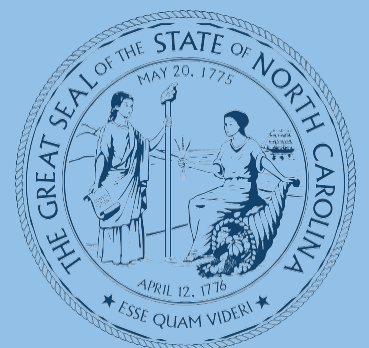
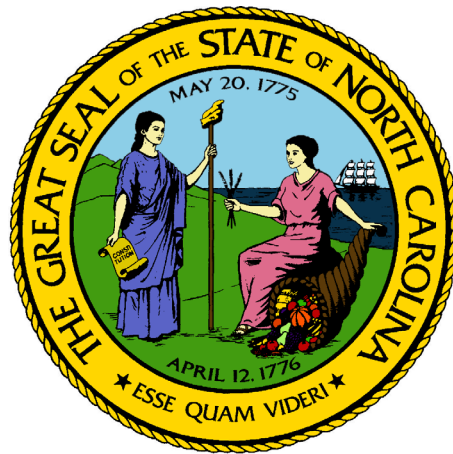


NORTH CAROLINA
Building on Success



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Governor Roy Cooper's Recommended Budget Adjustments 2022-23



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

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May 2022

Questions about Governor Cooper's Recommended Budget Adjustments 2022-23 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 www.osbm.nc.gov.

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STATE OF NORTH CAROLINA
OFFICE OF THE GOVERNOR

ROY COOPER
GOVERNOR

May 11, 2022

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:

I am pleased to present a budget recommendation that builds on our success by investing in North Carolina families, businesses, and communities. Careful, collaborative investment of state and federal resources has spurred our progress, but we have more to do to ensure that all North Carolinians have opportunities to thrive.

Families experienced tremendous stress through the COVID-19 pandemic but have emerged to find that they still struggle accessing affordable health care, housing, and childcare. This budget recommendation addresses those needs by expanding health care access to more than 600,000 working North Carolinians, making housing more affordable through down payment assistance and construction of additional rental housing, and investing in the early childhood educator workforce.

Our state is a world-class destination for business, ranking among the best business climates in the country and setting new records in job creation for 2021. Still, not every community has shared in our growth. That is why this budget invests in site development, small business support, clean energy opportunities, and workforce training that will help spread prosperity from Murphy to Manteo.

The way that we build on our success is by reinforcing the engine of our strong workforce, our public schools. This budget provides a pathway toward competitive compensation for teachers and administrators, retention of bus drivers and cafeteria workers, investments in school construction, and safer schools for our students and staff. Every family deserves to send their children to a safe and secure classroom with a highly qualified teacher, and this budget will help accomplish those goals.

Thank you for your hard work and dedication to the people of North Carolina. Together, we can lead our state into a new era of 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

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Empowering Safe, Successful Communities

Supports community-based solutions to help our youth thrive, with \$20 million for the Department of Public Instruction for school safety grants to empower school districts to address students in crisis and provide school safety and mental health training. An additional \$2.5 million goes to the Division of Juvenile Justice to create a grant program for violence prevention programming for at-risk and justice-involved youth.

Helps community and health care organizations reduce violence in their communities with \$5 million in grants for evidence-based interventions.

Aids first-time homebuyers by investing \$50 million in down payment assistance with enhanced help for eligible first-time homebuyers who are public school teachers, career firefighters, emergency medical services personnel, or sworn law enforcement officers.

Commits to expanding affordable housing with funds to finance loans to construct or substantially rehabilitate affordable rental housing in combination with federal low-income housing tax credits. Adds \$27.7 million to the Housing Trust Fund, the state's most flexible funding source for housing needs.

Supports housing for vulnerable adults with an additional \$12.3 million to help eligible adults with mental illness transition from institutions to community care settings and \$4.3 million for Key Rental Assistance to provide housing for people who are low-income and/or living with a disability.

Invests in local law enforcement, providing grants to fund their purchases of body-worn cameras, gun locks for the public to be distributed by sheriffs' offices, and gun storage education. Also includes funding for equipment supporting state troopers and Probation and Parole Officers.

Increases funds for evidence-based programs that reduce recidivism among justice-involved juveniles and upgrades juvenile detention capacity to handle needs arising from changes to the Raise the Age legislation.

Ensuring Healthy, Resilient Communities

Advances clean energy and energy efficiency in the state through a new grant program for school districts and community colleges to implement clean energy, energy efficiency, and clean transportation projects. Provides \$15 million to help low-income households reduce energy costs and access clean energy sources.

Expands access to safe utilities with \$20 million for drinking water and wastewater infrastructure grants to low- and moderate-income communities and additional funding for the Low-Income Household Energy Assistance Program and the Low-Income Household Water Assistance Program.

Provides funds to support equitable community engagement and participation by underserved communities in stakeholder processes.

Commits funds to leverage federal grants for resource efficiency, including rail services and more bicycle and pedestrian options. Invests in technology for the Department of Transportation's Integrated Mobility Division to expand affordable and equitable access to transportation.

Supports efforts to address emerging compounds with almost \$3 million toward technical expertise and related costs at the Department of Environmental Quality.

Funds North Carolina's commitment to preserving natural, recreational, and working lands and water resources; providing an additional \$26 million for the Land and Water Fund grant program and an additional \$23 million for the Parks and Recreation Trust Fund. Further expands habitat preservation, with \$2 million for the Forest Development Program and more than \$800,000 to launch the Coastal Habitat Assessment Program. Provides \$10 million for peatlands acquisition and restoration.

Advances resilience in communities facing the highest risks, with more than \$10 million for the Resilient Communities Program. Provides \$18 million for conservation easements in the 100-year floodplain through the Swine Floodplain Buyout Program.

Commits funding to address unmet housing needs for families and homeowners severely impacted by Hurricane Florence and continued recovery efforts in communities impacted by Tropical Storm Fred.

Ensuring a Sound Basic Education for All Students

Supports a high-talent educator workforce with more than \$32.8 million dedicated to attracting, training, and developing quality educators, including additional funds targeted to low wealth and high needs districts and schools.

Supports students' education by providing \$187 million for disadvantaged student supplemental funding and at-risk allotments, and by removing funding caps and increasing funding for children with disabilities and Limited English Proficiency students. Invests \$6 million for schools to adopt a Community Schools model to address out-of-school barriers to learning.

Expands access to early childhood education by investing in the NC Pre-K program and high-quality childcare. Provides \$26 million for the NC Child Care WAGE\$ program to raise the average pay for early childhood educators and funds a statewide floor rate in the childcare subsidy program, which will help increase the availability of high-quality childcare in rural and lower wealth counties and recruit and retain childcare workers. Provides \$10 million for Smart Start and \$10.3 million for early intervention services. Establishes the Community Colleges Early Childhood Education Centers Pilot to provide grant funds for community colleges to host early childhood education centers.

Invigorating Workforce and Economic Development

Equips the workforce with new skills and opportunities with work-based learning grants, including the youth-targeted Rural Works pilot program. Adds capacity to programs that support priority populations and underserved communities in their pursuit of job opportunities.

Provides resources to help key industries such as health care and agriculture with \$45 million to address shortages in North Carolina's health care workforce and offering new agribusiness internships.

Creates new opportunities for small businesses with investments to help them attract and retain talent and expand access to early-stage technology grants. This includes more support for programs designed to help historically underutilized businesses, including establishing The Institute's Center for Entrepreneurship in Raleigh, North Carolina.

Devotes resources to attracting new businesses to North Carolina by cultivating major and megasites, including grants to local governments and infrastructure improvements at Radio Island.

Ensuring Strong, Stable Services to North Carolinians

Bolsters stability in government services by increasing compensation for state-funded employees to retain and attract talent in the competitive job market and to combat rising costs. This includes paying a living wage to temporary, seasonal state employees as well as to employees of state contractor, increasing salaries by 5% in FY 2022-23, 2.5% more than currently budgeted, providing an additional 2.5% increase for law enforcement and health professionals, and giving retention bonuses to teachers, state employees, and local education employees. Makes permanent certain COVID-driven temporary increases to Skilled Nursing Facilities rates, with requirements to use the higher funding to increase pay for direct-care workers.

Creates a Labor Market Retention and Adjustment Reserve that totals \$162 million across all agencies to allow them to address concerns regarding retention and competition. In addition, directs \$2.5 million to bring appropriated positions to the minimum pay of newly implemented market-based salary grades.

Embraces greater oversight and compliance with funds to hire additional internal auditors, grants managers, and positions to enhance capital planning and timely maintenance at state buildings.

Leverages opportunities to access more federal funding for North Carolina by making state matching funds available. This will expand access to federal funds for water infrastructure, cyberinfrastructure, transportation projects, and the Albemarle-Pamlico National Estuary Partnership's Comprehensive Conservation and Management Plan.

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Medicaid Expansion

Recommendation

Expands Medicaid to provide access to affordable health insurance to more than 600,000 additional North Carolinians, including veterans, families with children, and others. Medicaid expansion would provide coverage for many working people who continue to feel the impacts of the COVID-19 pandemic.

Statement of Need

Expanding Medicaid ensures access to affordable health insurance, increases access to health care, and bolsters rural hospitals.

- In 2019, 11.3% of North Carolinians lacked health insurance, representing over 1.1 million residents. Nationally, the uninsured rate in 2019 was 9.2%. North Carolina ranked 41st in uninsured rate in 2019.¹
- Today, parents with children who earn less than 42% of the federal poverty line are eligible for Medicaid coverage; for a family of four, this amounts to \$11,655. Medicaid expansion would raise that amount to \$38,295, providing coverage to individuals and parents with children who earn less than 138% of the poverty line.
- The opioid epidemic continues to ravage communities. Medicaid expansion would play a critical role in providing coverage for substance abuse services.
- Hospitals are facing serious financial pressures in the wake of COVID-19, but these problems are not new. Uncompensated care (the cost of services that hospitals are required to provide regardless of an individual's insurance status or ability to pay) continues to drive up health care costs for all and strain our healthcare system, particularly in rural areas of the state. Medicaid expansion would bolster rural hospitals and address inequities in care statewide.

Recommendation Detail

No State Dollars Needed to Expand Medicaid

Medicaid expansion does not require additional state funding. The federal government pays 90% of the cost, while hospital assessments and the Prepaid Health Plan (PHP) premium taxes that health insurance companies in North Carolina pay would cover the remaining 10%. PHP premium taxes result from North Carolina's transition to Managed Care, and the portion of taxes attributable to the Expansion population is appropriated to Medicaid to offset some of the need for hospital assessments. While hospitals do pay for a share of Medicaid Expansion, they are a primary beneficiary of expansion due to increased revenue from the newly insured population.

Savings from Existing General Fund Appropriations

States that have expanded Medicaid have seen savings to their General Fund budgets in other areas because certain services previously paid for with state dollars became eligible to be paid for by Medicaid. In North Carolina, these savings are expected to total \$71 million annually.

- Many individuals who are currently uninsured and receiving state-funded mental health or substance abuse services would be eligible for Medicaid under expansion. Having health insurance coverage supports these individuals' overall health and allows them access to medical care on a regular basis.

¹ 2020 American Community Survey

- Incarcerated people who need inpatient hospital care could be covered by Medicaid, a significant cost that is currently the state's responsibility.
- Approximately 5,800 individuals already on Medicaid could be covered at a higher federal match rate.

Expected Impact

Expanding Medicaid would provide insurance to an estimated 600,000 additional North Carolinians and have the following expected impacts:

- Brings significant additional federal funds to North Carolina that can be used for additional policy priorities. The American Rescue Plan Act included a provision for a temporary 5% increase to a state's base Federal Medical Assistance Percentage (FMAP) for states that newly expand Medicaid, generating almost \$1.5 billion for North Carolina over two years if Medicaid expansion is effectuated by September 1, 2022, totaling \$742 million in the first year alone.
- Injects over \$5 billion into the North Carolina economy, which will spur business activity and create jobs. Medical providers and healthcare workers on the frontline benefit from increased stability in their place of employment; in turn, the money they spend elsewhere ripples throughout the entire economy. The Center for Health Policy Research at The George Washington University estimated in a 2019 study that the additional infusion to North Carolina's economy would create 37,200 jobs and increase Gross State Product by \$2.9 billion.
- Increases economic activity, which translates to greater state and county tax revenues. State tax revenues would increase by \$200 million annually, while county tax revenues would increase by \$43 million annually. Crucially, the entire state would feel this impact and all counties, including rural ones, would benefit.

Clean Energy and Environment

Recommendation

Provides over \$140 million for clean energy and environmental needs across North Carolina. Of these funds, \$92 million is for natural and working lands, \$22 million is for clean transportation projects, \$15 million addresses environmental justice, \$11 million expands clean energy access and adoption, and \$1.9 million enhances energy efficiency statewide.

Table 1: Allocation of Funds for Clean Energy and Environment

	Recurring	Nonrecurring
Natural and Working Lands and Resilience	\$12,082,937	\$ 80,122,500
Clean Transportation	\$22,000,000	
Environmental Justice and Equity		\$ 15,250,000
Clean Energy Access and Adoption	\$488,615	\$ 11,200,000
Lead by Example in State Government	\$ 1,965,000	
Grand Total	\$ 36,536,552	\$ 106,572,500

Statement of Need

Invest funds to support North Carolina’s transition to an equitable clean energy economy to create good jobs, reduce energy costs, lower pollution, and enhance resiliency:

- While North Carolina is projected to achieve a 39% reduction in net greenhouse gas (GHG) emissions by 2030 compared to 2005 levels, more action is needed to achieve the state’s goals of a 50% reduction by 2030 and net-zero GHG emissions no later than 2050.¹
- By leading the market-driven transition to clean energy, North Carolina will continue to create jobs while strengthening and diversifying its economy.
- Natural and working lands, such as forests, crops, and wetlands, are critical to reducing climate-related emissions by removing carbon from the atmosphere and developing resilience to increasingly frequent and severe extreme weather events. In 2018, NC Department of Environmental Quality (DEQ) estimated that forests and other lands removed 26.4% of total gross emissions.
- In 2018, over 81% of North Carolina’s total gross emissions were from fossil fuels. The primary sources of emissions were electricity generation and use and transportation.²
- North Carolina state government has reduced its energy consumption 31% per square foot from 2002-2003 levels, with the University of North Carolina (UNC) system has leading the way in energy management. Achieving the state’s goal of a 40% reduction in energy consumption per square foot by 2025 will lead to significant energy and cost savings for state agencies, K-12 schools, and UNC and community colleges buildings.
- North Carolinian households that were below 50% of the Federal Poverty Level (FPL) spent 33% of their annual income on energy bills, while households above 50% of the FPL spent far less, 18%, in 2018.³

¹ [NC DEQ 2022 Greenhouse Gas Report Fact Sheet](#)

² [NC DEQ 2022 Greenhouse Gas Report](#)

³ [NC DEQ 2019 NC Clean Energy Plan, Part 3](#)

Recommendation Detail

Natural and Working Lands and Resilience

- **Parks and Recreation Trust Fund (PARTF):** Provides an additional \$3,757,116 recurring and \$20 million nonrecurring to the Department of Natural and Cultural Resources (DNCR) for projects in state parks, the development and renovation of local parks, and beach access. In FY 2022-23, the total funding is \$40 million.
- **North Carolina Land and Water Fund (NCLWF):** Provides \$6,842,470 recurring and \$20 million nonrecurring to DNCR to support NCLWF grants to protect and restore the state's land and water resources, preserve military buffers, restore degraded streams, and develop and improve stormwater treatment. In FY 2022-23, the total funding is \$40 million.
- **Peatland and Pocosins Conservation and Inventory:** Provides \$10 million nonrecurring to DNCR for peatlands and pocosins acquisition and restoration to reduce carbon emissions and wildfire risk, provide flood resilience, and improve water quality. DNCR's Natural Heritage Program will inventory Coastal Plain wetlands not previously included in natural heritage inventories to inform acquisition and restoration efforts.
- **Resilient Communities Grant Program and Resiliency Staff:** Provides \$762,825 recurring and \$10 million nonrecurring to the Department of Environmental Quality (DEQ) and the NC Office of Recovery and Resiliency (NCORR) within the Department of Public Safety (DPS) for core resiliency staff, to expand the program to additional communities, and to provide grants, enabling regions and local governments to reduce flood risk and promote long-term resilience.
- **Swine Floodplain Buyout Program:** Provides \$18 million nonrecurring funding to the Department of Agriculture and Consumer Services (DACS) to purchase permanent conservation easements on properties currently used for swine production that are within the 100-year floodplain.
- **Forest Development Program:** Provides \$2 million in one-time funding to DACS for cost-share assistance to NC landowners to improve forest management on private lands through landowner outreach, tree plants, and technical support to adopt and follow best practice management plans.
- **Coastal Habitat Assessment Program:** Provides \$720,526 recurring and \$122,500 nonrecurring to DEQ to establish the Coastal Habitat Assessment Program. This program will assess coastal habitats through site mapping, vegetation assessments, and observation of wetland changes over time.

Clean Transportation

- **Integrated Mobility - Advancing Innovative Technologies and Initiatives:** Provides \$2 million recurring to enable the Department of Transportation's (DOT) Integrated Mobility Division to respond to new technologies to provide affordable and equitable access to transportation. These funds will support pilot programs and match federal grants, including grants to increase access to on-demand transit in rural areas.
- **Rail - S-Line Federal Grant Match:** Provides \$10 million to DOT to leverage federal grants available under the Infrastructure Investment and Jobs Act. This will fund the first portion of the S-Line, connecting Wake, Franklin, Vance, and Warren Counties, increasing rail capacity and resilience and creating economic development and environmental benefits.

- **Bicycle and Pedestrian Projects:** Provides \$10 million recurring to DOT to establish a local government grant program to leverage additional federal funds for bicycle and pedestrian projects, such as shared-use paths, bicycle lanes, and bicycle and pedestrian bridges.

Environmental Justice and Equity

- **Clean Energy Access and Energy Efficiency Supplement:** Provides \$15 million nonrecurring to DEQ to reduce energy bills while improving safety and quality of life for North Carolinians. This funding will complement the existing federal Weatherization program and expand support for low-income households to implement energy efficiency measures, access clean energy sources, and weatherize and update their homes.
- **Equitable Community Engagement:** Provides \$250,000 nonrecurring to DEQ for grants to support equitable community engagement and participation in stakeholder processes. This funding will support public participation from underserved communities to better inform agency decision making processes and assess community impact.

Clean Energy Access and Adoption

- **Energy Efficient Schools and Community Colleges:** Provides \$10 million nonrecurring and one position for DEQ to establish a grant program for K-12 school districts and community colleges to implement energy efficiency, clean energy, and clean transportation projects. Funds may also be used for DEQ's Utility Savings Initiative and serve as a state match to bring additional federal infrastructure funds to communities statewide.
- **Energy Centers Operations, Research and Student Fellowships:** Provides \$133,000 recurring and \$400,000 nonrecurring to each of the state energy centers at NC State University, NC Agricultural & Technical State University, and Appalachian State University. These funds will ensure continued operations at the energy centers and enable workforce development efforts, innovative research, technical assistance, and matching funds for federal grants.

Lead by Example in State Government

- **Infrastructure and Energy Efficiency Staff and Software:** Creates a total of 17 positions at the state agencies that manage the largest building square footage, including three positions at Department of Health and Human Services, Department of Administration, DNCR, and DACS, and five positions at DPS for Infrastructure Engineers, Energy Efficiency, and Facilities Maintenance. These positions will enhance the departments' capital planning, ensure more timely building maintenance and repairs, and improve energy efficiency in state buildings. Funds will also be used for utility monitoring software, enabling the department to monitor energy usage and implement energy conservation projects and activities, reducing overall state energy consumption and supporting the state's clean energy and energy efficiency goals.

Expected Impact

Funds will accelerate North Carolina's transition to a clean energy economy, mitigate the impacts of climate change and local pollution on underserved communities, reduce energy costs, and strengthen resiliency.

Expected impacts include:

- Increased number of North Carolina households at or under 200% of the poverty line that can access federal funds for home energy efficiency.

- Increased energy and utility cost savings for state government, K-12 schools, and community colleges. State-owned buildings have avoided almost \$1.6 billion dollars in utility costs since FY 2002-03 due to energy savings measures.
- Restoration of 250,000 acreages of degraded peatlands to promote natural carbon sequestration and help North Carolina achieve its climate goals.
- Expansion of the Resilient Communities program, providing at least 20 additional communities statewide with increased technical support and grants to improve local and regional resilience.
- Support for the voluntary buyout of up to 19 swine farms, reducing flooding concerns while maintaining floodplains for agricultural and forestry land uses.
- Support for the restoration of an additional 18,200 acres of forestland in North Carolina with potential to plant an additional 6 million trees for a healthier forest ecosystem and better environment.

Economic Development

Recommendation

Provides \$166 million to address North Carolina’s economic development needs, with an emphasis on supporting site development to attract major employers, bolstering technical support for job seekers and small businesses, and providing relief to communities in need.

Table 1: Allocation of Funds for Economic Development

	Recurring	Nonrecurring
Site Development	\$500,000	\$131,000,000
Small Business Support	\$3,000,000	\$28,490,000
QVC Fire Relief and Resiliency		\$2,750,000
Grand Total	\$3,500,000	\$162,240,000

Statement of Need

To remain economically competitive, North Carolina needs tailored investments that meet the needs of both large and small employers as well as communities recovering from crisis. These needs include:

- Businesses looking to expand often seek out prepared sites for an expedited process to opening new facilities. Communities need competitive, high-potential properties with desired infrastructure to attract these companies.¹
- Data show that between January and April 2020, small business sales in North Carolina dropped at least 20%. In addition, 70% of the state’s small businesses were concerned about long term financial hardships. Nationwide, small businesses remain 63% below pre-pandemic levels as of November 2021.^{2,3}
- A 2021 survey found that 66% of women and minority businesses that had to shut their doors in 2020 may not re-open.⁴
- The QVC fire in Edgecombe County killed one person and left over 2,000 individuals unemployed in the surrounding community.

Recommendation Detail

Site Development

Invests \$131.5 million nonrecurring to cultivate sites and provide related infrastructure to attract businesses to North Carolina. These funds will be used as follows:

- **Site Identification, Evaluation, and Review:** Provides \$1 million nonrecurring to engage a national site selection and/or an engineering firm through a competitive bid process to evaluate sites and identify up to ten major sites and megasites that will be the most competitive in advanced manufacturing site selection searches. This funding also provides the Department of

¹ Area Development. [“How Certified Sites Can Expedite the Site Selection Process for Expanding Companies.”](#)

² Carolina Across 100. [“The State of North Carolina’s Small Business During COVID-19 Pandemic.”](#)

³ Federal Reserve Banks. [“2022 Small Business Credit Survey.”](#)

⁴ VOA News. [“Black-Owned Businesses Aim for Post-Pandemic Rebound.”](#)

Environmental Quality an additional \$500,000 recurring for surge support to manage in a timely way its environment reviews and address any needs for site development.

- **Site Acquisition:** Provides \$50 million nonrecurring for grants to local governments or a partnership of local governments for the acquisition of a newly identified or existing major site or megasite for up to 85% of the property's purchase price.
- **Public Infrastructure to Sites and On-site Preparation:** Provides \$50 million nonrecurring for grants to local governments or a partnership of local governments with publicly owned sites to construct or improve public infrastructure to those sites. Funds may also be used for on-site preparation including clearing, grading, or other related expenses necessary to meet the needs of prospective major employers.
- **Sites in Distressed Communities:** Funds \$10 million nonrecurring for grants to local governments or a partnership of local governments to complete the certification process for or make improvements to public infrastructure to sites in distressed communities.
- **Infrastructure Investments on Radio Island:** Establishes a \$20 million nonrecurring General Fund reserve for infrastructure on Radio Island. The North Carolina State Ports Authority and the Departments of Commerce and Transportation will administer investments that best attract business tenants to the island.

Small Business Support

Provides \$3 million recurring and \$28.5 million nonrecurring to the Department of Commerce (DOC) to enhance statewide support for small businesses that continue to recover from the COVID-19 pandemic. All the recurring funds and \$20.5 million of nonrecurring funds will be transferred to entities that provide targeted small business assistance statewide.

- **Small Business Support and HUB Incubation:** Provides \$5 million nonrecurring to both the National Institute of Minority Economic Development (The Institute) and the Carolina Small Business Fund (CSBF) to ensure support for minority and women-owned small businesses. In addition, funds are provided to invest an additional \$2 million nonrecurring in the Institute to establish the Center for Entrepreneurship and \$1 million recurring in the CSBF to meet the all-time-high demand for financial and technical assistance.
- **Talent Retention in Key Industries:** Provides \$2 million recurring and \$8.5 million nonrecurring to the state's business assistance organizations, including the Small Business Technology Development Center, the NC Community Colleges' Small Business Center, the Economic Development Partnership of North Carolina, and NC State's Industry Expansion Solutions to increase the competitiveness of small and mid-size businesses and ensure they attract and retain highly skilled talent.
- **One North Carolina Small Business Program:** Provides \$6 million nonrecurring to DOC for early-stage technology development grants for small businesses, expanding the program to increase the number of the state's small businesses which can access funds.
- **Mentorship and Funding for Energy Related Startups:** Invests \$2 million nonrecurring for a DOC program to facilitate the development and deployment of clean energy, energy efficiency, and related technologies and products across the state.

QVC Fire Relief and Resiliency

Provides \$2.75 million nonrecurring to cover costs associated with the QVC fire as well as to provide support services and equipment to the communities directly impacted by the incident.

- **Edgecombe County Loss Coverage:** Provides \$1 million to reimburse Edgecombe County for emergency service response costs associated with the QVC fire and post-fire clean up as well as for the expected loss of FY 2021-22 tax revenue due to the detriment of the QVC property.
- **QVC Employee Support:** Provides \$250,000 to support former QVC employees affected by the fire by matching the United Way Tar River Region's (UWTRR) Edgecombe/Rocky Mount Employee Assistance Fund. UWTRR works with local nonprofit agencies and programs to ensure that donations and other aid are used to provide food assistance, financial stability for housing, utilities, and other individual and family supports to meet the priority needs of QVC employees, regardless of their county of residence.⁵
- **Enhanced Resiliency:** Provides \$1.5 million to Edgecombe County for fire fighting vehicles and equipment to enhance emergency responsiveness.

Expected Impact

By enhancing site readiness and providing needed small business assistance, these investments will boost both North Carolina's commercial competitiveness and its environment for existing businesses.

Expected impacts include:

- Identification of the most competitive, large-scale industrial sites statewide.
- Improvements at major sites and megasites that will increase their competitive profile to prospective tenants.
- Certification of ten industrial sites in distressed communities, making them more attractive to expanding businesses.
- More than 1,000 hours of counseling and assistance per year to new and existing small businesses statewide.
- Support and enhanced resiliency to the community directly affected by the QVC fire.

⁵ [United Way Tar River Region's \(UWTRR\) Edgecombe/Rocky Mount Employee Assistance Fund.](#)

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Expand North Carolina’s Workforce

Recommendation

Provides over \$120 million to address North Carolina’s labor shortage, with an emphasis on supporting priority populations, investing in successful workforce development programs and pilots, recruiting and retaining early childhood educators so parents can stay in the workforce, and increasing the number of healthcare workers statewide.

Table 1: Allocation of Funds to Expand North Carolina’s Workforce

	Recurring	Nonrecurring
Workforce Development	\$55,100,000	\$20,300,000
Healthcare Workers	\$15,000,000	\$30,000,000
Grand Total	\$70,100,000	\$50,300,000

Statement of Need

Over the coming decades, North Carolina must navigate shifting demographics that will impact the state’s workforce. Impacts of some of these changes, such as an increasing number of retirees and fewer working-age adults, are already being felt. The most immediate issues include:

- North Carolina’s 2021 women’s labor force participation rate remains 1.9% below its pre-pandemic high in 2019, and childcare issues were cited by almost half of workers with children younger than 18 as a reason for leaving a job, according to a 2021 Pew survey.^{1,2}
- According to the NC Business Pulse Survey, 65% of employers had concerns about adequate staffing levels at their business in March 2022.³
- Marginalized populations face a much higher unemployment rate than average and thus need greater support. In March 2022, the national unemployment rate was 3.6% while the African American unemployment rate was 6.2%.⁴
- In North Carolina, and nationwide, there are longstanding concerns about the shortage of healthcare professionals, especially in the nursing professions. The Cecil G. Sheps Center for Health Services Research forecasts that, by 2033, North Carolina will face a shortage of 12,500 Registered Nurses and over 5,000 Licensed Practical Nurses.⁵ Burnout from the pandemic, an aging workforce, and challenging working environments all exacerbate the shortage of bedside nurses.⁶

¹ U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics, 2021 and 2019 annual averages

² <https://www.pewresearch.org/fact-tank/2022/03/09/majority-of-workers-who-quit-a-job-in-2021-cite-low-pay-no-opportunities-for-advancement-feeling-disrespected/>

³ NC Department of Commerce, Labor & Economic Analysis Division. North Carolina Business Pulse Survey, March 2022. <https://analytics.nccommerce.com/pulse-survey/>

⁴ U.S. Bureau of Labor Statistics, Unemployment Rate [UNRATE], <https://fred.stlouisfed.org/series/UNRATE>, April 27, 2022. U.S. Bureau of Labor Statistics, Unemployment Rate - Black or African American [LNU04000006], <https://fred.stlouisfed.org/series/LNU04000006>, April 28, 2022.

⁵ NC Nursecast – North Carolina Nursing Supply & Demand Model. Available at: <https://ncnursecast.unc.edu/key-findings/>.

⁶ <https://www.northcarolinahealthnews.org/2022/03/02/within-a-decade-nc-could-see-nursing-shortage-of-more-than-21000/>.

Tackling these issues will help North Carolinians return to work and secure good-paying jobs and ensure employers can find the skilled workers they need to succeed.

Recommendation Detail

Workforce Development

Provides \$75 million to the Department of Commerce (DOC), Division of Health and Human Services (DHHS), NC Business Committee for Education (NCBCE), NC Community College System (NCCCS), and Department for Agriculture and Consumer Services (DACs) for both new and existing workforce development programs to bolster services provided and better target priority populations.

- **Job Ready & Other Support Services for Priority Populations:** Provides nearly \$10 million recurring to expand work-based learning grants and increase staffing resources to better support priority populations, including reentry and justice-involved individuals, seasoned workers, people of color, and rural and underserved communities.
- **Workforce Development Outreach and Awareness and Data Enhancements:** Invests \$2.3 million nonrecurring to offer communications and outreach grants for the state's workforce development boards and to encourage usage of one of the existing state workforce portals, e.g., NCcareers.org. This package also provides \$450,000 recurring for technology to better share information, manage projects, and align with DOC's grants management platform.
- **Child Care Subsidy Rate Floor and Increased Supply of Childcare for Working Parents:** Includes \$18.5 million recurring to provide a statewide rate floor in the childcare subsidy program for childcare centers and family childcare homes in lower wealth counties. In addition, \$26 million is invested in the NC Child Care WAGE\$ program to ensure the program is available statewide and raises average pay, helping attract early childhood educators, minimize turnover, and increase continuity of care in the classroom.⁷ Lastly, this package invests \$10 million nonrecurring to develop or assess the feasibility of expanding early childhood development centers (CDCs) on community college campuses and to enhance existing campus-based CDCs. Community college-based CDCs will increase professional development opportunities for the childcare workforce while also providing additional childcare options to support students completing their degree programs.⁸
- **Rural Works Program Pilot:** Provides \$8 million nonrecurring to NCBCE to implement the three-year Rural Works program pilot, an expanded version of the successful Surry-Yadkin Works program that helps provide work-based learning opportunities, including internships and pre-apprenticeships from middle school through high schools, across ten counties.
- **Small Farms – Agribusiness Internship:** Provides \$200,000 recurring to DACs's Small Farm Division for ten annual internships that provide an opportunity to work directly on farms or within the agricultural industry.

Healthcare Workers

Invests \$45 million to address shortages in North Carolina's healthcare workforce by expanding training capacity in the UNC System, community colleges, and private colleges and universities. System Presidents and their associated boards will allocate funds based on requests from Chancellors/Presidents and campuses. The North Carolina Independent Colleges and Universities will

⁷ The NC Childcare WAGE\$ program is shown in the Ensuring a Sound Basic Education and Living Wage justification narratives.

⁸ The Hope Center, #RealCollege 2021: Basic Needs Insecurity during the ongoing pandemic, March 2021. <https://hope4college.com/wp-content/uploads/2021/03/RCReport2021.pdf>

allocate the funds for private colleges and universities. Funds can be customized by constituent institutions (e.g., bolstering facility capacity for trainees, increasing the numbers of health faculty and staff, providing student support, investing in equipment and lab space, etc.). Table 2 provides the allocation of funds.

Table 2: Allocation of Funds for Healthcare Workforce

	Recurring	Nonrecurring
Community Colleges	\$5,000,000	\$10,000,000
Private Colleges and Universities	\$5,000,000	\$10,000,000
UNC System	\$5,000,000	\$10,000,000
Total	\$15,000,000	\$30,000,000

Expected Impact

These proposals aid the state’s new and existing businesses by equipping North Carolinians for high-quality, well-paid jobs, and provide the support needed for a labor pool that includes parents and seasoned workers. Expected impacts include:

- Enhanced services to an additional 10,800 jobseekers each year through expansion of services for priority populations.
- Decreased turnover of the childcare workforce by up to 9%. Statewide Early Childhood Education turnover in 2019 was 21% compared to WAGE\$ participants’ rate of 12%.
- Expansion of the successful Surry-Yadkin Works program to ten counties with the potential to impact over 500 students per year through work-based learning opportunities benefiting both employers and students.
- Increased capacity for training healthcare professionals across North Carolina’s institutions of higher education, helping to tackle the projected shortage of 17,500 nurses statewide by 2033.

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Affordable Housing

Recommendation

Provides over \$189 million to address North Carolina’s housing needs, with an emphasis on increasing housing, energy, and utility affordability. Funds will support affordable housing creation and preservation, down payment assistance for first time homebuyers, and housing services. Funds will also be invested in public water infrastructure grants and in utility bill assistance for low-income households.

Table 1: Allocation of Funds for Affordable Housing

	Recurring	Nonrecurring
Housing Trust Fund	\$7,660,000	\$20,000,000
Workforce Housing Loan Program		\$40,000,000
Enhanced Down Payment Assistance		\$50,000,000
Low-and-Moderate-Income Area Water Infrastructure		\$20,000,000
LIHEAP State Supplement		\$25,000,000
LIHWAP State Supplement		\$10,000,000
Transition to Community Living	\$12,320,000	
Key Rental Assistance	\$4,250,000	
	Grand Total	\$24,230,000
		\$165,000,000

Statement of Need

Invests funds to address the increasing need for affordable rental housing and home ownership opportunities, to mitigate public and environmental health problems in low-and-moderate income areas, and to alleviate energy and utility bill burdens.¹

- A 2017 UNC analysis found that over 377,000 households in the state live in overcrowded housing, lack critical facilities, or live in housing that imposes a severe cost burden on residents.
- Forty-three percent of low-income renters in North Carolina are cost-burdened, meaning that they are paying more than 30% of their incomes in rent.²
- A shortage of affordable homes exists in all counties. The NC Housing Finance Agency (NC HFA) estimates that the state needs 545,000 affordable homes for lower-income families.³
- North Carolina has a shortage of 382,000 units for renters who can only afford to pay \$700 or less in monthly rent.⁴
- Home prices across the state rose by 21% over the past year. While this benefits homeowners, low inventory increases prices and raises barriers for entry, particularly for first-time buyers.
- About one-fourth of North Carolinians live in areas not served by public community water systems,⁵ and it costs a median of \$2,400 to connect a single household to public water in NC.⁶
- One and a half million North Carolinians lived with unaffordable energy bills in 2018, meaning that they paid more than 6% of their annual income on home energy bills.⁷

¹ [State of NC Consolidated Plan and 2021 Annual Action Plan](#)

² [2022 North Carolina Housing Profile](#)

³ NC Housing Finance Agency, Analysis of Community Housing Affordability Strategy data, 2014-2018

⁴ Urban Institute, [Housing for North Carolina’s Future](#)

⁵ [NC Department of Environmental Quality](#)

⁶ [UNC School of Government](#), 2015 data

⁷ [NC 2019 Clean Energy Report](#)

Recommendation Detail

Affordable Housing Creation and Preservation

- **Housing Trust Fund:** Provides a total of over \$27 million to NC HFA for new housing development and the rehabilitation of existing units in FY 2022-23.
- **Workforce Housing Loan Program:** Provides \$40 million to NC HFA for the Workforce Housing Loan Program, which finances loans to construct or substantially rehabilitate affordable rental housing in combination with federal low-income housing tax credits.

Down Payment Assistance

- Provides \$50 million to NC HFA for down payment assistance for first-time homebuyers at or below 100% of area median income (AMI). Assistance will be provided at two levels:
 - (1) Standard assistance of \$8,000 for all eligible first-time homebuyers; and
 - (2) Enhanced assistance of \$15,000 for eligible first-time homebuyers who are educators or protectors.

Low-and Moderate-Income Area Water Infrastructure

- Invests \$20 million to be administered by the Department of Environmental Quality (DEQ) for drinking water and wastewater infrastructure grants in low-and-moderate income areas. Eligible projects construct public water and sewer infrastructure to mitigate public and environmental health problems in municipalities and counties where the population is less than 200,000 and the percentage of low-and-moderate income people is at least 51%.

Energy and Water Utility Assistance

- **Low-Income Household Energy Assistance Program (LIHEAP) – State Supplement:** Provides funding for a statewide supplement for LIHEAP, which helps low-income households cover the cost of heating, cooling, reducing energy burden and minimizing service disconnections. LIHEAP is administered by the Department of Health and Human Services (DHHS).
- **Low-Income Household Water Assistance Program (LIHWAP) – State Supplement:** Directs funding to DHHS for a statewide supplement to LIHWAP, which helps low-income households cover the cost of drinking water and wastewater bills, reducing energy burden and minimizing service disconnections.

Housing Services

- **Transitions to Community Living:** Increases funding by \$12.3 million, of which nearly \$4 million is net General Fund appropriations, for the Transitions to Community Living Initiative at DHHS. The initiative transitions eligible adults with mental illness from institutions to community care settings. This funding will provide housing, tenancy support, and wraparound mental health services following the US Department of Justice Olmstead Settlement.
- **Key Rental Assistance:** Provides \$4.25 million recurring for Key Rental Assistance, a partnership between the DHHS's Division of Aging and Adult Services and NC HFA. The program provides supportive housing programs for people who are below 50% of AMI and/or disabled and in need of affordable housing.

Expected Impact

This proposal will increase the state's affordable housing stock and enhance access to housing and necessary utilities for low-income residents. Expected impacts include:

- Repairing more than 500 homes, 300 supportive housing units, and 300 rental units.
- Supplementing the federal Low-Income Housing Tax Credit, which has provided an average of 4,100 new affordable housing units each year and enabled at least seven additional affordable multi-family developments.
- Addressing the primary barrier to homeownership by providing down payment assistance to between 3,300 and 6,250 first-time homebuyers.
- Funding at least 14 new public water infrastructure projects in low- and moderate-income communities across the state.
- Providing up to \$600 in both heating bill and water bill assistance per year for low-income households.
- Sustaining the current caseload of the Key Rental Assistance program, which currently supports about 2,350 households.

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Community and School Safety

Recommendation

Provides \$38.7 million to enhance community and school safety statewide. Funds will support programming and interventions to stop violent crime, ensure safe gun storage, and bolster existing funding for school safety grants.

Table 1: Allocation of Funds for Community and School Safety

	Recurring	Nonrecurring
Community Safety Grants		\$5,000,000
Body Camera Grants		\$10,000,000
Safe Storage		\$1,200,000
Violence Education and Prevention	\$2,500,000	
Court Reminder System		\$25,000
School Safety Grants	\$20,000,000	
Grand Total	\$22,500,000	\$16,225,000

Statement of Need

Invests funds to expand safety intervention and education programming, reduce unintentional gun deaths, and enhance public safety statewide.

- Between April 2020 and March 2021, 70% of firearm-related emergency department (ED) visits in North Carolina were due to unintentional injuries. ED visits due to firearm injuries from assault also rose during this period, peaking in June 2020.¹
- According to a Johns Hopkins School of Public Health survey, firearms owners nationwide stored less than half of all firearms safely in 2018.²
- North Carolina experienced a 19% increase in children aged 15 and younger with charges for nonviolent firearm offenses between FY 2018-19 and FY 2020-21.³
- In the first year of the COVID-19 pandemic, emergency department visits for suspected adolescent suicide attempts increased by 31%.⁴
- In December 2021, Life Safety Tips reported a 77% increase in North Carolina students at risk of hurting themselves or knowing a fellow student who is at risk since March 2020.⁵

Recommendation Detail

Community Safety

- Invests \$5 million nonrecurring for a violence intervention and prevention competitive grant program through the Governor’s Crime Commission to expand the use of evidence-based prevention and intervention programs statewide.

¹ [NC FASTER Fact Sheet, 2021](#)

² [Survey: More Than Half of U.S. Gun Owners Do Not Safely Store Their Guns, 2018](#)

³ [Kids Are Buying and Selling Guns Online, N&O, 2021](#)

⁴ [American Academy of Pediatrics](#)

⁵ [Say Something Anonymous Reporting System Data, 2021](#)

- Provides \$10 million nonrecurring for a competitive grant program through the Governor’s Crime Commission to cover the purchase costs of body-worn cameras for law enforcement agencies in Tier 1 and Tier 2 counties.
- Provides \$2.5 million recurring to the Division of Juvenile Justice to be distributed to Juvenile Crime Prevention Councils to expand evidence-based violence education and prevention programming for at risk and juvenile justice-involved youth.
- Provides \$1 million nonrecurring to the Department of Public Safety (DPS) for the bulk purchase of gun locks. The department will send these locks to sheriffs’ offices statewide for distribution to gun owners, increasing the rate of safe gun storage. An additional \$200,000 will be used to develop a statewide safe storage awareness campaign and to cover administrative costs related to the distribution of gun locks.
- Provides \$25,000 to the Administrative Office of the Courts (AOC) to study how to enhance AOC’s Automated Court Event Notification (ACEN) capabilities.

Safer Schools

- Provides \$20 million to the Department of Public Instruction to create average daily membership-based school safety grants and make permanent the competitive school safety grants in SL 2021-180. Public school districts may use the grants to support students in crisis and provide school safety and mental health training.

Expected Impact

This proposal will support community and school safety efforts across the state. Expected impacts include:

- Providing at least 100 grants to community and healthcare organizations to implement evidence-based violence intervention programming.
- Supplying up to 20,000 body cameras for law enforcement agencies in Tier 1 and Tier 2 counties.
- Increasing the total number of guns stored safely, reducing the rate of unintentional gun-related accidents and deaths.
- Distributing school safety grants to all 115 North Carolina public school districts.

Ensuring a Sound Basic Education

Recommendation

Provides \$525.8 million to increase access to a sound, basic education for North Carolina’s children by fully-funding Year Three of the Comprehensive Remedial Plan, as well as studies called for in Year Two but not funded in SL 2021-180. Of these funds, \$33.1 million develops a skilled educator pipeline and builds educator and principal capacity; \$370.1 million provides fair and equitable distribution of financial resources; \$19.9 million supports low-performing schools and districts; \$89.7 expands access to high-quality early childhood education for children from birth to age five; and \$13 million creates a guided pathway from high school to postsecondary education and career opportunities.

