- \$	50,000,000
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>Agriculture - Receipts</b>					
<b>70 NC State Fair Improvements</b>					
Appropriates receipts at the Department of Agriculture and Consumer Services (DACs) to repair and improve aging infrastructure at the NC State Fairgrounds.	Req \$	- \$	- \$	- \$	4,000,000
	Rec \$	- \$	- \$	- \$	4,000,000
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>71 Research Stations Demolition</b>					
Appropriates receipts at DACs to support demolition and removal of dangerous and dilapidated buildings at several Research Stations.	Req \$	- \$	- \$	- \$	100,000
	Rec \$	- \$	- \$	- \$	100,000
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>72 Research Stations Irrigation Improvements</b>					
Appropriates receipts at DACs to increase irrigation capacity and repair existing infrastructure at Research Stations across the state.	Req \$	- \$	- \$	- \$	500,000
	Rec \$	- \$	- \$	- \$	500,000
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>73 Research Stations Livestock Building Improvements</b>					
Appropriates receipts at DACs to support infrastructure improvements to livestock buildings and other mission-critical facilities at Research Stations across the state.	Req \$	- \$	- \$	- \$	700,000
	Rec \$	- \$	- \$	- \$	700,000
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>74 Research Stations Storage Buildings</b>					
Appropriates receipts at DACs to fund the construction of storage shelters for mission-critical equipment at Research Stations across the state.	Req \$	- \$	- \$	- \$	500,000
	Rec \$	- \$	- \$	- \$	500,000
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>75 NC Forest Service Observation Platforms</b>					
Appropriates receipts at DACs to design and install structures for public safety and scenic enjoyment at multiple locations.	Req \$	- \$	- \$	- \$	825,000
	Rec \$	- \$	- \$	- \$	825,000
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000