Table 1: Allocation of Funds to Support Sound, Basic Education

	Recurring	Nonrecurring
High Quality Teachers	\$32,800,000	\$300,000
Professional Educator Preparation and Standards Commission (PEPSC)	\$200,000	
Licensure, Compensation, and Pipeline Studies		\$300,000
High-Need Teacher Preparation Residencies	\$5,000,000	
NC DPI Office of Equity Affairs	\$ 400,000	
Advanced Teaching Roles Initiative	3,800,000	
National Board Certification for Teachers	\$1,300,000	
Recruitment Grants to Low Wealth and High Needs Districts and Schools	\$1,700,000	
Teaching Fellows	\$4,700,000	
Grow Your Own programs	\$2,500,000	
NC New Teacher Support Program	\$5,000,000	
NC Principal Fellows	\$8,200,000	
Finance System	\$370,100,000	\$0
Children with Disabilities Funding Cap and Funding	\$56,900,000	
DSSF and At-Risk Allotments and Funding	\$70,000,000	
Low-Wealth Schools Funding	\$40,000,000	
Limited English Proficiency Funding Cap and Funding	\$20,000,000	
Teaching Assistant Formula and Funding	\$30,000,000	
Specialized Instructional Support Personnel	\$70,200,000	
Teacher Pay	\$71,200,000	
Principal and Assistant Principal Pay	\$11,800,000	
Assistance and Turnaround	\$19,900,000	\$0
District and Regional Support Model	\$10,000,000	
Community Schools	\$6,000,000	
Reduced-Price Lunch Co-Pays	\$3,900,000	

Early Childhood Learning Opportunities	\$89,400,000	\$250,000
NC Pre-K Expansion	\$41,900,000	
Early Intervention	\$10,250,000	\$250,000
Smart Start	\$10,000,000	
Child Care WAGES	\$26,000,000	
Recruiting and Professional Development	\$1,250,000	
Postsecondary and Career Alignment	\$13,000,000	\$0
Revise Funding Approach for NCVPS	\$3,000,000	
Career Development Coordinators in Grades 6-12	\$10,000,000	
Grand Total	\$525,200,000	\$550,000

The Governor’s Recommended Budget includes an additional \$127 million for teacher and school administrator compensation increases beyond the \$83 million plan increase shown above and an additional \$75 million in local supplement enhancement to further increase teacher compensation.

Statement of Need

- The constitutional mandate to provide a sound basic education requires stable, recurring funding. The Governor’s FY 2022-23 Recommended Budget uses General Fund and lottery receipts to fully-fund Year Three of the Comprehensive Remedial Plan and the nonrecurring Year Two items not funded in SL 2021-180.
- The number of teachers employed in North Carolina declined by 5% from 2009 to 2018, even as student enrollments increased. The number of teacher credentials issued between 2011 and 2016 declined by 30% and annual teacher attrition is higher in North Carolina than the national average. As the workforce shrinks, teacher shortages are widespread, especially for teachers of exceptional children, elementary school students, math, and Career and Technical Education (CTE).¹
- North Carolina–trained teachers are the most effective teachers and have the highest retention rates in public schools. The state needs to increase the number of in-state trained and credentialed teachers to 5,000 teachers annually to return the state to its former levels of teacher preparation.²
- Stagnant reimbursement rates, rising startup and operating costs, and recruitment and retention of qualified teachers are key obstacles to NC Pre-K expansion.³

Recommendation Detail

- Increases the pipeline of diverse, well-prepared teachers by investing \$4.7 million to expand Teaching Fellows eligibility to include any State Board of Education-approved educator preparation programs, broaden eligible certification areas, extend the reduced payback period to Fellows who teach in high-poverty schools, improve opportunities for talented minority candidates, and expand program support and enhancement.

¹ WestEd. “[Sound Basic Education for All: An Action Plan for North Carolina.](#)”

² Ibid.

³ National Institute for Early Education Research. “[Barriers to Expansion of NC Pre-K: Problems and Potential Solutions.](#)”

- Invests \$3.9 million to offset the co-pays for students eligible for reduced price lunches in schools participating in National School Lunch Program.
- Invests \$6 million for schools to adopt a Community Schools model to address out-of-school barriers to learning.
- Removes funding caps and increases funding by \$146.9 million for the Children with Disabilities, Disadvantaged Student Supplemental Fund (DSSF), and Limited English Proficiency allotments to increase the number of at-risk students receiving supplementary funding and address the higher costs of serving specific populations.
- Invests \$89.7 million in early childhood education, including support to strengthen the pipeline of early childhood educators.

Expected Impact

Investments in these priorities are expected to have the following impacts:

- Ensure all teachers receive at least a 7.5% raise over the biennium.
- Support up to 535 additional Teaching Fellows with forgivable loans.
- Provide up to 97,500 students with no co-pay, free school meals.
- Increase NC Pre-K reimbursement rates by 19%, and administrative reimbursement rates from 6% to 10%.
- Expand Smart Start services statewide and strengthen the Early Intervention program with increased staffing and professional development.
- Expand the Child Care WAGE\$ program statewide to improve pay for early childhood educators.

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Compensation

Recommendation

Provides \$691 million recurring and \$863 million nonrecurring to increase compensation and provide retention bonuses for all state employees and state-funded local employees and to give retirees a cost-of-living adjustment. Recommendations address the major issues facing the state workforce: loss in purchasing power, a competitive marketplace for labor, and employee retention.

Table 1: Compensation Funds

	Recurring	Nonrecurring
Employee Purchasing Power	\$477,813,500	
Compensation Increases for most state-supported employees	\$258,918,500	
Increases for Educators and School-based Administrators ¹	\$209,895,000	
Master's Pay for Educators	\$9,000,000	
Competitive Marketplace for Labor	\$165,148,000	
Labor Market Adjustment Fund	\$162,618,000	
Salary to Market Range Minimum	\$2,530,000	
Employee Retention		\$827,000,000
Retention Bonus		\$705,000,000
Additional Teacher and School-based Administrator Bonus		\$122,000,000
Retiree Cost of Living Adjustment	\$48,673,500	\$35,964,000
Grand Total	\$691,635,000	\$862,964,000

Statement of Need

Across all types and sectors of employment, the labor market has been extremely volatile since the onset of the COVID-19 pandemic. North Carolina state government is not immune to those trends.

- Private sector wages have grown by over 5% in the past year, compared to 2.7% for state and local governments, making it harder for state government to compete for talent².
- Total state and local government employment was down 3.7% in January 2022 relative to February 2020; the private sector has experienced a 1.7% decline over the same period³.
- In 2021, the turnover rate for state agencies increased from a long-standing average of approximately 11% annually to 16%. Turnover for first year state employees exceeded 36%.
- Inflation rose to 8.5% for the period from March 2021 to March 2022, reducing the purchasing power of state employees⁴.
- The Consumer Price Index for the southern region of the US is up 9.1%⁵.
- A national survey by the Mission Square Research Institute, released January 27, 2022, found that 52% of state and local workers were considering changing jobs, retiring, or leaving the workforce.⁶

¹ Educators includes Teachers and Instructional Support Personnel

³ [Pew Research](#)

³ Ibid.

⁴ [Bureau of Labor Statistics](#)

⁵ [Bureau of Labor Statistics](#)

⁶ [Mission Square Research Institute](#)

Recommendation Detail

Employee Purchasing Power

- **Compensation Increase:** Funds an additional 2.5% across-the-board salary increase for most state employees and state-funded local employees, including employees of state agencies and the University of North Carolina (UNC) system, state-funded local community college employees, and state-funded non-certified personnel, principals, and central office staff within public schools. These funds build upon the 2.5% legislative increase provided in S.L. 2021-180, resulting in a total increase of 5% in FY 2022-23.
- **Additional Increase for Law Enforcement Officers (LEO) and Health Professionals:** Provides funding for an additional salary increase of 2.5% for LEO and health professionals within state agencies and the UNC system. This increase is in addition to both the 2.5% across-the-board salary increase and the 2.5% increase provided in SL 2021-180.
- **Educator and Assistant Principal Compensation Increase:** Adjusts the Teachers Salary Schedule to ensure all educators receive at least a 7.5% increase over the biennium, on par with state employees. Salary increases include state agency teachers who are paid in accordance with the statewide teacher salary schedule. In addition, the proposed teacher salary schedule minimizes plateaus for veteran teachers and increases starting pay to \$36,600. Assistant principal compensation is tied to the teacher salary schedule, thus their salaries increase accordingly. The recommended FY 2022-23 salary schedule is provided in Table 2 at the end of this summary.
- **Educator Master's Pay:** Provides \$9 million to reinstate Master's pay for educators who have or obtain a relevant Master's degree.

Competitive Marketplace for Labor

- **Labor Market Retention and Adjustment Reserve:** Provides 2% of payroll to allow agencies, including state agencies, the UNC system, and community colleges, to address specific labor market concerns unique to their staffing needs. Agencies can use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.
- **Salary to Market Range Minimum:** Provides funding to bring all employees to the minimum of newly established pay grade salary ranges. Mercer Consulting, in consultation with the Office of State Human Resources, has updated all salary ranges and reassessed position range assignments to better align with market wage rates. Assuming a total compensation increase of 5% for FY 2022-23, Mercer has calculated approximately 1,855 positions will be below the new salary minimums. Of these, 1,128 are General Fund supported; the total cost to bring the General Fund supported employees to the new minimums, including benefits, is just over \$2.5 million.

Employee Retention

- **Retention Bonuses:** Repeats and increases the FY 2021-22 pandemic bonuses provided in SL 2021-180, providing bonuses to all state employees and local employees regardless of funding source. These funds will be used to provide a \$1,500 bonus to all state employees and local employees making more than \$75,000 and a \$2,000 bonus to:
 - Employees with an annual salary of less than \$75,000, including employees of public schools such as bus drivers, school nutrition staff, and locally-funded employees,
 - Law enforcement officers,
 - Employees in the Department of Public Safety, Division of Juvenile Justice or the Department of Correction and Rehabilitation, with job duties requiring frequent in-person contact, or

- Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility

To be most effective at retaining employees, the retention bonus will be paid in two equal installments, the first in October 2022 to employees continuously employed since July 1, 2022, and the second in April 2023 to employees continuously employed since October 1, 2022. The bonus shall be adjusted pro rata for otherwise eligible part-time employees.

- **Teacher and School-based Administrator Retention Bonus:** Continues and expands the FY 2021-22 bonus funded through the Elementary and Secondary School Emergency Relief Fund, providing an additional \$1,000 bonus to all teachers and instructional support personnel as well as assistant principals and principals regardless of funding source. This increases the total bonuses a teacher can expect to receive to \$3,000 during FY 2022-23. As with the retention bonus, this bonus shall be paid half in October 2022 and half in April 2023.

Expected Impact

These proposals will support the state's workforce by offering targeted increases in compensation.

Expected impacts include:

- Providing approximately 145,000 employees with a 5% total compensation increase in FY 2022-23, helping keep up with rising private-sector compensation.
- Giving agencies flexible funds to target compensation increases where they are most needed. Agencies will be able to raise the wages of experienced staff to prevent the loss of valuable knowledge. They will also be able to raise the salary offerings of open positions to attract talent.
- Increased retention by rewarding employees who remain with their current employer.
- Increased retention of experienced educators by investing in veteran educator salaries and removing plateaus in the educator salary schedule.

Table 2: Annual Statewide Teacher Salary Schedule Comparison

Years of Exp.	Current FY 2021-22	SL 2021-180 FY 2022-23	Recommended FY 2022-23
0	35,460	35,920	36,600
1	36,470	36,940	37,600
2	37,480	37,970	38,600
3	38,490	38,990	39,600
4	39,510	40,020	40,600
5	40,520	41,050	41,250
6	41,530	42,070	42,150
7	42,550	43,100	43,500
8	43,560	44,130	44,500
9	44,570	45,150	45,500
10	45,590	46,180	46,500
11	46,600	47,210	47,500
12	47,610	48,230	48,500
13	48,620	49,250	49,500
14	49,640	50,290	51,000
15	50,650	51,310	52,000
16	50,650	51,310	52,950
17-18	50,650	51,310	53,750
19-20	50,650	51,310	54,000
21-22	50,650	51,310	54,250
23-24	50,650	51,310	54,500
25-26	52,680	53,360	54,750
27-28	52,680	53,360	55,900
29-30+	52,680	53,360	56,500

Living Wage

Recommendation

Increasing wages for all North Carolinians is vital to the state’s economic growth as well as quality of life for residents. The Governor’s Recommended Budget includes recommendations aimed at increasing wages for essential caretakers, including those who work in Skilled Nursing Facilities and the early childhood educator workforce. In addition, the budget extends the \$15 per hour minimum wage for permanent state employees to temporary and seasonal workers and to employees paid through state contracts. The total cost of these proposals is \$113.3 million.

Table 1: Living Wage Allocation of Funds

	Recurring
Nursing Home Rate Increases	\$60,000,000
Child Care WAGES Program ¹	\$26,000,000
Temporary and Seasonal Employees	\$2,250,000
Employees Paid by State Contract Reserve	\$25,000,000
Grand Total	\$113,250,000

Statement of Need

During the COVID-19 pandemic, the country has gone through a childcare and elder care workforce crisis:

- Nationally, childcare providers made an average of \$13.22 per hour in 2021, while the median wage for all workers was \$22 per hour.²
- In North Carolina, a starting assistant teacher in a childcare facility made an average of \$10 per hour in 2019.³
- In North Carolina, employment in childcare centers fell by 3,276 between February 2020 and February 2022, a decline of 8.7%.⁴
- Nationally, nursing assistants at Skilled Nursing Facilities made an average of \$15.99 per hour in 2021, while the median wage for all workers was \$22 per hour.⁵
- Nationally, approximately 420,000 employees at residential care facilities left the workforce between February 2020 and January 2022, a decline of 12.2%.⁶
- Only about one of every five North Carolina nursing homes meet the recommended staffing threshold, compared to one out of every four homes nationally.

North Carolina has more than 1.3 million workers making less than \$15 per hour, including some state employees. In FY 2018-19, the state committed to a statewide minimum salary for full-time permanent state employees of \$31,200, which is equivalent to \$15 per hour. In FY 2021-22, the state extended the

¹ The NC Child Care WAGES program is shown in the Ensuring a Sound Basic Education and Workforce justification narratives. The \$26 million recurring in funding is accounted for as part of the Comprehensive Remedial Plan.

² [U.S. Bureau of Labor Statistics](#)

³ [2019 North Carolina Early Care and Education Workforce Study](#)

⁴ [NCDHHS Dashboard](#)

⁵ [U.S. Bureau of Labor Statistics](#)

⁶ [Federal Reserve Economic Data](#)

\$15 per hour minimum wage to all local public school and community college employees effective in FY 2022-23. However, some temporary and seasonal state workers are still paid less than \$15 per hour.

Recommendation Detail

- **Nursing Home Rate Increases:** Increases the reimbursement rate paid to Skilled Nursing Facilities, making a portion of the temporary COVID-19 increase permanent. A minimum of 80% of the funding should be used to increase the rate of pay to direct care workers. The total cost of this program is \$60 million.
- **NC Child Care WAGE\$ Program:** Provides educational attainment-based salary supplements for early childhood educators, to better attract and retain highly qualified staff who are essential to early childhood programs. These funds will allow this successful program to expand statewide to provide wage supplements to early childhood teachers in all 100 counties.
- **Temporary and Seasonal Workers Employees:** Brings temporary and seasonal employees up to \$15/hour. Data provided by Temporary Solutions and other state agencies shows that there are about 900 employees paid by the state that are currently making less than \$15 per hour. The total cost to bring state agency and University of North Carolina employees to \$15 per hour is approximately \$2.25 million.
- **Employees Paid by State Contracts:** Establishes a Living Wage for Contracts Reserve with an initial balance of \$25 million. Agencies may access the reserve when renewing contracts that directly fund employees. When contracts are renewed, agencies would require that all employees paid with state funds be paid at least \$15 per hour. The rollout of a living wage for state contractors will necessarily be in stages, as any change in compensation will occur as contracts come up for renewal.

Expected Impact

Funds will help increase wages for those making less than a living wage. Expected impacts include:

- Increasing wages in nursing homes and childcare facilities to support quality care for the elderly and young children.
- Raising minimum pay for over 900 temporary and seasonal state agency and University of North Carolina employees.
- Raising minimum pay for workers paid by state contract funds.

Operational Excellence

Recommendation

Provides over \$240 million to deliver high-quality, effective services within state agencies and across the state. These critical government services include support for disaster recovery, resources for grant requirements, reserves for emergencies, and added capacity to improve, monitor, and evaluate agency performance.

Table 1: Allocation of Funds to Improve Operational Excellence

	Recurring	Nonrecurring
State Emergency Response and Disaster Relief Fund		\$ 125,000,000
Matching Funds		\$ 100,000,000
Contingency and Emergency Fund		\$ 10,000,000
Evaluation, Monitoring, and Compliance	\$ 6,598,165	
Grand Total	\$ 6,598,165	\$ 235,000,000

Statement of Need

Increases capacity to promote good government practices within state agencies and to respond to needs resulting from natural disasters and other unanticipated events.

- Hurricanes, tropical storms, earthquakes, and other natural disasters inflict damage from Murphy to Manteo. Between 2016-2018, Hurricanes Florence and Matthew caused about \$21.5 billion in losses.¹
- The Infrastructure Investment and Jobs Act (IIJA) funds more than 350 different programs across multiple policy areas, including transportation, broadband, cybersecurity, energy, and water infrastructure.² State agencies, local governments, and other stakeholders will need support to bring North Carolina's share of the \$550 billion in new federal investment to the state.³
- The Council for Internal Auditing made staffing recommendations to meet the statewide need in 2017,⁴ but 22 agencies and universities still need additional capacity to monitor for federal and state compliance, especially in this time of increased federal investment in states. Currently, state agencies and universities have 60 fewer internal auditors than the Council recommends.

Recommendation Detail

State Emergency and Disaster Relief Fund

- **DHHS:** Provides \$50 million to the Department of Health and Human Services (DHHS) to support COVID-19 response and recovery needs, such as vaccine administration, outreach, and protective equipment, once federal funds are no longer available for this purpose. In addition, DHHS is authorized to access up to \$125 million to cash flow expenses pending reimbursement from the Federal Emergency Management Agency.

¹ [Hurricane Florence Recovery Recommendations](#), Governor Roy Cooper.

² [A Guidebook to the Bipartisan Infrastructure Law for State, Local, Tribal, and Territorial Governments, and Other Partners](#), The White House.

³ [UPDATED FACT SHEET: Bipartisan Infrastructure Investment and Jobs Act](#), The White House.

⁴ [October 11, 2017 Meeting Agenda](#), Council of Internal Auditing.

- **DPS:** Provides \$50 million to the Department of Public Safety (DPS) for recovery projects to assist victims of Hurricane Florence or Tropical Storm Fred, including \$40 million to address unmet housing needs for families and homeowners who are ineligible for federal recovery assistance, \$5 million to repair damaged private roads and bridges, and \$5 million to support debris removal and disposal.
- **DOI:** Invests \$25 million to sustain the State Property Fire Fund at the Department of Insurance (DOI) and to cover the annual excess premium payment. This support enables the fund to provide adequate and timely coverage for insured state entities.

Matching Funds

- **IJA Grants:** Creates a \$49.7 million reserve to increase access to IJA grants for local governments, state agencies, and other stakeholder organizations. Of these funds, \$2.5 million is set aside to provide hands-on support for local governments and state agencies applying for IJA grants.
- **DEQ:** Provides \$39.5 million to the Department of Environmental Quality (DEQ) to meet match requirements for federal grants, leveraging more than \$89 million. Of these funds, \$36.7 million will be used to match Clean Water and Drinking Water State Revolving Loan Funds for four years, and \$2.8 million will be used to invest in the Albemarle-Pamlico National Estuary Partnership's Comprehensive Conservation and Management Plan for four years.
- **DIT:** Provides \$6.8 million to the Department of Information Technology (DIT) to address cyber-related activities across all levels of government.
- **DOC:** Provides \$4 million nonrecurring to the Department of Commerce (DOC) to hire up to 20 two-year, time-limited positions to assist local governments in applying for and administering IJA grants.

Contingency and Emergency Fund

- Restores funding to the Contingency and Emergency Fund, established in G.S. 147C-4-4. This funding was eliminated in 2017. Funds are needed to respond to emergent circumstances, such as court or Industrial Commission orders or death benefits.

Evaluation, Monitoring, and Compliance

- **Internal Auditor:** Provides \$6.4 million for new Internal Auditors at 22 state agencies and universities, to comply with the Council of Internal Auditing recommendations.
- **OSBM:** Provides \$208,926 to the Office of State Budget and Management (OSBM) for a Chief Scientist position. This position will promote and enable evidence-based policymaking at OSBM and across state government.

Expected Impact

This proposal will improve critical services so that North Carolina's state government runs efficiently and effectively, with the resources needed to address the state's challenges. Expected impacts include:

- Restoring North Carolinians' homes and properties after past and future natural disasters.
 - The Hurricane Florence funds will support housing recovery of at least 370 displaced families and homeowners.

- The Tropical Storm Fred funds for road and bridge repairs will allow about 100 families and households to safely travel to and from their homes. This proposal will also contribute to the removal and disposal of at least 85,000 cubic yards of debris.
 - Funding for the Contingency and Emergency Fund will allow the state to comply with court or Industrial Commission orders and improve transparency.
- Leveraging additional federal funds, such as the \$89 million that the Clean Water and Drinking Water State Revolving Loan Funds state match will bring in FY 2022-23.
- Adding 60 more internal auditors at agencies and universities, which will decrease the findings raised in external audits and ensure effective and compliant state operations.

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TABLE 1

Governor's Recommended Budget Adjustments for FY 2022-23

FY 2022-23

	FY 2022-23
<u>Budget Availability</u>	
Unappropriated Balance from Prior Fiscal Year	2,380,495,252
Adjustments to Availability & Technical Corrections (S.L. 2021-189, S.L. 2022-6)	(17,853,808)
Over Collection of Revenues FY 2021-22 (consensus forecast adjustment)	4,241,300,000
Reversions (S.L. 2021-180)	200,000,000
Beginning Unreserved Fund Balance	6,803,941,444
<u>Revenue</u>	
Certified Revenue (S.L. 2021-180, S.L. 2021-189)	28,751,644,526
Consensus Forecast Adjustment	1,957,955,474
Insurance and Treasurer Nontax Transfer	5,475,316
Revised Revenue	30,715,075,316
Revised Budget Availability	37,519,016,760
<u>Investments to Reserves per S.L. 2021-180, S.L. 2021-189</u>	
State Capital and Infrastructure Fund (SCIF)	(1,345,500,000)
Savings Reserve	(1,134,006,722)
Additional Transfer to SCIF	(1,039,500,000)
State Emergency Response and Disaster Relief Reserve	(375,000,000)
Medicaid Transformation Reserve	(246,000,000)
Information Technology Reserve	(165,000,000)
NC GREAT Program (S.L. 2019-230)	(15,000,000)
Unfunded Liability Solvency Reserve	(10,000,000)
Subtotal Investments to Reserves	(4,330,006,722)
<u>Additional Investments to Reserves</u>	
State Capital and Infrastructure Fund (SCIF)	
State Government & UNC System Capital, Repair & Renovation, Flex Fund	(538,805,915)
Public Schools	(500,000,000)
Economic Development Projects Reserve	(450,000,000)
Workforce and Economic Development Reserve	(182,540,000)
Affordable Housing Reserve	(165,000,000)
State Emergency Response and Disaster Relief Reserve	(125,000,000)
Clean Energy and Environment Reserve	(105,000,000)
Medicaid Transformation Reserve	(100,000,000)
Matching Funds Reserve	(100,000,000)
Information Technology Reserve	(57,000,000)
Medicaid Contingency Reserve	(50,000,000)
Radio Island Infrastructure Reserve	(20,000,000)
Contingency and Emergency Fund	(10,000,000)
Subtotal Investments to Reserves	(2,403,345,915)
Revised Budget Availability after Investments to Reserves	30,785,664,123
Enacted Budget	26,980,674,610
<u>Supporting North Carolina's Human Capital</u>	
Additional 2.5% Increase for all State-funded Employees, 5% LEOs and Healthcare Professionals	258,918,500
Labor Market Retention and Adjustment Funds (2% Agencies/UNC/CC's + min. market)	165,148,000
Additional Increase for Teachers and Principals	209,895,000
Master's Pay Restoration	9,000,000
Retention Bonuses for State Employees and Teachers (\$1.5k/2k/3k)	827,000,000
Comprehensive Living Wage (temporary & contract, child & adult care workers)	87,250,000
Additional Retiree COLA 1% R/1% NR	84,637,500
Workers' Compensation Settlement Funds	10,000,000
Subtotal	1,651,849,000
<u>Strengthening Education and Workforce Systems</u>	
Public School Enrollment	68,300,000
Comprehensive Remedial Plan Year 3 & DPI Priorities	440,652,455
Local Teacher Supplement Program	75,000,000
UNC System and Community Colleges Priorities	69,636,222

Governor's Recommended Budget Adjustments for FY 2022-23

FY 2022-23

Healthcare Workforce	45,000,000
Workforce and Economic Development	32,600,000
Subtotal	731,188,677
<u>Building Support for North Carolina</u>	
Additional Medicaid Rebase	267,801,698
Medicaid Expansion Effective 9-1-22 (sign-on bonus from enhanced FMAP)	(742,000,000)
Helping People Live Healthy, Productive Lives	185,472,763
General Government	29,077,596
Justice and Public Safety	73,419,614
Safe Communities/Violence Prevention Support	38,725,000
Agriculture, Natural, and Economic Resources	68,556,256
Subtotal	(78,947,073)
Total Expansion Items	2,304,090,604
Total Recommended Budget	29,284,765,214
Balance	1,500,898,909

TABLE 2
Recommended General Fund Budget by Function
FY 2022-23

	FY 2022 -23 Recommended	% of GF Budget
Education	\$ 17,796,814,892	60.77%
General Government	\$ 620,861,111	2.12%
Health and Human Services	\$ 6,958,768,176	23.76%
Justice and Public Safety	\$ 3,674,755,101	12.55%
Ag, Natural and Economic Resources	\$ 850,192,264	2.90%
Reserves and Other Adjustments Debt	\$ (616,626,330)	-2.11%
Service	\$ -	0.00%
Direct Capital Appropriation	\$ -	0.00%
Total General Fund Budget	\$ 29,284,765,214	100.00%

FIGURE 1
General Fund Recommended Budget by Function
2022-23

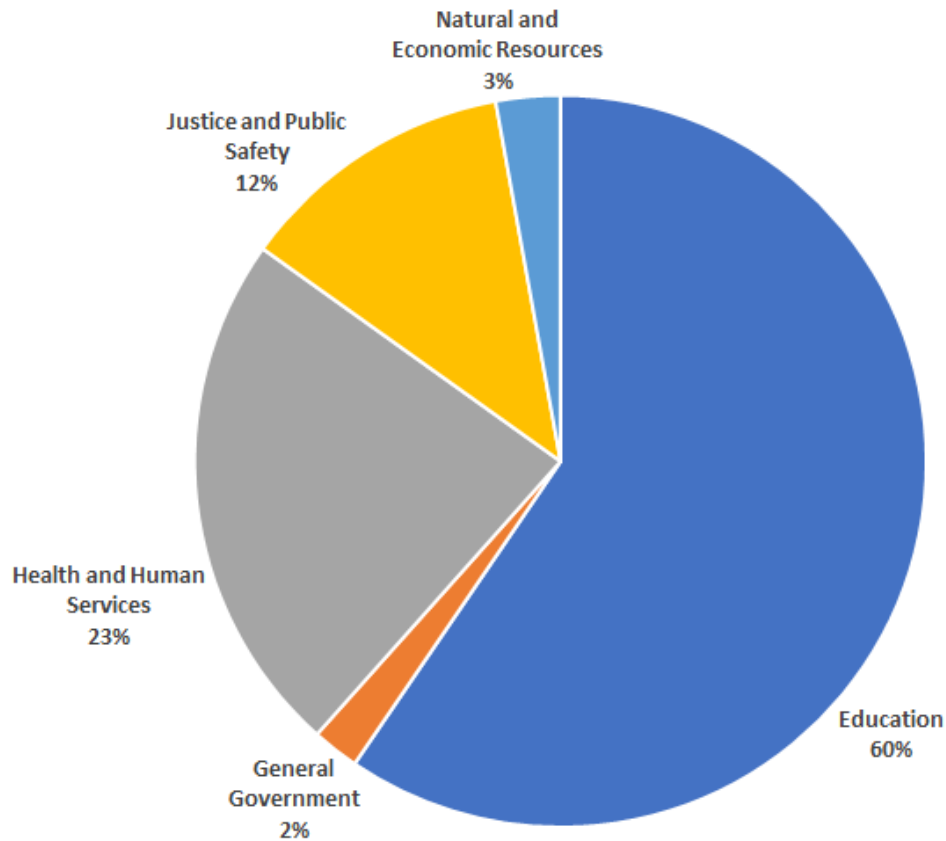


TABLE 3

**Governor's Recommended General Fund Budget
2022-23 Adjustments**

Budget Code	Function	2022-23			Decrease		Increase		Net Change	2022-23	
		Enacted Budget	Recurring	Nonrecurring	Appropriated Supported Positions	Recurring	Nonrecurring	Appropriated Supported Positions		Recommended Net Appropriation	Net Position Change
Education											
13510	Department of Public Instruction	10,926,918,570	-	-	-	811,407,955	543,167,100	146.00	1,354,575,055	12,281,493,625	146.00
16800	Community Colleges	1,340,223,137	-	-	-	109,595,587	53,749,700	11.00	163,345,287	1,503,568,424	11.00
160XX	University System	3,640,595,408	-	-	-	208,009,856	163,147,579	13.50	371,157,435	4,011,752,843	13.50
Total Education		15,907,737,115	-	-	-	1,129,013,398	760,064,379	170.50	1,889,077,777	17,796,814,892	170.50
General Government											
11000	General Assembly	80,886,149	-	-	-	2,957,300	1,615,300	-	4,572,600	85,458,749	-
13000	Office of the Governor	5,854,215	-	-	-	224,700	145,800	-	370,500	6,224,715	-
13005	Office of State Budget and Management	10,382,160	-	(198,700)	-	2,035,578	-	5.00	1,836,878	12,219,038	5.00
13085	OSBM-Special Projects	5,517,000	-	-	-	-	-	-	-	5,517,000	-
13010	NC Housing Finance Agency	10,660,000	-	-	-	7,660,000	-	-	7,660,000	18,320,000	-
13050	Department of Military and Veterans Affairs	12,266,166	-	-	-	2,414,648	5,255,100	1.00	7,669,748	19,935,914	1.00
13100	Office of the Lieutenant Governor	1,198,145	-	-	-	50,300	17,500	-	67,800	1,265,945	-
13200	Department of Secretary of State	17,472,391	-	-	-	2,136,800	438,400	7.00	2,575,200	20,047,591	7.00
13300	Office of the State Auditor	16,526,499	-	-	-	1,670,400	1,809,100	1.00	3,479,500	20,005,999	1.00
13410	Department of State Treasurer	5,045,941	-	-	-	54,600	995,700	-	1,050,300	6,096,241	-
13412	State Treasurer - Retirement System	33,255,423	-	-	-	-	-	-	-	33,255,423	-
13900	Department of Insurance	54,545,075	-	-	-	3,178,266	1,246,750	8.00	4,425,016	58,970,091	8.00
13902	Industrial Commission	9,157,791	-	-	-	1,748,600	303,600	-	2,052,200	11,209,991	-
14100	Department of Administration	61,236,842	-	-	-	3,537,121	1,189,000	18.00	4,726,121	65,962,963	18.00
14111	Office of State Human Resources - General	9,790,077	-	-	-	834,700	208,000	3.00	1,042,700	10,832,777	3.00
14160	Office of the State Controller	31,775,127	-	-	-	1,096,994	414,100	1.50	1,511,094	33,286,221	1.50
14660	Department of Information Technology	69,925,602	-	-	-	1,483,157	2,161,100	3.25	3,644,257	73,569,859	3.25
14700	Department of Revenue	113,199,325	-	-	-	4,478,085	3,252,300	1.00	7,730,385	120,929,710	1.00
18025	State Board of Elections	8,078,470	-	-	-	1,457,051	583,746	10.00	2,040,797	10,119,267	10.00
18210	Office of Administrative Hearings	7,267,117	-	-	-	252,400	114,100	-	366,500	7,633,617	-
Total General Government		564,039,515	-	(198,700)	-	37,270,700	19,749,596	58.75	56,821,596	620,861,111	58.75
Health and Human Services											
14410	Division of Central Management and Support	180,582,599	-	-	-	31,845,692	23,386,644	60.00	55,232,336	235,814,935	60.00
14411	Division of Aging and Adult Services	52,420,986	-	-	-	4,444,700	179,400	-	4,624,100	57,045,086	-
14420	Division of Child Development and Early	242,838,661	-	-	-	45,865,600	768,600	-	46,634,200	289,472,861	-
14430	Division of Public Health	171,392,973	-	-	-	16,096,941	7,155,200	17.00	23,252,141	194,645,114	17.00
14440	Division of Social Services	216,675,409	-	-	-	23,663,025	4,439,300	-	28,102,325	244,777,734	-
14445	Division of Health Benefits	4,524,916,267	-	-	-	198,182,511	172,467,715	2.00	370,650,226	4,895,566,493	2.00
14450	Division of Services for the Blind, Deaf and	9,085,455	-	-	-	215,600	720,900	-	936,500	10,021,955	-
14460	Division of Mental Health/Developmental	858,997,139	-	-	-	38,684,200	59,410,300	1.00	98,094,500	957,091,639	1.00
14470	Division of Health Services Regulation	22,784,347	-	-	-	4,262,204	1,403,729	38.00	5,665,933	28,450,280	38.00
14480	Division of Vocational Rehabilitation	42,009,879	-	-	-	791,300	3,080,900	-	3,872,200	45,882,079	-
Total Health and Human Services		6,321,703,715	-	-	-	364,051,773	273,012,688	118.00	637,064,461	6,958,768,176	118.00
Justice and Public Safety											
12000	Judicial Branch	689,324,697	-	-	-	36,103,231	19,265,406	105.00	55,368,637	744,693,334	105.00
12001	Judicial Branch - Indigent Defense	138,279,658	-	-	-	4,398,904	1,409,168	10.00	5,808,072	144,087,730	10.00

Budget Code	Function	Decrease			Increase			Net Change	2022-23		
		2022-23		Appropriated Supported Positions	Appropriated Supported Positions		Recommended Net Appropriation		Net Position Change		
		Enacted Budget	Recurring		Nonrecurring	Recurring				Nonrecurring	
13600	Department of Justice	62,244,762	-	-	-	4,688,085	1,729,200	16.00	6,417,285	68,662,047	16.00
14550	Department of Public Safety	2,498,242,170	-	-	-	112,966,120	106,103,700	140.00	219,069,820	2,717,311,990	140.00
	Total Justice and Public Safety	3,388,091,287	-	-	-	158,156,340	128,507,474	271.00	286,663,814	3,674,755,101	271.00
	Natural and Economic Resources										
13700	Department of Agriculture and Consumer	162,899,992	-	-	-	7,779,141	6,003,400	6.00	13,782,541	176,682,533	6.00
13800	Department of Labor	22,092,770	-	-	-	1,567,581	832,100	-	2,399,681	24,492,451	-
14300	Department of Environmental Quality	102,060,465	-	-	-	7,238,901	11,009,660	52.00	18,248,561	120,309,026	52.00
14350	Wildlife Resources Commission	20,247,766	-	-	-	930,491	1,553,800	1.00	2,484,291	22,732,057	1.00
14600	Department of Commerce	12,692,720	-	-	-	14,069,846	3,866,300	51.00	17,936,146	30,628,866	51.00
14601	Commerce - General State Aid	20,205,810	-	-	-	1,000,000	-	-	1,000,000	21,205,810	-
14602	Commerce - Economic Development	162,898,236	-	-	-	1,000,000	20,000,000	-	21,000,000	183,898,236	-
14800	Natural and Cultural Resources	231,358,549	-	-	-	24,116,936	14,767,800	36.00	38,884,736	270,243,285	36.00
14802	Natural and Cultural Resources - Roanoke	-	-	-	-	-	-	-	-	-	-
	Total Natural and Economic Resources	734,456,308	-	-	-	57,702,896	58,033,060	146.00	115,735,956	850,192,264	146.00
	Debt Service										
19420	General Debt Service	-	-	-	-	-	-	-	-	-	-
	Total Debt Service	-	-	-	-	-	-	-	-	-	-
	Reserves and Other Adjustments										
19xxx	Reserves and Other Adjustments	64,646,670	-	(711,053,000)	-	29,780,000	-	-	(681,273,000)	(616,626,330)	-
	Total Reserves and Other Adjustments	64,646,670	-	(711,053,000)	-	29,780,000	-	-	(681,273,000)	(616,626,330)	-
	Direct Capital Appropriation										
19600	Capital Improvements	-	-	-	-	-	-	-	-	-	-
	Total Direct Capital Appropriation	-	-	-	-	-	-	-	-	-	-
	Total	26,980,674,610	-	(711,251,700)	-	1,775,975,107	1,239,367,197	764.25	2,304,090,604	29,284,765,214	764.25

TABLE 4

**Highway Fund and Highway Trust Fund Budget
2022-23**

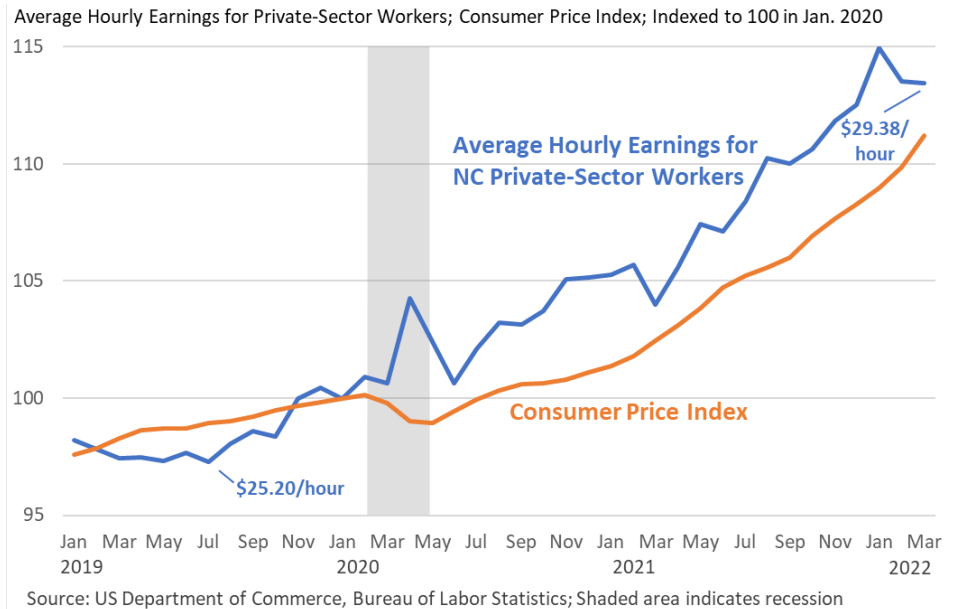
Function	FY 2022-23 Enacted Budget	Decreases			Increases			Net Change	2022-23 Recommended Net Appropriation	Net Position Change
		Recurring	Nonrecurring	Appropriated Supported Positions	Recurring	Nonrecurring	Appropriated Supported Positions			
Highway Fund										
DOT Administration	100,537,699	-	-	-		12,561,825		12,561,825	113,099,524	-
Division of Highways										
Administration	38,028,745	-	-	-	1,891,010			1,891,010	39,919,755	-
Construction	77,543,078	-	-	-				-	77,543,078	-
Maintenance	1,507,422,182	-	-	-	258,206,293			258,206,293	1,765,628,475	-
Planning and Research	-	-	-	-				-	-	-
OSHA Program	358,030	-	-	-				-	358,030	-
Division of Highways Total	1,623,352,035	-	-	-	260,097,303			260,097,303	1,883,449,338	-
State Aid to Municipalities	154,875,000	-	-	-				-	154,875,000	-
Multi-Modal										
Airports	134,572,588	-	-	-	600,000			600,000	135,172,588	-
Bicycle	790,106	-	-	-	10,000,000			10,000,000	10,790,106	-
Ferry	48,225,247	-	-	-	17,190,735			17,190,735	65,415,982	-
Public Transportation	92,675,277	-	(24,070,648)	-		2,000,000		(22,070,648)	70,604,629	-
Railroads	42,613,338	-	-	-	12,000,000			12,000,000	54,613,338	-
Multi-Modal Total	318,876,556	-	(24,070,648)	-	39,790,735	2,000,000		17,720,087	336,596,643	-
Governor's Highway Safety Program	305,546	-	-	-				-	305,546	-
Division of Motor Vehicles	152,428,637	-	-	-	10,950,359			10,950,359	163,378,996	-
Other State Agencies	15,717,916	-	-	-				-	15,717,916	-
Transfer to General Fund	-	-	-	-				-	-	-
Other Reserves	13,460,789	-	-	-	60,672,276			60,672,276	74,133,065	-
Capital Improvements	-	-	-	-		3,543,972		3,543,972	3,543,972	-
Total Highway Fund	2,379,554,178	-	(24,070,648)	-	371,510,673	18,105,797		365,545,822	2,745,100,000	-
Highway Trust Fund										
Administration	37,900,919	-	-	-				-	37,900,919	-
Construction										
Strategic Prioritization Program	1,608,618,412	-	-	-				-	1,608,618,412	-
Intrastate System	-	-	-	-				-	-	-
Urban Loop System	-	-	-	-				-	-	-
Secondary Roads	-	-	-	-				-	-	-
Construction Total	1,608,618,412	-	-	-				-	1,608,618,412	-
State Aid to Municipalities	-	-	-	-				-	-	-
Bonds										
Bond Redemption	52,290,000	-	-	-				-	52,290,000	-
Bond Interest	40,757,650	-	-	-				-	40,757,650	-
Bond Total	93,047,650	-	-	-				-	93,047,650	-
NC Turnpike Authority	49,000,000	-	-	-				-	49,000,000	-
Transfer to Ports	-	-	-	-		45,000,000		45,000,000	45,000,000	-
NC Mobility Fund	-	-	-	-				-	-	-
Reserve for Visitor's Centers	400,000	-	-	-				-	400,000	-
Uncommitted Trust Fund Admin	1,533,019	-	-	-				-	1,533,019	-
Total Highway Trust Fund	1,790,500,000	-	-	-	-	45,000,000		45,000,000	1,835,500,000	-

Economic Outlook

Despite Inflation Concerns, Wage Growth Outpaced Inflation During the Pandemic

Nearly one in four respondents in an April 2022 Gallup poll cited inflation or fuel prices as the most important problem facing the US, far more than any other aspect of the economy.¹

One primary concern about high rates of inflation is that workers' pay will not keep up with rising prices. Through March 2022, North Carolina private-sector workers' earnings have outpaced inflation since January 2020. Over the past year, however, consumer price increases have accelerated and eroded some of workers' gains in earnings during the first year of the pandemic.