		R Changes	NR Changes	R Changes	NR Changes
<b>76 NC Forest Service Storage Buildings</b>					
Appropriates receipts at DACS to construct closed storage buildings to house fire fighting supplies and other mission-critical equipment at multiple locations.	Req \$	- \$	- \$	- \$	125,000
	Rec \$	- \$	- \$	- \$	125,000
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>77 NC Forest Service Restrooms</b>					
Appropriates receipts at DACS to design and construct new restroom facilities at remote locations around the state.	Req \$	- \$	- \$	- \$	580,000
	Rec \$	- \$	- \$	- \$	580,000
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>78 NC Forest Service Picnic Shelters</b>					
Appropriates receipts at DACS to design and construct picnic shelters at multiple NCFS locations for public and educational use.	Req \$	- \$	- \$	- \$	150,000
	Rec \$	- \$	- \$	- \$	150,000
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>79 NC Forest Service Parking Improvements</b>					
Appropriates receipts at DACS to fund the expansion of parking lots at multiple NCFS locations. Parking lot expansion is needed to accommodate the increasing public use of State Forests.	Req \$	- \$	- \$	- \$	2,325,000
	Rec \$	- \$	- \$	- \$	2,325,000
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>80 NC Forest Services Equipment Shelters</b>					
Appropriates receipts at DACS to fund equipment shelters for fire fighting and other mission-critical equipment.	Req \$	- \$	- \$	- \$	1,460,000
	Rec \$	- \$	- \$	- \$	1,460,000
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>81 NC Forest Bridge Construction</b>					
Appropriates receipts at DACS for the design and installation of bridges at multiple NCFS locations. New bridges address the objectives of recreational, safety, and resource protection at NCFS locations.	Req \$	- \$	- \$	- \$	500,000
	Rec \$	- \$	- \$	- \$	500,000
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>Military and Veterans Affairs - Receipts</b>					
<b>82 New Wake County Veterans Home</b>					
Provides funding for the construction of a 120 bed, skilled nursing home in Raleigh for eligible veterans. The total cost of the project is projected to be \$85.7 million. U.S. Department of Veterans Affairs grant funding accounts for 65% of the total cost of construction. The remaining cost of construction is financed by the State Veterans Home Trust Fund as directed by the General Assembly (G.S. 143B-1293(c)(3).	Req \$	- \$	29,995,000 \$	- \$	-
	Rec \$	- \$	29,995,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>Natural and Cultural Resources - Receipts</b>					
<b>83 Edenton State Historic Site</b>					
Appropriates receipts at the Department of Natural and Cultural Resources (DNCR) to renovate the Frinks House at the Edenton Historic site.	Req \$	- \$	291,940 \$	- \$	-
	Rec \$	- \$	291,940 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>84 Charlotte Hawkins Brown Tea House</b>					
Appropriates receipts at DNCR for the renovation of the Tea House.	Req \$	- \$	425,000 \$	- \$	-
	Rec \$	- \$	425,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>85 USS NC Battleship - Living with Water</b>					
Appropriates receipts at DNCR to manage recurrent flooding of the Park property and entrance road which, according to evaluation of water level data and historical tidal data, has increased significantly in recent years. This flooding comes primarily from the Cape Fear River during high tide events and has led to significant impacts to the Park.	Req \$	- \$	2,335,451 \$	- \$	-
	Rec \$	- \$	2,335,451 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>86 Transportation Museum - Southern Railway Car Exhibit</b>					
Appropriates receipts at DNCR to renovate a 1920's rail car at the Transportation Museum in Spencer, North Carolina.	Req \$	- \$	287,442 \$	- \$	-
	Rec \$	- \$	287,442 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>87 USS NC Battleship - Mast Repairs</b>					
Appropriates receipts at DNCR to repair damage and wear of the mast superstructure of the battleship.	Req \$	- \$	1,000,000 \$	- \$	-
	Rec \$	- \$	1,000,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>88 Bentonville State Historic Site - Harper House Renovations</b>					
Appropriates receipts at DNCR to repair the exterior and replace the HVAC system at the Harper House site.	Req \$	- \$	100,000 \$	- \$	-
	Rec \$	- \$	100,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>89 Charlotte Hawkins Brown</b>					
Appropriates receipts at DNCR to provide for the restructuring of the gutter, drainage, and roof systems at the structure.	Req \$	- \$	1,100,000 \$	- \$	-
	Rec \$	- \$	1,100,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>90 NCMA - Terrace and Green Project</b>					
Appropriates receipts at DNCR to renovate the East Building's existing entrance, patio, and pathways.	Req \$	- \$	475,000 \$	- \$	-
	Rec \$	- \$	475,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>91 Brunswick Town State Historic Site - Shoreline Stabilization</b>					
Appropriates receipts at DNCR to provide shoreline protection of Fort Anderson's earthen Battery "B", two known colonial wharfs, and currently un-surveyed archaeology associated with Brunswick Town from wave damage and erosion along the Cape Fear River.	Req \$	- \$	3,000,000 \$	- \$	-
	Rec \$	- \$	3,000,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>92 Bennett Place - Visitor Center Renovations</b>					
Appropriates receipts at DNCR to for renovations and ADA compliance at the Visitor Center facility.	Req \$	- \$	858,658 \$	- \$	-
	Rec \$	- \$	858,658 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>Public Safety - Receipts</b>					
<b>93 ABC Warehouse Storage</b>					
Appropriates receipts to fund the installation of internal rack shelving units for storage at the ABC Warehouse.	Req \$	- \$	313,000 \$	- \$	-
	Rec \$	- \$	313,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>94 ABC Office Modifications</b>					
Appropriates receipts to provide for the renovation of the ABC Commission Office. Funds provide for the modification and expansion of the office, reception, and dock areas of the facility.	Req \$	- \$	480,000 \$	- \$	50,000
	Rec \$	- \$	480,000 \$	- \$	50,000
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>Wildlife Resources Commission - Receipts</b>					
<b>95 Agency Land Acquisition</b>					
Appropriates receipts at the Wildlife Resources Commission (WRC) to acquire land from willing sellers. Funds will support the fish and wildlife resources of North Carolina by promoting habitat protection through land acquisition and preservation, impact assessment and mitigation, restoration and enhancement, regulation, and conservation-based development.	Req \$	- \$	10,000,000 \$	- \$	6,000,000
	Rec \$	- \$	10,000,000 \$	- \$	6,000,000
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>96 Setzer Hatchery</b>					
Appropriates receipts at WRC for an extensive renovation of the facility that produces the majority of the trout for the WRC trout stocking program. Infrastructure improvements include: upgrades to stream intakes, new piping to the hatchery, reworking of the well-water supply, a new hatchery building and expanded raceways to increase production capacity.	Req \$	- \$	18,500,000 \$	- \$	-
	Rec \$	- \$	18,500,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>97 Samarcand Training Facility</b>					
Appropriates receipts at WRC for the Construction of a WRC Training Building at the Samarcand Training Facility. The new facility hold the annual 32 weeks of a basic law enforcement training. Proposed building to include classrooms and mat room for training, accommodations for up to 24 trainees and 20 instructors, and offices for instructors, storage for training equipment.	Req \$	- \$	7,500,000 \$	- \$	-
	Rec \$	- \$	7,500,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>98 New Bern Depot Boat Storage Facility</b>					
Appropriates receipts at WRC for the construction of a metal building for boat storage. The new structure will allow for increased storage capacity and protection from the elements.	Req \$	- \$	275,000 \$	- \$	-
	Rec \$	- \$	275,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>99 Marion Aquaculture Building</b>					
Appropriates receipts at WRC to replace the aquaculture building at WRC's Marion Fish Hatchery. The existing building is used for the agency's mussel program and no longer meets the needs of the program in size or mechanical support.	Req \$	- \$	360,000 \$	- \$	-
	Rec \$	- \$	360,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>100 Elizabethtown Depot Storage Shed</b>					
Appropriates receipts at WRC to replace a storage building to store and protect trucks, tractors, and other major equipment at the depot.	Req \$	- \$	200,000 \$	- \$	-
	Rec \$	- \$	200,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>101 McKinney Lake Residence</b>					
Appropriates receipts at WRC for the replacement of a single-family residence at the WRC-owned McKinney Lake State Fish Hatchery. The previous structure had fallen into disrepair and has been demolished.	Req \$	- \$	300,000 \$	- \$	-
	Rec \$	- \$	300,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>102 Sandhills Depot Pole Shed</b>					
Appropriates receipts at WRC to construct a ten-bay pole shed at the Sandhills Depot facility for the storage of trucks, tractors, and other equipment.	Req \$	- \$	200,000 \$	- \$	-
	Rec \$	- \$	200,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>103 District 7 Storage Building - Wilkesboro</b>					
Appropriates receipts at WRC to construct a storage facility to house the boats for WRC Inland Fish Division. Construction will include site work, building construction, electrical installation, and lighting.	Req \$	- \$	140,000 \$	- \$	-
	Rec \$	- \$	140,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>104 Burnsville Depot</b>					
Appropriates receipts at WRC to construct a new building for shared office and workshop space at the Burnsville Depot. Construction will include site grading and clearing of timber for the 3,600sf building.	Req \$	- \$	500,000 \$	- \$	-
	Rec \$	- \$	500,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>105 Balsam Depot</b>					
Appropriates receipts at WRC to renovate WRC's Balsam Depot facility. Renovation will include modification of site entrance and drives, addition of parking, and addition of the structures, including a conservation equipment shop, conference/office building, necropsy lab, and storage sheds. Several existing buildings will be demolished to make space for the new drive configuration and structures. Initial funding of this project will be used to start design phases, which will determine final scope of renovation and project funding needs.	Req \$	- \$	400,000 \$	- \$	-
	Rec \$	- \$	400,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>106 Game Land Improvements</b>					
Appropriates receipts at WRC to fund renovations at game lands across the state. Usage and weather conditions cause deterioration of agency game land infrastructure, and constant improvements and replacements are needed to maintain safety for agency staff and the public and to fulfill conservation goals.	Req \$	- \$	1,000,000 \$	- \$	-
	Rec \$	- \$	1,000,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>107 Morganton Depot Pole Shed</b>					
Appropriates receipts at WRC to construct a four or five bay open-sided pole shed at the Morganton Depot facility for storage of trucks, tractors, and other equipment.	Req \$	- \$	- \$	- \$	130,000
	Rec \$	- \$	- \$	- \$	130,000
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>108 Mills River Depot Pole Shed</b>					
Appropriates receipts at WRC to construct a four or five bay open-sided pole shed at agency owned Mills River Depot facility for storage of trucks, tractors, and other equipment.	Req \$	- \$	- \$	- \$	150,000
	Rec \$	- \$	- \$	- \$	150,000
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>109 Rhems Depot Storage Building</b>					
Appropriates receipts at WRC to construct an eight bay metal building for the storage and protection of equipment at the Rhems Depot.	Req \$	- \$	- \$	- \$	230,000
	Rec \$	- \$	- \$	- \$	230,000
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>110 Caswell Depot Storage Building</b>					
Appropriates receipts at WRC to construct a metal building for inside storage space for burn equipment and pumper trucks and outside covered storage for agricultural and construction equipment.	Req \$	- \$	- \$	- \$	440,000
	Rec \$	- \$	- \$	- \$	440,000
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
<b>Total Change to Requirements</b>	\$	- \$	5,328,596,225 \$	- \$	605,935,000
<b>Total Change to Receipts</b>	\$	- \$	5,328,596,225 \$	- \$	605,935,000
<b>Total Change to Net Appropriation</b>	\$	- \$	- \$	- \$	-
<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>	\$	- \$	- \$	- \$	-
<b>Recommended Total FTE Changes</b>		0.000	0.000	0.000	0.000

## Capital Appendix A

### State Agency Cash-Funded Capital Projects, FY 2021-22

#### **Department of Administration**

New Central Chiller	\$21,875,000
Jones St. Lighting and Enhancements	\$5,071,000
HHS Relocation - move utilities / Mail Service warehouse	\$13,700,000

#### **Department of Agriculture**

Eaddy Building Renovation and Expansion	\$1,632,000
NCFS Region 1 Headquarters	\$8,000,000
Tidewater Research Station Swine Unit Replacements	\$3,518,000

#### **Department of Health and Human Services**

New Maintenance Facility New Broughton Hospital	\$1,600,000
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#### **Department of Information Technology**

Eastern Data Center Renovations	\$11,000,000
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#### **Department of Justice**

NCJA-W Residence Hall Water Intrusion	\$1,722,000
NCJA-E Residence Hall B Renovation	\$2,739,484
NCJA- Fallen Officer Monument	\$85,000
NCJA-E Campus Repaving	\$425,000
NCJA-W Campus Repaving	\$314,000
Old Education Building Window Replacement	\$1,137,000

#### **Department of Natural and Cultural Resources**

Fort Fisher Historical Site Visitor Center	\$8,000,000
State Capital African American Monument	\$2,500,000
Graveyard of the Atlantic Renovation and Exhibits	\$4,200,000
Thomas Day House	\$800,000
Art Museum Light Control	\$1,000,000
Fort Fisher Aquarium Expansion	\$20,000,000
Museum of Natural Sciences Dueling Dinosaurs Lab	\$784,000
Art Amphitheater Restoration	\$2,448,102
Transportation Museum (Power House)	\$2,250,000
Graveyard of the Atlantic Renovation and Exhibits	\$4,200,000

#### **Department of Public Safety**

Samarcand Cochran Land Purchase	\$127,000
ACDP - Arledge Building Modifications and Shop Building	\$6,422,000
DJJ Richmond Regional JDC Raise the Age Renovations	\$10,702,952
NCCIW HVAC	\$2,667,000
NSHP Troop B Elizabethtown	\$2,360,000
National Guard Armory and Facility Projects	\$3,569,696

<b>State Agency Cash-funded Projects Total</b>	<b>\$144,849, 234</b>
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## Capital Appendix B

### UNC Specific Repair and Renovation Projects, FY 2021-22

#### **Appalachian State**

Walker Hall HVAC Repair and Upgrades	\$500,000
Walker Hall Envelope and Structural Repair	\$1,300,000
Campus-wide: Electronic Door Access Installation	\$1,500,000
Chapell Wilson Gutter/Soffit/Roof Replacement	\$600,000
Smith Wright Hall Roof Repair and Replacement	\$1,000,000
Holmes Convocation Center Chiller	\$200,000
BB Dougherty Chiller Repair	\$100,000
Facilities Operations/Motorpool Wall Repairs	\$300,000
John E Thomas Chiller Compressor Upgrades	\$250,000
Anne Belk Hall Hot Water Piping Replacement	\$500,000
Edwin Duncan Hall HVAC and Lighting Improvements	\$800,000
John E Thomas Envelope	\$300,000
Howard Street Hall Road Opening	\$200,000
Holmes Convocation Center VAV Replacement	\$150,000
Peacock Elevator Upgrade	\$200,000
University Hall Sprinkler System	\$250,000

#### **East Carolina**

Brody Building Freight Elevators - Emergency Power	\$250,000
Science & Technology Replace Roof	\$400,000
Old Cafeteria Building Install Steam Manhole and Replace Piping	\$300,000
Health Science Campus Catwalks Central Utility Plant	\$225,000
Warren Life Sciences Replace Roof Section B	\$300,000
Health Science Campus Central Utility Plant Transformer 1 & Transformer 2	\$404,000
Bate Upgrade Elevators (2)	\$350,000
Rivers Replace Roo	\$300,000
Christenbury Replace Roof	\$410,000
Brody Building Envelope Infiltration Repairs Phase 1	\$1,500,000
Brody Chilled Water Loop Valve Replacement	\$100,000
Jenkins Art North Building Envelope Repairs	\$1,750,000
McGinnis Scene Shop Replace Roof	\$100,000
Brody - Inline Fan Replacement Phase 1	\$200,000
Jenkins Art Replace Distribution Sub Panels Westside Jenkins Art	\$225,000
Messick Upgrade/Replace Elevator	\$150,000
Building 127 Upgrade/Replace Elevator	150,000
Coastal Studies Annex Repair and Coat Siding and Roofing	\$100,000
School of Dental Medicine Community Service Learning Centers Upgrades	\$203,000
Main Campus Steam Plant - Install Steam Blanket for Boilers	\$100,000
McGinnis Auditorium Upgrade/Replace Elevator	\$300,000
Brewster HVAC Controls Optimization - D Wing	\$400,000
Greenville Centre HVAC Controls Upgrade	\$300,000
Plate and Frame Heat Exchanger for Science & Technology Central Chiller Plant	\$300,000
Old Cafeteria Building Controls Upgrade	\$300,000
Carol Belk Building HVAC system	\$300,000
Rivers Building HVAC System	\$300,000