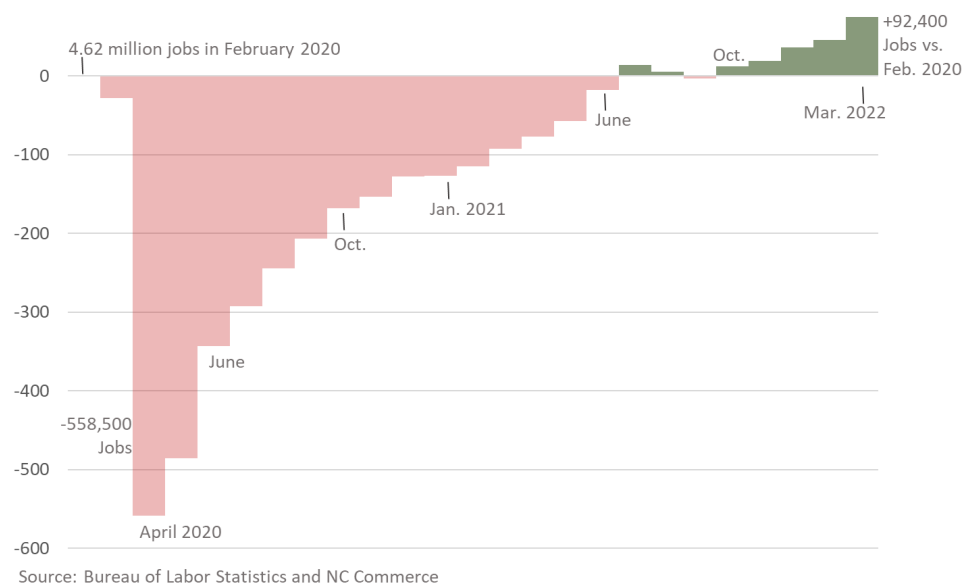
More Jobs In North Carolina Compared to Pre-Pandemic Peak

Nearly one in eight of the 4.62 million North Carolinians employed in February 2020 were out of the job two months later. While it took nearly five years to recover from the Great Recession, it only took 15 months, until July 2021, for more North Carolinians to be on the job than at any time before the pandemic.

There were 68,000 more North Carolinians working in February 2022 than two years prior. Job gains in trade, transportation, and utilities, professional and business services, and financial

activities more than offset shortfalls in the number of jobs at leisure and hospitality businesses and in government.

Cumulative Change in Payroll Employment Relative to February 2020



Outlook for Inflation Remains Uncertain

Overburdened supply chains are clearly among the major factors driving recent inflation. A surge in demand for consumer goods during the pandemic increased pressure on existing supply chains, at the same time public health

restrictions and facility closures reduced the ability of supply chains to meet rising demand. However, growth in demand for goods has slowed in recent months as the demand for consumer services has risen to pre-pandemic levels. For example, hotel revenues and airport passenger traffic are close to their January 2020 levels.ⁱⁱ Challenges in shipping logistics have moderated, although the NY Federal Reserve’s Global Supply Chain Pressure Index remains significantly above pre-pandemic levels.ⁱⁱⁱ Still, the war in Ukraine and pandemic-driven lockdowns in China are adding new pressures to global supply chains.

Rising energy, food, and shelter prices have also been major contributors to recent inflation, with energy prices increasing by 14.9%^{iv} and food prices increasing by 2.1%^v between January and March. Home prices^{vi} and rents^{vii} rose rapidly throughout 2021. Even if recent interest rate increases cool demand for housing, a lag between rising home prices and measures of inflation ensure shelter costs will continue pushing measured inflation higher throughout 2022.^{viii}

Whether inflation remains elevated over the remainder of the biennium will depend on whether workers are able to continue receiving wage increases well above productivity gains and whether companies are able to continue passing on higher input costs to consumers. For most of 2021, companies were able to pass on inflation costs to customers while also increasing profits. During the last quarter of 2021, however, growth in corporate profits decelerated considerably.^{ix} Wage growth in recent months has also slowed from recent highs.^x If both trends continue, particularly as borrowing costs rise as the Federal Reserve raises interest rates, inflation is likely to abate before becoming entrenched.

Risks to the Revenue Forecast

In recent months, economic policymakers have shifted their focus from aiming to accelerate the recovery from the COVID-19 recession to slowing its pace to a level consistent with a return to low, stable inflation. The revised consensus forecast assumes the US and North Carolina economies will largely follow a path of slower growth and decelerating inflation over the rest of the biennium. Historically, however, recessions have often followed periods of high inflation and low unemployment, suggesting an elevated risk of recession over the next several years.

Even before Russia’s invasion of Ukraine, economy-wide inflation had risen to the highest rate in 40 years. The war and global policymakers’ efforts to economically isolate Russia have caused the prices of food, energy, and many important global commodities to surge while also driving heightened volatility in global stock markets. Economic policymakers, particularly those at the Federal Reserve, already faced a difficult task of slowing economic growth to curb inflation without causing a recession. The economic fallout of the war in Ukraine, plus other challenges such as widespread lockdowns to stop the spread of COVID-19 in major cities in China, makes engineering such a “soft landing” even more challenging.

ⁱ Megan Brenan. “Inflation Concerns Fueling Low Economic Confidence in U.S.” *Gallup*. April 27, 2022. <https://news.gallup.com/poll/392159/inflation-concerns-fueling-low-economic-confidence.aspx>

ⁱⁱ IHS Markit, April 1, 2022, Weekly Economic Commentary.

ⁱⁱⁱ Benigno, et. al. “Global Supply Chain Pressure Index: March 2022 Update.” *Liberty Street Economics*. March 3, 2022. <https://libertystreeteconomics.newyorkfed.org/2022/03/global-supply-chain-pressure-index-march-2022-update/>

^{iv} U.S. Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers: Energy in U.S. City Average [CPIENGSL], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/CPIENGSL>, May 3, 2022.

^v U.S. Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers: Food in U.S. City Average [CPIUFDNS], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/CPIUFDNS>, May 3, 2022.

^{vi} U.S. Federal Housing Finance Agency, All-Transactions House Price Index for the United States [USSTHPI], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/USSTHPI>, April 11, 2022.

^{vii} U.S. Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers: Rent of Primary Residence in U.S. City Average [CUUR0000SEHA], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/CUUR0000SEHA>, April 12, 2022.

^{viii} Jared Bernstein, Ernie Tedeschi, and Sarah Robinson. “Housing Prices and Inflation.” Council of Economic Advisors Blog. September 09, 2021. <https://www.whitehouse.gov/cea/written-materials/2021/09/09/housing-prices-and-inflation/>

^{ix} U.S. Bureau of Economic Analysis, Corporate Profits with Inventory Valuation Adjustment (IVA) and Capital Consumption Adjustment (CCAdj) [CPROFIT], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/CPROFIT>, April 12, 2022.

^x U.S. Bureau of Labor Statistics, Average Hourly Earnings of All Employees, Total Private [CES0500000003], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/CES0500000003>, April 11, 2022.

General Fund Revenue Forecast

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

OSBM and the General Assembly's Fiscal Research Division issued a revised consensus revenue forecast for the 2021-23 biennium on May 9, 2022. The revised forecast includes a substantial upward revision to collections in the current fiscal year and a smaller upward revision in the second year of the biennium.

General Fund Revenue by Fiscal Year: Recent History and Forecast

Amounts in Millions	2018-19	2019-20	2020-21	2021-22			2022-23		
	Actual	Actual	Actual	Budget	Revised	Change	Budget	Revised	Change
Individual Income	13,166.0	12,414.7	15,822.6	14,308.8	17,242.5	2,933.7	14,259.4	15,472.5	1,213.1
Sales and Use	7,751.3	7,820.6	9,023.6	9,611.3	10,114.5	503.2	9,755.4	10,382.8	627.4
Corporate Income & Franchise	1,580.1	1,303.7	2,381.3	1,959.9	2,466.1	506.2	2,008.6	1,846.4	-162.2
All Other Taxes	1,339.4	1,456.7	1,619.7	1,676.8	1,914.8	238.0	1,853.2	2,059.1	205.9
Total Tax Revenue	23,836.7	22,995.7	28,847.1	27,556.8	31,737.9	4,181.1	27,876.6	29,760.8	1,884.2
Total Nontax Revenue	990.0	943.6	851.8	853.1	913.3	60.2	875.0	948.8	73.8
Total General Fund Revenue	24,826.7	23,939.3	29,698.9	28,409.9	32,651.2	4,241.3	28,751.6	30,709.6	1,958.0

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

Current Year Revenue

The revised forecast projects net General Fund revenue of \$32.65 billion in FY 2021-22, an upward revision of \$4.24 billion (14.9%) from certified revenues and a 9.9% increase over FY 2020-21 revenues.

A rapid economic recovery, a booming stock market in 2021, elevated inflation, and taxpayers pulling taxable income forward into 2021 to avoid potential federal tax increases combined to drive FY 2021-22 revenues much higher than certified revenues. Projected wages in FY 2021-22 are up more than 10%, taxable sales 11-13% and 2021 domestic before-tax corporate profits nearly 30% based on data from the US Bureau of Economic Analysis. The combination of surging economic activity and tax planning significantly boosted state tax revenues in North Carolina and in most other states.

All major revenue sources—and some minor sources—have contributed to projected overcollections. Collections from individual (+\$2.93 billion) and corporate income (+\$468 million) taxes, and sales and use tax (+\$503 million) will all be substantially higher than certified revenues.

Outlook for Fiscal Year 2022-23

For FY 2022-23, the revised forecast anticipates net General Fund revenue of \$30.71 billion, an upward revision of \$1.96 billion (6.8%) from certified revenues and a 5.9% decrease from FY 2021-22 revenues.

Tax planning by high-income individuals and corporations shifted income tax revenues from FY 2022-23 into FY 2021-22, which results in a smaller upward revision to FY 2022-23 revenues. The forecast also anticipates much slower growth in wages and taxable sales in FY 2022-23 than in the first year of the biennium. The revenue forecast for the second year of the biennium also accounts for significant

downside risks to the economic forecast over the next year, including a potential contraction in economic activity or further economic disruptions from the war in Ukraine.

Highway Fund and Highway Trust Fund Revenue Forecast

The state excise tax on motor fuels accounts for more than half of the total revenue in the Highway Fund and the Highway Trust Fund combined. S.L. 2020-91 increased the Highway Fund's portion of motor fuels revenue to 80% in FY 2021-22 and 75% thereafter, with the Highway Trust Fund receiving the remainder. While the Highway Trust Fund receives the smaller share of the motor fuels revenue, it receives all the highway use tax revenue (i.e., tax on vehicle sales). Other sources of revenue for the two funds are Division of Motor Vehicles (DMV) licenses and fees and interest earned on investments of the Funds' cash balances held by the State Treasurer.

Current Fiscal Year Forecast

On April 28, 2022, OSBM and the Fiscal Research Division of the General Assembly revised upwards the FY 2021-22 forecasts for both funds. The new consensus forecast anticipates collections of \$2.73 billion in the Highway Fund, \$108 million (+4.1%) higher than June 2021 consensus, and \$1.63 billion in the Highway Trust Fund, \$75 million (+4.8%) higher. The upward revisions are driven in part by higher motor fuels revenues as the consumption of gallons is rebounding to pre-pandemic levels. Additionally, despite more moderate levels in vehicles sales, the higher vehicle prices have boosted the Highway Trust Fund forecast. These upward revisions in the two major sources eclipse the downward revisions to DMV fees.

Outlook for FY 2022-2023

For FY 2022-23, the April 2022 forecast anticipates revenues of \$2.75 billion in the Highway Fund, a \$142 million (+5.4%) increase from the June 2021 consensus, and \$1.84 billion in the Highway Trust Fund, an upward revision of \$107 million (+6.2%). While the consumption of gallons is expected to revert to its average pre-pandemic growth, the conflict in Ukraine will continue to cause uncertainty in global oil markets and higher retail gasoline prices through at least the first half of FY 2022-23. Additionally, the forecast assumes the global microchip shortage will continue to constrain the supply of new vehicles through most of FY 2022-23.

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

	2018-19	2019-20	2020-21	2021-22			2022-23		
	Actual	Actual	Actual	Budget	Revised	Change	Budget	Revised	Change
Highway Fund									
Motor Fuels Taxes **	1,482.8	1,370.8	1,703.0	1,667.5	1,765.9	6%	1,635.1	1,766.1	8%
Licenses and Fees	778.9	756.5	861.8	872.6	869.5	0%	875.6	872.2	0%
Short-term Vehicle Leases	10.0	10.0	10.0	79.8	90.9	14%	84.6	95.3	13%
Aviation Fuel	7.4	7.9	6.2	5.0	6.3	26%	6.6	10.0	52%
Investment Income	7.3	5.6	2.3	1.5	1.5	0%	1.5	1.5	0%
Total Highway Fund Availability	2,286.5	2,150.7	2,583.2	2,626.4	2,734.1	4%	2,603.4	2,745.1	5%
Highway Trust Fund									
Motor Fuel Tax	606.8	562.7	399.5	418.0	442.6	6%	546.3	590.1	8%
Highway Use	838.7	837.5	996.1	958.3	1,028.0	7%	997.9	1,086.0	9%
Title Fees & Lien	141.5	137.9	159.9	173.7	154.8	-11%	182.1	158.0	-13%
Investment Income	3.2	2.9	2.9	2.0	1.4	-30%	2.0	1.4	-30%
Total Trust Fund Availability	1,590.1	1,541.0	1,558.5	1,552.0	1,626.8	5%	1,728.3	1,835.5	6%
Total HF & HTF Availability	3,876.6	3,691.7	4,141.7	4,178.4	4,360.9	4%	4,331.7	4,580.6	6%

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

** Includes Gas Inspection and Highway Usage Registration.

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Population Dynamics

First 2020 Census Results showed North Carolina's strong growth

North Carolina continues to show strong population growth. During the last decade, our state added 904,000 people – the 6th largest population gain among states. Due to this growth, we added one more Congressional seat (now at 14) and, at 10.5 million people, we are the 9th largest state in the nation.

Despite robust growth, our state added about 500,000 fewer people during the 2010s than we added during the 1990s and 2000s due primarily to declining fertility rates and an aging population. In addition, the COVID-19 pandemic slowed population growth further over the past two years. The pandemic led to more deaths than what we would have expected given our population size and age structure.

Additionally, international migration was restricted early in the pandemic and uncertainties about the future slowed domestic migration and caused individuals to postpone pregnancies.

With increases in vaccination rates and a shift away from pandemic related restrictions, we are beginning to see a return to previous levels of migration to the state and expect a recovery in fertility rates to pre-pandemic levels. The State Demographer's latest [projections](#) predict an increase of 112,000 people over FY 2021-22 – an equivalent of adding a population the size of Wilmington. By July 1, 2023, an estimated 10.7 million people will be living in North Carolina.

Growth continues in major urban areas

The diverse job opportunities in high technology, banking, healthcare, and education have made our major urban areas attractive to those relocating to the state. Charlotte (4th) and Raleigh (11th) were among the fastest [growing large cities](#) in the nation from 2010-2020.¹ Only Ft. Worth, Austin, and Seattle surpassed Charlotte's rate of population growth. Between 2010 and 2020, the 20 urban counties² in North Carolina accounted for 92% of the state's population growth.

Many rural counties challenged by population decline

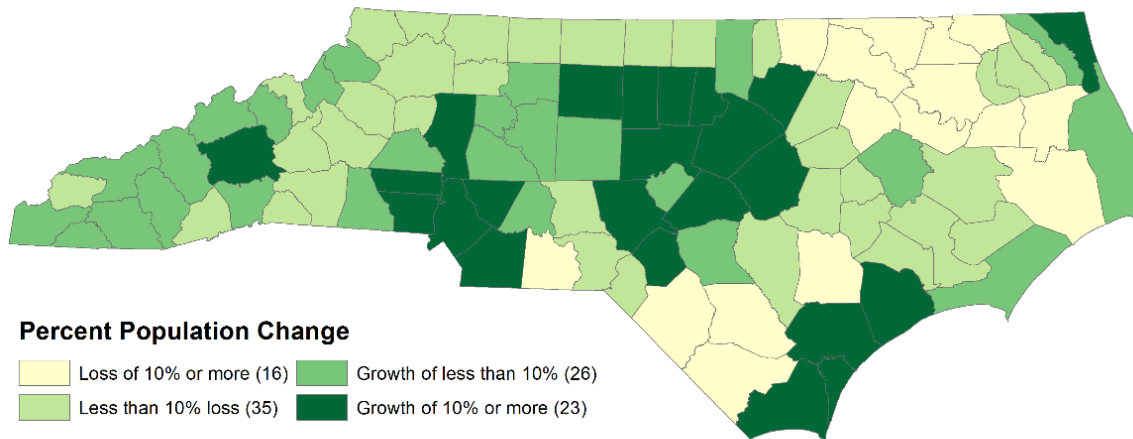
For the first time in North Carolina's history, 51 counties – all rural – lost population during a decade. Limited economic opportunities persist in many of our rural counties because of long-term changes in agriculture and rural manufacturing. Over time, young people migrated from rural to urban areas for education and jobs. Without young workers to replace an aging workforce, it becomes difficult for rural communities to attract new industries – thus perpetuating the cycle. Eleven of our counties have been identified as "[persistent poverty counties](#)" – where 20% or more of the population had incomes below poverty in 1997, 2007, 2017 and 2020.³

¹ [2020 Census: Big cities grew and became more diverse, especially among their youth \(brookings.edu\)](#)

² Urban/Suburban/Regional Centers counties as defined by the [North Carolina Rural Center](#) for the 2010 Census. These counties had population densities of 250 people per square mile or more in 2010.

³ Bertie, Columbus, Edgecombe, Halifax, Hertford, Hyde, Northampton, Robeson, Tyrrell, Warren, and Washington Counties.

County Population Change, 2010-2020



Not all rural counties experienced population loss. Rural counties that are proximate to major urban centers or are small regional centers themselves experienced population growth. Two of these counties: Johnston and Onslow, experienced population gains such that they were redefined as [urban](#) after the 2020 Census results were published. Our mountain and coastal rural counties are attractive destinations for retirees and those seeking recreational lifestyles. Thus, many of these counties continue to experience population growth from in-migration.

North Carolina's population is aging

Throughout FY 2021-22, the 65+ population is expected to increase by 57,000 people and continue that trend through 2030. Meanwhile, our childhood population (age less than 18) is predicted to decline slightly (by 500 people), before beginning to grow slowly for the rest of the decade. By 2028, one in five people will be 65+, and, by 2031, there will be more older adults than children. In addition, the COVID-19 pandemic has accelerated individual decisions to retire – with many retiring earlier than they initially planned. Thus, an increasing 65+ population with concomitant slower growth among the younger population has led to a lower proportion of people in the [working ages](#) relative to previous decades.

North Carolina more diverse

For most of North Carolina's history, [American Indian](#), [Black](#), and White populations were the extent of our racial/ethnic diversity. Beginning in the 1990s, growth in Hispanic and Asian populations have broadened North Carolina's racial/ethnic diversity. In addition, more people identify themselves as multi-racial. During the last decade, the largest population gains were among Hispanic (+318,000), Asian & Pacific Islander (+135,000), and multi-racial (+282,000) populations. Between now and 2050, approximately three of every four people added to North Carolina's population will be American Indian, Asian & Pacific Islander, Black, Hispanic, or multi-racial.

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.

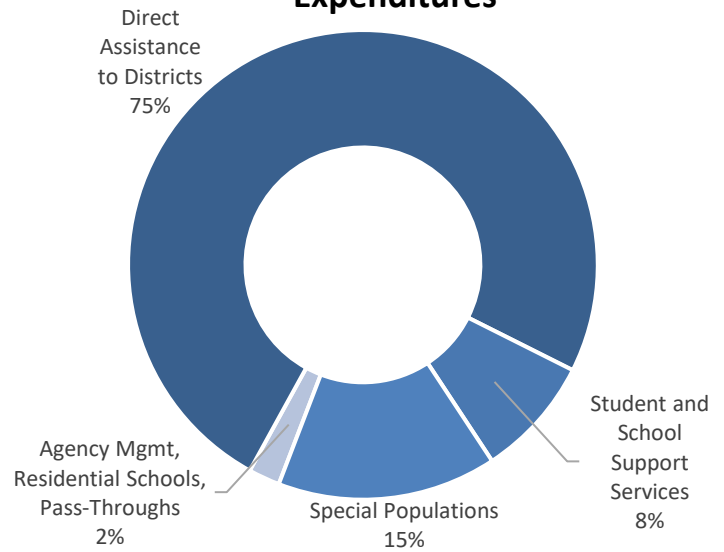
Goals

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.

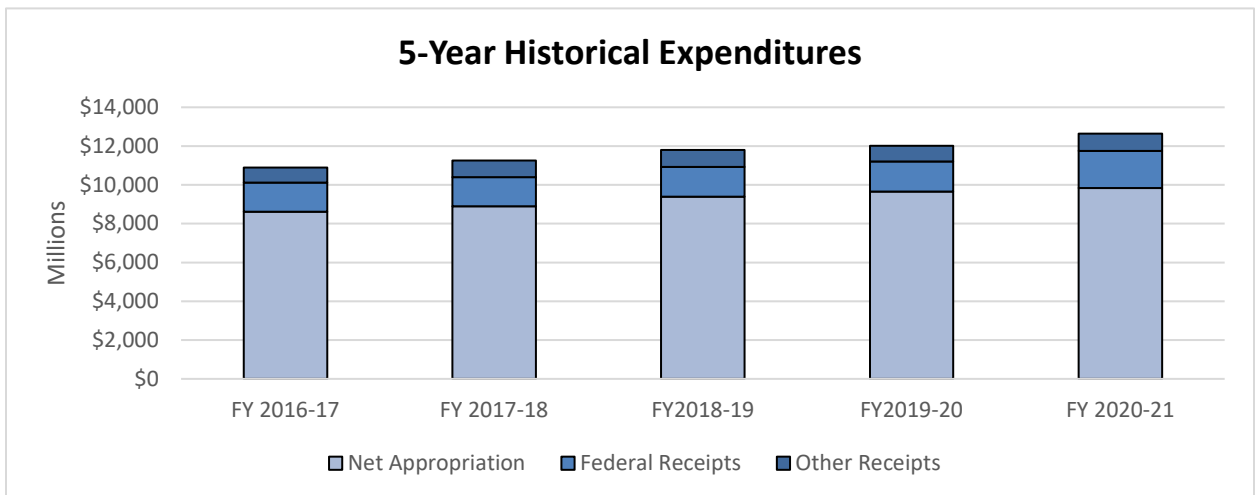
Agency Profile

- 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 \$13 billion, and license and support the development of the 117,000 teachers and administrators that serve public schools.

FY 2021-22 Authorized Expenditures



5-Year Historical Expenditures



Charts include General Fund budget code only.

Department of Public Instruction (13510)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	12,635,656,241	13,493,426,049	13,146,477,032	811,407,955	543,167,100	1,354,575,055	14,501,052,087
Receipts	2,797,353,064	2,890,675,279	2,219,558,462	-	-	-	2,219,558,462
Net Appropriation	9,838,303,177	10,602,750,770	10,926,918,570	811,407,955	543,167,100	1,354,575,055	12,281,493,625
Positions (FTE)	0.000	1,076.587	1,076.587			146.000	1,222.587

FY 2022-23 Recommended			
	R Changes	NR Changes	Adjustments

Compensation and Benefits Reserves

1 Compensation Increase Reserve - DPI

Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.

Req \$	2,028,500	\$	-	\$	2,028,500
Rec \$	-	\$	-	\$	-
App \$	2,028,500	\$	-	\$	2,028,500
FTE					0.000

2 Compensation Increase - Teachers and 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 and an experience-based step increase for educators earning a year of creditable service. Together with the increases provided in SL 2021-180, these increases provide an average increase for existing teachers of at least 7.5% over the biennium. Corresponding special provisions provide additional details on the changes to the teacher salary schedule.

Req \$	195,919,000	\$	-	\$	195,919,000
Rec \$	-	\$	-	\$	-
App \$	195,919,000	\$	-	\$	195,919,000
FTE					0.000

3 Master's Pay

Restores Master's Pay for classroom teachers whose advanced degrees are in the subjects they teach.

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

4 Compensation Increase - School-based Administrators

Provides funds for school-based administrator salary increases. Assistant Principal salaries are tied to the teacher salary schedule. Funding supports a 5% increase over the FY 2021-22 Principal salary schedule, which is approximately a 2.5% increase over the FY 2022-23 schedule proposed in SL 2021-180. Corresponding special provisions provide additional details on these compensation adjustments.

Req \$	12,781,000	\$	-	\$	12,781,000
Rec \$	-	\$	-	\$	-
App \$	12,781,000	\$	-	\$	12,781,000
FTE					0.000

5 Compensation Increase Reserve - Central Office and Noncertified Employees

Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Corresponding special provisions provide additional details on these compensation increases.

Req \$	39,608,000	\$	-	\$	39,608,000
Rec \$	-	\$	-	\$	-
App \$	39,608,000	\$	-	\$	39,608,000
FTE					0.000

		R Changes	NR Changes	Adjustments
6 Retention Bonus - DPI				
Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.	Req \$	-	\$ 2,233,000	\$ 2,233,000
	Rec \$	-	\$ -	-
	App \$	-	\$ 2,233,000	\$ 2,233,000
	FTE			0.000
7 Retention Bonus - Public School Personnel				
Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.	Req \$	-	\$ 372,591,000	\$ 372,591,000
	Rec \$	-	\$ -	-
	App \$	-	\$ 372,591,000	\$ 372,591,000
	FTE			0.000
8 Teacher, Instructional Support, and School-based Administrator Bonus				
Repeats and expands the FY 2021-22 bonus funded through the Elementary and Secondary School Emergency Relief Fund, providing an additional \$1,000 General-Fund funded bonus to all teachers, instructional support personnel, assistant principals, and principals, regardless of funding source. This increases the total bonus a teacher can expect to receive to \$3,000 during FY 2022-23. As with the retention bonus, this bonus shall be paid half in November 2022 and half in April 2023.	Req \$	-	\$ 122,000,000	\$ 122,000,000
	Rec \$	-	\$ -	-
	App \$	-	\$ 122,000,000	\$ 122,000,000
	FTE			0.000
9 Labor Market Retention and Adjustment Fund				
Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.	Req \$	1,230,000	\$ -	\$ 1,230,000
	Rec \$	-	\$ -	-
	App \$	1,230,000	\$ -	\$ 1,230,000
	FTE			0.000
10 Retiree Cost of Living Increases - DPI				
Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.	Req \$	191,300	\$ 141,200	\$ 332,500
	Rec \$	-	\$ -	-
	App \$	191,300	\$ 141,200	\$ 332,500
	FTE			0.000
11 Retiree Cost of Living Increases - Public School Personnel				
Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.	Req \$	28,047,700	\$ 20,701,900	\$ 48,749,600
	Rec \$	-	\$ -	-
	App \$	28,047,700	\$ 20,701,900	\$ 48,749,600
	FTE			0.000
12 Supplemental Funds for Teacher Compensation				
Invests an additional \$75 million to support teachers across the state by opening supplemental allotment eligibility to all North Carolina counties and increasing the per-teacher allotment cap from \$4,250 to \$5,000.	Req \$	75,000,000	\$ -	\$ 75,000,000
	Rec \$	-	\$ -	-
	App \$	75,000,000	\$ -	\$ 75,000,000
	FTE			0.000

		R Changes	NR Changes	Adjustments
Department-wide				
13 Internal Auditors				
Funds five internal auditors to help meet minimum recommended levels from the Council of Internal Auditing. These positions will improve efficiency, effectiveness, and compliance within the agency.	Req \$	527,455	\$ -	\$ 527,455
	Rec \$	-	\$ -	\$ -
	App \$	527,455	\$ -	\$ 527,455
	FTE			5.000
14 Technical Adjustments for ADM and Increase in Average Teacher Salary				
Adjusts funding for multiple public school allotments based on average daily membership (ADM) to reflect changes in student population and adjusts budgeted average salaries using actual school year 2021-22 seventh pay period as the revised projection base. Includes \$25 million to more closely align LEA reimbursement for school resource officer salaries to actual costs.	Req \$	68,300,000	\$ -	\$ 68,300,000
	Rec \$	-	\$ -	\$ -
	App \$	68,300,000	\$ -	\$ 68,300,000
	FTE			0.000
15 School Psychologist Internship Program				
Invests \$4.5 million to fund 115 year-long school psychologist internship positions at the equivalent of a starting teacher salary. The program will provide stipends for students in school psychology preparation programs to conduct their required third-year internships in public schools. The intent of the program is to provide a pipeline of qualified school psychologists who will have experience in school districts that are currently underserved.	Req \$	4,500,000	\$ -	\$ 4,500,000
	Rec \$	-	\$ -	\$ -
	App \$	4,500,000	\$ -	\$ 4,500,000
	FTE			0.000
16 Standards and Curriculum Program Consultants				
Creates two Curriculum and Standards Consultant positions to help research, create, and maintain standards materials. These consultants will help create better, more rigorous, and appropriate standards for teachers and students.	Req \$	260,000	\$ -	\$ 260,000
	Rec \$	-	\$ -	\$ -
	App \$	260,000	\$ -	\$ 260,000
	FTE			2.000
17 State Advisory Council on Indian Education Liaison				
Funds a full-time liaison position for the State Advisory Council on Indian Education. This position will facilitate relationships between the State's public education institutions and North Carolina's American Indian communities and students.	Req \$	125,000	\$ -	\$ 125,000
	Rec \$	-	\$ -	\$ -
	App \$	125,000	\$ -	\$ 125,000
	FTE			1.000
18 School Transportation Operations				
Increases funding for maintaining and operating school transportation fleets in order to fully fund rising costs of these activities. In addition, \$25 million is provided to cover recent increases in fuel costs.	Req \$	2,500,000	\$ 25,000,000	\$ 27,500,000
	Rec \$	-	\$ -	\$ -
	App \$	2,500,000	\$ 25,000,000	\$ 27,500,000
	FTE			0.000
19 Turnaround School Districts				
Funds eight additional turnaround coaches to provide targeted assistance to low-performing school districts.	Req \$	1,300,000	\$ -	\$ 1,300,000
	Rec \$	-	\$ -	\$ -
	App \$	1,300,000	\$ -	\$ 1,300,000
	FTE			8.000
20 Office of Charter Schools				
Funds two additional charter school consultants within the Office of Charter Schools (OCS). Charter School Consultants support schools with compliance, charter school framework adherence, training, and performance evaluation.	Req \$	260,000	\$ -	\$ 260,000
	Rec \$	-	\$ -	\$ -
	App \$	260,000	\$ -	\$ 260,000
	FTE			2.000
21 Cooperative Innovative High Schools				
Establishes three new Cooperative Innovative High Schools, to be located in Cabarrus, Edgecombe, and Wake counties. These schools promote collaboration between local school administrative units, two- and four-year colleges and universities, and local employers.	Req \$	730,000	\$ -	\$ 730,000
	Rec \$	-	\$ -	\$ -
	App \$	730,000	\$ -	\$ 730,000
	FTE			0.000
22 Early Literacy Supports				
Funds and supports eight regional coaches, one implementation coordinator, and 115 early literacy specialists to support Language Essentials for Teachers of Reading and Spelling (LETRS) Science of Reading training across the state.	Req \$	14,000,000	\$ 600,000	\$ 14,600,000
	Rec \$	-	\$ -	\$ -
	App \$	14,000,000	\$ 600,000	\$ 14,600,000
	FTE			124.000

		R Changes	NR Changes	Adjustments
23 School Safety Grants				
Provides funds to create average daily membership-based school safety grants and makes permanent the competitive school safety grants in SL 2021-180. Local education agencies may use the grants to support students in crisis and provide school safety and mental health training.	Req \$	20,000,000	\$ -	\$ 20,000,000
	Rec \$	-	\$ -	\$ -
	App \$	20,000,000	\$ -	\$ 20,000,000
	FTE			0.000
24 National Board Certification				
Increases state funding to fully fund the cost for teachers to become National Board Certified, providing funding for up to 685 teachers seeking certification annually.	Req \$	1,300,000	\$ -	\$ 1,300,000
	Rec \$	-	\$ -	\$ -
	App \$	1,300,000	\$ -	\$ 1,300,000
	FTE			0.000
Equitable Opportunities for All Students				
25 Increasing Targeted Allotments				
Removes funding caps and increases funding for the Children With Disabilities (\$56.9M) and Limited English Proficiency (\$20M) allotments and increases funding for the Disadvantaged Student Supplemental Funding (\$70M) and Low Wealth (\$40M) allotments to provide equitable funding to districts and address differential costs of serving specific populations.	Req \$	186,900,000	\$ -	\$ 186,900,000
	Rec \$	-	\$ -	\$ -
	App \$	186,900,000	\$ -	\$ 186,900,000
	FTE			0.000
26 Instructional Support Personnel				
Provides additional funding for Specialized Instructional Support Personnel (SISP), including 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. Provides funding for approximately 850 FTE. Each school district will receive at least one FTE or its equivalent from these new funds.	Req \$	70,200,000	\$ -	\$ 70,200,000
	Rec \$	-	\$ -	\$ -
	App \$	70,200,000	\$ -	\$ 70,200,000
	FTE			0.000
27 Office of Equity Affairs				
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
28 District and Regional Support				
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	\$ -	\$ 10,000,000
	Rec \$	-	\$ -	\$ -
	App \$	10,000,000	\$ -	\$ 10,000,000
	FTE			0.000
29 Community Schools				
Establishes a pilot grant program providing funding to high poverty schools that adopt a Community Schools or other evidence-based model to address out of school barriers to learning, 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 77 positions for the 2022-23 school year.	Req \$	6,000,000	\$ -	\$ 6,000,000
	Rec \$	-	\$ -	\$ -
	App \$	6,000,000	\$ -	\$ 6,000,000
	FTE			0.000
30 North Carolina Virtual Public Schools				
Revises the funding approach for NC Virtual Public Schools (NCVPS) to remove barriers that prevent students in low-wealth districts from participating and offset the costs for local administrative units and charter schools to participate.	Req \$	3,000,000	\$ -	\$ 3,000,000
	Rec \$	-	\$ -	\$ -
	App \$	3,000,000	\$ -	\$ 3,000,000
	FTE			0.000
31 Reduced-Price Lunch Co-Pays				
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	\$ -	\$ 3,900,000
	Rec \$	-	\$ -	\$ -
	App \$	3,900,000	\$ -	\$ 3,900,000
	FTE			0.000
Strengthening the Educator Workforce				
32 Teacher Assistants to Support Literacy				
Funds additional teacher assistants to more effectively support K-3 students by more closely aligning with nationally recommended student-to-staff ratios.	Req \$	30,000,000	\$ -	\$ 30,000,000
	Rec \$	-	\$ -	\$ -
	App \$	30,000,000	\$ -	\$ 30,000,000
	FTE			0.000

		R Changes	NR Changes	Adjustments
33 Professional Educator Preparation and Standards Commission				
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
34 TeachNC				
Makes funding recurring for the TeachNC centralized online teacher recruitment tool to improve the recruitment process for both candidates and public school units.	Req \$	400,000	\$ (400,000)	\$ -
	Rec \$	-	\$ -	\$ -
	App \$	400,000	\$ (400,000)	\$ -
	FTE			0.000
35 Alternate Pathways Teacher Recruitment Models				
Provides support for the expansion of student recruitment programs and research-based Grow-Your-Own and 2+2 programs in all regions of the State that encourage students to engage in the teaching profession and enable them to take college courses in education and areas relevant to their interests in education. These include high school-based career academy programs, the North Carolina Teacher Cadet Program, and Teaching as a Profession.	Req \$	2,300,000	\$ -	\$ 2,300,000
	Rec \$	-	\$ -	\$ -
	App \$	2,300,000	\$ -	\$ 2,300,000
	FTE			0.000
36 Recruitment Bonuses for Small and Low-Wealth Counties				
Increases funding for district-level recruitment bonuses for certified teachers who commit to teach in small and low wealth counties.	Req \$	1,700,000	\$ -	\$ 1,700,000
	Rec \$	-	\$ -	\$ -
	App \$	1,700,000	\$ -	\$ 1,700,000
	FTE			0.000
37 Residencies for High-Need Districts				
Establishes a matching grant program providing support for high quality teacher preparation residency programs in high need rural and urban districts. Establishes research-based parameters, evaluation requirements, and reporting requirements for studying the effectiveness of the programs.	Req \$	5,000,000	\$ -	\$ 5,000,000
	Rec \$	-	\$ -	\$ -
	App \$	5,000,000	\$ -	\$ 5,000,000
	FTE			0.000
38 Advanced Teaching Roles Program				
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 \$	3,800,000	\$ -	\$ 3,800,000
	Rec \$	-	\$ -	\$ -
	App \$	3,800,000	\$ -	\$ 3,800,000
	FTE			0.000
39 Strengthening Educator Workforce Studies				
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 \$	-	\$ 300,000	\$ 300,000
	Rec \$	-	\$ -	\$ -
	App \$	-	\$ 300,000	\$ 300,000
	FTE			0.000
Strengthening Career and College Pathways				
40 Career Development Coordinators				
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 \$	10,000,000	\$ -	\$ 10,000,000
	Rec \$	-	\$ -	\$ -
	App \$	10,000,000	\$ -	\$ 10,000,000
	FTE			1.000

	R Changes	NR Changes	Adjustments
Base Budget Adjustments			
41 Base Budget Adjustments			
Instructs the Office of State Budget and Management to include the following amounts in the Department of Public Instruction base budget for the 2023-2025 fiscal biennium to	Req \$ -	\$ -	-
replace nonrecurring, federal COVID-19 relief funds with recurring state general funds:	Rec \$ -	\$ -	-
National Board Certification (\$600,000), Professional Development for Teachers (\$20 million), NC State Board of Education's District and Regional Support Model (\$9 million).	App \$ -	\$ -	-
	FTE		0.000
Total Change to Requirements	\$ 811,407,955	\$ 543,167,100	\$ 1,354,575,055
Total Change to Receipts	\$ -	\$ -	\$ -
Total Change to Net Appropriation	\$ 811,407,955	\$ 543,167,100	\$ 1,354,575,055
Total Change to Full-Time Equivalent (FTE)			146.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$	1,354,575,055	
Recommended Total FTE Changes			146.000

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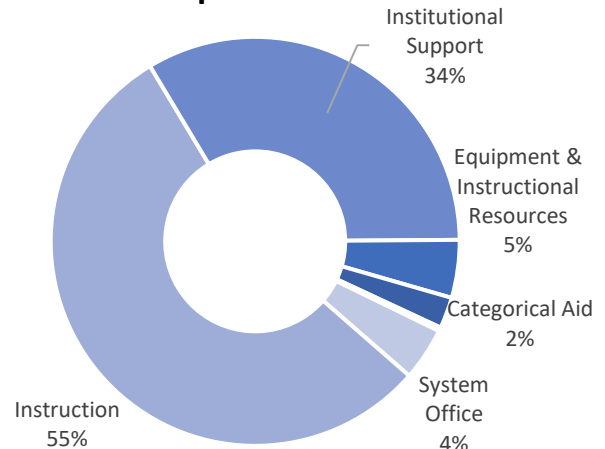
Mission

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.

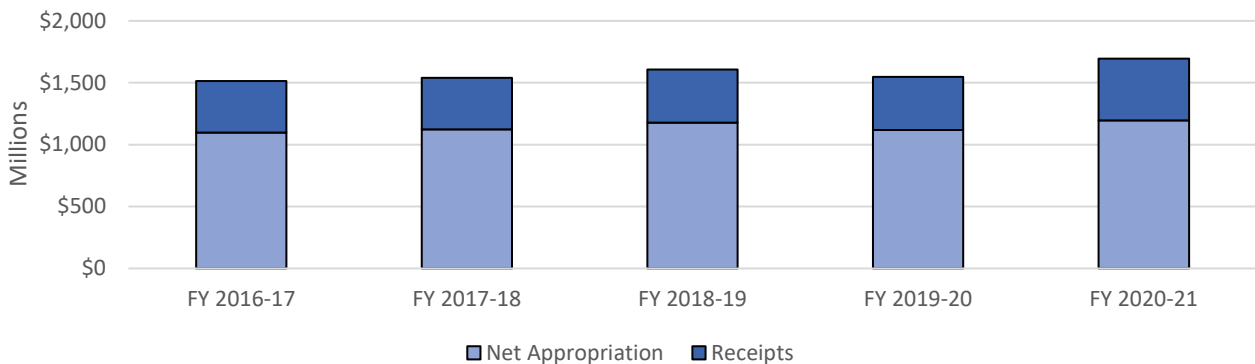
FY 2021-22 Authorized Expenditures*



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, more than 48,000 students graduated 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.

5-Year Historical Expenditures



* Excludes State Fiscal Recovery Fund (SFRF) monies of \$113M. Charts include General Fund budget code only.