Austin Building Air Handlers Replacement	\$1,500,000
Warren Life Sciences Extend Sprinkler System to Original Section	\$181,000
Building 43 Upgrade Freight Elevator Replace Shaft and Jack	\$230,000
Main Campus Replace Power Distribution System Steam Plant	\$250,000
Biotechnology Building Upgrade Laboratory Exhaust System	\$452,000
Biotechnology Building Replace Exhaust Fans	\$130,134
Repair and Repave Service Drive at West End Dining Behind White Residence Hall	\$150,000
Wright Building/Wright Auditorium Fire Alarm System Upgrade	\$300,000
Old Cafeteria and Ragsdale Annex Replace Roof	\$240,000
Brody School of Medicine Replace Computer Room Air Conditioning	\$200,000
Cotanche Data Center – Renovations	\$210,000
<b>Elizabeth City State</b>	
Underground Infrastructure - Plumbing gate valves/infrastructure for fire pump	\$150,000
Underground Infrastructure - Improve water volume on campus north	\$300,000
Jenkins Hall (Phase 2) - Renovation Laboratory and Classroom	\$400,000
Vaughn Center - Repair phys ed learning spaces	\$550,000
Fine Arts - Roof Replacement	\$200,000
Dixon Hall - Classroom and Laboratory Renovations	\$400,000
ITC - Air Handler Replacement	\$300,000
Lester Hall – Demolition	\$495,000
<b>Fayetteville State</b>	
Barber/Collins Admin Complex: roof replacement	\$200,000
Campus-wide: exterior lighting retrofit	\$400,000
Campus-wide: brick paver & concrete walk repairs	\$500,000
Telecom: roof replacement	\$150,000
Butler: roof replacement	\$650,000
Chesnutt: MEP (generator)	\$400,000
Telecom: MEP (central plant tie, AHU, BAS, MDP, generator)	\$750,000
University Advancement: MEP (AHU, Heat Pumps, BAS, MDP)	\$600,000
FM complex: MEP (HVAC, MDP, generator, restrooms)	\$450,000
Harris CBE: precast concrete structural repair	\$100,000
Cook: exterior stairs and patio repairs	\$100,000
J. Knuckles Science Annex: roof replacement	\$150,000
<b>NC A&amp;T</b>	
Roof Repairs (General Classroom B side)	\$1,241,107
Boiler Replacement	\$1,459,200
Hines Hall HVAC Modifications	\$300,000
Waterproofing Buildings	\$600,000
HVAC Repairs/Replacement(IRC Building)	\$705,274
HVAC Repairs/Controls Dudley	\$403,305
MCNair Hall HVAC Repairs	\$250,000
Elevator Repairs/Replacement	\$450,000
Campus-wide: Steam Leaks	\$500,000
Building Steam system repairs	\$200,000
Roof Repairs (Moore Gym, Hodgin Hall, Fraiser Hall)	\$1,000,000
Window Replacement (Price Hall, 1020 Wendover, Hodgin Hall, Campbell Hall, C.H. Moore)	\$200,000
Campus-wide: Asbestos Abatement	\$150,000
Campus-wide: Back Flow preventors	\$300,000
Electrical Improvements	\$100,000

**NC Central**

BN Duke Steam to Natural Gas Conversion	\$350,000
Art Museum Roof Replacement	\$250,000
Campus-wide steam system repairs	\$600,000
Robinson Science Building - Repair & Restore Brick Façade	\$300,000
Hubbard Totton Building - Elevator Replacement	\$350,000
Campus-Wide ADA Compliance Upgrades -- Phase 2	\$100,000
William Jones Building HVAC Upgrades	\$450,000
Walker PE Complex - Elevator Replacement	\$350,000
Sanitary Sewer System Repairs	\$100,000
Roof Gutters & Vent Repairs at multiple locations	\$310,000
Taylor Building - Repair & Restore Brick Façade	\$161,000
Water System: Re-route South and East sides for increased capacity	\$135,000
Campus-wide: Flat Roof Diagnostics, Maintenance, and Repairs	\$300,000
Fire Alarm Systems Upgrades & Repairs at multiple locations	\$250,000
Steam Plant Roof Repair	\$40,000
Asbestos/Mold remediation/Contaminants removal	\$300,000
Shepard Library ITS NOC HVAC Upgrades	\$230,000
Fine Arts Building Fire Alarm System Replacement	\$495,000
Miller Morgan Building VFDs Replacement	\$80,000
BN Duke Auditorium - Repair & Restore Brick Façade	\$300,000
Edmonds Building Brick Façade Repair & ADA Access	\$245,300

**NC School of Science and Math**

Cafeteria Renovation	\$2,500,000
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**NC State**

Research Bldg III - HVAC Upgrades	\$900,000
Original Campus - Domestic Water Line repair under Railroad Tracks	\$270,000
Dabney - Renovation – Labs	\$1,500,000
Polk -2nd Floor Overhang structural repair	\$150,000
Scott Hall - Renovation – Labs	\$2,500,000
Brooks Hall - Renovation - Phase 1	\$1,500,000
Mann - Electrical Upgrades	\$950,000
Thomas Hall - Renovation – Labs	\$1,000,000
Polk - Fire Alarm Upgrade	\$600,000
CVM Equine AHU replacement	\$300,000
Mckimmon - ADA Improvements Restrooms	\$500,000
Morrill Drive Domestic Water Line Replacement	\$661,000
Fire Alarm Panel Replacement	\$250,000
Campus - Domestic Water Line and Valve Replacement Ph 11	\$650,000
BAS Controls Upgrade Phase 1(Don Ellis, Brooks)	\$100,000
Polk Hall - Renovation - Labs - Phase 1	\$1,500,000
Campus - Asbestos Removal Steam System	\$650,000
Caldwell Hall - Pointing & Caulking	\$100,000
Research Bldg #1 - AHU replacement	\$850,000
Research Bldg IV - HVAC Upgrades	\$1,100,000
Centennial Campus - Repair steam leaks	\$550,000
CVM Main - Fire Alarm Upgrade Phase 3 o f 3	\$400,000
Mann Hall - Fire Sprinkler System	\$500,000



Campus - Steam Leak Repair MH13	\$200,000
Gardner - Renovation – Labs	\$480,000
Textiles - COT Pod 2 South side - Foundation Waterproofing	\$350,000
Campus - Cooling Tower Refurbish at CBC	\$250,000
Polk Hall - Fire Alarm Upgrade	\$600,000
Biltmore - Code Deficiencies	\$2,000,000
Campus - Upgrade Campus Sanitary/Storm Water System Ph 1	\$844,000
Campus - Chilled Water System improvements	\$575,000
Kilgore - Foundation Waterproofing	\$350,000
Cox - Pointing & Caulking	\$300,000
Tompkins Hall - Above grade Waterproofing / Pointing	\$200,000
Yarborough - Chiller Controls Upgrade	\$146,000
Sewer Line replacement - Court of NC	\$175,000

### **UNC Asheville**

Campus-Wide: Arc Flash Compliance - Phase II	\$150,000
Replace and Upgrade Fueling Station w/ compliant storage tanks/system	\$150,000
Replace the existing pedestrian pathways to connect main quad to Owen Hall	\$250,000
Replace walkways /provide ADA accessibility	\$250,000
Repair concrete at Carmichael Plaza & walk along Ramsey/Tennent Park	\$200,000
Reuter Center: replace BAS, add VFD to AHU	\$150,000
Roof Replacements: Reuter Center (EPDM) & Riverside Warehouse (single-ply)	\$475,000
Rework intersection at Edgewood and University Heights	\$250,000
Utility Location Survey and installation of underground utility markers	\$200,000
Zageir Hall: Replace exist machinery with new HE models	\$225,000
Underground Waterline Repairs	\$506,000
Campus-wide: Implement interoperable communications per 911 commission	\$250,000
Campus-wide: Install sub metering in all buildings	\$150,000
Replace sidewalks at Zageir Hall	\$150,000
Weizenblatt Hall: Replace low slope roof with new membrane roof	\$175,000
118 WT Weaver HVAC Replacement	\$518,974
Campus-wide: Replace deteriorated, rusted handrails with aluminum	\$250,000

### **UNC Chapel Hill**

462 Art Studio Building Replace Roofing - Steel Roof	\$219,772
12 Carroll Hall Replace Roofing - Built-Up Roof, Sector C	\$406,823
209 First Dental Replace Roofing - Slate Roof	\$565,120
166 General Storeroom Replace Roofing - Built-Up Roof - Sector 5	\$577,490
625 ITS Building - Manning Replace Roofing - Built-Up Roof	\$672,719
27 Memorial Hall Replace Barrel Roof	\$330,000
226 Old Clinic Replace Built-Up Roof	\$283,355
5 South Building Replace Metal Roof, Gutters and Install Fall Protection	\$927,239
228 Brinkhous-Bullitt Building Electrical Service and Distribution	\$4,843,986
12 Carroll Hall Repair and Renovate Elevator #1618	\$746,929
12 Carroll Hall Repair and Renovate Elevator #6442	\$464,850
41 Coastal Process Environmental Health Lab Building System Cumulative Deficiencies	\$675,000
13 Davie Hall Replace Air Handling Unit 1B, 1st Floor 1967 Building	\$169,045
13 Davie Hall Replace Air Handling Unit 1A, 1st Floor 1967 Building	\$428,865
3 Ackland Art Museum Install Building Automation System	\$236,625
13 Davie Hall Replace Air Handling Unit 1C, 1st Floor 1967 Building	\$225,461
14 Dey Hall Repair and Renovate Elevator #4576	\$407,206

369 Friday Center Replace Heating/Cooling Air Handling Units - AHU 01	\$255,456
369 Friday Center Replace Heating/Cooling Air Handling Units - AHU 02	\$272,402
462 Art Studio Building Install Fire Sprinkler System	\$326,540
211 Brauer Hall Fire Alarm Systems	\$565,868
13 Davie Hall Fire Alarm Systems	\$135,985
498 Kenan Center Fire Alarm Systems	\$200,000
3 Ackland Art Museum Air Handling Units, AHU 2, Rear Galleries, Admin, 1983 Building	\$419,748
24 Wilson Library Replace AHU 7 HVAC System	\$5,086,299
3 Ackland Art Museum Replace Windows - Painted Wood Window	\$484,785
328 Bingham Facility (Building 1) Replace Roofing - EPDM Roof	\$225,560
228 Brinkhous-Bullitt Building Provide Roof Fall Protection	\$156,547
229 Burnett-Womack Building Provide Roof Fall Protection	\$138,419

### **UNC Charlotte**

Atkins Roof	\$911,250
Reese Roof	\$226,100
Reese Fire Systems	773,500
Memorial Hall Fire Systems	\$327,250
Duke HVAC & Controls	654,500
Friday Roof	\$1,011,000
RUP-2 HVAC & Controls	\$416,500
King Fire Systems & Abatement	\$729,000
Fretwell HVAC & Controls	\$1,574,009
Memorial Hall Envelope	120,311
Memorial Hall Roof	\$188,792
Reese Envelope	\$995,269
King Envelope	\$839,459
Grigg HVAC & Controls	\$561,202
Friday Fire Systems	\$631,072
Rowe Elevators	\$156,334
Rowe Electrical	\$154,042
Fretwell Fire Systems	\$362,670

### **UNC Greensboro**

Petty Bldg. Portico waterproofing	\$712,031
MHRA Building. Fire Alarm System Replacement	\$985,327
Mossman Bldg. Roof Replacement	\$773,128
Campus-wide: ADA compliance: Restrooms, entrances, etc.	\$400,000
UNCG State Building exterior envelope repairs	\$762,000
Cone Art Bldg. Replace gallery lighting and lighting controls (Phase 2 & 3)	\$861,750
Replace Generator Diesel Fuel tank	\$839,175
Campus-wide: Property line fences, underground piping for roof drainage	\$230,000
Sullivan Science Bldg. Replace HVAC in Greenhouse	\$683,434
Campus-wide: Pedestrian crosswalks repairs and upgrades for safety	\$486,000
Armfield-Preyer (Visitor's Center). Exterior renovation and water proofing	\$435,000
Campus-wide: Walks and hardscape improvements	\$240,000
Campus-wide: Asbestos & Lead abatement	\$240,000
Petty Bldg. Replace EST QuickStart fire alarm system	\$400,000
Sink Bldg. Maintenance Compound - Asphalt Replacement	\$140,000
Coleman Bldg. VCT flooring abatement and replacement	\$250,000
Fire Alarm Upgrades	\$250,000