NC Community Colleges System (16800)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	1,695,969,488	1,819,143,571	1,685,373,047	108,325,836	53,749,700	162,075,536	1,847,448,583
Receipts	500,898,792	502,936,159	345,149,910	(1,269,751)	-	(1,269,751)	343,880,159
Net Appropriation	1,195,070,695	1,316,207,412	1,340,223,137	109,595,587	53,749,700	163,345,287	1,503,568,424
Positions (FTE)	0.000	232.550	232.550			11.000	243.550

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Compensation and Benefits Reserves			
1 Compensation Increase Reserve - Community Colleges			
Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Corresponding special provisions provide additional details on these compensation increases.	Req \$	31,940,000	\$ - \$ 31,940,000
	Rec \$	-	\$ - \$ -
	App \$	31,940,000	\$ - \$ 31,940,000
	FTE		0.000
2 Compensation Increase Reserve - System Office			
Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.	Req \$	528,000	\$ - \$ 528,000
	Rec \$	-	\$ - \$ -
	App \$	528,000	\$ - \$ 528,000
	FTE		0.000
3 Retention Bonus - Community Colleges			
Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.	Req \$	-	\$ 40,174,000 \$ 40,174,000
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 40,174,000 \$ 40,174,000
	FTE		0.000
4 Retention Bonus - System Office			
Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.	Req \$	-	\$ 393,000 \$ 393,000
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 393,000 \$ 393,000
	FTE		0.000
5 Labor Market Retention and Adjustment Fund - Community Colleges			
Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.	Req \$	25,552,000	\$ - \$ 25,552,000
	Rec \$	-	\$ - \$ -
	App \$	25,552,000	\$ - \$ 25,552,000
	FTE		0.000

		R Changes		NR Changes		Adjustments
6 Labor Market Retention and Adjustment Fund - System Office						
Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.	Req \$	422,000	\$	-	\$	422,000
	Rec \$	-	\$	-	\$	-
	App \$	422,000	\$	-	\$	422,000
	FTE					0.000
7 Retiree Cost of Living Increases - Community Colleges						
Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.	Req \$	3,975,300	\$	2,934,200	\$	6,909,500
	Rec \$	-	\$	-	\$	-
	App \$	3,975,300	\$	2,934,200	\$	6,909,500
	FTE					0.000
8 Retiree Cost of Living Increases - System Office						
Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.	Req \$	65,700	\$	48,500	\$	114,200
	Rec \$	-	\$	-	\$	-
	App \$	65,700	\$	48,500	\$	114,200
	FTE					0.000
Department-wide						
9 Investing in Community College Capacity						
Makes investments to create additional capacity at each community college, allowing colleges to target funding to their most pressing needs. Funds will enable colleges to increase the number of courses and course places, establish new programs to meet local employer need, expand student support positions in areas such as advising and financial aid, modernize the registration process, and support complex IT needs, including increases in distance learning.	Req \$	50,000,000	\$	-	\$	50,000,000
	Rec \$	-	\$	-	\$	-
	App \$	50,000,000	\$	-	\$	50,000,000
	FTE					0.000
10 Enrollment Growth Adjustment						
Reduces funding due to declining enrollment. This reduction follows the established practices of funding community college enrollment based on the higher of a two-year average or the previous year.	Req \$	(13,562,655)	\$	-	\$	(13,562,655)
	Rec \$	(1,269,751)	\$	-	\$	(1,269,751)
	App \$	(12,292,904)	\$	-	\$	(12,292,904)
	FTE					0.000
11 Improving Data Analytics Capacity						
Increases Community College System Office capacity to gather and analyze data on student outcomes, helping provide reliable information to inform the development of programs and initiatives in the future.	Req \$	300,000	\$	200,000	\$	500,000
	Rec \$	-	\$	-	\$	-
	App \$	300,000	\$	200,000	\$	500,000
	FTE					2.000
12 Adult Learning Initiatives						
Funds the expansion of adult learner pilot programs to additional community colleges, building on the approaches taken in the NC Reconnect Program and other programs focusing on adult learners.	Req \$	2,000,000	\$	-	\$	2,000,000
	Rec \$	-	\$	-	\$	-
	App \$	2,000,000	\$	-	\$	2,000,000
	FTE					0.000
13 Community Colleges Early Childhood Education Centers Pilot						
Provides \$10 million nonrecurring for grants to develop or assess the feasibility of expanding early childhood development centers (CDCs) on community college campuses and to enhance existing campus-based CDCs. Community college-based CDCs will increase professional development opportunities for the childcare workforce while also providing additional childcare options. This item is funded in the Workforce and Economic Development Reserve in the Reserves Section of this document.	Req \$	-	\$	-	\$	-
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	-	\$	-
	FTE					0.000
14 Growing the Health Care Workforce: Community Colleges						
Provides flexible funds to the NC State Board of Community Colleges to distribute on a competitive basis to increase the number of health care professionals trained at community colleges across the State.	Req \$	5,000,000	\$	10,000,000	\$	15,000,000
	Rec \$	-	\$	-	\$	-
	App \$	5,000,000	\$	10,000,000	\$	15,000,000
	FTE					0.000

		R Changes	NR Changes	Adjustments
15 Community College System Office: Internal Auditor				
Funds one FTE internal auditor to help meet minimum recommended levels from the Council of Internal Auditing. This position will improve efficiency, effectiveness, and compliance within the System Office.	Req \$	105,491	\$ -	\$ 105,491
	Rec \$	-	\$ -	-
	App \$	105,491	\$ -	\$ 105,491
	FTE			1.000
16 Small Business Center Network (SBCN)				
Provides \$2 million recurring to employ eight Program Assistants in Small Business Centers (SBC) in each region across the state to coordinate counseling efforts and meet ongoing demand for services. Funds will also be used to contract professional counselling staff to meet the needs of businesses seeking SBC support.	Req \$	2,000,000	\$ -	\$ 2,000,000
	Rec \$	-	\$ -	-
	App \$	2,000,000	\$ -	\$ 2,000,000
	FTE			8.000
17 Small Business Center Network (SBCN) Technology Upgrades				
Funds \$150,000 nonrecurring for technology updates for the SBCN main office and the 58 Small Business Centers statewide. This item is funded in the Workforce and Economic Development Reserve in the Reserves Section of this document.	Req \$	-	\$ -	-
	Rec \$	-	\$ -	-
	App \$	-	\$ -	-
	FTE			0.000
18 Small Business Center Network (SBCN) Service Industry Support				
Invests \$1 million nonrecurring to boost technical assistance for service sector businesses. These funds will be equally allocated to support businesses in the hospitality, healthcare, and childcare industries. SBCN will coordinate with the Department of Commerce to ensure aid is offered to businesses still recovering from pandemic-related revenue losses or those experiencing extreme labor shortages. This item is funded in the Workforce and Economic Development Reserve Section in the Reserves Section of this document.	Req \$	-	\$ -	-
	Rec \$	-	\$ -	-
	App \$	-	\$ -	-
	FTE			0.000
Total Change to Requirements		\$ 108,325,836	\$ 53,749,700	\$ 162,075,536
Total Change to Receipts		\$ (1,269,751)	\$ -	\$ (1,269,751)
Total Change to Net Appropriation		\$ 109,595,587	\$ 53,749,700	\$ 163,345,287
Total Change to Full-Time Equivalent (FTE)				11.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$	163,345,287	
Recommended Total FTE Changes				11.000

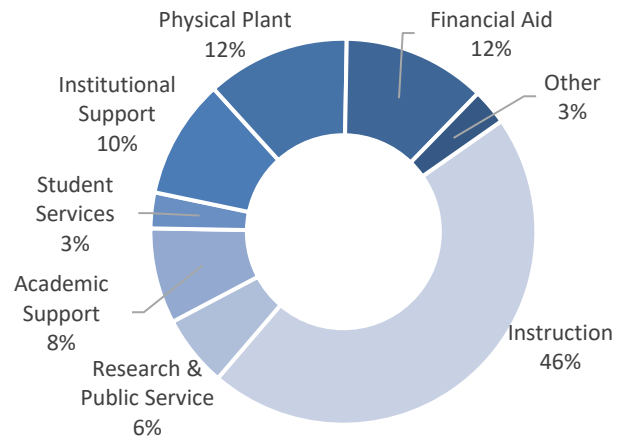
Mission

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.

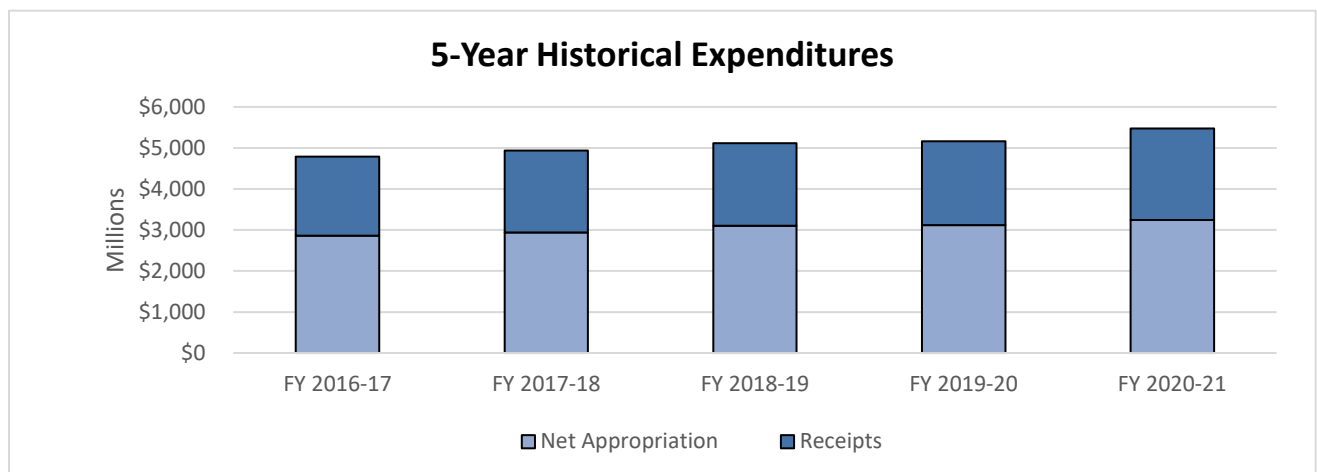
FY 2021-22 Authorized Expenditures



Agency Profile

- Serves 244,500 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.
- In 2021, brought in more than \$1.8 billion in grants for innovative research and scholarship across the UNC System.

5-Year Historical Expenditures



Charts include General Fund budget codes only.

The University of North Carolina (160XX)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	5,398,930,851	5,806,830,513	5,669,449,786	246,895,089	163,147,579	410,042,668	6,079,492,454
Receipts	2,250,640,003	2,278,583,333	2,028,854,378	38,885,233	-	38,885,233	2,067,739,611
Net Appropriation	3,148,290,837	3,528,247,180	3,640,595,408	208,009,856	163,147,579	371,157,435	4,011,752,843
Positions (FTE)	0.000	35,558.314	35,589.314			13.500	35,602.814

FY 2022-23 Recommended			
	R Changes	NR Changes	Adjustments

Compensation and Benefits Reserves

1 Compensation Increase Reserve

Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.

Req \$	85,525,500	\$	-	\$	85,525,500
Rec \$	-	\$	-	\$	-
App \$	85,525,500	\$	-	\$	85,525,500
FTE					0.000

2 Retention Bonus

Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.

Req \$	-	\$	131,571,000	\$	131,571,000
Rec \$	-	\$	-	\$	-
App \$	-	\$	131,571,000	\$	131,571,000
FTE					0.000

3 Labor Market Retention and Adjustment Fund

Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.

Req \$	67,120,000	\$	-	\$	67,120,000
Rec \$	-	\$	-	\$	-
App \$	67,120,000	\$	-	\$	67,120,000
FTE					0.000

4 Retiree Cost of Living Increases

Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.

Req \$	5,475,700	\$	4,041,600	\$	9,517,300
Rec \$	-	\$	-	\$	-
App \$	5,475,700	\$	4,041,600	\$	9,517,300
FTE					0.000

Department-wide

5 Internal Auditors

Funds 6.5 internal auditors to help meet minimum recommended levels from the Council of Internal Auditing. These positions will improve efficiency, effectiveness, and compliance within the universities. Positions will be located at Fayetteville State University, North Carolina State University, UNC-Asheville, UNC-Chapel Hill, UNC-Greensboro, and the UNC System Office.

Req \$	700,749	\$	-	\$	700,749
Rec \$	-	\$	-	\$	-
App \$	700,749	\$	-	\$	700,749
FTE					6.500

6 Enrollment Growth Adjustment

Provides funds to the UNC Board of Governors for enrollment growth at constituent institutions of the University of North Carolina. Funding is from the Education Enrollment Reserve created in SL 2021-180.

Req \$	38,146,796	\$	-	\$	38,146,796
Rec \$	38,146,796	\$	-	\$	38,146,796
App \$	-	\$	-	\$	-
FTE					0.000

		R Changes		NR Changes		Adjustments
7 UNC Building Reserves						
Provides funds to support the maintenance and operations for the capital projects funded through the Connect NC Bond and other State funds that will be completed during FY 2022-23.	Req \$	8,249,114	\$	1,334,979	\$	9,584,093
	Rec \$	-	\$	-	\$	-
	App \$	8,249,114	\$	1,334,979	\$	9,584,093
	FTE					0.000
8 Laboratory Schools Support						
Provides funds to support the Lab Schools Program, which will add three new schools in Fall 2022. Funding will support an incremental increase for new school operations and per-pupil funding base, and the Exceptional Children Supplement.	Req \$	1,500,000	\$	-	\$	1,500,000
	Rec \$	-	\$	-	\$	-
	App \$	1,500,000	\$	-	\$	1,500,000
	FTE					0.000
9 HMSI Cybersecurity Preparedness						
Invests funds for enhanced security and improved preparedness regarding increased bomb threats at Historically Minority Serving Institutions (HMSIs). Funds will be used for new security camera and communication systems, access control and lockdown capabilities, consolidating emergency systems, and improved cybersecurity measures.	Req \$	-	\$	5,000,000	\$	5,000,000
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	5,000,000	\$	5,000,000
	FTE					0.000
10 Growing the Health Care Workforce: UNC Campuses						
Provides flexible funds to the UNC Board of Governors to distribute on a competitive basis to increase the number of health care professionals trained at UNC campuses across the State.	Req \$	5,000,000	\$	10,000,000	\$	15,000,000
	Rec \$	-	\$	-	\$	-
	App \$	5,000,000	\$	10,000,000	\$	15,000,000
	FTE					0.000
11 Growing the Health Care Workforce: NC Independent Colleges and Universities (NCICU)						
Provides funding to the UNC Board of Governors to make a grant to NCICU to increase the number of health care professionals trained at independent colleges and universities across the State.	Req \$	5,000,000	\$	10,000,000	\$	15,000,000
	Rec \$	-	\$	-	\$	-
	App \$	5,000,000	\$	10,000,000	\$	15,000,000
	FTE					0.000
12 North Carolina School of Science and Math (NCSSM) Morganton						
Fully funds the operational needs for the first two cohorts of students at the new NCSSM campus in Morganton.	Req \$	1,638,794	\$	-	\$	1,638,794
	Rec \$	-	\$	-	\$	-
	App \$	1,638,794	\$	-	\$	1,638,794
	FTE					0.000
13 UNC School of the Arts (UNCSA) High School						
Increases funding to the UNCSA High School to cover the full cost of attendance for in-state high school students and to realign the faculty pay scale.	Req \$	1,000,000	\$	-	\$	1,000,000
	Rec \$	-	\$	-	\$	-
	App \$	1,000,000	\$	-	\$	1,000,000
	FTE					0.000
14 Elizabeth City State University (ECSU) Aviation Science Program						
Sustains and grows ECSU's Aviation Science Program. Funds support hands-on flight instruction, including aircraft operating and maintenance costs, flight instructors, and insurance. ECSU operates the state's only four-year collegiate aviation education program.	Req \$	1,700,000	\$	-	\$	1,700,000
	Rec \$	-	\$	-	\$	-
	App \$	1,700,000	\$	-	\$	1,700,000
	FTE					0.000
15 North Carolina Agricultural and Technical State University (NCA&T) Agricultural Research						
Provides support for the Agricultural Research and Cooperative Extension programs at NCA&T. Funding provides the match for the USDA grant, supporting interdisciplinary research advancing agricultural sciences and services focused on small farms and limited resource families, youth, and communities.	Req \$	1,600,000	\$	-	\$	1,600,000
	Rec \$	-	\$	-	\$	-
	App \$	1,600,000	\$	-	\$	1,600,000
	FTE					0.000
16 UNC Health Care System Internal Auditors						
Budgets receipts to support internal auditing. UNC Health Care may use receipts for up to seven internal auditor positions to help meet minimum recommended levels from the Council of Internal Auditing. These positions would improve efficiency, effectiveness, and compliance within the system.	Req \$	738,437	\$	-	\$	738,437
	Rec \$	738,437	\$	-	\$	738,437
	App \$	-	\$	-	\$	-
	FTE					7.000

		R Changes		NR Changes		Adjustments
17 NC New Teacher Support Program						
Expands support for the North Carolina New Teacher Support Program to mentor, increase effectiveness, enhance skills, and reduce attrition among beginning teachers at low-performing and high-poverty schools.	Req \$	5,000,000	\$	-	\$	5,000,000
	Rec \$	-	\$	-	\$	-
	App \$	5,000,000	\$	-	\$	5,000,000
	FTE					0.000
18 Partnership Teach						
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
19 NC Teaching Fellows						
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 535 additional Fellows for the 2022-23 academic year.	Req \$	4,700,000	\$	-	\$	4,700,000
	Rec \$	-	\$	-	\$	-
	App \$	4,700,000	\$	-	\$	4,700,000
	FTE					0.000
20 NC Principal Fellows Program						
Expands funding for North Carolina Principal Fellows Program to prepare up to 360 new principals annually.	Req \$	8,200,000	\$	-	\$	8,200,000
	Rec \$	-	\$	-	\$	-
	App \$	8,200,000	\$	-	\$	8,200,000
	FTE					0.000
21 State Energy Center Operations, Research and Student Fellowships						
Provides funds to ensure continued operations of the state energy centers at NC State University, NC Agricultural & Technical State University, and Appalachian State University by providing \$133,333 recurring and \$400,000 nonrecurring to each center. These funds will ensure continued operations at the energy centers, and enable workforce development efforts, innovative research, technical assistance, and matching funds for federal grants.	Req \$	399,999	\$	1,200,000	\$	1,599,999
	Rec \$	-	\$	-	\$	-
	App \$	399,999	\$	1,200,000	\$	1,599,999
	FTE					0.000
Investments from Reserves						
22 Small Business Technology Development Center (SBTDC) Service Industry Support						
Invests \$1 million nonrecurring to boost technical assistance for service sector businesses. These funds will be equally allocated to support businesses in the hospitality, healthcare, and childcare industries. SBTDC will coordinate with the Department of Commerce to ensure aid is offered to businesses still recovering from pandemic-related revenue losses or those experiencing extreme labor shortages. This item is funded in the Workforce and Economic Development Reserve in the Reserves Section of this document.	Req \$	-	\$	-	\$	-
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	-	\$	-
	FTE					0.000
23 Small Business Technology Development Center (SBTDC) Recovery and Resiliency						
Provides \$3.4 million nonrecurring to fund the SBTDC Business Recovery and Resiliency program for two more years. This program supports businesses recovering from the impact of the pandemic, and current funding ends in September 2022. This item is funded in the Workforce and Economic Development Reserve in the Reserves Section of this document.	Req \$	-	\$	-	\$	-
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	-	\$	-
	FTE					0.000
24 North Carolina State University (NC State) Industry Expansion Solutions						
Provides \$1 million nonrecurring to the Assisting NC Small Manufacturers with Workforce Challenges Through Technology program at NC State. This program will assist small businesses in deploying technology to design and solve workforce issues. This item is funded in the Workforce and Economic Development Reserve in the Reserves Section of this document.	Req \$	-	\$	-	\$	-
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	-	\$	-
	FTE					0.000

		R Changes	NR Changes	Adjustments
25 Forgivable Loans for Prospective Student Support Scholars				
Invests \$5 million to provide forgivable loans to up to 100 counselor, psychologist, or social worker trainees who commit to working in these roles in a North Carolina public school.	Req \$	5,000,000	\$ -	\$ 5,000,000
	Rec \$	-	\$ -	-
	App \$	5,000,000	\$ -	\$ 5,000,000
	FTE			0.000
Total Change to Requirements		\$ 246,895,089	\$ 163,147,579	\$ 410,042,668
Total Change to Receipts		\$ 38,885,233	\$ -	\$ 38,885,233
Total Change to Net Appropriation		\$ 208,009,856	\$ 163,147,579	\$ 371,157,435
Total Change to Full-Time Equivalent (FTE)				13.500
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$	371,157,435	
Recommended Total FTE Changes				13.500

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Mission

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

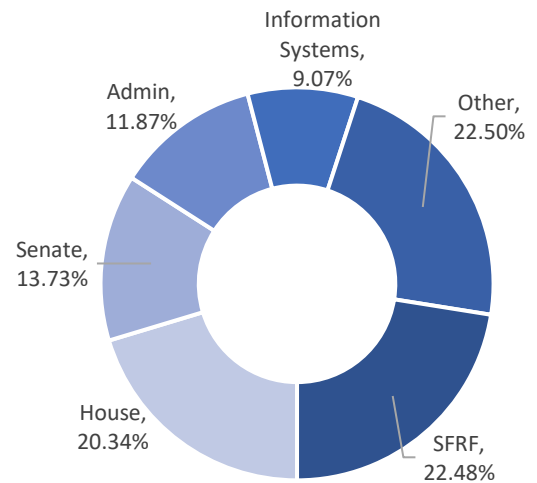
Goals

Ensure that each Member of the North Carolina General Assembly has the opportunity to fulfill his/her legislative duties and responsibilities as defined by the North Carolina Constitution and General Statutes.

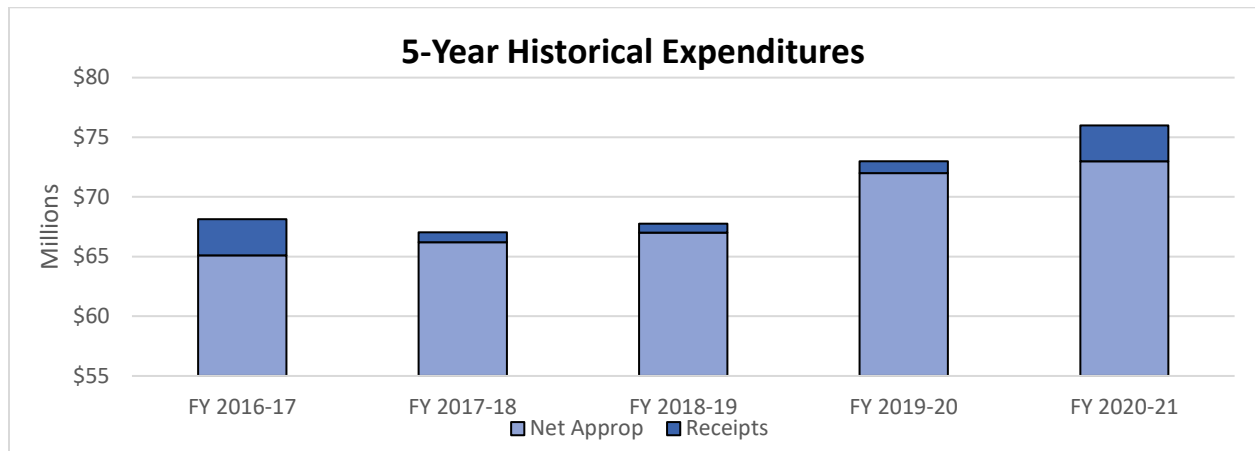
Agency Profile

- The Senate consists of 50 members who serve 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 2021-22 Authorized Expenditure



5-Year Historical Expenditures



Charts include General Fund budget code only.

General Assembly (11000)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	76,286,745	103,315,475	81,600,598	2,957,300	1,615,300	4,572,600	86,173,198
Receipts	3,659,724	23,789,804	714,449	-	-	-	714,449
Net Appropriation	72,627,021	79,525,671	80,886,149	2,957,300	1,615,300	4,572,600	85,458,749
Positions (FTE)	0.000	521.350	521.350			0.000	521.350

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Compensation and Benefits Reserves			
1 Compensation Increase Reserve			
Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.	Req \$	1,548,800	\$ - \$ 1,548,800
	Rec \$	-	\$ - \$ -
	App \$	1,548,800	\$ - \$ 1,548,800
	FTE		0.000
2 Retention Bonus			
Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.	Req \$	-	\$ 1,455,000 \$ 1,455,000
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 1,455,000 \$ 1,455,000
	FTE		0.000
3 Labor Market Retention and Adjustment Fund			
Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.	Req \$	1,196,000	\$ - \$ 1,196,000
	Rec \$	-	\$ - \$ -
	App \$	1,196,000	\$ - \$ 1,196,000
	FTE		0.000
4 Retiree Cost of Living Increases			
Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.	Req \$	212,500	\$ 160,300 \$ 372,800
	Rec \$	-	\$ - \$ -
	App \$	212,500	\$ 160,300 \$ 372,800
	FTE		0.000
Total Change to Requirements	\$	2,957,300	\$ 1,615,300 \$ 4,572,600
Total Change to Receipts	\$	-	\$ - \$ -
Total Change to Net Appropriation	\$	2,957,300	\$ 1,615,300 \$ 4,572,600
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		4,572,600
Recommended Total FTE Changes			0.000

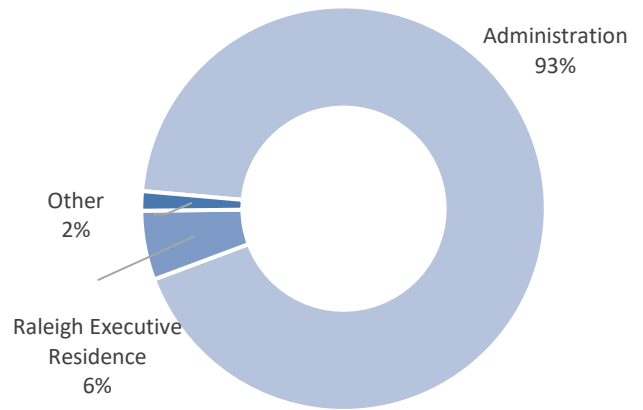
Mission

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

Goals

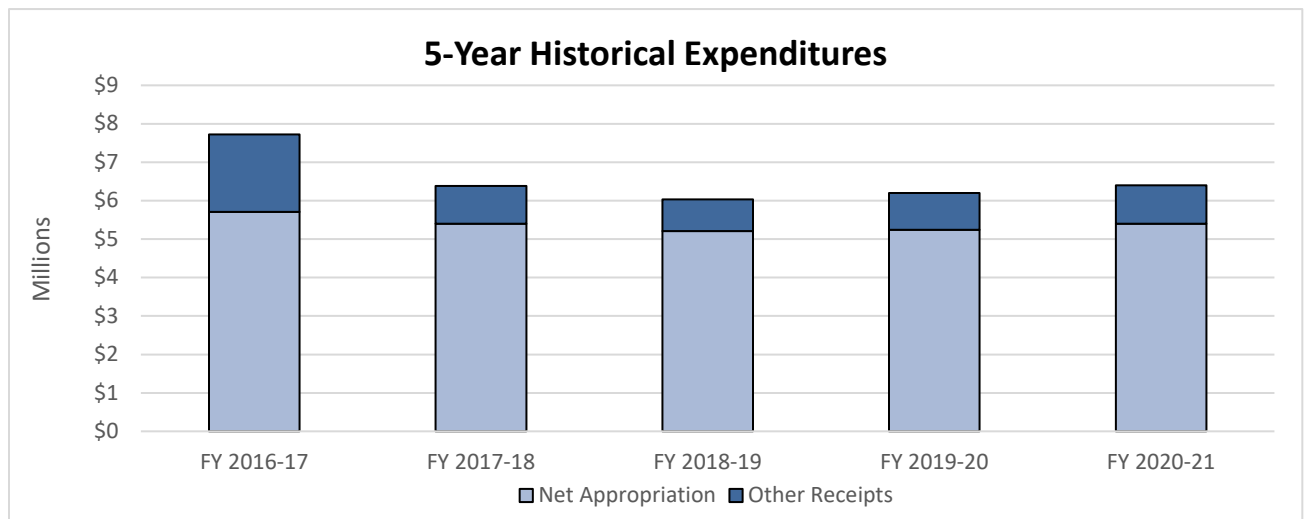
1. Represent and advocate for the people of North Carolina.
2. Coordinate cabinet and other agencies to accomplish the governor’s goals.
3. Work collaboratively with local and federal partners for the benefit of North Carolina.
4. Provide strong economic development recruitment.
5. Appoint qualified individuals to Boards and Commissions that serve North Carolina.

FY 2021-22 Authorized Expenditures



Agency Profile

- The Governor directs the executive branch of the government and is the commander in chief of the military forces of the state.
- The Governor heads the North Carolina Council of State.
- The Governor prepares and recommends to the General Assembly a comprehensive budget and administers the budget enacted by the General Assembly.
- The Governor appoints cabinet secretaries who administer core state government services.
- The Governor was the last state chief executive to receive veto power. The office did not have this power until 1996.



Charts include General Fund budget code only.

Office of the Governor (13000)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	6,397,303	6,667,609	6,764,103	224,700	145,800	370,500	7,134,603
Receipts	995,135	976,940	909,888	-	-	-	909,888
Net Appropriation	5,402,167	5,690,669	5,854,215	224,700	145,800	370,500	6,224,715
Positions (FTE)	0.000	52.000	52.000			0.000	52.000

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Compensation and Benefits Reserves			
1 Compensation Increase Reserve			
Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.	Req \$	117,000	\$ - \$ 117,000
	Rec \$	-	\$ - \$ -
	App \$	117,000	\$ - \$ 117,000
	FTE		0.000
2 Retention Bonus			
Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.	Req \$	-	\$ 135,000 \$ 135,000
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 135,000 \$ 135,000
	FTE		0.000
3 Labor Market Retention and Adjustment Fund			
Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.	Req \$	93,000	\$ - \$ 93,000
	Rec \$	-	\$ - \$ -
	App \$	93,000	\$ - \$ 93,000
	FTE		0.000
4 Retiree Cost of Living Increases			
Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.	Req \$	14,700	\$ 10,800 \$ 25,500
	Rec \$	-	\$ - \$ -
	App \$	14,700	\$ 10,800 \$ 25,500
	FTE		0.000
Total Change to Requirements	\$	224,700	\$ 145,800 \$ 370,500
Total Change to Receipts	\$	-	\$ - \$ -
Total Change to Net Appropriation	\$	224,700	\$ 145,800 \$ 370,500
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		370,500
Recommended Total FTE Changes			0.000

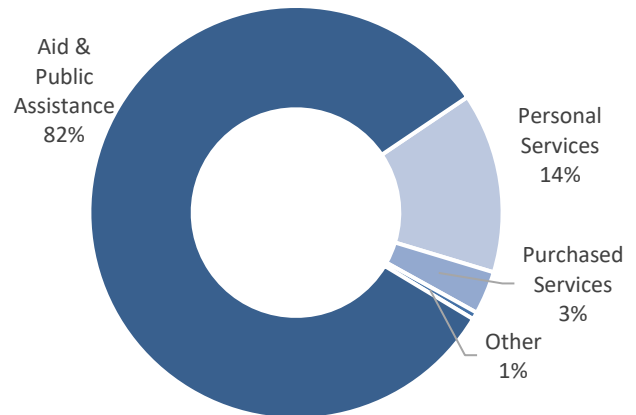
Mission

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

Goals

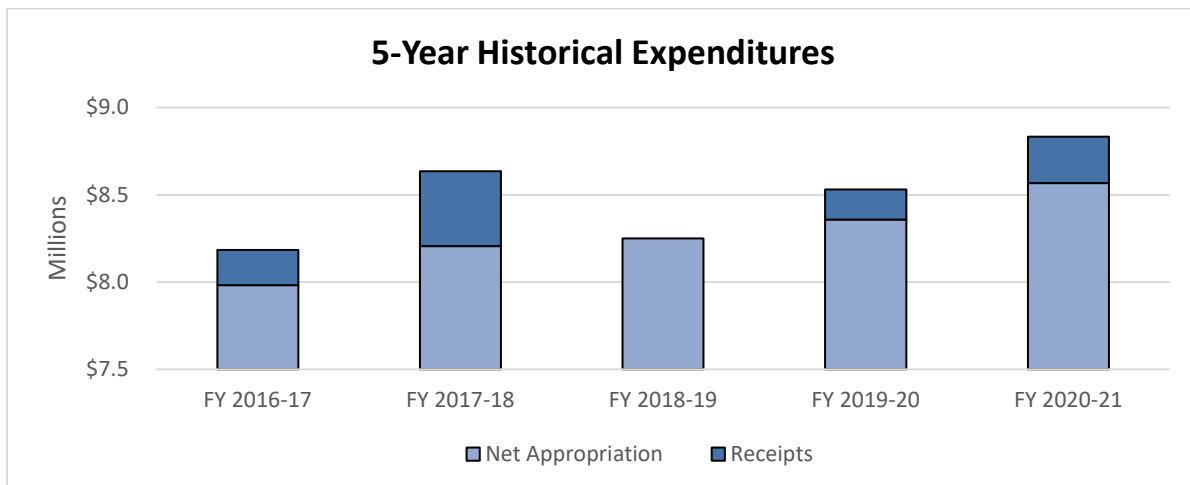
1. Mitigate risk and enhance opportunities by proactively analyzing, developing, and implementing policies based on data and evidence.
2. Increase the diversity and cultural awareness of our team.
3. Develop a community of innovators to optimize government practices and service delivery.
4. Enhance transparency by leveraging technology, transitioning from legacy systems, and adopting innovative new practices.

FY 2021-22 Authorized Expenditures*



Agency Profile

- Delivers the highest quality statewide budgetary, management and information services to advise the Governor, state agencies, and legislature on the most effective use of public resources.
- Offers facilitative and consultative services to agencies to support the use of evidence-based policymaking across state government.
- Continues to discover ways to better partner with state agencies and add value in the interconnected arenas of strategic planning, performance management, and budget development.



Charts include General Fund budget codes only.

** Excludes State Fiscal Recovery Funds*

Office of State Budget and Management (13005)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	8,832,554	290,898,420	10,939,568	2,035,578	(198,700)	1,836,878	12,776,446
Receipts	264,993	276,092,508	557,408	-	-	-	557,408
Net Appropriation	8,567,560	14,805,912	10,382,160	2,035,578	(198,700)	1,836,878	12,219,038
Positions (FTE)	0.000	60.000	63.000			5.000	68.000

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments

Compensation and Benefits Reserves

1 Compensation Increase Reserve

Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.

Req \$	166,000	\$	-	\$	166,000
Rec \$	-	\$	-	\$	-
App \$	166,000	\$	-	\$	166,000
FTE					0.000

2 Retention Bonus

Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.

Req \$	-	\$	286,000	\$	286,000
Rec \$	-	\$	-	\$	-
App \$	-	\$	286,000	\$	286,000
FTE					0.000

3 Labor Market Retention and Adjustment Fund

Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.

Req \$	132,000	\$	-	\$	132,000
Rec \$	-	\$	-	\$	-
App \$	132,000	\$	-	\$	132,000
FTE					0.000

4 Retiree Cost of Living Increases

Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.

Req \$	20,700	\$	15,300	\$	36,000
Rec \$	-	\$	-	\$	-
App \$	20,700	\$	15,300	\$	36,000
FTE					0.000

Office of State Budget and Management (OSBM)

5 Budget Execution Analysts

Establishes three positions to (1) provide innovative technical assistance, training, and guidance to agencies due to the ever-increasing complexity of budget revisions and budget administration; (2) ensure successful implementation of the new North Carolina Financial System and its interface with the state's budget system; and (3) provide the budget execution infrastructure section with a position dedicated to salaries and benefits and other statewide issues.

Req \$	382,768	\$	-	\$	382,768
Rec \$	-	\$	-	\$	-
App \$	382,768	\$	-	\$	382,768
FTE					3.000

6 Grants Management Staff

Provides funds for a position to support grantees with reporting and compliance for their directed grants.

Req \$	110,184	\$	-	\$	110,184
Rec \$	-	\$	-	\$	-
App \$	110,184	\$	-	\$	110,184
FTE					1.000

		R Changes		NR Changes		Adjustments
7 Chief Scientist						
Provides funds for a Chief Scientist position to promote and enable evidence-based policymaking within OSBM and across state government. This position will advise leadership and support staff on projects and programs such as the Performance Management Advisory Committee, the Performance Management Academy, and the Evaluation Grant Fund.	Req \$	208,926	\$	-	\$	208,926
	Rec \$	-	\$	-	\$	-
	App \$	208,926	\$	-	\$	208,926
	FTE					1.000
8 Evidence-Based Evaluation Grants						
Replaces nonrecurring funds for the Evidence-based Evaluation Grants program with recurring funds. Recurring funding will allow the program evaluation initiative to continue past FY 2022-23 and will support the use of evidence and data across the state. Under this program, state agencies will apply for competitive grants to analyze data and evaluate how well programs are achieving their intended outcomes.	Req \$	500,000	\$	(500,000)	\$	-
	Rec \$	-	\$	-	\$	-
	App \$	500,000	\$	(500,000)	\$	-
	FTE					0.000
Office of Strategic Partnerships (OSP)						
9 Cross-Sector Partnership Facilitation						
Provides General Fund support for four positions to enable successful development, coordination, and management of cross-sector partnerships between state agencies and external partners such as colleges, universities, and philanthropic organizations. This funding will allow OSP to meet increasing demand for their facilitation and management of partnerships. These funds will be transferred to budget code 23014.	Req \$	515,000	\$	-	\$	515,000
	Rec \$	-	\$	-	\$	-
	App \$	515,000	\$	-	\$	515,000
	FTE					0.000
Total Change to Requirements	\$	2,035,578	\$	(198,700)	\$	1,836,878
Total Change to Receipts	\$	-	\$	-	\$	-
Total Change to Net Appropriation	\$	2,035,578	\$	(198,700)	\$	1,836,878
Total Change to Full-Time Equivalent (FTE)						5.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)						
	\$			1,836,878		
Recommended Total FTE Changes						
				5.000		

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

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	29,515,748	4,278,146	4,278,146	515,000	-	515,000	4,793,146
Receipts	24,555,713	3,428,443	3,428,443	515,000	-	515,000	3,943,443
Δ in Fund Balance	(4,960,036)	(849,703)	(849,703)	-	-	-	(849,703)
Positions (FTE)	0.000	17.000	17.000			0.000	17.000

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Office of Strategic Partnerships (OSP)			
1 Transfer - Cross-Sector Partnership Facilitation			
Transfers the cross-sector partnership facilitation funds from budget code 13005 to support four existing positions. OSP develops, coordinates, and manages cross-sector partnerships between state agencies and external partners such as colleges, universities, and philanthropic organizations. This funding will allow OSP to meet increasing demand for their facilitation and management of partnerships.	Req \$	515,000	\$ - \$ 515,000
	Rec \$	515,000	\$ - \$ 515,000
	CFB \$	-	\$ - \$ -
	FTE		0.000
Total Change to Requirements	\$	515,000	\$ - \$ 515,000
Total Change to Receipts	\$	515,000	\$ - \$ 515,000
Total Change to Net Appropriation	\$	-	\$ - \$ -
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$		-
Recommended Total FTE Changes			0.000

Mission

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

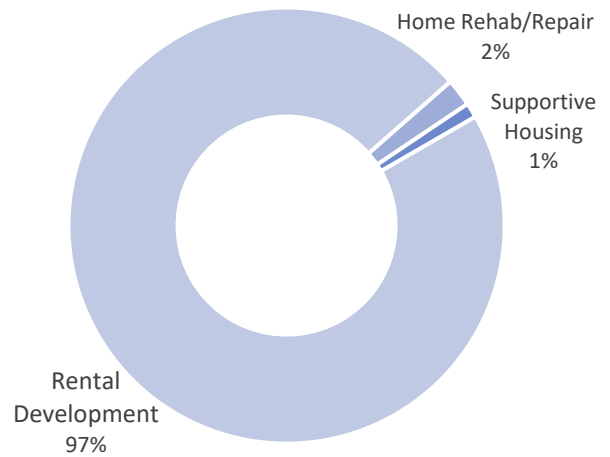
Goals

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.

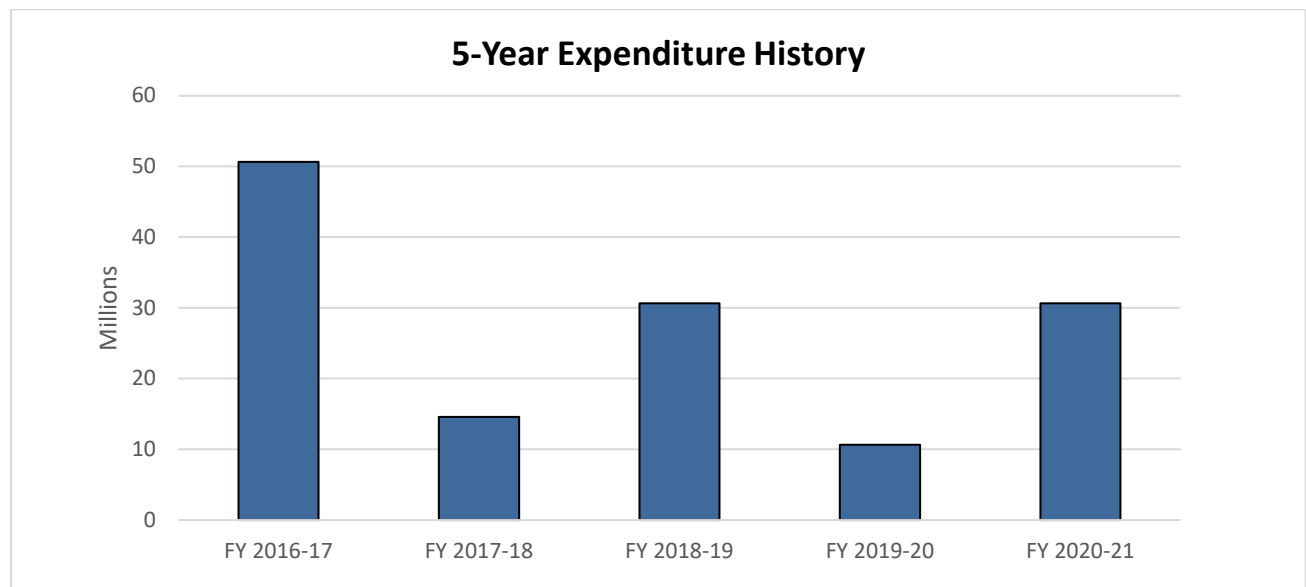
Agency Profile

- Creates affordable housing through rental development, supportive housing investment, home buyer lending, home ownership rehabilitation, and rental assistance, working with over 500 organizations.
- Financed 318,830 affordable homes and apartments, producing real estate valued at over \$30.1 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.

FY 2021-22 Authorized Expenditures



5-Year Expenditure History



Charts include General Fund budget code only.

NC Housing Finance Agency (13010)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	30,660,000	190,660,000	10,660,000	7,660,000	-	7,660,000	18,320,000
Receipts	-	180,000,000	-	-	-	-	-
Net Appropriation	30,660,000	10,660,000	10,660,000	7,660,000	-	7,660,000	18,320,000
Positions (FTE)	0.000	0.000	0.000			0.000	0.000

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments

Affordable Housing

1 Housing Trust Fund

Doubles the recurring appropriation for the Housing Trust Fund to over \$15 million. The fund is the State's most flexible funding source for affordable housing and is primarily used for emergency repairs, accessibility modifications for low-income homeowners, and new affordable housing development, including for people with disabilities or who are homeless. These funds will be transferred to budget code 63011.

Req	\$ 7,660,000	\$ -	\$ 7,660,000
Rec	\$ -	\$ -	\$ -
App	\$ 7,660,000	\$ -	\$ 7,660,000
FTE			0.000

Investments from Reserves

2 Down Payment Assistance

Provides \$50 million nonrecurring for down payment assistance for first-time homebuyers at or below 100% of area median income, addressing the primary barrier to homeownership. Standard assistance will be provided to first-time homebuyers, military veterans, or individuals buying in targeted census tracts. Enhanced assistance will be provided to individuals who qualify for standard assistance and who are educators or protectors. This item is funded in the Affordable Housing Reserve in the Reserves Section of this document.

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

3 Housing Trust Fund

Provides an additional \$20 million nonrecurring to the Housing Trust Fund. The fund is the State's most flexible funding source for affordable housing and is primarily used for emergency repairs, accessibility modifications for low-income homeowners, and new affordable housing development, including for people with disabilities or who are homeless. These funds will be transferred to budget code 63011. This item is funded in the Affordable Housing Reserve in the Reserves Section of this document.

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

4 Workforce Housing Loan Program

Provides \$40 million nonrecurring for the Workforce Housing Loan Program, which finances loans to construct or substantially rehabilitate affordable rental housing in combination with federal low-income housing tax credits. These funds will be transferred to budget code 63011. This item is funded in the Affordable Housing Reserve in the Reserves Section of this document.