Cone Arts. Lecture Hall Upgrades	\$187,000
<b>UNC Pembroke</b>	
Campus Gas line replacement	\$550,000
Jones Pool HVAC replacement	\$1,300,000
Livermore & Jones Generator	\$424,500
Honors College renovation	\$250,000
Jones auxiliary gym and Dance studio flooring and studio upgrades	\$625,000
Education Boiler replacement	\$110,000
Chavis Air Handlers	\$390,000
Moore Hall & Chavis boiler replacement	\$190,000
Lumbee Hall & Old Main Elevator replacement	\$465,000
Jones, Livermore, Lumbee, Old Main FACP replacement	\$682,000
Jones ceiling repaint	\$110,000
<b>UNC School of the Arts</b>	
Gray Bldg New Electrical Service Main	\$256,000
Life Safety Code Correction -Film Building 3	\$134,000
Install Exit/Egress Lighting	\$115,000
Renovate Drama Studios – Workplace	\$448,000
Drainage and Landscape Improvements - Common Area at Moore and Sanford	\$397,000
Renovate Drama Administrative Offices – Workplace	\$323,000
Install Shop Exhaust and Heating System - Facilities Management	\$95,000
Gray Bldg Remove boilers	\$123,000
Repair/Replace Windows - Film School Buildings 1 and 2	\$202,000
Film Archives Building A/C and controls	\$485,000
Heating and Cooling - Control Booth and Foley Booth - Performance Place, Film 2	\$87,000
Modifications to Heating, Ventilation and Air Conditioning System for Police – Gray	\$101,000
Paint Rooftop Components - Film School	\$81,000
Resurface Drives and Vehicle Staging - Facilities Management	\$75,000
Renovate Administrative and Faculty Offices - Design and Production	\$162,000
Mechanical System Retrocommissioning - Design and Production	\$134,000
ADA Campus-Wide Misc. Improvements	\$39,000
Roof Replacement - Chapel St Buildings	\$34,000
Exterior Waterproofing and Repairs - 300 Waughtown	\$73,000
Film School Bldg 3, Theater dimmers	\$232,000
Hanes Student Commons motor control center	\$150,000
Upgrade Air Distribution and Controls - Commons Building	\$93,000
Partial Interior Renovation – Commons	\$75,000
Replace Floor Slabs, Sidewalks and Stairs – Residence Halls A–F	\$118,000
<b>UNC Wilmington</b>	
West Side Energy Plant Modernization	\$3,926,440
Wagoner, Hurst, Hamilton roadways - Storm Water Refurbishment	\$2,500,000
Replace Fire Alarm System - Warehouse – Receiving	\$161,000
Replace Fire Alarm System – Telecommunications	\$62,000
Fire/Life safety Improvements - Kenan Auditorium	\$75,000
Fire Sprinkler - Isaac Bear Bldg.	\$410,000
Replace Windows - Alderman Hall	\$280,000
<b>Western Carolina</b>	
HFR Building - Roof Replacement	\$660,000

Campus-wide: Fire Alarm System Upgrades	\$300,000
Reid Building - Gym Floor Replacement	\$275,000
Undersized Water Mains Replacement, Non-Functioning Valves and Upgrade Lines	\$3,000,000
Facilities Management Building - Roof Replacement	\$193,000
Highlands Biological Station - Structural Repairs	\$250,000
Ramsey Activities Center - Elevator Replacement	\$250,000
HFR Building - Chiller Replacement	\$200,000
Old Student Union - Foundation and Exterior Repair	\$450,000
Hunter Library - Cooling Tower Replacement	\$175,000
Campus-wide: Egress Lighting and Exit Light Replacement	\$100,000
<b>Winston Salem State</b>	
Repair Roof - Computer Science	\$120,000
Replace Roof - Gaines Complex	\$660,000
Exterior Wall Repairs - Computer Science	\$110,000
Exterior Wall Repairs - W. B. Atkinson	\$125,000
Elva Jones Computer Science - HVAC Upgrades and BAS Controls Replacement	\$1,450,000
Upgrade HVAC Make-up Air System - O'Kelly Library	\$375,000
Add Fire Alarm System - 1600 Lowery St	\$125,000
Fire Alarm System Upgrades - Campus-wide	\$750,000
Replace Roof - R.J. Reynolds	\$205,000
Ext. Wall Repairs, Door and Window Repl. - Coltrane Hall	\$275,000
Upgrade Electrical System - O'Kelly Library	\$250,000
<b>UNC System General Repair &amp; Renovation Contingency Reserve</b>	<b>\$3,497,566</b>
<b>UNC Specific Repair and Renovation Projects Total</b>	<b>\$143,555,000</b>

## Capital Appendix C

### UNC Comprehensive Renovation and Modernization Projects, FY 2022-23

#### **Appalachian State**

Wey Hall Envelope and Roof Repair	\$5,000,000
Wey Hall Partial Renovation - Building Systems	\$10,000,000

#### **East Carolina**

Brody High Rise Code Compliance - Phase 2	\$6,000,000
Main Campus - College Hill Drive Steam - Phase 3	\$2,500,000
Whichard Building Comprehensive Renovation	\$10,000,000
Speight Building Roof, Window, and Envelope Replacement	\$4,000,000
Chilled Water Extension to Whichard & Graham	\$6,475,000
Main Campus-Relocate Steam & Condensate - Phase 1	\$5,000,000
Health Science Building Envelope Infiltration Repairs	\$5,000,000

#### **Elizabeth City State**

Repair Campus Main Switch	\$700,000
Repair Campus Pump Station	\$650,000
Infrastructure Upgrades - Water & Electrical, Phase 1	\$12,000,000
Emergency Generator Power – Operations	\$4,900,000
Emergency Generator Power - Residence Halls	\$2,100,000
Campus-wide Lockdown System	\$2,000,000
Building Demolition - Four Buildings	\$1,500,000
Butler Residence Hall Renovations	\$2,500,000

#### **Fayetteville State**

Lyons Science Renovation	\$1,500,000	
Butler Renovation - HVAC, Bldg Envelope, Fire Alarm		\$3,450,000
A.B. Rosenthal Building - Targeted Renovation		\$10,000,000
Campus-wide Utility Infrastructure		\$9,950,000

#### **NC A&T**

Carver Hall Comprehensive Modernization-Phase 1	\$9,700,000
Price Hall Renovation- Phase 1	\$8,000,000
Marteena Hall Renovation	\$9,100,000

#### **NC Central**

Lee Biology Renovation	\$8,100,000
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#### **NC School of Science and Math**

HVAC Campus Wide Renovation	\$2,000,000
Chiller Replacement	\$3,000,000
Building Envelope Repairs	\$5,850,000

#### **NC State**

Page Hall - Bldg Envelope Repairs & Plumbing Upgrades	\$4,000,000
Scott Hall - HVAC Renovation	\$5,000,000
Mann Hall - HVAC and Plumbing Renovation	\$10,000,000
Kilgore Hall - HVAC Renovation	\$10,000,000
Domestic Water Line Replacement-North and Central Campus	\$4,303,000
Fire Protection Systems - Poe Hall	\$3,500,000
HVAC Renovation - Thomas Hall	\$4,000,000

<b>UNC Asheville</b>	
Campus Safety Improvements, Access Control, Cameras	\$2,300,000
Campus Roadway Repairs	\$4,400,000
<b>UNC Chapel Hill</b>	
Wilson Library - Means of Egress	\$9,300,000
Swain Hall - Targeted Renovation	\$5,800,000
Phillips Hall - 1958 Central HVAC System	\$6,000,000
Hamilton Hall - Central HVAC System	\$8,800,000
Wilson Library - 1953 Central HVAC System AHU 1 & 2	\$7,000,000
Wilson Library - 1953 Central HVAC System AHU 3	\$4,000,000
<b>UNC Charlotte</b>	
Atkins Library Tower - ADA & Elev	\$10,000,000
Smith Replace HVAC & Controls, Envelope, Replace Roof	\$5,950,000
Atkins Library Tower - Fire and Smoke Systems	\$3,840,000
Woodward Controls and Lab HVAC Modernization	\$2,700,000
Friday HVAC, Controls, and Electrical Upgrade	\$9,700,000
<b>UNC Greensboro</b>	
Coleman Fire Alarm Replacement	\$2,440,000
Steam Distribution Replacement Phase IV -B	\$1,550,000
Campus Chiller Water Infrastructure & Equip Improvements	\$10,400,000
<b>UNC Pembroke</b>	
Demolition of Jacobs Hall with Site Restoration	\$1,250,000
Campus Roof Replacement – Various	\$1,500,000
Campus Safety and Regional Emergency Response Center	\$4,480,000
<b>UNC School of the Arts</b>	
Stevens Center - Roof, Water Intrusion, Bldg Envelope	\$4,800,000
Gray Building - Roof, Bldg Envelope, HVAC, Fire Suppression	\$3,350,000
Replace Roofs - Performance Place, Workplace, WPV	\$2,435,000
<b>UNC Wilmington</b>	
Coastal Marine Studies - Plumbing, Mech, Elec Renovation	\$9,930,000
<b>Western Carolina</b>	
Killian Building - HVAC Upgrades, Window Replacement	\$3,570,000
Reid Building - Roof Replacement	\$2,520,000
Moore Building - Abatement, Demo & Struct Improvements	\$7,100,000
Moore Building - Infrastructure and Accessibility	\$4,200,000
<b>Winston Salem State</b>	
Restore the Core - Hauser Hall Renovations	\$9,500,000
<b>UNC-TV</b>	
Tower Lighting, FAA Markers, Tower Elev Repair	\$2,200,000
Bryan Center - Replace HVAC Air Handler and Controls	\$2,707,000
Bryan Center - Chiller and Cooling Tower Replacement	\$1,120,000
<b>NC Arboretum</b>	
Infrastructure Restoration and Road Repairs	\$1,000,000
<b>UNC Comprehensive Renovation and Modernization Projects Total</b>	<b>\$347,620,000</b>



### **Investing in North Carolina's Future**

Invests \$4.6 billion via General Obligation Bonds for construction and renovation of public schools, North Carolina Community College campuses, University of North Carolina campuses, state museums, parks, and attractions. Even with the proposed bond, the state's debt service costs decrease by over \$34 million in FY 2021-22 and over \$27 million in FY 2022-23.

### **Supporting State Employees**

Budgets over \$58.3 million to attract and retain a strong state workforce by funding salary adjustments needed to reflect market rates and address compression, pay equity, and hard-to-staff, high turnover positions. Of these funds, \$9.95 million is shown in the Reserves for the Minimum of Market and Salary Adjustment Funds. Minimum of Market funds will be used to increase salaries to reflect the recent update of market-based salaries. Salary Adjustment Funds will be used to address compression, pay equity, and high turnover needs not addressed within individual agencies.

### **Advancing in Clean Energy and Environmental Stewardship**

Provides \$400 million over the biennium to advance the development of clean energy, increase resiliency, and support the economy through environmental stewardship. Clean energy investments include projects such as vehicle charging stations for state agencies, funds for university research centers, grants for communities and schools to advance energy efficiency practices and clean transportation, and grants to promote the development of the clean energy sector from start-up to expansion of existing businesses. Resiliency and environmental stewardship investments include funds for the Parks and Recreation Trust Fund, the Land and Water Fund, and the Agricultural Development and Farmland Preservation Trust Fund as well as investments in paved and natural surface trails, floodplain buyouts, and forest development.

### **Modernizing and Supporting State Government IT Infrastructure**

Provides over \$327.8 million over the biennium for large scale information technology investments, including the following projects:

- Developing an integrated case management system, e-Courts, for the Judicial Branch;
- Modernizing Community College workforce IT systems and Public Schools business systems;
- Creating an enterprise-level human resource recruitment and management system;
- Continuing the development and implementation of the new state financial backbone;
- Developing an online permitting system for the Department of Environmental Quality;
- Replacing the communication systems within all State Highway Patrol vehicles;
- Modernizing the Department of Health and Human Services' (DHHS) NC FAST system; and
- Transitioning DHHS' facilities to electronic health records.