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

Total Change to Requirements	\$ 7,660,000	\$ -	\$ 7,660,000
Total Change to Receipts	\$ -	\$ -	\$ -
Total Change to Net Appropriation	\$ 7,660,000	\$ -	\$ 7,660,000
Total Change to Full-Time Equivalent (FTE)			0.000

Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$ 7,660,000
Recommended Total FTE Changes	0.000

NC Housing Finance Agency - Special (23010)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	63,944,949	53,871,676	53,871,676	226,039	-	226,039	54,097,715
Receipts	97,968,449	58,068,714	58,068,714	226,039	-	226,039	58,294,753
Δ in Fund Balance	34,023,500	4,197,038	4,197,038	-	-	-	4,197,038
Positions (FTE)	0.000	118.000	118.000			0.000	118.000

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Department-wide			
1 Internal Auditors			
Budgets receipts to support internal auditing. The agency shall use receipts for up to two internal auditor positions to help meet minimum recommended levels from the Council of Internal Auditing. These positions would improve efficiency, effectiveness, and compliance within the agency.	Req \$	226,039	\$ - \$ 226,039
	Rec \$	226,039	\$ - \$ 226,039
	CFB \$	-	\$ - \$ -
	FTE		0.000
Total Change to Requirements	\$	226,039	\$ - \$ 226,039
Total Change to Receipts	\$	226,039	\$ - \$ 226,039
Total Change to Net Appropriation	\$	-	\$ - \$ -
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$		-
Recommended Total FTE Changes			0.000

NC Housing Finance Agency - Partnership (63011)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	41,688,429	201,500,000	31,500,000	7,660,000	-	7,660,000	39,160,000
Receipts	45,300,122	204,642,000	34,642,000	7,660,000	-	7,660,000	42,302,000
Δ in Fund Balance	3,611,692	3,142,000	3,142,000	-	-	-	3,142,000
Positions (FTE)	0.000	0.000	0.000			0.000	0.000

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Affordable Housing			
1 Transfer - Housing Trust Fund			
Budgets the recurring 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
Investments from Reserves			
2 Transfer - Housing Trust Fund			
Budgets the nonrecurring transfer from the General Fund for the Housing Trust Fund. This item is funded in the Affordable Housing Reserve in the Reserves Section of this document.	Req \$ -	\$ -	\$ -
	Rec \$ -	\$ -	\$ -
	CFB \$ -	\$ -	\$ -
	FTE		0.000
3 Transfer - Workforce Housing Loan Program			
Budgets the transfer from the General Fund for the Workforce Housing Loan Program. This item is funded in the Affordable Housing Reserve in the Reserves Section of this document.	Req \$ -	\$ -	\$ -
	Rec \$ -	\$ -	\$ -
	CFB \$ -	\$ -	\$ -
	FTE		0.000
Total Change to Requirements	\$ 7,660,000	\$ -	\$ 7,660,000
Total Change to Receipts	\$ 7,660,000	\$ -	\$ 7,660,000
Total Change to Net Appropriation	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$ -		
Recommended Total FTE Changes			0.000

Mission

To serve service members, veterans, and their families, military installations, and the communities through advocacy, coordinating and collaborating with government agencies, military-interested civic and non-profit organizations, and facilitating access to benefits earned through military service.

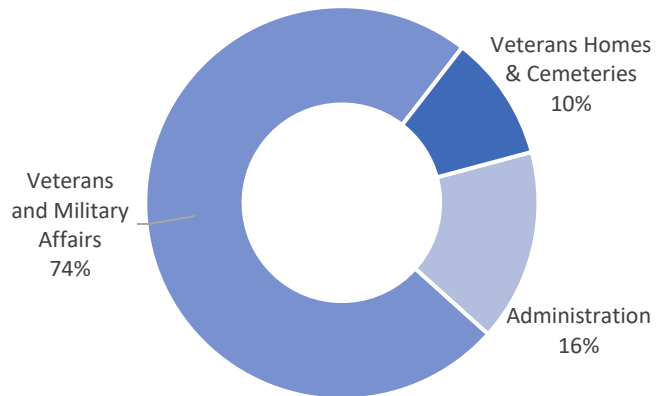
Goals

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.

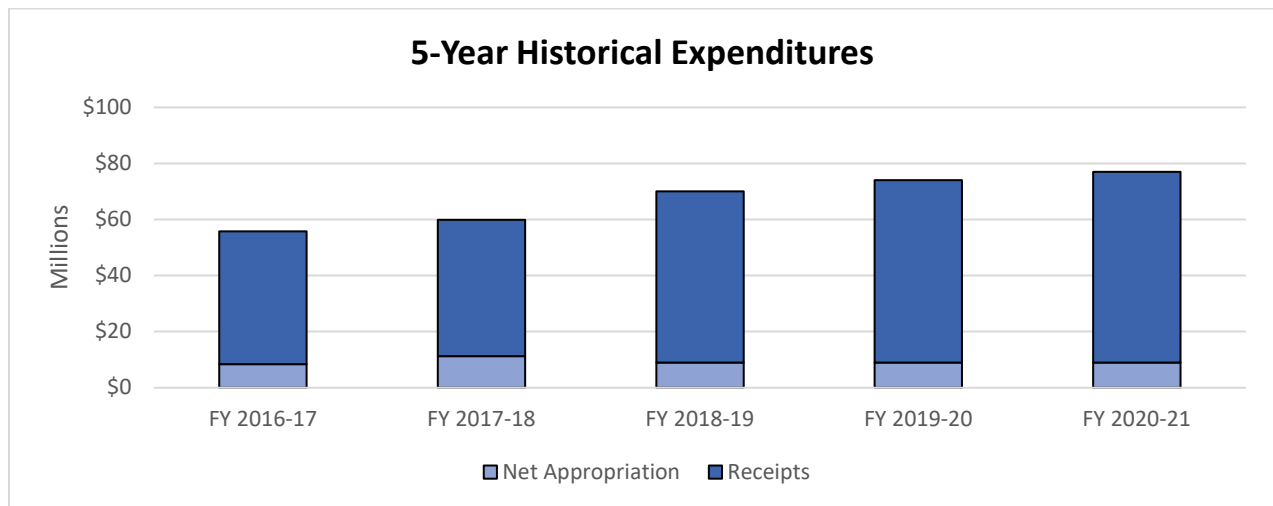
Agency Profile

- Established as an independent agency in 2015.
- Provides outreach and support to veterans, their families, and active-duty personnel across the state.
- Operates 13 field offices working with veterans across the state.
- Provides skilled nursing home services at five veterans homes.
- Operates four state cemeteries for veterans across the state.
- Operates a scholarship program for children of wartime veterans.

FY 2021-22 Authorized Expenditures



5-Year Historical Expenditures



Charts include General Fund budget code only.

Department of Military and Veterans Affairs (13050)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	77,821,853	11,937,180	12,436,170	2,414,648	5,255,100	7,669,748	20,105,918
Receipts	68,281,811	318,198	170,004	-	-	-	170,004
Net Appropriation	9,540,041	11,618,982	12,266,166	2,414,648	5,255,100	7,669,748	19,935,914
Positions (FTE)	0.000	88.000	88.000			1.000	89.000

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments

Compensation and Benefits Reserves

1 Compensation Increase Reserve

Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.

Req \$	153,000	\$	-	\$	153,000
Rec \$	-	\$	-	\$	-
App \$	153,000	\$	-	\$	153,000
FTE					0.000

2 Retention Bonus

Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.

Req \$	-	\$	241,000	\$	241,000
Rec \$	-	\$	-	\$	-
App \$	-	\$	241,000	\$	241,000
FTE					0.000

3 Labor Market Retention and Adjustment Fund

Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.

Req \$	122,000	\$	-	\$	122,000
Rec \$	-	\$	-	\$	-
App \$	122,000	\$	-	\$	122,000
FTE					0.000

4 Retiree Cost of Living Increases

Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.

Req \$	19,100	\$	14,100	\$	33,200
Rec \$	-	\$	-	\$	-
App \$	19,100	\$	14,100	\$	33,200
FTE					0.000

Department-wide

5 Internal Auditor

Funds one internal auditor to help meet minimum recommended levels from the Council of Internal Auditing. This position will improve efficiency, effectiveness, and compliance withing the agency.

Req \$	120,548	\$	-	\$	120,548
Rec \$	-	\$	-	\$	-
App \$	120,548	\$	-	\$	120,548
FTE					1.000

6 Organizational Capacity Increase

Increases organizational capacity across the department, with a focus on the Military Affairs Division and a new Transition Services Unit. The Transition Services Unit will provide policy leadership on current and emerging veterans issues; engage in proactive outreach to military installations, service members, veterans, and their families; and develop a library of services to connect individuals to earned services and resources. Funds may be used to create up to ten FTE to meet organizational capacity needs.

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

		R Changes	NR Changes	Adjustments
7 Community Grants Program				
Establishes the Community Grants Program to awards grants to organizations that enhance existing efforts, forge new partnerships, and promote innovation in programs for active-duty military, veterans, and their families. Recipients can be public, non-profit, or other military-interested organizations.	Req \$	- \$	5,000,000 \$	5,000,000
	Rec \$	- \$	- \$	-
	App \$	- \$	5,000,000 \$	5,000,000
	FTE			0.000
Total Change to Requirements	\$	2,414,648	\$ 5,255,100	\$ 7,669,748
Total Change to Receipts	\$	-	\$ -	\$ -
Total Change to Net Appropriation	\$	2,414,648	\$ 5,255,100	\$ 7,669,748
Total Change to Full-Time Equivalent (FTE)				1.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		7,669,748	
Recommended Total FTE Changes				1.000

Military and Veterans Affairs - Special (23050)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	10,165,710	14,692,758	15,692,758	370,057	-	370,057	16,062,815
Receipts	12,825,508	14,683,685	15,683,685	370,057	-	370,057	16,053,742
Δ in Fund Balance	2,659,797	(9,073)	(9,073)	-	-	-	(9,073)
Positions (FTE)	0.000	15.250	15.250			6.000	21.250

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Veterans Cemeteries			
1 Enhance Cemetery Operations			
Budgets additional burial receipts to create six additional positions with the State Veterans Cemeteries. These positions are needed for the division to keep pace with increases in acreage and maintenance at veterans cemeteries.	Req \$ 370,057	\$ -	\$ 370,057
	Rec \$ 370,057	\$ -	\$ 370,057
	CFB \$ -	\$ -	\$ -
	FTE		6.000
Total Change to Requirements	\$ 370,057	\$ -	\$ 370,057
Total Change to Receipts	\$ 370,057	\$ -	\$ 370,057
Total Change to Net Appropriation	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)			6.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$	-	
Recommended Total FTE Changes		6.000	

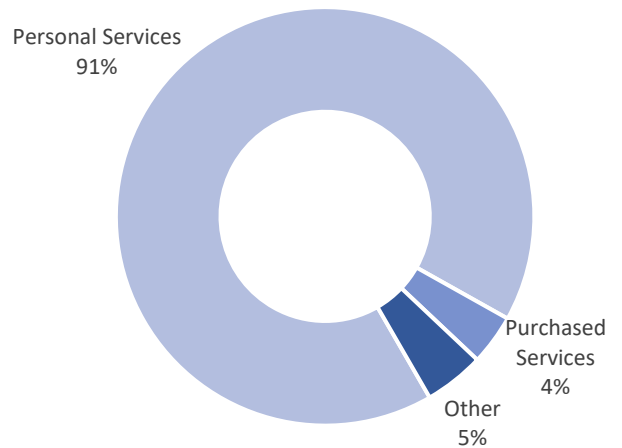
Mission

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

Goals

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

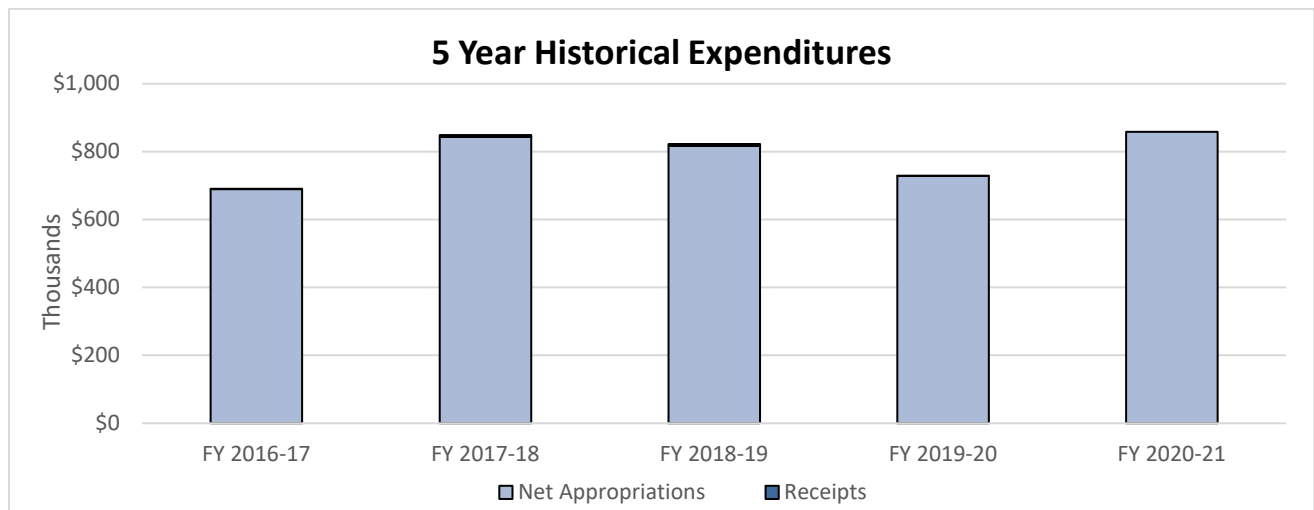
FY 2021-22 Authorized Expenditures



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 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)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	858,665	1,179,841	1,200,134	50,300	17,500	67,800	1,267,934
Receipts	-	10,525	1,989	-	-	-	1,989
Net Appropriation	858,665	1,169,316	1,198,145	50,300	17,500	67,800	1,265,945
Positions (FTE)	0.000	9.000	9.000			0.000	9.000

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Compensation and Benefits Reserves			
1 Compensation Increase Reserve			
Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.	Req \$	26,000	\$ - \$ 26,000
	Rec \$	-	\$ - \$ -
	App \$	26,000	\$ - \$ 26,000
	FTE		0.000
2 Retention Bonus			
Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.	Req \$	-	\$ 15,000 \$ 15,000
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 15,000 \$ 15,000
	FTE		0.000
3 Labor Market Retention and Adjustment Fund			
Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.	Req \$	21,000	\$ - \$ 21,000
	Rec \$	-	\$ - \$ -
	App \$	21,000	\$ - \$ 21,000
	FTE		0.000
4 Retiree Cost of Living Increases			
Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.	Req \$	3,300	\$ 2,500 \$ 5,800
	Rec \$	-	\$ - \$ -
	App \$	3,300	\$ 2,500 \$ 5,800
	FTE		0.000
Total Change to Requirements	\$	50,300	\$ 17,500 \$ 67,800
Total Change to Receipts	\$	-	\$ - \$ -
Total Change to Net Appropriation	\$	50,300	\$ 17,500 \$ 67,800
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		67,800
Recommended Total FTE Changes			0.000

Mission

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

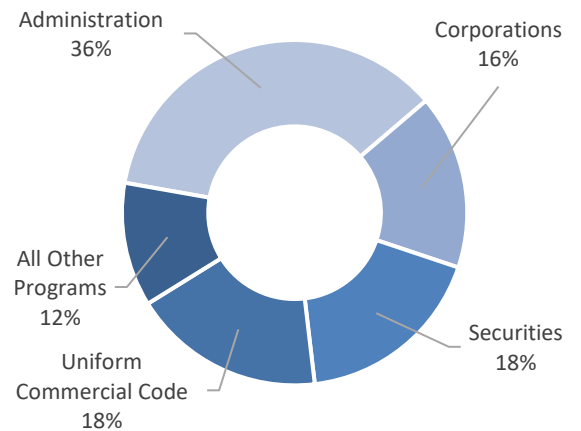
Goals

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

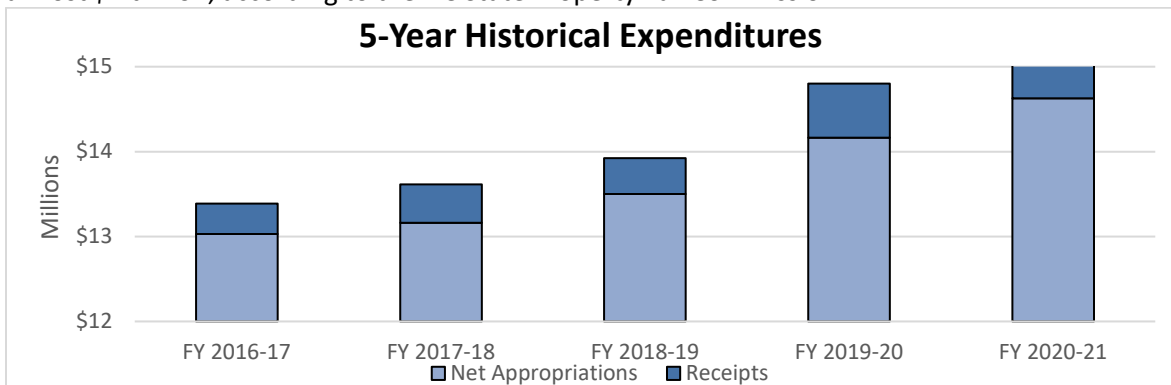
Agency Profile

- Facilitates economic development through business and capital formation – registering 178,300 new businesses and nonprofits last year and reviewing 554,500 annual reports and filings. These filings are up substantially from pre-pandemic levels.
- 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.

FY 2021-22 Authorized Expenditures



5-Year Historical Expenditures



Charts include General Fund budget code only.

Department of Secretary of State (13200)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	15,686,207	17,332,553	17,864,409	2,136,800	438,400	2,575,200	20,439,609
Receipts	1,060,043	652,146	392,018	-	-	-	392,018
Net Appropriation	14,626,164	16,680,407	17,472,391	2,136,800	438,400	2,575,200	20,047,591
Positions (FTE)	0.000	180.553	180.553			7.000	187.553

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments

Compensation and Benefits Reserves

1 Compensation Increase Reserve

Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.

Req \$	341,000	\$	-	\$	341,000
Rec \$	-	\$	-	\$	-
App \$	341,000	\$	-	\$	341,000
FTE					0.000

2 Retention Bonus

Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.

Req \$	-	\$	409,000	\$	409,000
Rec \$	-	\$	-	\$	-
App \$	-	\$	409,000	\$	409,000
FTE					0.000

3 Labor Market Retention and Adjustment Fund

Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.

Req \$	256,000	\$	-	\$	256,000
Rec \$	-	\$	-	\$	-
App \$	256,000	\$	-	\$	256,000
FTE					0.000

4 Retiree Cost of Living Increases

Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.

Req \$	39,800	\$	29,400	\$	69,200
Rec \$	-	\$	-	\$	-
App \$	39,800	\$	29,400	\$	69,200
FTE					0.000

Department-wide

5 Internal Auditor

Adds one auditor to meet minimum recommended levels from the Council of Internal Auditing. This funding establishes a permanent, dedicated internal audit office, aligning with the best practice of having a minimum of two full-time auditors.

Req \$	121,487	\$	-	\$	121,487
Rec \$	-	\$	-	\$	-
App \$	121,487	\$	-	\$	121,487
FTE					1.000

Administration

6 Advanced Analytics and Data Interpretation Positions

Creates two Advanced Analytics and Data Interpretation positions. These positions will enhance the department's ability to make evidence-based, data-driven decisions to improve performance, develop effective agency policies and budgets, and evaluate programs.

Req \$	300,000	\$	-	\$	300,000
Rec \$	-	\$	-	\$	-
App \$	300,000	\$	-	\$	300,000
FTE					2.000

		R Changes		NR Changes		Adjustments
7 Forensic Scientist						
Funds a Forensic Scientist I position in the Digital Forensics Lab. This position will analyze and document evidence seized by the agency's law enforcement agents. Current federal grant funding for the position is unreliable, and the position is necessary for the department to provide robust technical enforcement as mandated by law.	Req \$	100,338	\$	-	\$	100,338
	Rec \$	-	\$	-	\$	-
	App \$	100,338	\$	-	\$	100,338
	FTE					1.000
8 Information Technology Infrastructure						
Provides funds for equipment and software modernization and one programmer position. This enhanced capacity and infrastructure is necessary to meet the demands and expectations of a rapidly growing business community statewide. Funds will also support operations at the Western Data Center and address penetration test findings.	Req \$	616,060	\$	-	\$	616,060
	Rec \$	-	\$	-	\$	-
	App \$	616,060	\$	-	\$	616,060
	FTE					1.000
Securities						
9 Law Enforcement Positions						
Provides funds for law enforcement officers to reduce case backlogs. These positions will provide the capacity needed to support increasingly complex, in-depth, and expansive investigations in the Securities Division.	Req \$	362,115	\$	-	\$	362,115
	Rec \$	-	\$	-	\$	-
	App \$	362,115	\$	-	\$	362,115
	FTE					2.000
Total Change to Requirements		\$ 2,136,800	\$	438,400	\$	2,575,200
Total Change to Receipts		\$ -	\$	-	\$	-
Total Change to Net Appropriation		\$ 2,136,800	\$	438,400	\$	2,575,200
Total Change to Full-Time Equivalent (FTE)						7.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$		2,575,200		
Recommended Total FTE Changes				7.000		

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Mission

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

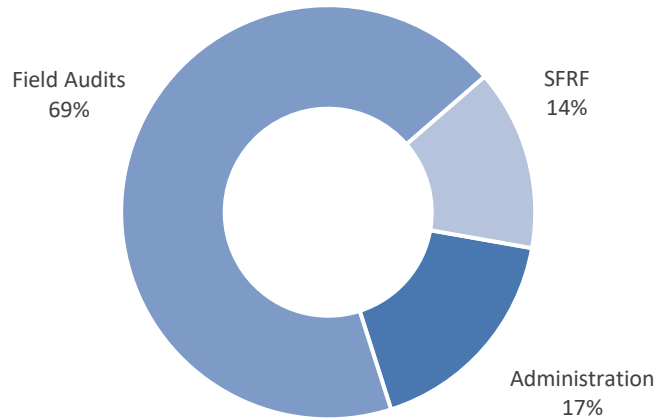
Goals

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 ensuring an effective, accountable, well-run state government.
2. Optimize the efficiency of our audits and investigations to minimize disruption to auditee’s regular activities and increase the opportunities for OSA to find savings across state government.

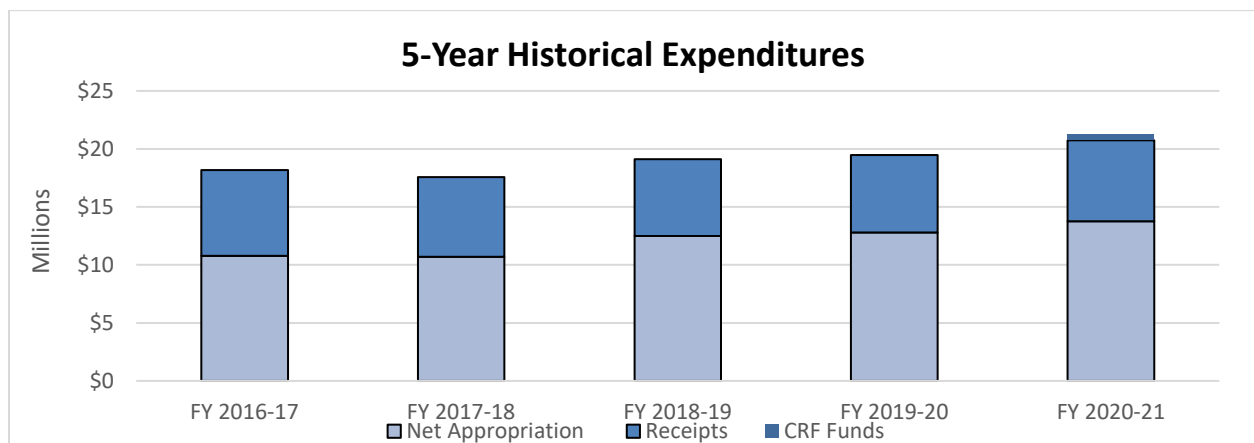
Agency Profile

- The State Auditor is elected and is a member of the Council of State.
- OSA’s audit responsibilities cover more than \$86.5 billion in state assets and \$25.8 billion in liabilities; \$28 billion in annual federal grant funding; and the finances of the state’s 17 public universities.
- OSA publishes financial statement audits, performance audits, information systems audits, and investigative reports.
- OSA plans to expand audits focusing on pandemic relief funds, 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 2021-22 Authorized Expenditures



5-Year Historical Expenditures



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

Office of the State Auditor (13300)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	21,233,185	26,458,840	23,073,933	1,670,400	1,809,100	3,479,500	26,553,433
Receipts	7,468,222	10,256,759	6,547,434	-	-	-	6,547,434
Net Appropriation	13,764,963	16,202,081	16,526,499	1,670,400	1,809,100	3,479,500	20,005,999
Positions (FTE)	0.000	160.000	160.000			1.000	161.000

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Compensation and Benefits Reserves			
1 Compensation Increase Reserve			
Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.	Req \$ 348,000	\$ -	\$ 348,000
	Rec \$ -	\$ -	\$ -
	App \$ 348,000	\$ -	\$ 348,000
	FTE		0.000
2 Retention Bonus			
Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.	Req \$ -	\$ 277,000	\$ 277,000
	Rec \$ -	\$ -	\$ -
	App \$ -	\$ 277,000	\$ 277,000
	FTE		0.000
3 Labor Market Retention and Adjustment Fund			
Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.	Req \$ 279,000	\$ -	\$ 279,000
	Rec \$ -	\$ -	\$ -
	App \$ 279,000	\$ -	\$ 279,000
	FTE		0.000
4 Retiree Cost of Living Increases			
Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.	Req \$ 43,400	\$ 32,100	\$ 75,500
	Rec \$ -	\$ -	\$ -
	App \$ 43,400	\$ 32,100	\$ 75,500
	FTE		0.000
Administration			
5 Operating Information Technology (IT) Costs			
Provides funds for one IT security officer position and for IT needs to assist auditing operations. This funding supports data processing services and maintenance cost increases and will also cover licenses, network connectivity, and online storage.	Req \$ 115,000	\$ 1,312,310	\$ 1,427,310
	Rec \$ -	\$ -	\$ -
	App \$ 115,000	\$ 1,312,310	\$ 1,427,310
	FTE		1.000
6 Budget and Accounting Contractor			
Provides funds for temporary support to address critical operational needs. This contracted position will work in the Budget and Accounting Section to enable current employees to refine necessary skillsets to effectively complete business functions.	Req \$ -	\$ 85,000	\$ 85,000
	Rec \$ -	\$ -	\$ -
	App \$ -	\$ 85,000	\$ 85,000
	FTE		0.000

	R Changes	NR Changes	Adjustments
7 Systems Administration			
Addresses the department's capacity needs with two six-month contract positions, replacing staff on leave. These additional staff will resolve backlogs at the Office of the State Auditor (OSA) and automate systems, making office operations more efficient.	Req \$ -	\$ 102,690	\$ 102,690
	Rec \$ -	\$ -	\$ -
	App \$ -	\$ 102,690	\$ 102,690
			FTE 0.000
Field Audits			
8 Audits and Subject Matter Experts			
Supports audit contracts and subject matter experts to maximize the department's efficiency and to incorporate technical expertise in the auditing process. OSA faces increasing costs and demand for more audits. These funds enable OSA to contract out audits to qualified certified public accountant firms and focus on more complicated projects.	Req \$ 885,000	\$ -	\$ 885,000
	Rec \$ -	\$ -	\$ -
	App \$ 885,000	\$ -	\$ 885,000
			FTE 0.000
Total Change to Requirements	\$ 1,670,400	\$ 1,809,100	\$ 3,479,500
Total Change to Receipts	\$ -	\$ -	\$ -
Total Change to Net Appropriation	\$ 1,670,400	\$ 1,809,100	\$ 3,479,500
Total Change to Full-Time Equivalent (FTE)			1.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$ 3,479,500		
Recommended Total FTE Changes	1.000		

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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.

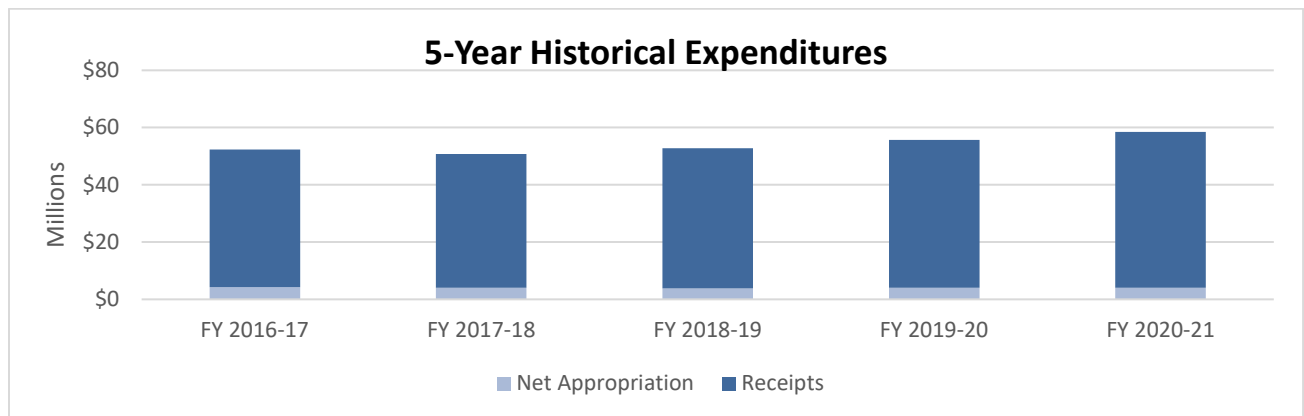
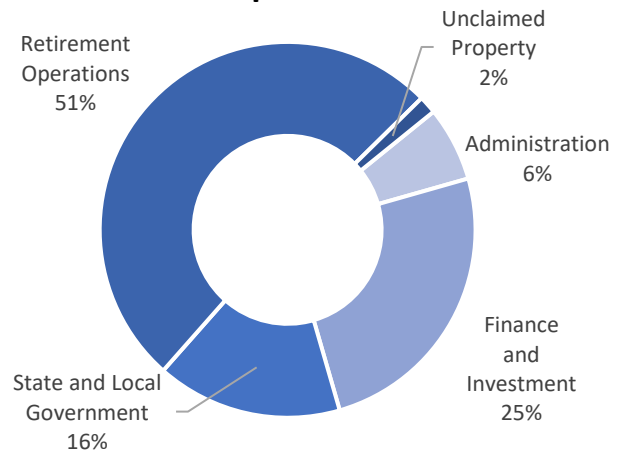
Goals

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 950,000 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 2021-22 Authorized Expenditures



Charts do not include State Health Plan, State Retirement Plans or managed investments

Department of State Treasurer (13410)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	58,528,928	68,742,382	68,143,731	898,528	995,700	1,894,228	70,037,959
Receipts	54,516,017	63,736,148	63,097,790	843,928	-	843,928	63,941,718
Net Appropriation	4,012,910	5,006,234	5,045,941	54,600	995,700	1,050,300	6,096,241
Positions (FTE)	0.000	410.600	410.600			0.000	410.600

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Compensation and Benefits Reserves			
1 Compensation Increase Reserve			
Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.	Req \$	28,000	\$ - \$ 28,000
	Rec \$	-	\$ - \$ -
	App \$	28,000	\$ - \$ 28,000
	FTE		0.000
2 Retention Bonus			
Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.	Req \$	-	\$ 993,000 \$ 993,000
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 993,000 \$ 993,000
	FTE		0.000
3 Labor Market Retention and Adjustment Fund			
Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.	Req \$	23,000	\$ - \$ 23,000
	Rec \$	-	\$ - \$ -
	App \$	23,000	\$ - \$ 23,000
	FTE		0.000
4 Retiree Cost of Living Increases			
Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.	Req \$	3,600	\$ 2,700 \$ 6,300
	Rec \$	-	\$ - \$ -
	App \$	3,600	\$ 2,700 \$ 6,300
	FTE		0.000
Department-wide			
5 Internal Auditors			
Budgets receipts to support internal auditing. The department shall use receipts for up to eight internal auditor positions to help meet minimum recommended levels from the Council of Internal Auditing. These positions would improve efficiency, effectiveness, and compliance within the agency.	Req \$	843,928	\$ - \$ 843,928
	Rec \$	843,928	\$ - \$ 843,928
	App \$	-	\$ - \$ -
	FTE		0.000
Total Change to Requirements	\$	898,528	\$ 995,700 \$ 1,894,228
Total Change to Receipts	\$	843,928	\$ - \$ 843,928
Total Change to Net Appropriation	\$	54,600	\$ 995,700 \$ 1,050,300
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		1,050,300
Recommended Total FTE Changes			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.

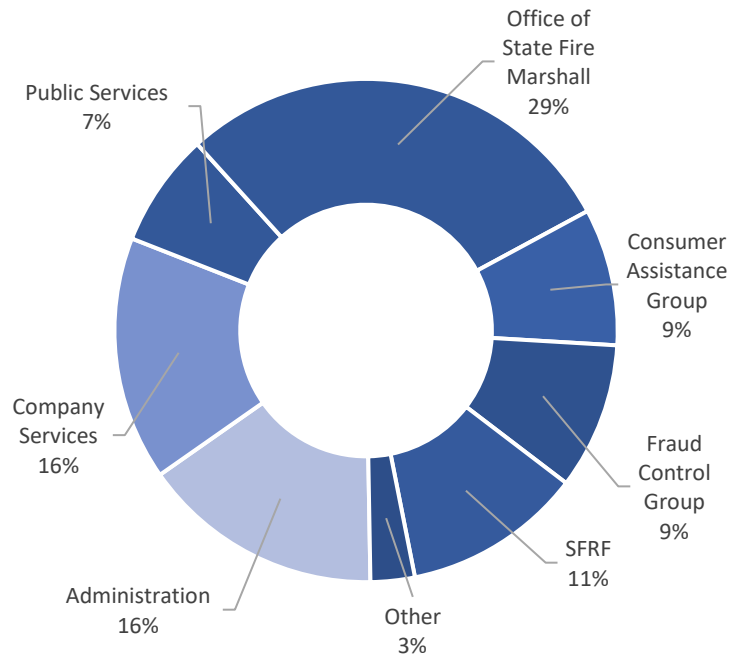
Goals

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

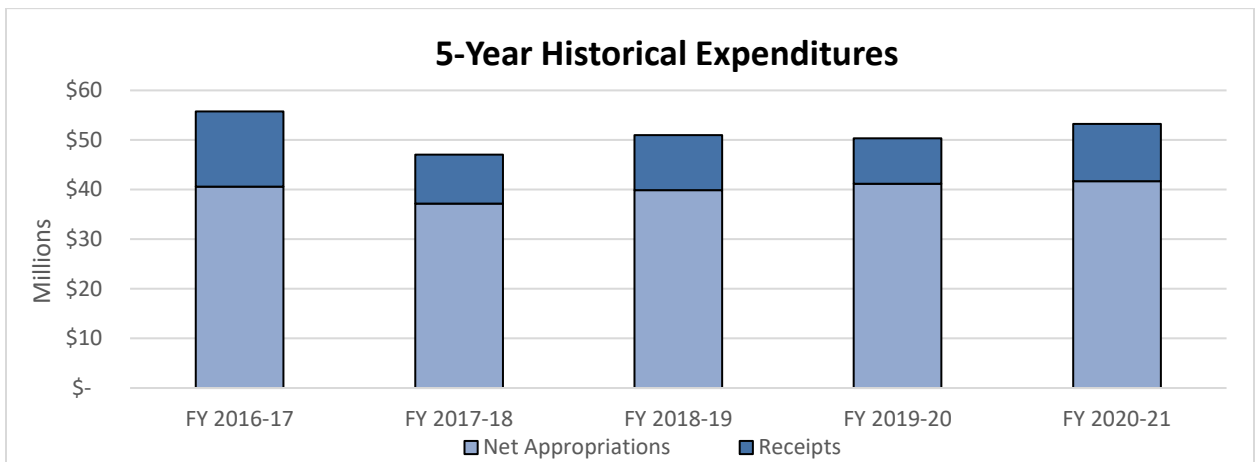
Agency Profile

- Focuses on consumers through fair ratemaking, injury prevention efforts, scrupulous regulation of insurance company solvency and industry practices, and protecting against insurance fraud.
- Protects the lives and property of NC citizens through education, engineering, code enforcement, and fire investigations.
- In 2021, the department had 405 arrests for insurance fraud, 183 convictions, and a total of \$2,729,361 in restitution/recoveries.
- 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 2021-22 Authorized Expenditures



5-Year Historical Expenditures



Charts include General Fund budget code only.

Department of Insurance (13900)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	53,244,550	72,508,374	64,323,278	3,178,266	1,246,750	4,425,016	68,748,294
Receipts	11,523,164	18,980,536	9,778,203	-	-	-	9,778,203
Net Appropriation	41,721,386	53,527,838	54,545,075	3,178,266	1,246,750	4,425,016	58,970,091
Positions (FTE)	0.000	465.137	465.137			8.000	473.137

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments

Compensation and Benefits Reserves

1 Compensation Increase Reserve

Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.

Req \$	1,055,700	\$	-	\$	1,055,700
Rec \$	-	\$	-	\$	-
App \$	1,055,700	\$	-	\$	1,055,700
FTE					0.000

2 Retention Bonus

Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.

Req \$	-	\$	968,000	\$	968,000
Rec \$	-	\$	-	\$	-
App \$	-	\$	968,000	\$	968,000
FTE					0.000

3 Labor Market Retention and Adjustment Fund

Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.

Req \$	773,000	\$	-	\$	773,000
Rec \$	-	\$	-	\$	-
App \$	773,000	\$	-	\$	773,000
FTE					0.000

4 Retiree Cost of Living Increases

Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.

Req \$	119,800	\$	88,500	\$	208,300
Rec \$	-	\$	-	\$	-
App \$	119,800	\$	88,500	\$	208,300
FTE					0.000

Department-wide

5 Internal Auditor

Funds one Internal Auditor to help meet minimum recommended levels from the Council of Internal Auditing. This position will improve efficiency, effectiveness, and compliance within the agency.

Req \$	105,491	\$	-	\$	105,491
Rec \$	-	\$	-	\$	-
App \$	105,491	\$	-	\$	105,491
FTE					1.000

Administration

6 Information Technology (IT) Security

Supports one IT security officer position and necessary software subscriptions to better protect the department against cyber threats. This item funds the design and implementation of a security information and event management system, which the IT security officer position will manage, to ensure ongoing compliance with state requirements.

Req \$	350,000	\$	-	\$	350,000
Rec \$	-	\$	-	\$	-
App \$	350,000	\$	-	\$	350,000
FTE					1.000

		R Changes		NR Changes		Adjustments
Office of State Fire Marshal						
7 Code Officials						
Funds five Code Official III positions to assist with inspections throughout the state. These positions will provide consistent inspections of building, electrical, fire, plumbing, and mechanical issues for builders and developers, supporting economic growth and recovery.	Req \$	531,731	\$	190,250	\$	721,981
	Rec \$	-	\$	-	\$	-
	App \$	531,731	\$	190,250	\$	721,981
	FTE					5.000
8 Geographic Information System (GIS) Data Analysis						
Provides funds for software licenses costs and an Applications Systems Specialist to support the department's GIS program. These resources will assist the Office of the State Fire Marshall in measuring fire department effectiveness, digitizing building footprints, and generating data for required reports.	Req \$	127,270	\$	-	\$	127,270
	Rec \$	-	\$	-	\$	-
	App \$	127,270	\$	-	\$	127,270
	FTE					1.000
Producers, Fraud, and Products						
9 Law Enforcement Equipment						
Replaces aging equipment and allows the department to implement a replacement schedule to ensure agents are properly equipped. Most equipment should be replaced every three years. This funding prevents agents from using expired or faulty equipment.	Req \$	115,274	\$	-	\$	115,274
	Rec \$	-	\$	-	\$	-
	App \$	115,274	\$	-	\$	115,274
	FTE					0.000
Total Change to Requirements	\$	3,178,266	\$	1,246,750	\$	4,425,016
Total Change to Receipts	\$	-	\$	-	\$	-
Total Change to Net Appropriation	\$	3,178,266	\$	1,246,750	\$	4,425,016
Total Change to Full-Time Equivalent (FTE)						8.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$				4,425,016
Recommended Total FTE Changes						8.000

Insurance - Trust - Internal Service (63903)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	44,193,854	25,082,551	25,082,551	-	25,000,000	25,000,000	50,082,551
Receipts	37,462,151	25,082,551	25,082,551	-	25,000,000	25,000,000	50,082,551
Δ in Fund Balance	(6,731,703)	-	-	-	-	-	-
Positions (FTE)	0.000	0.000	0.000			0.000	0.000

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Investments from Reserves			
1 Support for State Property Fire Fund			
Invests receipts from the State Emergency Response and Disaster Relief Fund to sustain the State Property Fire Fund and to cover the annual excess premium payment. This support enables the fund to provide adequate and timely coverage to insured state entities.	Req \$	- \$	25,000,000 \$
	Rec \$	- \$	25,000,000 \$
	CFB \$	- \$	- \$
	FTE		0.000
Total Change to Requirements	\$	- \$	25,000,000 \$
Total Change to Receipts	\$	- \$	25,000,000 \$
Total Change to Net Appropriation	\$	- \$	- \$
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$		-
Recommended Total FTE Changes			0.000

Industrial Commission (13902)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	26,026,940	22,773,995	22,737,319	248,600	303,600	552,200	23,289,519
Receipts	16,384,187	13,788,856	13,579,528	(1,500,000)	-	(1,500,000)	12,079,528
Net Appropriation	9,642,753	8,985,139	9,157,791	1,748,600	303,600	2,052,200	11,209,991
Positions (FTE)	0.000	144.204	144.204			0.000	144.204

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments

Compensation and Benefits Reserves

1 Compensation Increase Reserve

Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.

Req \$	131,900	\$	-	\$	131,900
Rec \$	-	\$	-	\$	-
App \$	131,900	\$	-	\$	131,900
FTE					0.000

2 Retention Bonus

Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.

Req \$	-	\$	292,000	\$	292,000
Rec \$	-	\$	-	\$	-
App \$	-	\$	292,000	\$	292,000
FTE					0.000

3 Labor Market Retention and Adjustment Fund

Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.

Req \$	101,000	\$	-	\$	101,000
Rec \$	-	\$	-	\$	-
App \$	101,000	\$	-	\$	101,000
FTE					0.000

4 Retiree Cost of Living Increases

Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.

Req \$	15,700	\$	11,600	\$	27,300
Rec \$	-	\$	-	\$	-
App \$	15,700	\$	11,600	\$	27,300
FTE					0.000

Administration

5 Commission Operations

Provides General Fund support for key Industrial Commission positions and administration of the new case management system. Loss of fee revenue due to fewer workers' compensation claims has reduced the funding for these positions. If needed, the commission may create one new position using these funds to support the case management system, which provides a new self-service portal for attorneys and the public to compile claim documentation.

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

Total Change to Requirements	\$	248,600	\$	303,600	\$	552,200
Total Change to Receipts	\$	(1,500,000)	\$	-	\$	(1,500,000)
Total Change to Net Appropriation	\$	1,748,600	\$	303,600	\$	2,052,200
Total Change to Full-Time Equivalent (FTE)						0.000

Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$	2,052,200
Recommended Total FTE Changes		0.000

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Mission

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

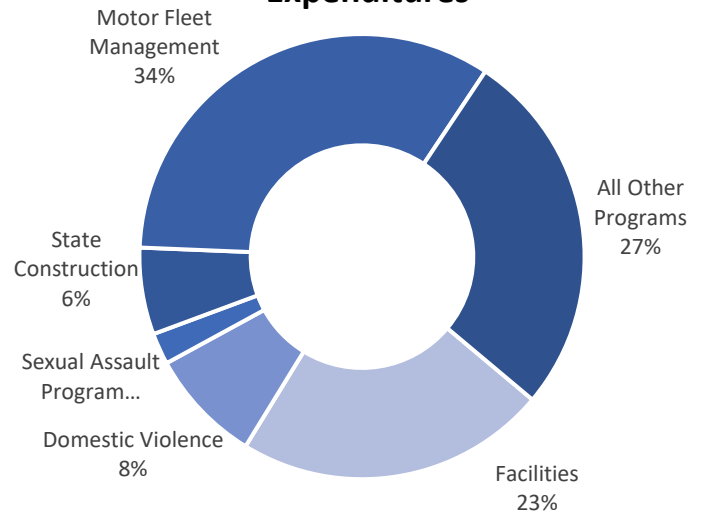
Goals

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.

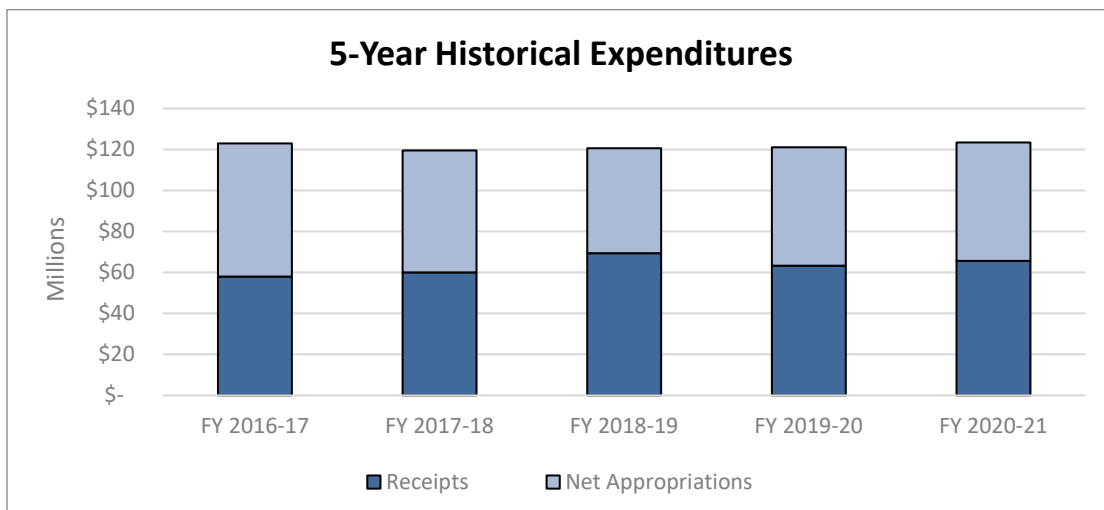
Agency Profile

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

FY 2021-22 Authorized Expenditures



5-Year Historical Expenditures



*Data does not include Office of State Human Resources, which now has its own budget code
Data includes both General Fund and Internal Service Funds*

Department of Administration (14100)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	82,570,334	94,042,041	72,600,521	3,537,121	1,189,000	4,726,121	77,326,642
Receipts	17,390,747	32,856,444	11,363,679	-	-	-	11,363,679
Net Appropriation	65,179,586	61,185,597	61,236,842	3,537,121	1,189,000	4,726,121	65,962,963
Positions (FTE)	0.000	365.149	364.149			18.000	382.149

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Compensation and Benefits Reserves			
1 Compensation Increase Reserve			
Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.	Req \$	675,000	\$ - \$ 675,000
	Rec \$	-	\$ - \$ -
	App \$	675,000	\$ - \$ 675,000
	FTE		0.000
2 Retention Bonus			
Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.	Req \$	-	\$ 1,127,000 \$ 1,127,000
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 1,127,000 \$ 1,127,000
	FTE		0.000
3 Labor Market Retention and Adjustment Fund			
Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.	Req \$	540,000	\$ - \$ 540,000
	Rec \$	-	\$ - \$ -
	App \$	540,000	\$ - \$ 540,000
	FTE		0.000
4 Retiree Cost of Living Increases			
Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.	Req \$	84,000	\$ 62,000 \$ 146,000
	Rec \$	-	\$ - \$ -
	App \$	84,000	\$ 62,000 \$ 146,000
	FTE		0.000
Department-wide			
5 Summer Internship Program Expansion			
Expands the state summer internship program by an additional 17 participants for a total of 50 interns and allows the department to pay interns an increased rate of \$15 per hour.	Req \$	250,000	\$ - \$ 250,000
	Rec \$	-	\$ - \$ -
	App \$	250,000	\$ - \$ 250,000
	FTE		0.000
6 Infrastructure and Energy Efficiency Staff and Software			
Creates three positions for Infrastructure Engineers, Energy Efficiency, or Facilities Maintenance staff. These positions will enhance the department's capital planning, ensure more timely building maintenance and repairs, and improve energy efficiency in state buildings. Funds will also be used for utility monitoring software, enabling the department to conserve energy, reduce consumption and cost, and support the state's energy efficiency goals.	Req \$	353,750	\$ - \$ 353,750
	Rec \$	-	\$ - \$ -
	App \$	353,750	\$ - \$ 353,750
	FTE		3.000

		R Changes		NR Changes		Adjustments
Commission of Indian Affairs						
7 Indian Child Welfare Program Support						
Provides funds for a dedicated position to track and retain data on American Indian child welfare cases, perform follow-up on new and existing cases, and train American Indian foster care parents.	Req \$	100,124	\$	-	\$	100,124
	Rec \$	-	\$	-	\$	-
	App \$	100,124	\$	-	\$	100,124
	FTE					1.000
Council for Women & Youth Involvement (CFWYI)						
8 Human Trafficking Team Funding						
Provides funds for the Human Trafficking Team to continue training, outreach, youth leadership development, and housing support services. This will transition the team from time-limited grant funding to General Fund support.	Req \$	625,000	\$	-	\$	625,000
	Rec \$	-	\$	-	\$	-
	App \$	625,000	\$	-	\$	625,000
	FTE					5.000
9 Domestic Violence Intervention Program Support						
Funds a new position to fulfill the CFWYI and the Domestic Violence Commission's court-ordered obligations to provide support and screening for the Domestic Violence Intervention Program.	Req \$	80,000	\$	-	\$	80,000
	Rec \$	-	\$	-	\$	-
	App \$	80,000	\$	-	\$	80,000
	FTE					1.000
Office of Historically Underutilized Businesses						
10 Small Business Enterprise Program						
Funds staffing and operations for the Small Business Enterprise Program. These funds will help address the disproportionate impact of COVID-19 on communities of color by training historically underutilized businesses (HUB) on the state contract process and establishing measures of accountability for HUB growth.	Req \$	500,000	\$	-	\$	500,000
	Rec \$	-	\$	-	\$	-
	App \$	500,000	\$	-	\$	500,000
	FTE					5.000
State Construction Office						
11 Facilities Support						
Establishes two positions, an Engineer I and a Grounds Supervisor II, to implement sustainability projects at state government facilities. The positions will assist the state in reducing energy and water consumption and maintaining green roofs, living walls, and native plant landscaping.	Req \$	179,742	\$	-	\$	179,742
	Rec \$	-	\$	-	\$	-
	App \$	179,742	\$	-	\$	179,742
	FTE					2.000
State Ethics Commission						
12 Application Systems Analyst II						
Funds an information technology (IT) professional to support the State Ethics Commission's financial disclosure e-filing system and database. The commission collects disclosure forms from approximately 7,000 state officials subject to their jurisdiction.	Req \$	124,505	\$	-	\$	124,505
	Rec \$	-	\$	-	\$	-
	App \$	124,505	\$	-	\$	124,505
	FTE					1.000
13 IT Subscription Costs						
Provides increased funding for routine IT costs. The commission has recently deployed an e-filing system with increased server and data needs.	Req \$	25,000	\$	-	\$	25,000
	Rec \$	-	\$	-	\$	-
	App \$	25,000	\$	-	\$	25,000
	FTE					0.000
Total Change to Requirements		\$ 3,537,121		\$ 1,189,000		\$ 4,726,121
Total Change to Receipts		\$ -		\$ -		\$ -
Total Change to Net Appropriation		\$ 3,537,121		\$ 1,189,000		\$ 4,726,121
Total Change to Full-Time Equivalent (FTE)						18.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$		4,726,121		
Recommended Total FTE Changes				18.000		

Administration - Special (24100)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	41,318,314	28,275,485	20,525,485	800,000	-	800,000	21,325,485
Receipts	29,818,095	20,525,485	20,525,485	800,000	-	800,000	21,325,485
Δ in Fund Balance	(11,500,220)	(7,750,000)	-	-	-	-	-
Positions (FTE)	0.000	7.210	7.210			0.000	7.210

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
e-Procurement Fund			
1 New Vendor Portal			
Budgets 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	\$ -	\$ 350,000
	Rec \$ 350,000	\$ -	\$ 350,000
	CFB \$ -	\$ -	-
	FTE		0.000
2 Billing Applications			
Budgets 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	\$ -	\$ 250,000
	Rec \$ 250,000	\$ -	\$ 250,000
	CFB \$ -	\$ -	-
	FTE		0.000
3 Supplier Lifecycle & Performance Module			
Budgets 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	\$ -	\$ 200,000
	Rec \$ 200,000	\$ -	\$ 200,000
	CFB \$ -	\$ -	-
	FTE		0.000
Total Change to Requirements	\$ 800,000	\$ -	\$ 800,000
Total Change to Receipts	\$ 800,000	\$ -	\$ 800,000
Total Change to Net Appropriation	\$ -	\$ -	-
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$	-	
Recommended Total FTE Changes		0.000	

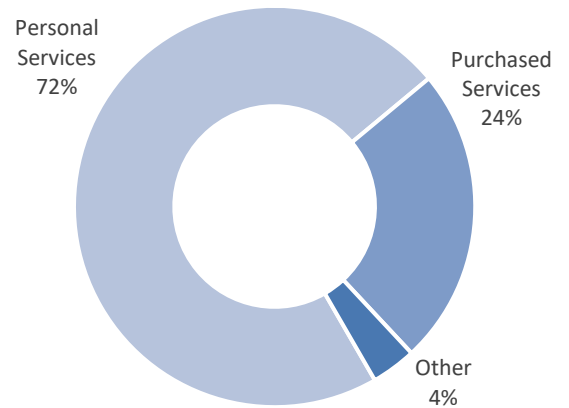
Mission

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

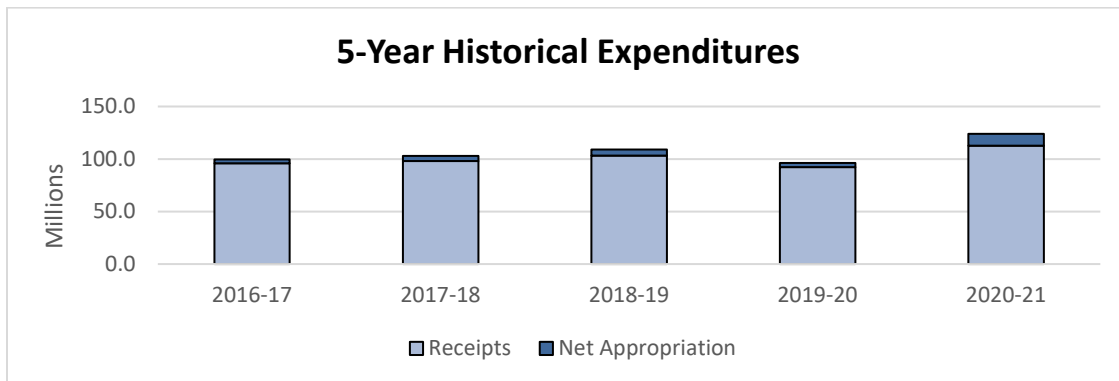
1. Streamline and modernize business systems and operations; implement data-driven decision capability through analytics.
2. Increase employee retention and improve recruitment and training programs consistent with Governor Cooper's NC Job Ready Initiative.
3. Implement proactive measures to support a state workforce that reflects the state's diversity.
4. Continue developing and refining the 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 2021-22 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.



Starting in FY 2021-22, OSHR has its own budget code; previously, it was budgeted within the Department of Administration. Charts include General Fund and Internal Service Fund Budget Codes.

Office of State Human Resources - General Fund (14111)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	-	9,558,061	9,907,043	834,700	15,208,000	16,042,700	25,949,743
Receipts	-	228,305	116,966	-	15,000,000	15,000,000	15,116,966
Net Appropriation	-	9,329,756	9,790,077	834,700	208,000	1,042,700	10,832,777
Positions (FTE)	0.000	63.550	63.550			3.000	66.550

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Compensation and Benefits Reserves			
1 Compensation Increase Reserve			
Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.	Req \$	174,000	\$ - \$ 174,000
	Rec \$	-	\$ - \$ -
	App \$	174,000	\$ - \$ 174,000
	FTE		0.000
2 Retention Bonus			
Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.	Req \$	-	\$ 192,000 \$ 192,000
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 192,000 \$ 192,000
	FTE		0.000
3 Labor Market Retention and Adjustment Fund			
Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.	Req \$	139,000	\$ - \$ 139,000
	Rec \$	-	\$ - \$ -
	App \$	139,000	\$ - \$ 139,000
	FTE		0.000
4 Retiree Cost of Living Increases			
Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.	Req \$	21,700	\$ 16,000 \$ 37,700
	Rec \$	-	\$ - \$ -
	App \$	21,700	\$ 16,000 \$ 37,700
	FTE		0.000
OSHR Operations			
5 Improved Service Delivery			
Provides three additional staff to meet growing demand from agencies and local governments for human resources support in areas including recruitment and retention, diversity and inclusion, and classification and compensation, as well as funds for a contract extension of the Statewide Class and Compensation Project.	Req \$	500,000	\$ - \$ 500,000
	Rec \$	-	\$ - \$ -
	App \$	500,000	\$ - \$ 500,000
	FTE		3.000
Investments from Reserves			
6 Enterprise Human Resources Digital Transformation			
Funds the initial phase of planning and development for an enterprise-wide replacement of the state's Beacon HR system. This technology solution will better align several software systems and improve benefits and learning management for nearly 130,000 employees. This item budgets receipts transferred from the Information Technology Reserve.	Req \$	-	\$ 15,000,000 \$ 15,000,000
	Rec \$	-	\$ 15,000,000 \$ 15,000,000
	App \$	-	\$ - \$ -
	FTE		0.000

	R Changes	NR Changes	Adjustments
Total Change to Requirements	\$ 834,700	\$ 15,208,000	\$ 16,042,700
Total Change to Receipts	\$ -	\$ 15,000,000	\$ 15,000,000
Total Change to Net Appropriation	\$ 834,700	\$ 208,000	\$ 1,042,700
Total Change to Full-Time Equivalent (FTE)			3.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$	1,042,700	
Recommended Total FTE Changes			3.000

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Mission

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

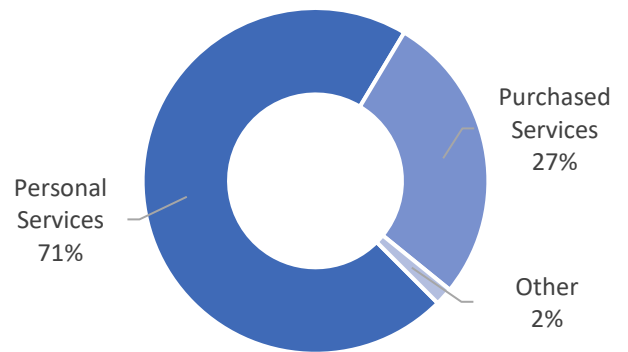
Goals

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.

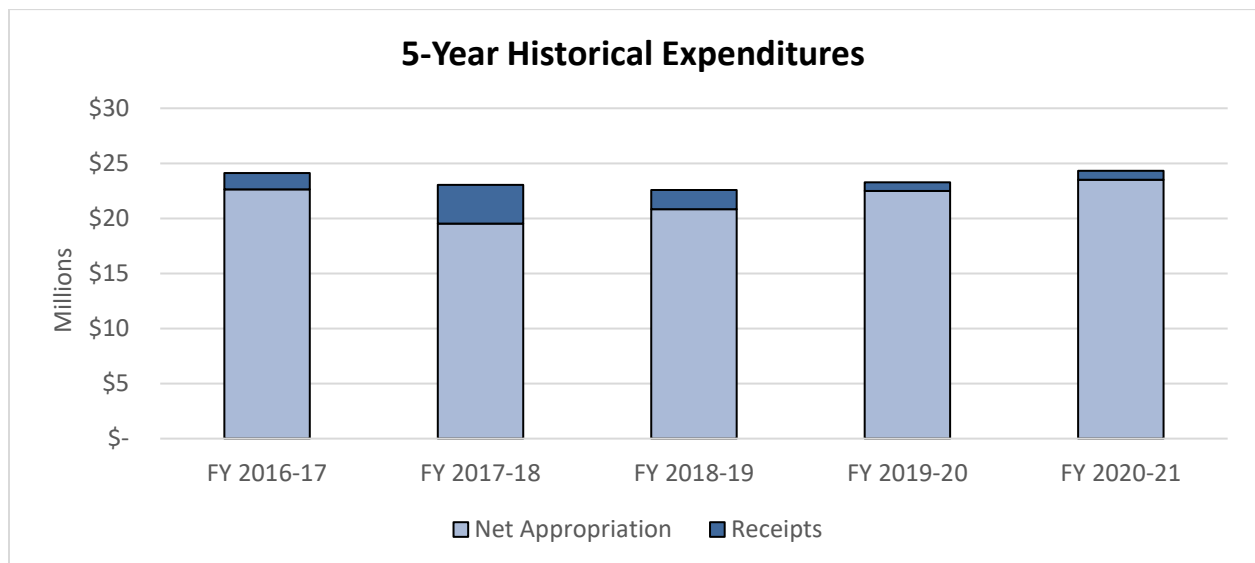
Agency Profile

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

FY 2021-22 Authorized Expenditures



5-Year Historical Expenditures



Charts include General Fund budget code only.

Office of the State Controller (14160)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	24,327,597	29,282,114	32,631,521	1,096,994	414,100	1,511,094	34,142,615
Receipts	811,547	1,095,838	856,394	-	-	-	856,394
Net Appropriation	23,516,050	28,186,276	31,775,127	1,096,994	414,100	1,511,094	33,286,221
Positions (FTE)	0.000	167.454	167.454			1.500	168.954

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Compensation and Benefits Reserves			
1 Compensation Increase Reserve			
Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.	Req \$ 480,000	\$ -	\$ 480,000
	Rec \$ -	\$ -	\$ -
	App \$ 480,000	\$ -	\$ 480,000
	FTE		0.000
2 Retention Bonus			
Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.	Req \$ -	\$ 370,000	\$ 370,000
	Rec \$ -	\$ -	\$ -
	App \$ -	\$ 370,000	\$ 370,000
	FTE		0.000
3 Labor Market Retention and Adjustment Fund			
Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.	Req \$ 384,000	\$ -	\$ 384,000
	Rec \$ -	\$ -	\$ -
	App \$ 384,000	\$ -	\$ 384,000
	FTE		0.000
4 Retiree Cost of Living Increases			
Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.	Req \$ 59,700	\$ 44,100	\$ 103,800
	Rec \$ -	\$ -	\$ -
	App \$ 59,700	\$ 44,100	\$ 103,800
	FTE		0.000
Department-wide			
5 Internal Auditor Positions			
Funds internal auditors to help meet minimum recommended levels from the Council of Internal Auditing. These positions will improve efficiency, effectiveness, and compliance within the agency.	Req \$ 173,294	\$ -	\$ 173,294
	Rec \$ -	\$ -	\$ -
	App \$ 173,294	\$ -	\$ 173,294
	FTE		1.500
Total Change to Requirements	\$ 1,096,994	\$ 414,100	\$ 1,511,094
Total Change to Receipts	\$ -	\$ -	\$ -
Total Change to Net Appropriation	\$ 1,096,994	\$ 414,100	\$ 1,511,094
Total Change to Full-Time Equivalent (FTE)			1.500
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$ 1,511,094		
Recommended Total FTE Changes	1.500		

Mission

To enable trusted business-driven solutions that meet the needs of North Carolinians.

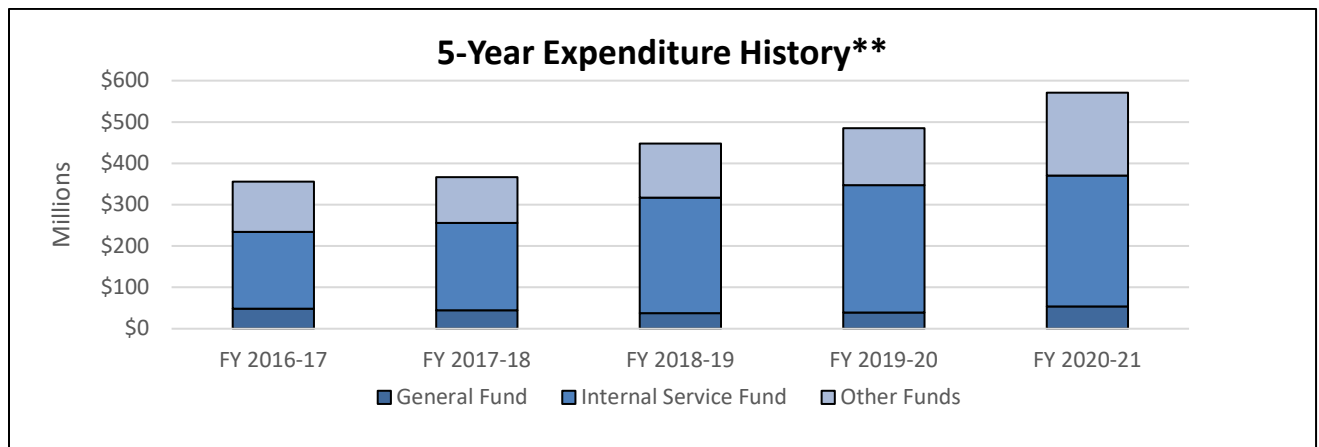
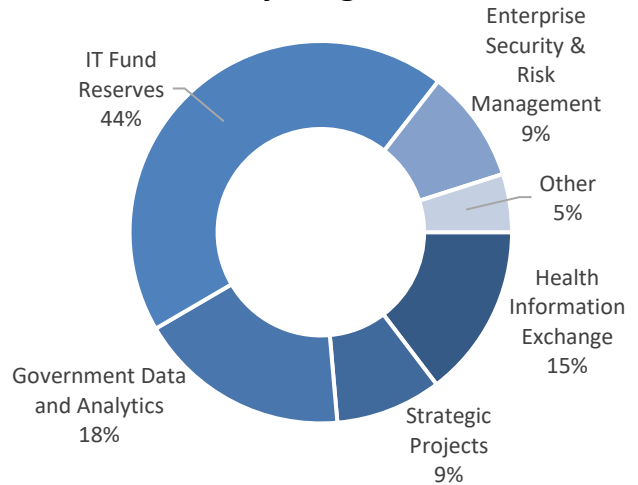
Goals

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

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.
- Houses four boards and commissions, including the state’s 911 Board, the N.C. Geographic Information Coordinating Council, the IT Strategy Board, and the N.C. Health Information Exchange Authority Advisory Board.
- 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 2021-22 Authorized Expenditures by Program*



*FY 2021-22 expenditures chart includes General Fund budget code only and excludes State Fiscal Recovery Funds.

**5-year history includes General Fund and Internal Service Fund budget codes.

Department of Information Technology (14660)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	63,608,516	1,060,618,295	86,621,172	1,483,157	2,161,100	3,644,257	90,265,429
Receipts	8,946,605	971,184,135	16,695,570	-	-	-	16,695,570
Net Appropriation	54,661,910	89,434,160	69,925,602	1,483,157	2,161,100	3,644,257	73,569,859
Positions (FTE)	0.000	111.750	111.750			3.250	115.000

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Compensation and Benefits Reserves			
1 Compensation Increase Reserve			
Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.	Req \$	414,000	\$ - \$ 414,000
	Rec \$	-	\$ - \$ -
	App \$	414,000	\$ - \$ 414,000
	FTE		0.000
2 Retention Bonus			
Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.	Req \$	-	\$ 2,123,000 \$ 2,123,000
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 2,123,000 \$ 2,123,000
	FTE		0.000
3 Labor Market Retention and Adjustment Fund			
Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.	Req \$	331,000	\$ - \$ 331,000
	Rec \$	-	\$ - \$ -
	App \$	331,000	\$ - \$ 331,000
	FTE		0.000
4 Retiree Cost of Living Increases			
Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.	Req \$	51,600	\$ 38,100 \$ 89,700
	Rec \$	-	\$ - \$ -
	App \$	51,600	\$ 38,100 \$ 89,700
	FTE		0.000
Center for Geographic Information and Analysis			
5 Center for Geographic Information and Analysis (CGIA) Positions			
Transfers positions from receipts to General Fund support in order to provide more consistent service and staffing. CGIA is the lead agency for geospatial data development and services.	Req \$	686,557	\$ - \$ 686,557
	Rec \$	-	\$ - \$ -
	App \$	686,557	\$ - \$ 686,557
	FTE		3.250
Total Change to Requirements	\$	1,483,157	\$ 2,161,100 \$ 3,644,257
Total Change to Receipts	\$	-	\$ - \$ -
Total Change to Net Appropriation	\$	1,483,157	\$ 2,161,100 \$ 3,644,257
Total Change to Full-Time Equivalent (FTE)			3.250
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		3,644,257
Recommended Total FTE Changes			3.250

Information Technology - IT/IT Reserve Fund (24667)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	88,385,539	33,939,927	33,939,927	-	20,000,000	20,000,000	53,939,927
Receipts	65,445,239	53,939,927	33,939,927	-	20,000,000	20,000,000	53,939,927
Δ in Fund Balance	(22,940,301)	20,000,000	-	-	-	-	-
Positions (FTE)	0.000	31.000	31.000			0.000	31.000

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Investments from Reserves			
1 State Match for Federal Security Funds			
Provides \$6.8 million nonrecurring matching funds for the Infrastructure Investment and Jobs Act Cyber Grant to address cyber-related activities across state and local governments. This item is funded in the Matching Funds Reserve in the Reserves Section of this document.	Req \$	- \$	- \$
	Rec \$	- \$	- \$
	CFB \$	- \$	- \$
	FTE		0.000
2 NC Health Information Exchange (NCHIE) Provider Outreach and Connection			
Funds the further development and integration of NCHIE that supports over 58,000 healthcare providers across 7,000 facilities in the state. Ten percent of funds may be used to support three time-limited positions: a provider relations specialist and two outreach specialists. This item budgets receipts transferred from the Information Technology Reserve.	Req \$	- \$	16,500,000 \$
	Rec \$	- \$	16,500,000 \$
	CFB \$	- \$	- \$
	FTE		0.000
3 Business One-Stop Shop Government Portal			
Establishes a singular point of contact for the public to access the state government resources needed to start, maintain, and grow a business in North Carolina. The Department of the Secretary of State will pilot this new platform. This item budgets receipts transferred from the Information Technology Reserve.	Req \$	- \$	2,500,000 \$
	Rec \$	- \$	2,500,000 \$
	CFB \$	- \$	- \$
	FTE		0.000
4 VoIP Telephone Service Assessment			
Funds a study to assess the resources needed to migrate the state's legacy telephone resources to an internet-based system. Costs associated with standard copper telephone lines will be deregulated starting in 2023. This item budgets receipts transferred from the Information Technology Reserve.	Req \$	- \$	1,000,000 \$
	Rec \$	- \$	1,000,000 \$
	CFB \$	- \$	- \$
	FTE		0.000
Total Change to Requirements	\$	- \$	20,000,000 \$
Total Change to Receipts	\$	- \$	20,000,000 \$
Total Change to Net Appropriation	\$	- \$	- \$
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$		-
Recommended Total FTE Changes			0.000

Governor's Office - Information Technology Services - Internal Service (74660)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	316,091,473	301,051,934	301,051,934	(686,557)	-	(686,557)	300,365,377
Receipts	324,126,770	300,565,759	300,565,759	(686,557)	-	(686,557)	299,879,202
Δ in Fund Balance	8,035,297	(486,175)	(486,175)	-	-	-	(486,175)
Positions (FTE)	0.000	1,160.250	1,160.250			(3.250)	1,157.000

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Center for Geographic Information and Analysis			
1 Center for Geographic Information and Analysis (CGIA) Positions			
Reduces the amount budgeted in the Internal Service Fund for CGIA. Operating, software licenses, and expenses for positions will be supported by the General Fund and are shown in budget code 14660.	Req \$	(686,557)	\$ - \$ (686,557)
	Rec \$	(686,557)	\$ - \$ (686,557)
	CFB \$	-	\$ - \$ -
	FTE		(3.250)
Total Change to Requirements	\$	(686,557)	\$ - \$ (686,557)
Total Change to Receipts	\$	(686,557)	\$ - \$ (686,557)
Total Change to Net Appropriation	\$	-	\$ - \$ -
Total Change to Full-Time Equivalent (FTE)			(3.250)
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$		-
Recommended Total FTE Changes			(3.250)

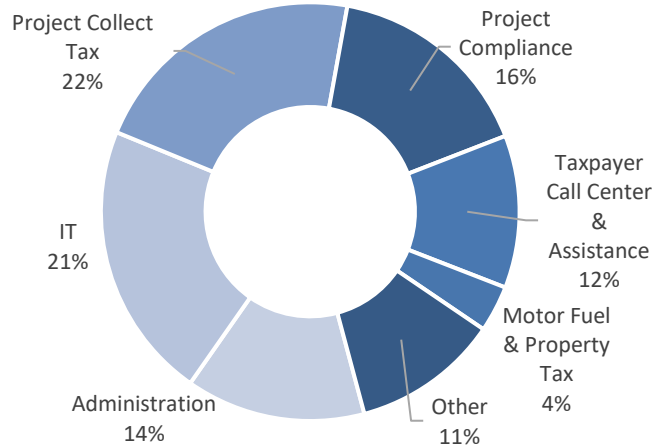
Mission

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

Goals

1. Solidify KPI's to improve and monitor service delivery quality.
2. Improve safety and security.
3. Improve internal communications, engagement & agency culture.
4. Implement a comprehensive Knowledge Management capability.
5. Improve IT systems.
6. Continue commitment to diversity and inclusion and EEO commitment, and equity.
7. Prioritize evidence-based decision making.

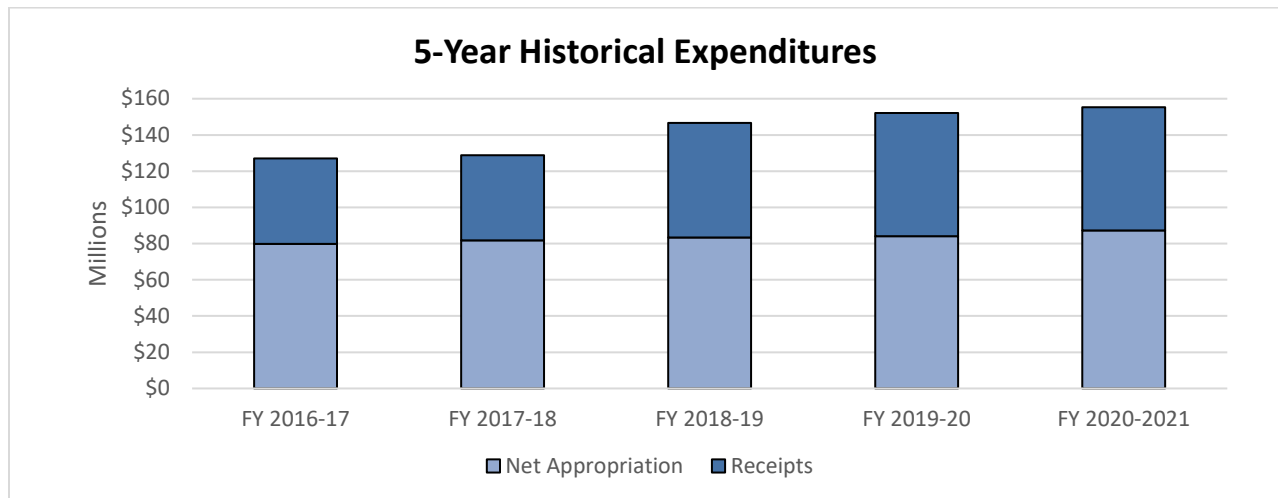
FY 2021-22 Authorized Expenditures*



Agency Profile

- Administers over 20 different taxes, including individual income, corporate income, sales and use, motor fuel, alcoholic beverage, and tobacco taxes.
- Provides compliance and enforcement efforts that yielded \$874 million during FY 2020-21.
- Collected \$39 billion in revenue during FY 2020-21 and deposited \$28.8 billion into the state's General Fund.
- Received 70% of payments electronically during FY 2020-21.
- The individual income tax represents the largest source of revenue for the state General Fund, followed by the sales tax.

5-Year Historical Expenditures



Charts include General Fund budget code only

** Excludes State Fiscal Recovery Funds.*

Department of Revenue (14700)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	159,867,251	679,577,715	176,677,836	4,478,085	3,252,300	7,730,385	184,408,221
Receipts	71,913,924	568,895,961	63,478,511	-	-	-	63,478,511
Net Appropriation	87,953,326	110,681,754	113,199,325	4,478,085	3,252,300	7,730,385	120,929,710
Positions (FTE)	0.000	1,456.015	1,456.015			1.000	1,457.015

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Compensation and Benefits Reserves			
1 Compensation Increase Reserve			
Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increases for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.	Req \$ 1,812,800	\$ -	\$ 1,812,800
	Rec \$ -	\$ -	\$ -
	App \$ 1,812,800	\$ -	\$ 1,812,800
	FTE		0.000
2 Retention Bonus			
Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice , with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.	Req \$ -	\$ 3,089,000	\$ 3,089,000
	Rec \$ -	\$ -	\$ -
	App \$ -	\$ 3,089,000	\$ 3,089,000
	FTE		0.000
3 Labor Market Retention and Adjustment Fund			
Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.	Req \$ 1,424,000	\$ -	\$ 1,424,000
	Rec \$ -	\$ -	\$ -
	App \$ 1,424,000	\$ -	\$ 1,424,000
	FTE		0.000
4 Retiree Cost of Living Increases			
Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.	Req \$ 221,300	\$ 163,300	\$ 384,600
	Rec \$ -	\$ -	\$ -
	App \$ 221,300	\$ 163,300	\$ 384,600
	FTE		0.000
Department-wide			
5 Effective and Efficient Operations			
Provides funds to ensure the department can operate effectively, and to bolster internal audit capacity. Funds will be used to establish one Information Systems Internal Auditor to ensure the department can meet state and federal audit requirements, address rising information technology costs, and ensure that all department offices are safe and secure.	Req \$ 1,019,985	\$ -	\$ 1,019,985
	Rec \$ -	\$ -	\$ -
	App \$ 1,019,985	\$ -	\$ 1,019,985
	FTE		1.000
Total Change to Requirements	\$ 4,478,085	\$ 3,252,300	\$ 7,730,385
Total Change to Receipts	\$ -	\$ -	\$ -
Total Change to Net Appropriation	\$ 4,478,085	\$ 3,252,300	\$ 7,730,385
Total Change to Full-Time Equivalent (FTE)			1.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$ 7,730,385		
Recommended Total FTE Changes	1.000		

Mission

To safeguard the fundamental right to vote for North Carolinians through free, fair, and accessible elections, ensuring the integrity and accuracy of the election process through the consistent administration and impartial application of election and campaign finance laws, rules, and regulations across all 100 counties.

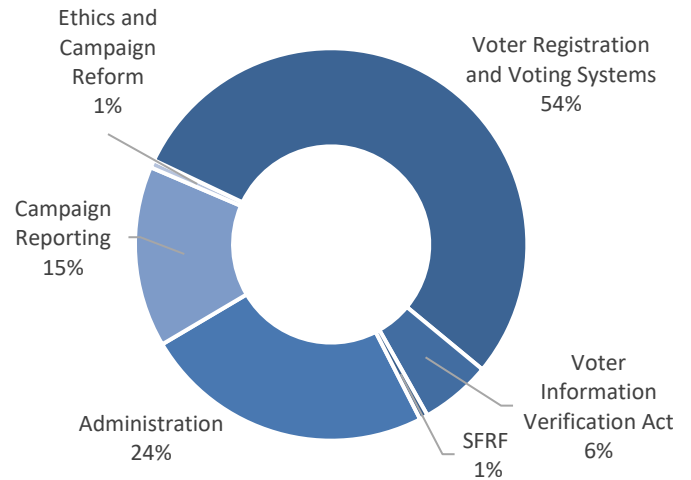
Goals

1. Conduct accessible, secure, and fair elections.
2. Promote political transparency and accountability.
3. Facilitate voter registration and participation by all eligible North Carolinians.
4. Deliver a positive voting experience and excellent customer service that instills confidence and trust for voters of North Carolina.

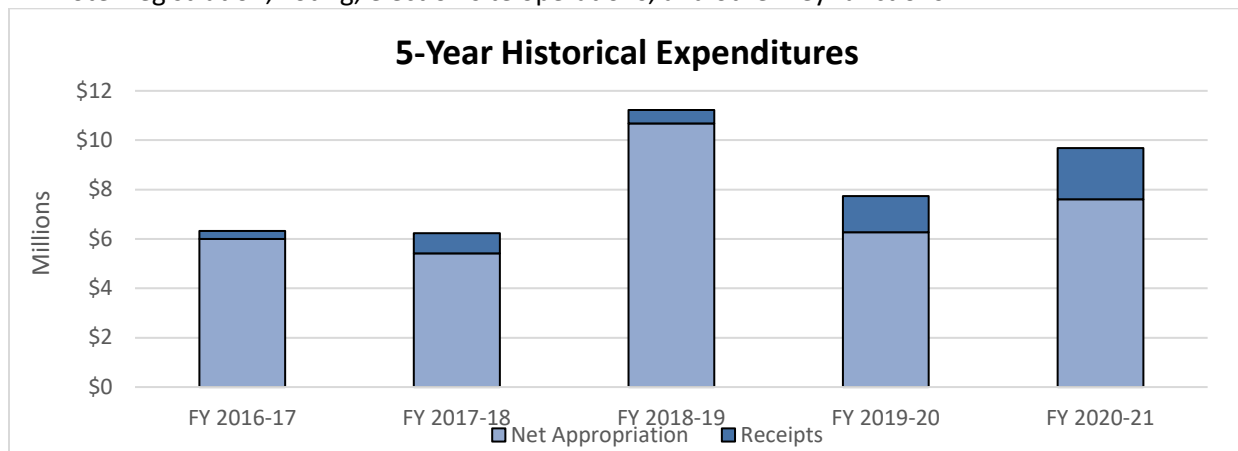
Agency Profile

- 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



5-Year Historical Expenditures



Charts include General Fund budget codes only.

FY 2018-19 increase reflects additional net appropriations to support the Voter Information Verification Act (VIVA) ballot measure. FY 2020-21 reflects additional federal receipts to support administration and increased receipts.

State Board of Elections (18025)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	9,605,034	13,068,815	8,194,592	1,457,051	583,746	2,040,797	10,235,389
Receipts	2,000,228	201,227	116,122	-	-	-	116,122
Net Appropriation	7,604,806	12,867,588	8,078,470	1,457,051	583,746	2,040,797	10,119,267
Positions (FTE)	0.000	66.000	66.000			10.000	76.000

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Compensation and Benefits Reserves			
1 Compensation Increase Reserve			
Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.	Req \$	145,000	\$ - \$ 145,000
	Rec \$	-	\$ - \$ -
	App \$	145,000	\$ - \$ 145,000
	FTE		0.000
2 Retention Bonus			
Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.	Req \$	-	\$ 206,000 \$ 206,000
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 206,000 \$ 206,000
	FTE		0.000
3 Labor Market Retention and Adjustment Fund			
Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.	Req \$	116,000	\$ - \$ 116,000
	Rec \$	-	\$ - \$ -
	App \$	116,000	\$ - \$ 116,000
	FTE		0.000
4 Retiree Cost of Living Increases			
Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.	Req \$	18,200	\$ 13,400 \$ 31,600
	Rec \$	-	\$ - \$ -
	App \$	18,200	\$ 13,400 \$ 31,600
	FTE		0.000
Department-wide			
5 Help America Vote Act (HAVA) State Match			
Provides funds for the state match requirement to receive HAVA funding. These matching funds will allow North Carolina to receive an additional \$1.8 million for election security initiatives. These funds will be transferred to budget code 28025.	Req \$	-	\$ 364,346 \$ 364,346
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 364,346 \$ 364,346
	FTE		0.000
Elections Administration			
6 Absentee Ballot Portal			
Provides funds to host an online absentee ballot request portal. A recent court order requires the board to continue offering this service. These funds will ensure the board can meet this requirement and improve absentee ballot access, particularly for visually impaired voters.	Req \$	295,000	\$ - \$ 295,000
	Rec \$	-	\$ - \$ -
	App \$	295,000	\$ - \$ 295,000
	FTE		0.000

		R Changes		NR Changes		Adjustments
7 ERIC Membership						
Supports membership to the Electronic Registration Information Center (ERIC), which will ensure up-to-date voter registration data.	Req \$	35,000	\$	-	\$	35,000
	Rec \$	-	\$	-	\$	-
	App \$	35,000	\$	-	\$	35,000
	FTE					0.000
Information Systems						
8 Core Information Technology (IT) Personnel						
Fund shifts ten positions effective October 1, 2022. These positions include existing IT staff who maintain the statewide elections management system. Of the ten positions, five data team positions manage elections databases for voter registration and voting activity, and five support staff provide training and technical assistance to system users to ensure election accuracy statewide. These positions are critical to administering safe, secure, and accurate elections.	Req \$	847,851	\$	-	\$	847,851
	Rec \$	-	\$	-	\$	-
	App \$	847,851	\$	-	\$	847,851
	FTE					10.000
Total Change to Requirements	\$	1,457,051	\$	583,746	\$	2,040,797
Total Change to Receipts	\$	-	\$	-	\$	-
Total Change to Net Appropriation	\$	1,457,051	\$	583,746	\$	2,040,797
Total Change to Full-Time Equivalent (FTE)						10.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$			2,040,797		
Recommended Total FTE Changes				10.000		

State Board of Elections - HAVA Federal Fund (28025)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	36,435,068	6,087,000	1,103,580	-	1,316,535	1,316,535	2,420,115
Receipts	14,086,957	30,000	30,000	-	1,316,535	1,316,535	1,346,535
Δ in Fund Balance	(22,348,112)	(6,057,000)	(1,073,580)	-	-	-	(1,073,580)
Positions (FTE)	0.000	31.000	31.000			(10.000)	21.000

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Elections Administration			
1 ERIC Data Comparison			
Expends Help America Vote Act (HAVA) funds for the initial mailing and voter registration data analysis required by the Electronic Registration Information Center (ERIC) consortium. All ERIC members must conduct an initial data comparison and mailing, which will remove ineligible voters, such as relocated or deceased voters, from the voter registration database.	Req \$	- \$	300,000 \$
	Rec \$	- \$	300,000 \$
	CFB \$	- \$	- \$
	FTE		0.000
2 Elections Operations Personnel			
Expends HAVA funds for existing essential elections administrations staff statewide. This funding supports seven Regional Security and Support Technicians who assist county boards of elections and one Voting Systems Administrator to prepare and check ballots, voting equipment, and results reporting processes.	Req \$	- \$	560,781 \$
	Rec \$	- \$	560,781 \$
	CFB \$	- \$	- \$
	FTE		0.000
Information Systems			
3 Cybersecurity Services			
Budgets HAVA funds to support three cybersecurity professionals, who will monitor and respond to elections technology system threats, including a Chief Information Security Officer position. This funding will also support continued system-user training to ensure compliance with security practices.	Req \$	- \$	546,054 \$
	Rec \$	- \$	546,054 \$
	CFB \$	- \$	- \$
	FTE		0.000
4 Information Technology (IT) Services for Improved Security			
Utilizes HAVA funds to enable continuous monitoring and cloud-based services that improve IT system security. The monitoring tools detect potential threats to elections networks, and virtual desktop applications have allowed the migration of over 100 physical servers across all counties to the cloud, eliminating administrative and maintenance costs.	Req \$	- \$	424,000 \$
	Rec \$	- \$	424,000 \$
	CFB \$	- \$	- \$
	FTE		0.000
5 Elections Systems Modernization Personnel			
Utilizes HAVA funds to continue supporting staff that develop modernized elections management and campaign finance systems. The existing infrastructure is inefficient and at increased risk of cyber security attack or failure. This four-person team is working to upgrade these systems, ensuring functionality and resiliency for future elections.	Req \$	- \$	333,551 \$
	Rec \$	- \$	333,551 \$
	CFB \$	- \$	- \$
	FTE		0.000
6 Position Reduction			
Reduces the positions budgeted to reflect the shift of core IT personnel to state General Fund appropriations. This reduction is effective October 1, 2022.	Req \$	- \$	(847,851) \$
	Rec \$	- \$	(847,851) \$
	CFB \$	- \$	- \$
	FTE		(10.000)
Total Change to Requirements	\$	- \$	1,316,535 \$
Total Change to Receipts	\$	- \$	1,316,535 \$
Total Change to Net Appropriation	\$	- \$	- \$
Total Change to Full-Time Equivalent (FTE)			(10.000)
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$		-
Recommended Total FTE Changes			(10.000)

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.