**Reserves, Debt Service, and Other Adjustments (19xxx)**

Year 1	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2021-22</b>						
Requirements	\$ 756,210,128	\$ 13,670,000	\$ 365,235,867	\$ 378,905,867	\$ 1,135,115,995	50.1%
Receipts	\$ 18,653,595	\$ -	\$ 394,925,950	\$ 394,925,950	\$ 413,579,545	2117.2%
Net Appropriation	\$ 737,556,533	\$ 13,670,000	\$ (29,690,083)	\$ (16,020,083)	\$ 721,536,450	-2.2%
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.0%
<b>Year 2</b>						
Year 2	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
<b>FY 2022-23</b>						
Requirements	\$ 756,210,128	\$ 13,670,000	\$ 310,170,645	\$ 323,840,645	\$ 1,080,050,773	42.8%
Receipts	\$ 18,653,595	\$ -	\$ 332,911,556	\$ 332,911,556	\$ 351,565,151	1784.7%
Net Appropriation	\$ 737,556,533	\$ 13,670,000	\$ (22,740,911)	\$ (9,070,911)	\$ 728,485,622	-1.2%
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.0%

	FY 2021-22		FY 2022-23	
	R Changes	NR Changes	R Changes	NR Changes
<b>Statewide</b>				
<b>1 Debt Service</b>				
Reduces the amount budgeted for debt service payments to accurately reflect the principal and interest required to support current debt and planned general obligation bonds issuances. This adjustment reflects a Fall 2021 vote on the recommended general obligation bonds and accounts for the cost of a statewide election in the fall of 2021.	Req \$	- \$ (34,690,083)	\$ -	\$ (27,740,911)
	Rec \$	- \$	\$ -	\$ -
	App \$	- \$ (34,690,083)	\$ -	\$ (27,740,911)
	FTE	0.000	0.000	0.000
<b>2 Contingency and Emergency Fund</b>				
Provides funding to restore the Contingency and Emergency Fund based on a 10-year average of historical expenditures.	Req \$	2,000,000 \$	\$ -	\$ 2,000,000
	Rec \$	- \$	\$ -	\$ -
	App \$	2,000,000 \$	\$ -	\$ 2,000,000
	FTE	0.000	0.000	0.000
<b>3 Workers' Compensation Settlement Reserve</b>				
Provides nonrecurring funding 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. Between FY 2015-16 and FY 2017-18, OSHR deployed \$8.4 million in funds to support agencies in settling 273 claims, yielding projected savings of \$143 million.	Req \$	- \$ 5,000,000	\$ -	\$ 5,000,000
	Rec \$	- \$	\$ -	\$ -
	App \$	- \$ 5,000,000	\$ -	\$ 5,000,000
	FTE	0.000	0.000	0.000
<b>Compensation Reserves</b>				
<b>4 Salary Adjustment Fund</b>				
Funds a Salary Adjustment Fund for the Office of State Human Resources (OHSR) to allocate. These funds will be used to provide funds to address hard-to-staff, high turnover positions, salaries below market rates, gender equity, and other salary adjustments identified through analysis using HR best practices. OSHR will coordinate with OSBM to allocate these funds based on remaining agency needs after the funds provided directly to agencies for compression, equity, and turnover are utilized.	Req \$	6,450,000 \$	\$ -	\$ 6,450,000
	Rec \$	- \$	\$ -	\$ -
	App \$	6,450,000 \$	\$ -	\$ 6,450,000
	FTE	0.000	0.000	0.000
<b>5 Minimum of Market Reserve</b>				
Provides funds to update salaries to the minimum of market based on the recent update of market-rate salaries. Funds are to be used to increase salaries for net appropriation supported salaries that are below the minimum of the salary range based on this most recent review of market rates. Funds appropriated for the Salary Adjustment Fund may also be used for this purpose if the need for minimum of market adjustments exceed \$3.5 million.	Req \$	3,500,000 \$	\$ -	\$ 3,500,000
	Rec \$	- \$	\$ -	\$ -
	App \$	3,500,000 \$	\$ -	\$ 3,500,000
	FTE	0.000	0.000	0.000



		R Changes	NR Changes	R Changes	NR Changes
<b>Information Technology</b>					
<b>6 Information Technology Reserve</b>					
Provides funding to an Information Technology Project Reserve Fund to upgrade several core business, reporting, record-keeping, and communications systems across state government. Additional details on individual projects are provided in the following sections of this document: Departments of Health & Human Services, Public Instruction, Public Safety, Environmental Quality, and Information Technology; the Office of State Human Resources; the Office of the State Controller; the Community College System; and Administrative Office of the Courts.	Req	\$ -	\$ 169,925,950	\$ -	\$ 157,911,556
	Rec	\$ -	\$ 169,925,950	\$ -	\$ 157,911,556
	App	\$ -	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>7 IT Rate Reserve</b>					
Funds a reserve to cover the expected increase in information technology (IT) rates for core services. The Department of Information Technology develops rates based on actual costs and expected consumption of IT services. These funds will be allocated to agencies based on actual expenditures on core IT services.	Req	\$ 1,720,000	\$ -	\$ 1,720,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 1,720,000	\$ -	\$ 1,720,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Energy and Environment</b>					
<b>8 Energy and Environment Reserve</b>					
Provides nonrecurring funds in both years of the biennium to fund the Energy and Environment Reserve. This reserve funds large investments in items such as state and local parks and trails, floodplain acquisition, farmland preservation, and clean energy grants for communities, schools and small businesses. Additional details are provided on individual projects in the Natural and Economic Resources, NC Community Colleges, and Department of Administration sections of this document.	Req	\$ -	\$ 225,000,000	\$ -	\$ 175,000,000
	Rec	\$ -	\$ 225,000,000	\$ -	\$ 175,000,000
	App	\$ -	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Total Change to Requirements</b>		\$ 13,670,000	\$ 365,235,867	\$ 13,670,000	\$ 310,170,645
<b>Total Change to Receipts</b>		\$ -	\$ 394,925,950	\$ -	\$ 332,911,556
<b>Total Change to Net Appropriation</b>		\$ 13,670,000	\$ (29,690,083)	\$ 13,670,000	\$ (22,740,911)
<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>			\$ (16,020,083)		\$ (9,070,911)
<b>Recommended Total FTE Changes</b>			0.000		0.000

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