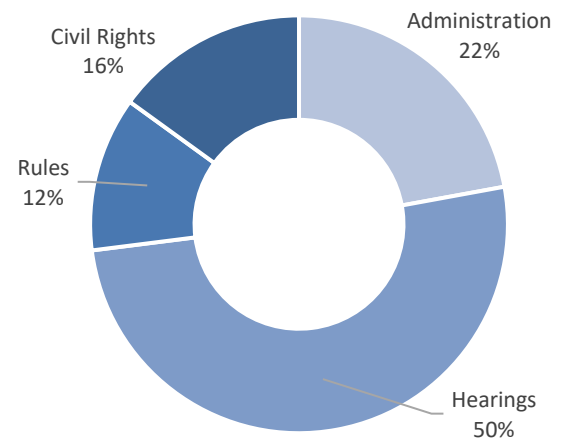
Goals

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.

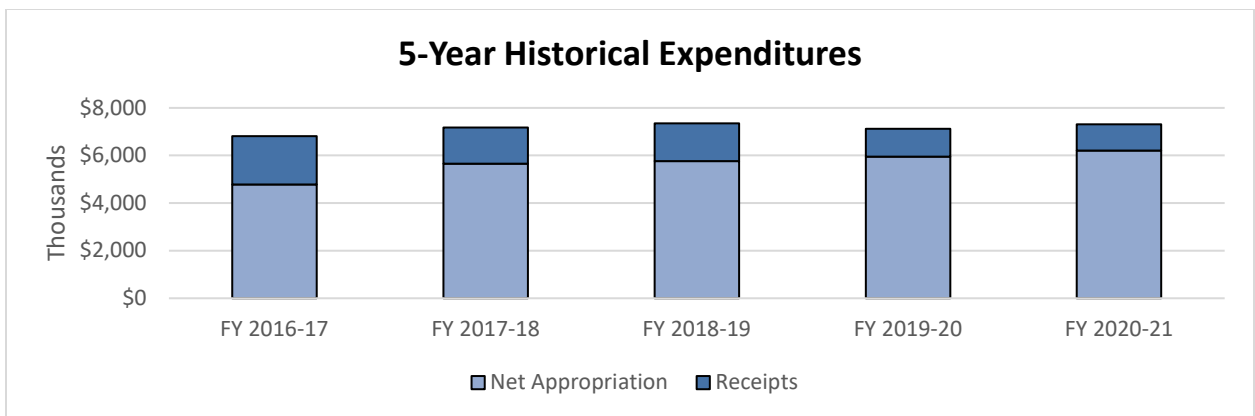
Agency Profile

- 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 2021-22 Authorized Expenditures



5-Year Historical Expenditures



Charts include General Fund budget codes only.

Office of Administrative Hearings (18210)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	7,306,367	8,186,644	8,540,331	252,400	114,100	366,500	8,906,831
Receipts	1,102,462	1,347,120	1,273,214	-	-	-	1,273,214
Net Appropriation	6,203,904	6,839,524	7,267,117	252,400	114,100	366,500	7,633,617
Positions (FTE)	0.000	57.790	59.290			0.000	59.290

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Compensation and Benefits Reserves			
1 Compensation Increase Reserve			
Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.	Req \$	131,000	\$ - \$ 131,000
	Rec \$	-	\$ - \$ -
	App \$	131,000	\$ - \$ 131,000
	FTE		0.000
2 Retention Bonus			
Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.	Req \$	-	\$ 102,000 \$ 102,000
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 102,000 \$ 102,000
	FTE		0.000
3 Labor Market Retention and Adjustment Fund			
Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.	Req \$	105,000	\$ - \$ 105,000
	Rec \$	-	\$ - \$ -
	App \$	105,000	\$ - \$ 105,000
	FTE		0.000
4 Retiree Cost of Living Increases			
Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.	Req \$	16,400	\$ 12,100 \$ 28,500
	Rec \$	-	\$ - \$ -
	App \$	16,400	\$ 12,100 \$ 28,500
	FTE		0.000
Total Change to Requirements	\$	252,400	\$ 114,100 \$ 366,500
Total Change to Receipts	\$	-	\$ - \$ -
Total Change to Net Appropriation	\$	252,400	\$ 114,100 \$ 366,500
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		366,500
Recommended Total FTE Changes			0.000

Mission

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

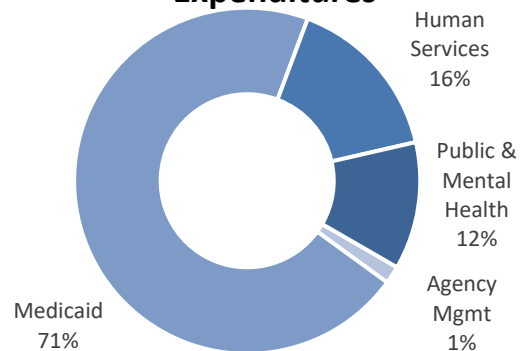
Goals

1. Advance health equity by reducing disparities in opportunity and outcomes for historically marginalized populations within DHHS and across the state.
2. Help North Carolinians end the pandemic, control the spread of COVID-19, recover stronger, and be prepared for future public health crises with an emphasis on initiatives serving those communities most impacted.
3. Build an innovative, coordinated, and whole-person — physical, mental, and social health — centered system that addresses both medical and non-medical drivers of health.
4. Turn the tide on North Carolina’s opioid and substance use crisis.
5. Improve child and family well-being so all children can develop to their full potential and thrive.
6. Support individuals with disabilities and older adults in leading safe, healthy, and fulfilling lives.
7. Achieve operational excellence by living our values — belonging, joy, people-focused, proactive communication, stewardship, teamwork, and transparency.

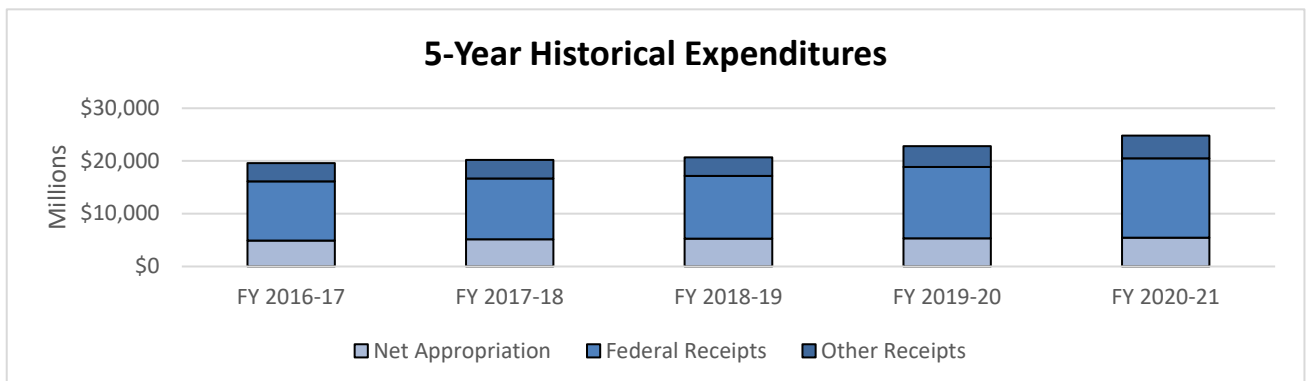
Agency Profile

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

FY 2021-22 Authorized Expenditures



5-Year Historical Expenditures



Charts include General Fund budget codes only. Increased expenditures in FY2020-21 are due to federal COVID-19 funding.

Division of Central Management and Support (14410)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	561,101,415	429,345,578	361,027,599	33,468,442	23,386,644	56,855,086	417,882,685
Receipts	435,100,819	237,165,932	180,445,000	1,622,750	-	1,622,750	182,067,750
Net Appropriation	126,000,596	192,179,646	180,582,599	31,845,692	23,386,644	55,232,336	235,814,935
Positions (FTE)	0.000	989.000	989.000			60.000	1,049.000

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Compensation and Benefits Reserves			
1 Compensation Increase Reserve			
Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.	Req \$ 7,170,400	\$ -	\$ 7,170,400
	Rec \$ -	\$ -	\$ -
	App \$ 7,170,400	\$ -	\$ 7,170,400
	FTE		0.000
2 Retention Bonus			
Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice , with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.	Req \$ -	\$ 3,461,000	\$ 3,461,000
	Rec \$ -	\$ -	\$ -
	App \$ -	\$ 3,461,000	\$ 3,461,000
	FTE		0.000
3 Labor Market Retention and Adjustment Fund			
Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.	Req \$ 1,260,000	\$ -	\$ 1,260,000
	Rec \$ -	\$ -	\$ -
	App \$ 1,260,000	\$ -	\$ 1,260,000
	FTE		0.000
4 Retiree Cost of Living Increases			
Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.	Req \$ 196,000	\$ 144,700	\$ 340,700
	Rec \$ -	\$ -	\$ -
	App \$ 196,000	\$ 144,700	\$ 340,700
	FTE		0.000
Division-wide			
5 Health Equity Portfolio			
Supports the transition of the Office of Minority Health and Health Disparities to the Office of Health Equity and expands the work of the Office of Diversity and Inclusion. Funding will support six positions within the Office of Health Equity and five positions within the Office of Diversity and Inclusion. Positions will support critical functions, including developing and measuring health equity objectives across the Department of Health and Human Services (DHHS), providing technical assistance to small and emerging non-profits led by and serving historically marginalized populations, coordinating and monitoring diversity, equity, and inclusion efforts across the department, and expanding the use of historically underutilized businesses.	Req \$ 1,744,250	\$ 368,600	\$ 2,112,850
	Rec \$ -	\$ -	\$ -
	App \$ 1,744,250	\$ 368,600	\$ 2,112,850
	FTE		11.000

		R Changes		NR Changes		Adjustments
6 Medicaid Information Management						
Brings oversight and management support functions in-house to improve efficiency, reduce costs, and ensure better continuity of operations for critical Medicaid managed care health plans. Eighteen FTE will manage Medicaid applications that process all encounters received from Prepaid Health Plans (PHPs), oversee Medicaid Managed Care contracts and deliverables, and maintain the CMS-mandated statistical information system.	Req \$	2,422,000	\$	-	\$	2,422,000
	Rec \$	1,622,750	\$	-	\$	1,622,750
	App \$	799,250	\$	-	\$	799,250
	FTE					18.000
7 IT Infrastructure for New DHHS Campus						
Provides funds for initial IT needs of the new DHHS campus, including funding for the design and installation of IT systems for the new building.	Req \$	-	\$	3,900,000	\$	3,900,000
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	3,900,000	\$	3,900,000
	FTE					0.000
8 Enterprise Data Hub Development						
Invests in the modernization of DHHS data capabilities through an Enterprise Data Hub (EDH), which will enable the department to centrally expand data linkages of strategically necessary whole-person data sets and run advanced analytics on the integrated data.	Req \$	1,931,000	\$	2,858,667	\$	4,789,667
	Rec \$	-	\$	-	\$	-
	App \$	1,931,000	\$	2,858,667	\$	4,789,667
	FTE					0.000
9 Tech Support of Whole Person						
Provides funds for DHHS to catalog and improve accessibility of its digital landscape and provide professional services support to move the department toward innovative, comprehensive, effective, and sustainable whole-person system of care.	Req \$	100,000	\$	1,042,400	\$	1,142,400
	Rec \$	-	\$	-	\$	-
	App \$	100,000	\$	1,042,400	\$	1,142,400
	FTE					0.000
10 Support for Critical Operations, Maintenance, & Infrastructure						
Provides funds for program operations to ensure that critical DHHS IT systems and hardware remain functional. These funds will be used to increase efficiency, respond to security vulnerabilities, and address maintenance needs of legacy applications critical to current operations.	Req \$	5,166,042	\$	11,211,277	\$	16,377,319
	Rec \$	-	\$	-	\$	-
	App \$	5,166,042	\$	11,211,277	\$	16,377,319
	FTE					24.000
11 Infrastructure and Energy Efficiency Staff and Software						
Creates three positions for Infrastructure Engineers, Energy Efficiency, or Facilities Maintenance staff. These positions will enhance the department's capital planning, ensure more timely building maintenance and repairs, and improve energy efficiency in state buildings. Funds will also be used for utility monitoring software, enabling the department to conserve energy, reduce consumption and cost, and support the state's energy efficiency goals.	Req \$	353,750	\$	-	\$	353,750
	Rec \$	-	\$	-	\$	-
	App \$	353,750	\$	-	\$	353,750
	FTE					3.000
Division of Child and Family Well-Being						
12 Early Intervention						
Increases funding for individualized early intervention services and supports to families with children up to age three with developmental delays and established medical conditions who are 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, fund cost and infrastructure readiness studies to expand eligibility, and provide professional development focused on infant health and development. Funds may be used to establish positions as needed.	Req \$	10,250,000	\$	250,000	\$	10,500,000
	Rec \$	-	\$	-	\$	-
	App \$	10,250,000	\$	250,000	\$	10,500,000
	FTE					0.000
Division of Child and Family Well-Being - Child Welfare and Family Well-Being Action Plan						
13 High Fidelity Wraparound Services						
Expands high-fidelity wraparound services for children with mental health issues. This is an evidence-based care management program which has been shown to keep children in their homes, reducing the use of facility-based or residential care, entry into the child protection and juvenile justice systems, and use of the emergency department. This investment represents an initial effort toward statewide expansion of the service and will support ten additional teams.	Req \$	2,600,000	\$	-	\$	2,600,000
	Rec \$	-	\$	-	\$	-
	App \$	2,600,000	\$	-	\$	2,600,000
	FTE					1.000

		R Changes		NR Changes		Adjustments
14 Rapid Response Team						
Provides funding for additional staff needed to respond to increased referrals to the Rapid Response Team (RRT), a multi-disciplinary team of child welfare and behavioral health experts that help local DSSs, LME-MCOs, and providers reduce the number of children housed in inappropriate settings and provide more timely access to services and supports for children. Positions are effective October 1, 2022. Funds will also support the development of a data system to monitor the children served by RRT and their outcomes.	Req \$	275,000	\$	150,000	\$	425,000
	Rec \$	-	\$	-	\$	-
	App \$	275,000	\$	150,000	\$	425,000
	FTE					3.000
Total Change to Requirements	\$	33,468,442	\$	23,386,644	\$	56,855,086
Total Change to Receipts	\$	1,622,750	\$	-	\$	1,622,750
Total Change to Net Appropriation	\$	31,845,692	\$	23,386,644	\$	55,232,336
Total Change to Full-Time Equivalent (FTE)						60.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$			55,232,336		
Recommended Total FTE Changes						60.000

Division of Aging and Adult Services (14411)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	139,181,102	181,643,877	131,690,170	4,444,700	179,400	4,624,100	136,314,270
Receipts	95,951,683	131,163,407	79,269,184	-	-	-	79,269,184
Net Appropriation	43,229,419	50,480,470	52,420,986	4,444,700	179,400	4,624,100	57,045,086
Positions (FTE)	0.000	77.000	77.000			0.000	77.000

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments

Compensation and Benefits Reserves

1 Compensation Increase Reserve

Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.

Req \$	101,000	\$	-	\$	101,000
Rec \$	-	\$	-	\$	-
App \$	101,000	\$	-	\$	101,000
FTE					0.000

2 Retention Bonus

Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.

Req \$	-	\$	170,000	\$	170,000
Rec \$	-	\$	-	\$	-
App \$	-	\$	170,000	\$	170,000
FTE					0.000

3 Labor Market Retention and Adjustment Fund

Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.

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

4 Retiree Cost of Living Increases

Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.

Req \$	12,700	\$	9,400	\$	22,100
Rec \$	-	\$	-	\$	-
App \$	12,700	\$	9,400	\$	22,100
FTE					0.000

Division-wide

5 Key Rental Assistance

Provides additional funding for Key Rental Assistance, a partnership between the Division of Aging and Adult Services and the NC Housing Finance Agency. The program provides supportive housing programs for people who are very low income and/or disabled and in need of affordable housing. Currently about 2,200 households are supported by Key Rental Assistance. This item would provide funding to sustain the current caseload.

Req \$	4,250,000	\$	-	\$	4,250,000
Rec \$	-	\$	-	\$	-
App \$	4,250,000	\$	-	\$	4,250,000
FTE					0.000

Total Change to Requirements	\$	4,444,700	\$	179,400	\$	4,624,100
Total Change to Receipts	\$	-	\$	-	\$	-
Total Change to Net Appropriation	\$	4,444,700	\$	179,400	\$	4,624,100
Total Change to Full-Time Equivalent (FTE)						0.000

Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$	4,624,100
Recommended Total FTE Changes		0.000

Division of Child Development and Early Education (14420)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	1,015,963,862	1,345,527,124	819,937,762	97,765,600	768,600	98,534,200	918,471,962
Receipts	787,344,667	1,102,861,297	577,099,101	51,900,000	-	51,900,000	628,999,101
Net Appropriation	228,619,194	242,665,827	242,838,661	45,865,600	768,600	46,634,200	289,472,861
Positions (FTE)	0.000	332.000	332.000			0.000	332.000

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments

Compensation and Benefits Reserves

1 Compensation Increase Reserve

Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.

Req \$	60,000	\$	-	\$	60,000
Rec \$	-	\$	-	\$	-
App \$	60,000	\$	-	\$	60,000
FTE					0.000

2 Retention Bonus

Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.

Req \$	-	\$	763,000	\$	763,000
Rec \$	-	\$	-	\$	-
App \$	-	\$	763,000	\$	763,000
FTE					0.000

3 Labor Market Retention and Adjustment Fund

Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.

Req \$	48,000	\$	-	\$	48,000
Rec \$	-	\$	-	\$	-
App \$	48,000	\$	-	\$	48,000
FTE					0.000

4 Retiree Cost of Living Increases

Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.

Req \$	7,600	\$	5,600	\$	13,200
Rec \$	-	\$	-	\$	-
App \$	7,600	\$	5,600	\$	13,200
FTE					0.000

Division-wide

5 Child Care WAGE\$ Statewide Expansion

Provides \$26 million additional funding for the Child Care WAGE\$ program. This program provides educational attainment-based salary supplements for early childhood educators to better attract and retain highly-qualified staff for essential early childhood programs. These funds will allow this successful program to be expanded statewide and will provide wage supplements to teachers in all 100 counties.

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

6 NC Pre-K Rates Increase

Increases the NC Pre-K slot reimbursement rates and raises the administrative rate to 10% by investing \$41.9 million in Lottery receipts. The fundamental barrier to expanding NC Pre-K, a nationally recognized model for outstanding early childhood education, is inadequate resources to cover costs including rising operating costs, recruiting and retaining qualified teachers, expanding facilities, and providing transportation.

Req \$	41,900,000	\$	-	\$	41,900,000
Rec \$	41,900,000	\$	-	\$	41,900,000
App \$	-	\$	-	\$	-
FTE					0.000

		R Changes		NR Changes		Adjustments
7 Smart Start						
Invests \$10 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 \$	10,000,000	\$	-	\$	10,000,000
	Rec \$	10,000,000	\$	-	\$	10,000,000
	App \$	-	\$	-	\$	-
	FTE					0.000
8 Child Care Subsidy Rate Floor						
Increases child care rates in rural and lower wealth communities by investing \$18.5 million to create a statewide rate floor. The increase will raise child care subsidy rates in rural and lower wealth counties closer to those given to high wealth counties, benefitting approximately 50,000 children per year.	Req \$	18,500,000	\$	-	\$	18,500,000
	Rec \$	-	\$	-	\$	-
	App \$	18,500,000	\$	-	\$	18,500,000
	FTE					0.000
9 Early Childhood Educator Pipeline Program						
Raises the quality of the early childhood educator pipeline by increasing funding for professional development and to scale innovative strategies in the Educator Workforce Program. The program will advance pathways to higher education and employment in early education for 1,000 new early educators in the first two years.	Req \$	1,250,000	\$	-	\$	1,250,000
	Rec \$	-	\$	-	\$	-
	App \$	1,250,000	\$	-	\$	1,250,000
	FTE					0.000
Total Change to Requirements		\$ 97,765,600		\$ 768,600		\$ 98,534,200
Total Change to Receipts		\$ 51,900,000		\$ -		\$ 51,900,000
Total Change to Net Appropriation		\$ 45,865,600		\$ 768,600		\$ 46,634,200
Total Change to Full-Time Equivalent (FTE)						0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$		46,634,200		
Recommended Total FTE Changes				0.000		

Division of Public Health (14430)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	798,187,952	1,399,715,419	985,744,986	15,816,941	57,155,200	72,972,141	1,058,717,127
Receipts	660,137,229	1,231,231,383	814,352,013	(280,000)	50,000,000	49,720,000	864,072,013
Net Appropriation	138,050,722	168,484,036	171,392,973	16,096,941	7,155,200	23,252,141	194,645,114
Positions (FTE)	0.000	1,968.960	1,968.960			17.000	1,985.960

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Compensation and Benefits Reserves			
1 Compensation Increase Reserve			
Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.	Req \$ 1,265,000	\$ -	\$ 1,265,000
	Rec \$ -	\$ -	\$ -
	App \$ 1,265,000	\$ -	\$ 1,265,000
	FTE		0.000
2 Retention Bonus			
Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.	Req \$ -	\$ 4,019,000	\$ 4,019,000
	Rec \$ -	\$ -	\$ -
	App \$ -	\$ 4,019,000	\$ 4,019,000
	FTE		0.000
3 Labor Market Retention and Adjustment Fund			
Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.	Req \$ 1,012,000	\$ -	\$ 1,012,000
	Rec \$ -	\$ -	\$ -
	App \$ 1,012,000	\$ -	\$ 1,012,000
	FTE		0.000
4 Retiree Cost of Living Increases			
Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.	Req \$ 157,400	\$ 116,200	\$ 273,600
	Rec \$ -	\$ -	\$ -
	App \$ 157,400	\$ 116,200	\$ 273,600
	FTE		0.000
Division-wide			
5 PFAS Biomonitoring Project			
Establishes four positions focused on measuring exposure to PFAS and provides funding for equipment necessary for this monitoring. 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	\$ 320,000	\$ 942,541
	Rec \$ -	\$ -	\$ -
	App \$ 622,541	\$ 320,000	\$ 942,541
	FTE		4.000
6 Invest in Stronger Public Health Infrastructure			
Provides supplemental funding to Local Health Departments (LHDs) to enhance their ability to deliver essential services to North Carolinians. Each LHD will receive a base amount, and the remaining funds will be allocated based on population size and social vulnerability index.	Req \$ 10,000,000	\$ -	\$ 10,000,000
	Rec \$ -	\$ -	\$ -
	App \$ 10,000,000	\$ -	\$ 10,000,000
	FTE		0.000

		R Changes	NR Changes	Adjustments
7 Office of the Chief Medical Examiner				
Creates seven Forensic Pathologist positions, effective October 1, 2022, to improve the state's ability to perform autopsies. Positions will support increased caseloads and address backlogs within the Office of the Chief Medical Examiner. Funds will also be used to increase the base rate the division pays to decedent transportation providers, effective January 1, 2023.	Req \$	2,250,000	\$ -	\$ 2,250,000
	Rec \$	-	\$ -	-
	App \$	2,250,000	\$ -	\$ 2,250,000
	FTE			7.000
8 Modernize Vital Records				
Provides funds to modernize North Carolina's paper-based vital records system and increase equitable access to vital records. The division will use nonrecurring funds to begin the process of digitizing vital records and recurring funds to provide vital records to low- and no-income individuals at no charge.	Req \$	-	\$ 2,700,000	\$ 2,700,000
	Rec \$	(280,000)	\$ -	\$ (280,000)
	App \$	280,000	\$ 2,700,000	\$ 2,980,000
	FTE			0.000
9 On-Site Water Protection Training Team				
Establishes a water protection training team to improve and perform on-site accreditation, reviews, and training, which will increase support to local health departments.	Req \$	510,000	\$ -	\$ 510,000
	Rec \$	-	\$ -	-
	App \$	510,000	\$ -	\$ 510,000
	FTE			6.000
Investments from Reserves				
10 Funding for Continuation of Critical COVID-19 Services				
Provides funds from the State Emergency Response and Disaster Relief Fund for ongoing COVID response and recovery efforts once the Federal Public Health Emergency declaration has ended. Funds will allow North Carolinians to continue to have access to critical testing, vaccination, and other COVID-related services no longer funded by the Federal government.	Req \$	-	\$ 50,000,000	\$ 50,000,000
	Rec \$	-	\$ 50,000,000	\$ 50,000,000
	App \$	-	\$ -	-
	FTE			0.000
Total Change to Requirements		\$ 15,816,941	\$ 57,155,200	\$ 72,972,141
Total Change to Receipts		\$ (280,000)	\$ 50,000,000	\$ 49,720,000
Total Change to Net Appropriation		\$ 16,096,941	\$ 7,155,200	\$ 23,252,141
Total Change to Full-Time Equivalent (FTE)				17.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$	23,252,141	
Recommended Total FTE Changes				17.000

Division of Social Services (14440)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	2,072,842,891	2,162,227,509	1,998,027,899	30,539,277	4,439,300	34,978,577	2,033,006,476
Receipts	1,906,454,133	1,942,569,721	1,781,352,490	6,876,252	-	6,876,252	1,788,228,742
Net Appropriation	166,388,758	219,657,788	216,675,409	23,663,025	4,439,300	28,102,325	244,777,734
Positions (FTE)	0.000	402.000	402.000			0.000	402.000

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments

Compensation and Benefits Reserves

1 Compensation Increase Reserve

Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.

Req \$	318,000	\$	-	\$	318,000
Rec \$	-	\$	-	\$	-
App \$	318,000	\$	-	\$	318,000
FTE					0.000

2 Retention Bonus

Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.

Req \$	-	\$	810,000	\$	810,000
Rec \$	-	\$	-	\$	-
App \$	-	\$	810,000	\$	810,000
FTE					0.000

3 Labor Market Retention and Adjustment Fund

Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.

Req \$	255,000	\$	-	\$	255,000
Rec \$	-	\$	-	\$	-
App \$	255,000	\$	-	\$	255,000
FTE					0.000

4 Retiree Cost of Living Increases

Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.

Req \$	39,700	\$	29,300	\$	69,000
Rec \$	-	\$	-	\$	-
App \$	39,700	\$	29,300	\$	69,000
FTE					0.000

Division-wide

5 State-County Special Assistance

Expands access to In-Home Special Assistance (SA In-Home) by lifting the cap on the number of recipients and providing parity between SA In-Home and Adult Care Home facility rates. These funds will also support the additional case managers that counties will need to accommodate the increased caseload resulting from these changes.

Req \$	7,725,000	\$	-	\$	7,725,000
Rec \$	-	\$	-	\$	-
App \$	7,725,000	\$	-	\$	7,725,000
FTE					0.000

6 APS/CPS Workforce

Invests in local social services workforces for Adult Protective Services (APS) and Child Protective Services (CPS) to address critical staffing shortages. APS and CPS workers provide services to adults and children who are, or who are suspected of being, abused, neglected, or exploited. Funds will be used to create more than 100 full-time county positions and be allocated statewide based on a formula that accounts for current staffing levels and need by county.

Req \$	7,500,000	\$	-	\$	7,500,000
Rec \$	-	\$	-	\$	-
App \$	7,500,000	\$	-	\$	7,500,000
FTE					0.000

		R Changes		NR Changes		Adjustments
7 County Reimbursement System Replacement						
Provides funds to replace the aging County Reimbursement System. This system is used to determine the cost allocation of federal administration funding for all local Division of Social Services units. Replacement of this system will reduce the amount of time and resources counties expend on reporting efforts.	Req \$	7,876,252	\$	3,600,000	\$	11,476,252
	Rec \$	6,876,252	\$	-	\$	6,876,252
	App \$	1,000,000	\$	3,600,000	\$	4,600,000
	FTE					0.000
Child Welfare and Family Well-Being Action Plan						
8 Placement First Pilots						
Provides funds to establish Placement First pilot programs for youth with a history of complex trauma who may be at-risk for sleeping in inappropriate settings. These funds will support foster or kinship homes or small group homes which have high caregiver-to-youth ratios, intensive support services, and follow-up support for 18-24 months.	Req \$	4,825,325	\$	-	\$	4,825,325
	Rec \$	-	\$	-	\$	-
	App \$	4,825,325	\$	-	\$	4,825,325
	FTE					0.000
9 Professional Foster Parenting Program						
Funds a new strategy, Professional Foster Parenting, to fill the gap between residential-based services and existing foster care options. Professional foster parents are provided additional training and resources to support children with higher needs, including wrap-around support services, trauma-based training, targeted skill development, and intensive permanence-based interventions.	Req \$	2,000,000	\$	-	\$	2,000,000
	Rec \$	-	\$	-	\$	-
	App \$	2,000,000	\$	-	\$	2,000,000
	FTE					0.000
Investments from Reserves						
10 Low-Income Household Energy Assistance Program Supplement (LIHEAP)						
Provides \$25 million nonrecurring for a state supplement to the federal LIHEAP, which helps low-income households cover the cost of heating and cooling bills, reducing energy burden and the likelihood of service disconnection. This item is funded in the Affordable Housing Reserve in the Reserves Section of the budget.	Req \$	-	\$	-	\$	-
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	-	\$	-
	FTE					0.000
11 Low-Income Household Water Assistance Program Supplement						
Provides \$10 million nonrecurring for a state supplement to the federal Low-income Household Water Assistance Program, which helps low-income households cover the cost of drinking water and wastewater bills, reducing the likelihood of service disconnection. This item is funded in the Affordable Housing Reserve in the Reserves Section of the budget.	Req \$	-	\$	-	\$	-
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	-	\$	-
	FTE					0.000
Total Change to Requirements	\$	30,539,277	\$	4,439,300	\$	34,978,577
Total Change to Receipts	\$	6,876,252	\$	-	\$	6,876,252
Total Change to Net Appropriation	\$	23,663,025	\$	4,439,300	\$	28,102,325
Total Change to Full-Time Equivalent (FTE)						0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$		28,102,325		
Recommended Total FTE Changes				0.000		

Division of Health Benefits (14445)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	18,137,967,652	20,103,850,258	18,820,750,486	954,423,236	1,550,517,315	2,504,940,551	21,325,691,037
Receipts	14,209,058,918	16,126,513,963	14,295,834,219	756,240,725	1,378,049,600	2,134,290,325	16,430,124,544
Net Appropriation	3,928,908,734	3,977,336,295	4,524,916,267	198,182,511	172,467,715	370,650,226	4,895,566,493
Positions (FTE)	0.000	469.000	469.000			2.000	471.000

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments

Compensation and Benefits Reserves

1 Compensation Increase Reserve

Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increases for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.

Req \$	509,000	\$	-	\$	509,000
Rec \$	-	\$	-	\$	-
App \$	509,000	\$	-	\$	509,000
FTE					0.000

2 Retention Bonus

Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.

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

3 Labor Market Retention and Adjustment Fund

Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.

Req \$	407,000	\$	-	\$	407,000
Rec \$	-	\$	-	\$	-
App \$	407,000	\$	-	\$	407,000
FTE					0.000

4 Retiree Cost of Living Increases

Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.

Req \$	63,500	\$	46,800	\$	110,300
Rec \$	-	\$	-	\$	-
App \$	63,500	\$	46,800	\$	110,300
FTE					0.000

Division-wide

5 Medicaid Coverage Gap

Supports expanding Medicaid eligibility beginning September 1, 2022, 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. An additional \$1.5 billion in federal funds over two years, which can be used for additional policy priorities, are available as part of the American Rescue Plan Act of 2021. The non-federal share of the expansion costs will be covered by a combination of collections resulting from increased insurance premiums from pre-paid health plans for the new eligibility group, increased collections from hospital assessments and intergovernmental transfers resulting from the new eligibility group, and a new Coverage Gap Assessment on hospitals. Hospital assessments under G.S. 108A-145 will also be increased to support enhanced hospital reimbursements under managed care to promote increased access to care.

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

		R Changes	NR Changes	Adjustments
6 Medicaid Rebase				
Provides funds to reflect changes in the federal medical assistance percentage (FMAP), as well as changes in enrollment, utilization, costs, capitation rates, and services associated with the Medicaid program for the upcoming fiscal year. Tailored Plans in managed care will begin December 1, 2022.	Req \$	649,267,125	\$ 1,288,641,183	\$ 1,937,908,308
	Rec \$	553,018,342	\$ 1,117,088,268	\$ 1,670,106,610
	App \$	96,248,783	\$ 171,552,915	\$ 267,801,698
	FTE			0.000
7 Transformation Projects and Programs				
Provides funds to support the transition to Medicaid Managed Care and the Healthy Opportunities pilot program. Recurring funding allows for the transition of up to 20 positions from time-limited to permanent. The State share of nonrecurring costs, \$110.4 million, will be transferred from the Medicaid Transformation Fund.	Req \$	26,810,318	\$ 260,961,332	\$ 287,771,650
	Rec \$	13,405,159	\$ 260,961,332	\$ 274,366,491
	App \$	13,405,159	\$ -	\$ 13,405,159
	FTE			0.000
8 Nursing Home Rate Increase				
Provides funding to increase the reimbursement rate paid to Skilled Nursing Facilities, making a portion of temporary COVID increases permanent. A minimum of 80% of the funding should be used to increase the rate of pay to direct care workers.	Req \$	190,000,000	\$ -	\$ 190,000,000
	Rec \$	130,000,000	\$ -	\$ 130,000,000
	App \$	60,000,000	\$ -	\$ 60,000,000
	FTE			0.000
9 Medicaid Information Technology Structure				
Funds increased contractual costs for NC Tracks and NC Analytics operations and maintenance.	Req \$	43,994,198	\$ -	\$ 43,994,198
	Rec \$	32,995,649	\$ -	\$ 32,995,649
	App \$	10,998,549	\$ -	\$ 10,998,549
	FTE			0.000
10 Consolidated Independent Assessment Entity				
Provides funding for additional independent assessment services for approximately 4,000 individuals served through the Community Alternatives Program for Children and approximately 12,000 individuals served through the Community Alternatives Program for Disabled Adults. This funding is necessary for the state to be in compliance with federal regulations for the two 1915c Waivers and to maintain requirements for State Plan Personal Care services.	Req \$	8,500,000	\$ -	\$ 8,500,000
	Rec \$	4,250,000	\$ -	\$ 4,250,000
	App \$	4,250,000	\$ -	\$ 4,250,000
	FTE			0.000
11 Medicaid Eligibility Determination				
Funds increased contractual costs for income and employment verification to comply with required Medicaid eligibility determinations.	Req \$	2,915,000	\$ -	\$ 2,915,000
	Rec \$	-	\$ -	\$ -
	App \$	2,915,000	\$ -	\$ 2,915,000
	FTE			0.000
12 Maternal Morbidity and Mortality Reduction Package				
Provides funding to implement evidence-based Medicaid policy and funding strategies to reduce maternal mortality and morbidity and address disparities for Medicaid recipients. Policies include: increasing payments for certain types of prenatal care; developing and implementing a doula service package; and providing incentives to providers who increase participation in group prenatal care.	Req \$	11,600,000	\$ -	\$ 11,600,000
	Rec \$	8,800,000	\$ -	\$ 8,800,000
	App \$	2,800,000	\$ -	\$ 2,800,000
	FTE			0.000
13 Developmental Disability Innovations Waiver Program				
Provides funding for an additional 100 slots for the NC Innovations Waiver effective July 1, 2022. This waiver provides individualized services in the home and community for individuals who qualify for institutional level care due to intellectual or developmental disabilities.	Req \$	8,037,095	\$ -	\$ 8,037,095
	Rec \$	5,437,095	\$ -	\$ 5,437,095
	App \$	2,600,000	\$ -	\$ 2,600,000
	FTE			0.000
14 Transitions to Community Living				
Increases funding for the Transitions to Community Living Initiative, which supports the transition of eligible adults with mental illness from institutions to community care settings. This funding will provide additional housing and tenancy support and wraparound mental health services following the US Department of Justice Olmstead Settlement.	Req \$	12,320,000	\$ -	\$ 12,320,000
	Rec \$	8,334,480	\$ -	\$ 8,334,480
	App \$	3,985,520	\$ -	\$ 3,985,520
	FTE			2.000

	R Changes	NR Changes	Adjustments
Total Change to Requirements	\$ 954,423,236	\$ 1,550,517,315	\$ 2,504,940,551
Total Change to Receipts	\$ 756,240,725	\$ 1,378,049,600	\$ 2,134,290,325
Total Change to Net Appropriation	\$ 198,182,511	\$ 172,467,715	\$ 370,650,226
Total Change to Full-Time Equivalent (FTE)			2.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$	370,650,226	
Recommended Total FTE Changes			2.000

Medicaid Transformation (24447)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	-	292,219,588	184,331,523	-	97,842,438	97,842,438	282,173,961
Receipts	-	430,820,000	46,000,000	-	97,842,438	97,842,438	143,842,438
Δ in Fund Balance	-	138,600,412	(138,331,523)	-	-	-	(138,331,523)
Positions (FTE)	0.000	0.000	0.000			0.000	0.000

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Investments from Reserves			
1 Medicaid Transformation Expenses			
Budgets receipts from the Medication Transformation Reserve. These funds will be transferred to the Division of Health Benefits to support the nonrecurring State share of Medicaid transformation costs approved as qualifying needs. The division has the authority to spend \$12,530,656 of the remaining fund balance for these purposes.	Req \$	- \$	97,842,438 \$
	Rec \$	- \$	97,842,438 \$
	CFB \$	- \$	- \$
	FTE		0.000
Total Change to Requirements	\$	- \$	97,842,438 \$
Total Change to Receipts	\$	- \$	97,842,438 \$
Total Change to Net Appropriation	\$	- \$	- \$
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$		-
Recommended Total FTE Changes			0.000

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

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	36,286,921	43,481,862	43,122,761	215,600	720,900	936,500	44,059,261
Receipts	29,142,208	34,533,038	34,037,306	-	-	-	34,037,306
Net Appropriation	7,144,713	8,948,824	9,085,455	215,600	720,900	936,500	10,021,955
Positions (FTE)	0.000	336.510	336.510			0.000	336.510

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Compensation and Benefits Reserves			
1 Compensation Increase Reserve			
Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.	Req \$	117,200	\$ - \$ 117,200
	Rec \$	-	\$ - \$ -
	App \$	117,200	\$ - \$ 117,200
	FTE		0.000
2 Retention Bonus			
Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.	Req \$	-	\$ 711,000 \$ 711,000
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 711,000 \$ 711,000
	FTE		0.000
3 Labor Market Retention and Adjustment Fund			
Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.	Req \$	85,000	\$ - \$ 85,000
	Rec \$	-	\$ - \$ -
	App \$	85,000	\$ - \$ 85,000
	FTE		0.000
4 Retiree Cost of Living Increases			
Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.	Req \$	13,400	\$ 9,900 \$ 23,300
	Rec \$	-	\$ - \$ -
	App \$	13,400	\$ 9,900 \$ 23,300
	FTE		0.000
Total Change to Requirements	\$	215,600	\$ 720,900 \$ 936,500
Total Change to Receipts	\$	-	\$ - \$ -
Total Change to Net Appropriation	\$	215,600	\$ 720,900 \$ 936,500
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		936,500
Recommended Total FTE Changes			0.000

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

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	1,847,112,774	1,866,645,398	1,707,121,244	41,828,163	59,410,300	101,238,463	1,808,359,707
Receipts	1,103,147,148	1,023,516,021	848,124,105	3,143,963	-	3,143,963	851,268,068
Net Appropriation	743,965,626	843,129,377	858,997,139	38,684,200	59,410,300	98,094,500	957,091,639
Positions (FTE)	0.000	11,274.100	11,274.100			1.000	11,275.100

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments

Compensation and Benefits Reserves

1 Compensation Increase Reserve

Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.

Req \$	7,531,500	\$	-	\$	7,531,500
Rec \$	-	\$	-	\$	-
App \$	7,531,500	\$	-	\$	7,531,500
FTE					0.000

2 Retention Bonus

Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.

Req \$	-	\$	22,730,000	\$	22,730,000
Rec \$	-	\$	-	\$	-
App \$	-	\$	22,730,000	\$	22,730,000
FTE					0.000

3 Labor Market Retention and Adjustment Fund

Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.

Req \$	5,931,000	\$	-	\$	5,931,000
Rec \$	-	\$	-	\$	-
App \$	5,931,000	\$	-	\$	5,931,000
FTE					0.000

4 Retiree Cost of Living Increases

Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.

Req \$	921,700	\$	680,300	\$	1,602,000
Rec \$	-	\$	-	\$	-
App \$	921,700	\$	680,300	\$	1,602,000
FTE					0.000

Division-wide

5 Competitive Integrated Employment

Funds vocational rehabilitation services, day supports, and community services for individuals with intellectual and developmental disabilities. This funding aligns with requirements of the settlement agreement between Disability Rights North Carolina and the department, and will promote competitive integrated employment.

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

6 Expand Statewide Crisis System

Expands statewide crisis services in preparation for increased call volume expected from implementation of the 988 Crisis Helpline in July 2022. Funds will be used to expand care available to North Carolinians experiencing a mental health or substance use crisis, including additional mobile crisis teams expected to support up to 12,000 individuals.

Req \$	10,500,000	\$	5,000,000	\$	15,500,000
Rec \$	-	\$	-	\$	-
App \$	10,500,000	\$	5,000,000	\$	15,500,000
FTE					0.000

		R Changes		NR Changes		Adjustments
7 Justice-Involved Pilot Programs						
Invests in two pilot programs to address the intersection of individuals with mental and substance use disorders with the criminal justice system. Programs will provide services across the justice continuum, including community-based capacity restoration, early diversion, treatment during incarceration, and re-entry services.	Req \$	-	\$	8,000,000	\$	8,000,000
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	8,000,000	\$	8,000,000
	FTE					0.000
8 CCBH Expansion Pilot						
Establishes a pilot program based on the Certified Community Behavioral Health Clinic model that aims to improve outcomes for 2,000 individuals with critical needs, including serious mental illness. The pilot will provide integrated physical and behavioral health services as well as crisis services.	Req \$	-	\$	10,000,000	\$	10,000,000
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	10,000,000	\$	10,000,000
	FTE					0.000
9 DSOHF School Materials and Supplies Funding						
Provides funding for new textbooks and learning software for schools operated under the Division of State Operated Healthcare Facilities' authority.	Req \$	-	\$	3,000,000	\$	3,000,000
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	3,000,000	\$	3,000,000
	FTE					0.000
Child Welfare and Family Well-Being Action Plan						
10 988 Crisis Helpline						
Supports additional 988 Crisis Helpline call center staff to meet the increased call volume anticipated when the helpline is implemented in July 2022.	Req \$	1,300,000	\$	-	\$	1,300,000
	Rec \$	-	\$	-	\$	-
	App \$	1,300,000	\$	-	\$	1,300,000
	FTE					0.000
11 Emergency Respite Pilot						
Supports the establishment of emergency respite programs, with a focus on in-home respite. Emergency respite programs will keep more children in their homes and reduce the risk of abuse and neglect by providing relief to caregivers. These funds will support the first phase of implementation, serving more than 200 children.	Req \$	4,643,963	\$	-	\$	4,643,963
	Rec \$	3,143,963	\$	-	\$	3,143,963
	App \$	1,500,000	\$	-	\$	1,500,000
	FTE					1.000
12 MORES Mobile Crisis Intervention						
Provides funding to expand Mobile Outreach, Response, Engagement, and Stabilization (MORES) teams to provide in-person and virtual mobile crisis services for children and adolescents. MORES teams have been shown to keep children out of restrictive residential settings, prevent the need for law enforcement involvement in children's mental health crises, and connect families more rapidly to community-based services.	Req \$	10,000,000	\$	-	\$	10,000,000
	Rec \$	-	\$	-	\$	-
	App \$	10,000,000	\$	-	\$	10,000,000
	FTE					0.000
13 Bed Tracking System						
Provides funding for a statewide crisis, inpatient, and residential bed tracking and crisis referral system. The system will allow for more timely matching of children to treatment and reduce the number of children housed in inappropriate settings.	Req \$	1,000,000	\$	-	\$	1,000,000
	Rec \$	-	\$	-	\$	-
	App \$	1,000,000	\$	-	\$	1,000,000
	FTE					0.000
Total Change to Requirements	\$	41,828,163	\$	59,410,300	\$	101,238,463
Total Change to Receipts	\$	3,143,963	\$	-	\$	3,143,963
Total Change to Net Appropriation	\$	38,684,200	\$	59,410,300	\$	98,094,500
Total Change to Full-Time Equivalent (FTE)						1.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$		98,094,500		
Recommended Total FTE Changes				1.000		

Opioid Abatement Fund (24491)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	-	15,735,496	812,250	-	14,781,203	14,781,203	15,593,453
Receipts	-	15,735,496	812,250	-	14,781,203	14,781,203	15,593,453
Δ in Fund Balance	-	-	-	-	-	-	-
Positions (FTE)	0.000	0.000	0.000			0.000	0.000

			FY 2022-23 Recommended		
			R Changes	NR Changes	Adjustments

1 Opioid Settlement Funds

Provides funds from the multi-state opioid settlements with Johnson & Johnson, McKinsey, and opioid distributors to the department to be allocated within the allowable uses of the Opioid Abatement Fund. This funding is in addition to what was provided in SL 2021-180 from the opioid settlement with McKinsey.

Req	\$	-	\$	14,781,203	\$	14,781,203
Rec	\$	-	\$	14,781,203	\$	14,781,203
CFB	\$	-	\$	-	\$	-
FTE						0.000

Total Change to Requirements	\$	-	\$	14,781,203	\$	14,781,203
Total Change to Receipts	\$	-	\$	14,781,203	\$	14,781,203
Total Change to Net Appropriation	\$	-	\$	-	\$	-
Total Change to Full-Time Equivalent (FTE)						0.000

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

Division of Health Services Regulation (14470)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	72,362,277	81,425,934	78,387,487	5,318,172	1,434,929	6,753,101	85,140,588
Receipts	51,960,007	56,415,057	55,603,140	1,055,968	31,200	1,087,168	56,690,308
Net Appropriation	20,402,270	25,010,877	22,784,347	4,262,204	1,403,729	5,665,933	28,450,280
Positions (FTE)	0.000	578.500	578.500			38.000	616.500

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Compensation and Benefits Reserves			
1 Compensation Increase Reserve			
Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.	Req \$	631,000	\$ - \$ 631,000
	Rec \$	-	\$ - \$ -
	App \$	631,000	\$ - \$ 631,000
	FTE		0.000
2 Retention Bonus			
Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.	Req \$	-	\$ 1,259,000 \$ 1,259,000
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 1,259,000 \$ 1,259,000
	FTE		0.000
3 Labor Market Retention and Adjustment Fund			
Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.	Req \$	504,000	\$ - \$ 504,000
	Rec \$	-	\$ - \$ -
	App \$	504,000	\$ - \$ 504,000
	FTE		0.000
4 Retiree Cost of Living Increases			
Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.	Req \$	78,500	\$ 58,000 \$ 136,500
	Rec \$	-	\$ - \$ -
	App \$	78,500	\$ 58,000 \$ 136,500
	FTE		0.000
Division-wide			
5 HSR Workforce Augmentation			
Establishes new complaint intake, nursing home licensure, adult care licensure, acute and home care licensure, and mental health licensure positions to meet demand for increased health and safety inspections of long-term care facilities.	Req \$	3,931,600	\$ 117,929 \$ 4,049,529
	Rec \$	1,055,968	\$ 31,200 \$ 1,087,168
	App \$	2,875,632	\$ 86,729 \$ 2,962,361
	FTE		36.000
Child Welfare and Family Well-Being Action Plan			
6 Administrative Flexibilities to Create New Placement and Service Options for Children			
Provides funds for two positions, effective October 1, 2022, to streamline the licensure process for mental health treatment facilities and ensure compliance with Michelle's Law, SL 2021-77, and G.S. 122C-23.1, which governs the licensure of residential treatment facilities.	Req \$	173,072	\$ - \$ 173,072
	Rec \$	-	\$ - \$ -
	App \$	173,072	\$ - \$ 173,072
	FTE		2.000

	R Changes		NR Changes		Adjustments
Total Change to Requirements	\$	5,318,172	\$	1,434,929	\$ 6,753,101
Total Change to Receipts	\$	1,055,968	\$	31,200	\$ 1,087,168
Total Change to Net Appropriation	\$	4,262,204	\$	1,403,729	\$ 5,665,933
Total Change to Full-Time Equivalent (FTE)					38.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$			5,665,933	
Recommended Total FTE Changes					38.000

Division of Vocational Rehabilitation (14480)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	127,204,805	159,234,735	157,729,471	791,300	3,080,900	3,872,200	161,601,671
Receipts	95,150,062	117,518,882	115,719,592	-	-	-	115,719,592
Net Appropriation	32,054,743	41,715,853	42,009,879	791,300	3,080,900	3,872,200	45,882,079
Positions (FTE)	0.000	989.250	989.250			0.000	989.250

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Compensation and Benefits Reserves			
1 Compensation Increase Reserve			
Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.	Req \$	411,000	\$ - \$ 411,000
	Rec \$	-	\$ - \$ -
	App \$	411,000	\$ - \$ 411,000
	FTE		0.000
2 Retention Bonus			
Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.	Req \$	-	\$ 2,043,000 \$ 2,043,000
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 2,043,000 \$ 2,043,000
	FTE		0.000
3 Labor Market Retention and Adjustment Fund			
Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.	Req \$	329,000	\$ - \$ 329,000
	Rec \$	-	\$ - \$ -
	App \$	329,000	\$ - \$ 329,000
	FTE		0.000
4 Retiree Cost of Living Increases			
Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.	Req \$	51,300	\$ 37,900 \$ 89,200
	Rec \$	-	\$ - \$ -
	App \$	51,300	\$ 37,900 \$ 89,200
	FTE		0.000
Division-wide			
5 Assistive Technologies			
Invests state funding to establish 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 \$ 1,000,000
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 1,000,000 \$ 1,000,000
	FTE		0.000
Total Change to Requirements	\$	791,300	\$ 3,080,900 \$ 3,872,200
Total Change to Receipts	\$	-	\$ - \$ -
Total Change to Net Appropriation	\$	791,300	\$ 3,080,900 \$ 3,872,200
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		3,872,200
Recommended Total FTE Changes			0.000

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.

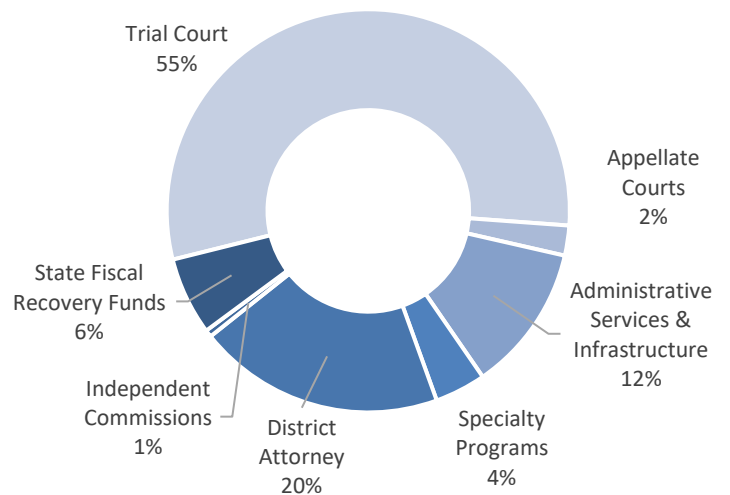
Goals

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.

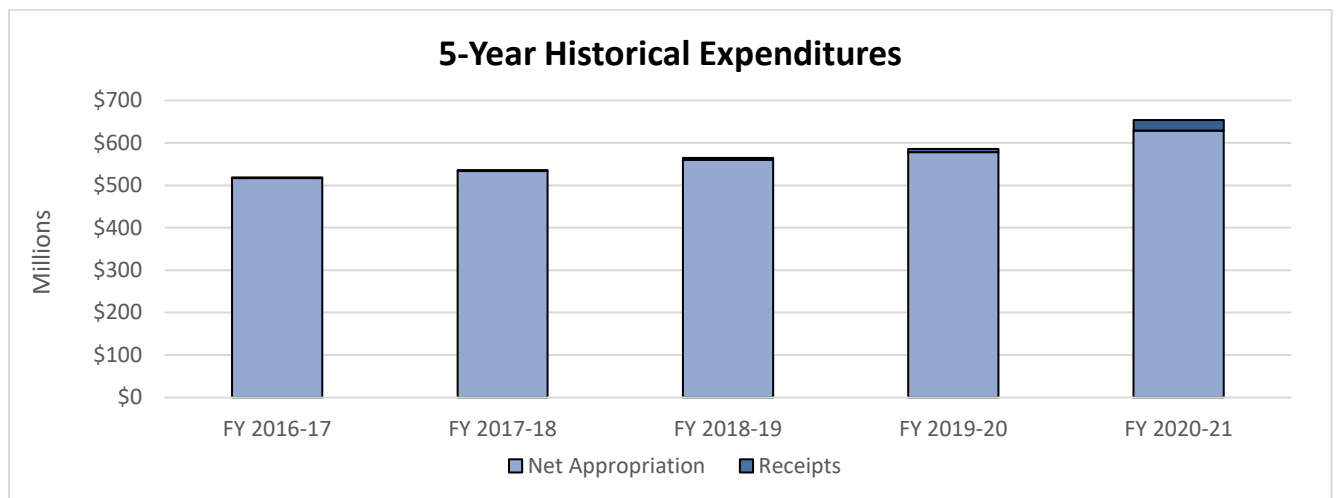
Agency Profile

- Employs nearly 400 NCAOC staff positions to support the needs of 555 independently elected court officials and almost 6,500 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 2021-22 Authorized Expenditures



5-Year Historical Expenditures



Charts include General Fund budget code only.

Judicial Branch (12000)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	628,944,236	718,636,816	691,722,774	36,103,231	19,265,406	55,368,637	747,091,411
Receipts	24,876,844	46,268,647	2,398,077	-	-	-	2,398,077
Net Appropriation	604,067,391	672,368,169	689,324,697	36,103,231	19,265,406	55,368,637	744,693,334
Positions (FTE)	0.000	6,114.250	6,119.250			105.000	6,224.250

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Compensation and Benefits Reserves			
1 Compensation Increase Reserve			
Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.	Req \$	14,312,000	\$ - \$ 14,312,000
	Rec \$	-	\$ - \$ -
	App \$	14,312,000	\$ - \$ 14,312,000
	FTE		0.000
2 Retention Bonus			
Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.	Req \$	-	\$ 14,864,000 \$ 14,864,000
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 14,864,000 \$ 14,864,000
	FTE		0.000
3 Labor Market Retention and Adjustment Fund			
Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.	Req \$	11,443,000	\$ - \$ 11,443,000
	Rec \$	-	\$ - \$ -
	App \$	11,443,000	\$ - \$ 11,443,000
	FTE		0.000
4 Retiree Cost of Living Increases			
Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.	Req \$	2,067,400	\$ 1,558,800 \$ 3,626,200
	Rec \$	-	\$ - \$ -
	App \$	2,067,400	\$ 1,558,800 \$ 3,626,200
	FTE		0.000
Department-wide			
5 Internal Auditors			
Funds internal auditors to help meet minimum recommended levels from the Council of Internal Auditing. These positions will improve efficiency, effectiveness, and compliance within the agency.	Req \$	210,982	\$ - \$ 210,982
	Rec \$	-	\$ - \$ -
	App \$	210,982	\$ - \$ 210,982
	FTE		2.000
Local Courthouse Resources			
6 Conference of Clerks of Superior Court			
Provides funding for 42 Deputy Clerk and ten Assistant Clerk positions to address workload needs statewide, supporting the efficient administration of justice.	Req \$	2,993,710	\$ 119,578 \$ 3,113,288
	Rec \$	-	\$ - \$ -
	App \$	2,993,710	\$ 119,578 \$ 3,113,288
	FTE		52.000
7 Conference of District Attorneys			
Provides funding for 31 District Attorney Legal Assistants, ten Assistant District Attorneys, and five District Attorney Administrative Assistants to address staff shortages, ensuring effective administration of justice statewide.	Req \$	4,107,204	\$ 182,888 \$ 4,290,092
	Rec \$	-	\$ - \$ -
	App \$	4,107,204	\$ 182,888 \$ 4,290,092
	FTE		46.000

		R Changes		NR Changes		Adjustments
8 Magistrates						
Establishes five new Magistrate positions to address workload needs and support the timely processing of cases statewide.	Req \$	355,375	\$	15,140	\$	370,515
	Rec \$	-	\$	-	\$	-
	App \$	355,375	\$	15,140	\$	370,515
	FTE					5.000
9 Juror Pay Increase						
Increases juror pay for the first day of service, from \$12 per day to \$20 per day. This increase aims to improve juror turnout and address the judicial caseload backlog caused by the COVID-19 pandemic.	Req \$	613,560	\$	-	\$	613,560
	Rec \$	-	\$	-	\$	-
	App \$	613,560	\$	-	\$	613,560
	FTE					0.000
Support for Court Programs						
10 Recovery Courts						
Provides state funding for Judicially Managed Accountability and Recovery Courts. Funds may be used to support existing locally funded Recovery Courts or facilitate the creation of new Recovery Courts, expanding resources to combat substance abuse statewide. Up to \$500,000 may be used to evaluate the pilots implemented in SL 2021-180.	Req \$	-	\$	2,500,000	\$	2,500,000
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	2,500,000	\$	2,500,000
	FTE					0.000
Research, Policy, and Planning						
11 Court Reminder System Evaluation						
Provides funds to support a study, including stakeholder engagement, of the Administrative Office of the Courts (AOC) Automated Court Event Notification (ACEN) capabilities. The study will determine the feasibility of upgrading the ACEN system to automatically enroll defendants in reminders. The study will also evaluate the effectiveness of the current reminder system for reducing Failure to Appear (FTAs) and include related recommendations to reduce FTAs.	Req \$	-	\$	25,000	\$	25,000
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	25,000	\$	25,000
	FTE					0.000
Total Change to Requirements		\$ 36,103,231		\$ 19,265,406		\$ 55,368,637
Total Change to Receipts		\$ -		\$ -		\$ -
Total Change to Net Appropriation		\$ 36,103,231		\$ 19,265,406		\$ 55,368,637
Total Change to Full-Time Equivalent (FTE)						105.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$		55,368,637		
Recommended Total FTE Changes						105.000

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Mission

To safeguard individual liberty and the Constitution by equipping the North Carolina public defense community with the resources it needs to achieve fair and just outcomes for clients.

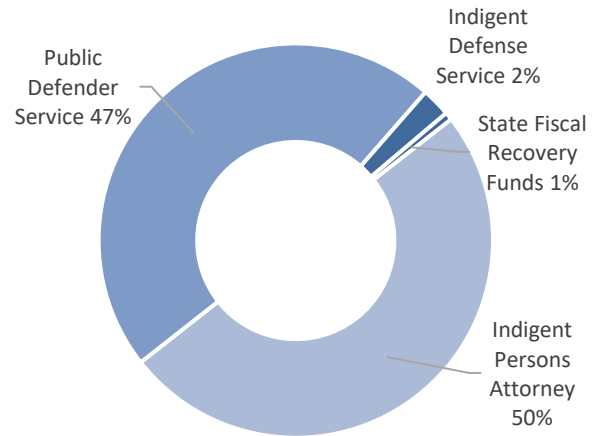
Goals

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

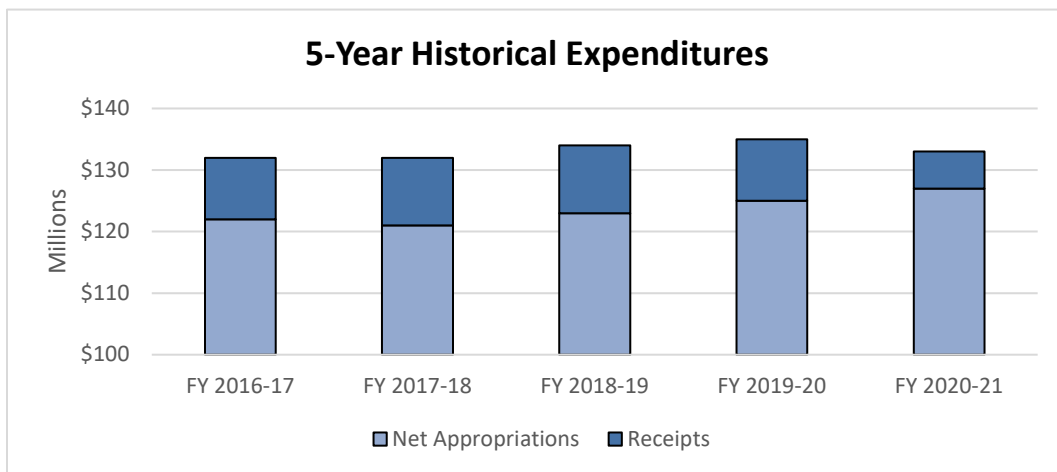
Agency Profile

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

FY 2021-22 Authorized Expenditures



5-Year Historical Expenditures



Charts include General Fund budget code only.

Judicial Branch - Indigent Defense (12001)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	134,568,460	150,427,784	152,524,875	4,398,904	1,409,168	5,808,072	158,332,947
Receipts	6,787,467	13,755,019	14,245,217	-	-	-	14,245,217
Net Appropriation	127,780,993	136,672,765	138,279,658	4,398,904	1,409,168	5,808,072	144,087,730
Positions (FTE)	0.000	579.000	579.000			10.000	589.000

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments

Compensation and Benefits Reserves

1 Compensation Increase Reserve

Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.

Req \$	1,562,000	\$	-	\$	1,562,000
Rec \$	-	\$	-	\$	-
App \$	1,562,000	\$	-	\$	1,562,000
FTE					0.000

2 Retention Bonus

Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.

Req \$	-	\$	1,213,000	\$	1,213,000
Rec \$	-	\$	-	\$	-
App \$	-	\$	1,213,000	\$	1,213,000
FTE					0.000

3 Labor Market Retention and Adjustment Fund

Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.

Req \$	1,249,000	\$	-	\$	1,249,000
Rec \$	-	\$	-	\$	-
App \$	1,249,000	\$	-	\$	1,249,000
FTE					0.000

4 Retiree Cost of Living Increases

Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.

Req \$	205,500	\$	153,000	\$	358,500
Rec \$	-	\$	-	\$	-
App \$	205,500	\$	153,000	\$	358,500
FTE					0.000

Public Defender Capacity

5 Western Regional Defender

Funds one Western Regional Defender to serve as a resource to local attorneys and recruit private assigned counsel in western North Carolina. Unlike in the central and eastern regions of the state, there is no regional defender in the western district. This position will improve representation in the western counties, particularly in those districts that have few local attorneys.

Req \$	167,675	\$	3,625	\$	171,300
Rec \$	-	\$	-	\$	-
App \$	167,675	\$	3,625	\$	171,300
FTE					1.000

6 Capital Defender Capacity

Provides funds for one Assistant Capital Defender and one Legal Assistant to address the current staff shortage in the Office of the Capital Defender (OCD). These positions will enhance OCD's ability to process cases and ensure high-quality, effective representation, expediting court cases statewide and reducing the court backlog.

Req \$	283,743	\$	7,250	\$	290,993
Rec \$	-	\$	-	\$	-
App \$	283,743	\$	7,250	\$	290,993
FTE					2.000

		R Changes		NR Changes		Adjustments
7 District 2 Public Defender						
Establishes one Chief Public Defender (PD) position and upgrades one Legal Assistant to an Administrative Assistant 1 in PD District 2. These positions will reduce the workload for the existing Chief PD, who covers District 1 and 2, the largest judicial district in the state, by decreasing caseload backlogs and ensuring high-quality, effective representation.	Req \$	247,229	\$	10,553	\$	257,782
	Rec \$	-	\$	-	\$	-
	App \$	247,229	\$	10,553	\$	257,782
	FTE					1.000
8 Expand District 5 Into Pender County						
Provides funds for three Assistant PDs, one investigator, and one social worker to expand Judicial District 5 into Pender County, which is currently an attorney desert. These positions will reduce caseload backlogs and ensure high quality, effective representation.	Req \$	561,365	\$	18,115	\$	579,480
	Rec \$	-	\$	-	\$	-
	App \$	561,365	\$	18,115	\$	579,480
	FTE					5.000
Office of the Special Counsel						
9 Special Counsel Position						
Provides funding for one position to support the Office of the Special Counsel, a highly specialized office that has experienced a 33% caseload increase over the past six years. This position will enable the office to meet the hearing requirements in GS 122C.	Req \$	122,392	\$	3,625	\$	126,017
	Rec \$	-	\$	-	\$	-
	App \$	122,392	\$	3,625	\$	126,017
	FTE					1.000
Total Change to Requirements		\$ 4,398,904		\$ 1,409,168		\$ 5,808,072
Total Change to Receipts		\$ -		\$ -		\$ -
Total Change to Net Appropriation		\$ 4,398,904		\$ 1,409,168		\$ 5,808,072
Total Change to Full-Time Equivalent (FTE)						10.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$		5,808,072		
Recommended Total FTE Changes				10.000		

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Mission

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

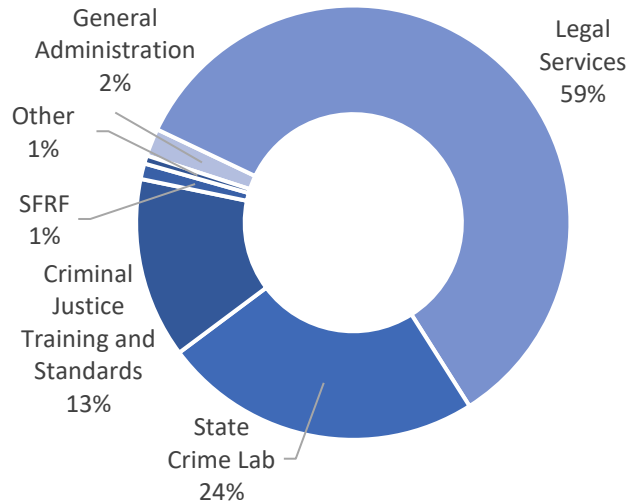
Goals

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

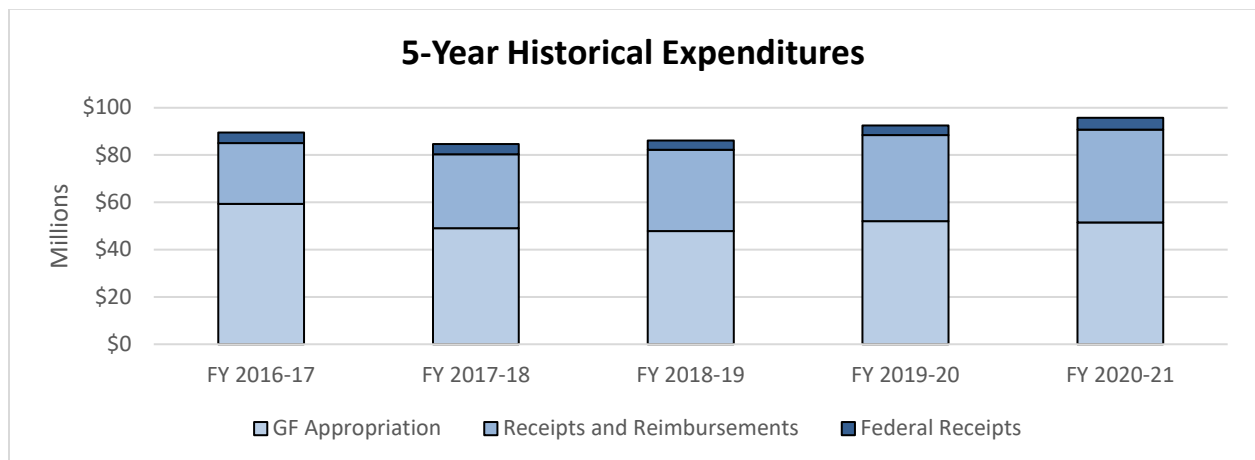
Agency Profile

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

FY 2021-22 Authorized Expenditures



5-Year Historical Expenditures



Charts include General Fund budget code only.

Department of Justice (13600)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	95,567,488	108,798,980	102,807,319	4,688,085	1,729,200	6,417,285	109,224,604
Receipts	44,090,022	43,682,434	40,562,557	-	-	-	40,562,557
Net Appropriation	51,477,465	65,116,546	62,244,762	4,688,085	1,729,200	6,417,285	68,662,047
Positions (FTE)	0.000	807.885	807.885			16.000	823.885

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Compensation and Benefits Reserves			
1 Compensation Increase Reserve			
Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.	Req \$	1,335,200	\$ - \$ 1,335,200
	Rec \$	-	\$ - \$ -
	App \$	1,335,200	\$ - \$ 1,335,200
	FTE		0.000
2 Retention Bonus			
Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.	Req \$	-	\$ 1,616,000 \$ 1,616,000
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 1,616,000 \$ 1,616,000
	FTE		0.000
3 Labor Market Retention and Adjustment Fund			
Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.	Req \$	989,000	\$ - \$ 989,000
	Rec \$	-	\$ - \$ -
	App \$	989,000	\$ - \$ 989,000
	FTE		0.000
4 Retiree Cost of Living Increases			
Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.	Req \$	153,300	\$ 113,200 \$ 266,500
	Rec \$	-	\$ - \$ -
	App \$	153,300	\$ 113,200 \$ 266,500
	FTE		0.000
Department-wide			
5 Internal Auditors			
Funds internal auditors to help meet minimum recommended levels from the Council of Internal Auditing. Additional staff will improve efficiency, effectiveness, and compliance within the agency.	Req \$	225,712	\$ - \$ 225,712
	Rec \$	-	\$ - \$ -
	App \$	225,712	\$ - \$ 225,712
	FTE		2.000
NC State Crime Laboratory			
6 Crime Analysis Scientists			
Establishes four State Crime Lab positions – two DNA scientists and two drug chemists. 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. According to the department, on average, each new scientist reduces turnaround time for cases by 5%.	Req \$	428,114	\$ - \$ 428,114
	Rec \$	-	\$ - \$ -
	App \$	428,114	\$ - \$ 428,114
	FTE		4.000

		R Changes		NR Changes		Adjustments
Legal Services						
7 Attorney Positions						
Addresses the rise in caseloads by funding eight attorney positions to focus on criminal appellate work and one attorney position to work on workers' compensation claims. North Carolina is the only state that assigns criminal appellate briefs to non-criminal attorneys to manage the state's caseload. Attorneys appropriately trained for their cases will better handle criminal appeals and workers' compensation claims than attorneys without that experience.	Req	\$ 1,381,288	\$	-	\$	1,381,288
	Rec	-	\$	-	\$	-
	App	\$ 1,381,288	\$	-	\$	1,381,288
	FTE					9.000
Administrative Services						
8 Networking Security Officer						
Provides funds for one networking security officer to protect against ongoing threats to the department's network security and data. This position will help secure confidential health or personal data that the department holds on behalf of other state agencies.	Req	\$ 175,471	\$	-	\$	175,471
	Rec	-	\$	-	\$	-
	App	\$ 175,471	\$	-	\$	175,471
	FTE					1.000
Total Change to Requirements		\$ 4,688,085	\$	1,729,200	\$	6,417,285
Total Change to Receipts		\$ -	\$	-	\$	-
Total Change to Net Appropriation		\$ 4,688,085	\$	1,729,200	\$	6,417,285
Total Change to Full-Time Equivalent (FTE)						16.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$		6,417,285		
Recommended Total FTE Changes				16.000		

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Mission

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

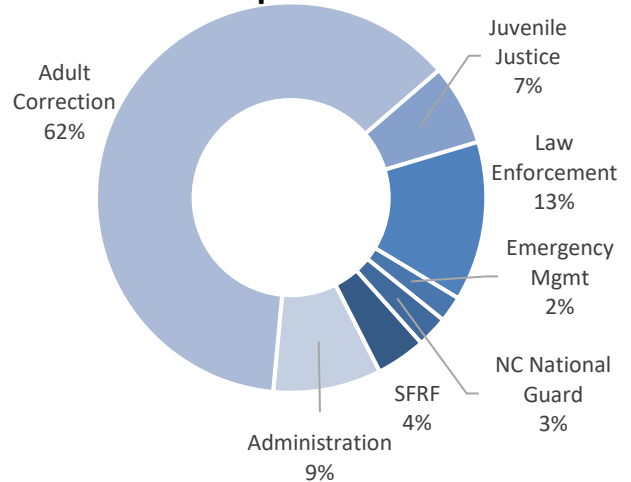
Goals

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

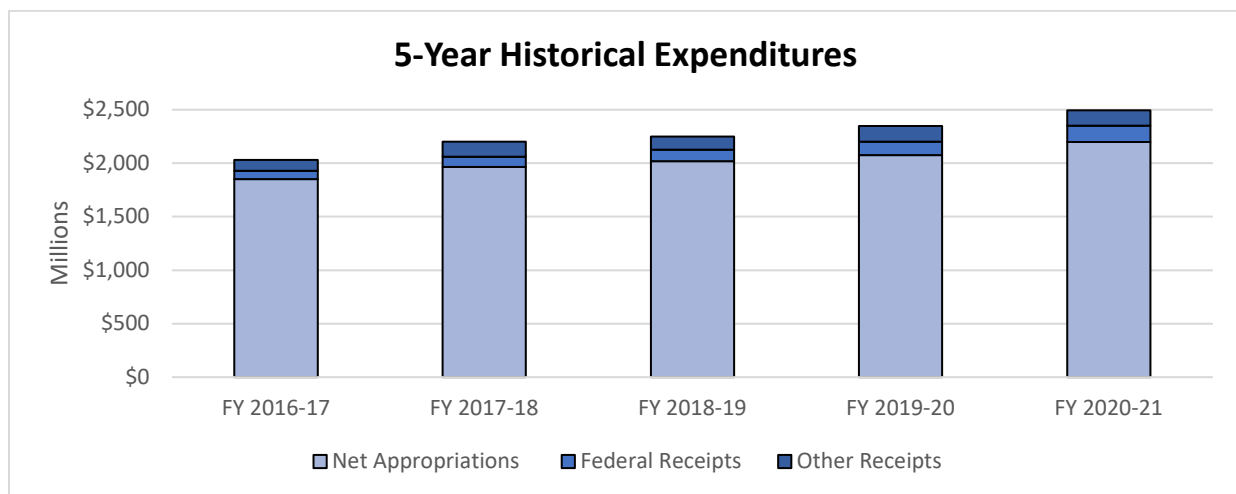
Agency Profile

- Serves as the state’s chief protector and defender of the public and is the statewide public safety and homeland security agency.
- 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 2021-22 Authorized Expenditures



5-Year Historical Expenditures



Charts include General Fund budget code only.

Department of Public Safety (14550)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	2,611,409,534	2,858,617,132	2,765,918,766	112,966,120	106,103,700	219,069,820	2,984,988,586
Receipts	1,031,190,609	390,169,907	267,676,596	-	-	-	267,676,596
Net Appropriation	1,580,218,925	2,468,447,225	2,498,242,170	112,966,120	106,103,700	219,069,820	2,717,311,990
Positions (FTE)	0.000	24,727.416	24,822.416			140.000	24,962.416

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments

Compensation and Benefits Reserves

1 Compensation Increase Reserve

Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.

Req \$	48,799,400	\$	-	\$	48,799,400
Rec \$	-	\$	-	\$	-
App \$	48,799,400	\$	-	\$	48,799,400
FTE					0.000

2 Retention Bonus

Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.

Req \$	-	\$	51,664,000	\$	51,664,000
Rec \$	-	\$	-	\$	-
App \$	-	\$	51,664,000	\$	51,664,000
FTE					0.000

3 Labor Market Retention and Adjustment Fund

Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.

Req \$	32,485,000	\$	-	\$	32,485,000
Rec \$	-	\$	-	\$	-
App \$	32,485,000	\$	-	\$	32,485,000
FTE					0.000

4 Retiree Cost of Living Increases

Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.

Req \$	5,026,400	\$	3,710,000	\$	8,736,400
Rec \$	-	\$	-	\$	-
App \$	5,026,400	\$	3,710,000	\$	8,736,400
FTE					0.000

Department-wide

5 Infrastructure and Energy Efficiency Staff and Software

Creates five positions for Infrastructure Engineers, Energy Efficiency, or Facilities Maintenance staff. Two of the positions shall remain with the Department of Public Safety, and three shall be at the Department of Correction and Rehabilitation (DCR). These positions will enhance the departments' capital planning, ensure more timely building maintenance and repairs, and improve energy efficiency in state buildings. Funds will also be used for utility monitoring software, enabling the department to conserve energy, reduce consumption and cost, and support the state's energy efficiency goals.

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

		R Changes	NR Changes	Adjustments
Administration				
6 Violence Intervention Grants				
Funds a competitive grant program through the Governor's Crime Commission to expand violence intervention and education programming. Grants will be awarded to community and healthcare organizations that approach violence as a public health issue and use evidence-based interventions to reduce the incidence of community-based violence.	Req \$	- \$	5,000,000 \$	5,000,000
	Rec \$	- \$	- \$	-
	App \$	- \$	5,000,000 \$	5,000,000
	FTE			0.000
7 Body Camera Grants				
Establishes a competitive grant program through the Governor's Crime Commission to expand the use of body cameras across the state. Grants will be awarded to local law enforcement agencies in Tier 1 and 2 counties to cover the purchase costs of body cameras.	Req \$	- \$	10,000,000 \$	10,000,000
	Rec \$	- \$	- \$	-
	App \$	- \$	10,000,000 \$	10,000,000
	FTE			0.000
8 Safe Storage				
Provides \$1 million nonrecurring for the purchase of firearm safety locks for sheriffs' offices to distribute to the public based on gun permit data, increasing the number of safely stored firearms statewide. The remaining \$200,000 will be used to develop and implement a statewide safe storage awareness campaign.	Req \$	- \$	1,200,000 \$	1,200,000
	Rec \$	- \$	- \$	-
	App \$	- \$	1,200,000 \$	1,200,000
	FTE			0.000
9 Simulator Virta System Upgrades				
Provides funds to upgrade the firearms training simulator at the Samarcaud Training Academy. The simulator is an essential training tool that prepares law enforcement cadets and officers for different situations they may encounter in the field.	Req \$	- \$	150,000 \$	150,000
	Rec \$	- \$	- \$	-
	App \$	- \$	150,000 \$	150,000
	FTE			0.000
Alcohol Law Enforcement (ALE)				
10 Operating Budget for New Offices				
Provides funding to cover operational needs for the nine new ALE offices established in SL 2021-180. Funding is required to close budget shortfalls caused by the increased cost of leases, utilities, and business functions such as data and voice services.	Req \$	599,809 \$	- \$	599,809
	Rec \$	- \$	- \$	-
	App \$	599,809 \$	- \$	599,809
	FTE			0.000
11 New ALE Agents				
Creates four new Agent positions to carry out the division's mission. These agents will also increase public engagement to educate ABC permittees on responsible sales and service of alcoholic beverages statewide and to educate community groups on public safety issues surrounding underage alcohol use and other alcohol misuse.	Req \$	359,023 \$	266,540 \$	625,563
	Rec \$	- \$	- \$	-
	App \$	359,023 \$	266,540 \$	625,563
	FTE			4.000
State Bureau of Investigation (SBI)				
12 Positional and Information Technology (IT) Needs				
Provides funding to support the operational needs of the eight law enforcement officer positions focused on human trafficking created in SL 2021-180, including training, health screenings, and vehicles. These funds will also allow the SBI to migrate to a cloud network and implement multi-factor authentication.	Req \$	282,000 \$	1,511,920 \$	1,793,920
	Rec \$	- \$	- \$	-
	App \$	282,000 \$	1,511,920 \$	1,793,920
	FTE			0.000
State Highway Patrol (SHP)				
13 Updated Tasers				
Equips troopers with new tasers, replacing equipment that is outdated and no longer under warranty. These funds will also cover training and the purchase of cartridges, download cradles, batteries, and holsters.	Req \$	- \$	2,000,000 \$	2,000,000
	Rec \$	- \$	- \$	-
	App \$	- \$	2,000,000 \$	2,000,000
	FTE			0.000
14 VIPER Equipment and Maintenance				
Provides funds to replace radios and add the required personnel for continued tower maintenance for the Voice Interoperability Plan for Emergency Responders (VIPER) network. The new radios will encrypt radio traffic to reduce the capabilities of outside actors to intercept radio traffic. The continually growing network also requires additional resources and personnel for ongoing maintenance of completed towers and user support.	Req \$	4,393,869 \$	17,481,240 \$	21,875,109
	Rec \$	- \$	- \$	-
	App \$	4,393,869 \$	17,481,240 \$	21,875,109
	FTE			21.000

		R Changes	NR Changes	Adjustments
Adult Correction				
15 Department of Correction and Rehabilitation Optimization Funds				
Provides funds to facilitate an efficient and seamless transition for the new DCR. Funds may be used to create up to 20 new positions, in areas such as human resources, budget, purchasing, or similar operational positions. Funds may also be used for the Department of Public Safety's current IT shortfall and to cover other departmental needs during this transition period.	Req	\$ 2,000,000	\$ 8,000,000	\$ 10,000,000
	Rec	\$ -	\$ -	\$ -
	App	\$ 2,000,000	\$ 8,000,000	\$ 10,000,000
	FTE			0.000
16 Prison Life and Safety Improvements				
Provides funding for critical life and safety system upgrades such as emergency release locking systems, man-down systems, and facility cell lighting, which are either at the end of life or not compliant with industry standards. These improvements increase safety within prisons and protect Correctional Officers and staff.	Req	\$ -	\$ 3,000,000	\$ 3,000,000
	Rec	\$ -	\$ -	\$ -
	App	\$ -	\$ 3,000,000	\$ 3,000,000
	FTE			0.000
17 Community Corrections Safety Package				
Provides funds to maintain tasers for 135 Probation and Parole Officers (PPOs) on the Emergency Response Team, upgrade VIPER radios, and institute oral drug testing for individuals on probation and parole.	Req	\$ -	\$ 185,000	\$ 185,000
	Rec	\$ -	\$ -	\$ -
	App	\$ -	\$ 185,000	\$ 185,000
	FTE			0.000
18 Probation and Parole Officers				
Funds ten reentry PPOs, ten mental health PPOs, and one new Chief PPO. These positions will improve outcomes and enhance public safety by addressing the needs of offenders on supervision with serious and persistent mental health issues and expanding access to specialized services that support successful reentry. The Chief PPO will provide consistent and timely support to PPOs in the field.	Req	\$ 2,058,185	\$ -	\$ 2,058,185
	Rec	\$ -	\$ -	\$ -
	App	\$ 2,058,185	\$ -	\$ 2,058,185
	FTE			21.000
19 Local Reentry Councils				
Funds up to six new local reentry councils and supportive services such as housing, transportation, educational training, and other basic needs assistance to improve outcomes for offenders returning to their communities after incarceration.	Req	\$ 1,125,000	\$ -	\$ 1,125,000
	Rec	\$ -	\$ -	\$ -
	App	\$ 1,125,000	\$ -	\$ 1,125,000
	FTE			0.000
Juvenile Justice				
20 Detention Facilities				
Provides funding to support implementation of "Raise the Age" by increasing bed capacity at Juvenile Detention Centers. These facilities provide temporary secure custody for juveniles deemed to require it as they move through the juvenile justice system. This funding will support operations at Juvenile Detention Centers across the state, including those owned and operated by the state and those owned and operated on contract by counties.	Req	\$ 3,350,000	\$ -	\$ 3,350,000
	Rec	\$ -	\$ -	\$ -
	App	\$ 3,350,000	\$ -	\$ 3,350,000
	FTE			0.000
21 Rockingham Youth Development Center				
Supports operating and start-up costs for the Rockingham Youth Development Center, to be completed in 2023. The facility will partly address the need for additional beds for justice-involved youth who are required to receive intensive treatment. This facility will serve up to 60 children.	Req	\$ 3,347,320	\$ 720,000	\$ 4,067,320
	Rec	\$ -	\$ -	\$ -
	App	\$ 3,347,320	\$ 720,000	\$ 4,067,320
	FTE			86.000
22 Transition to Electronic Health Records				
Enables the Division of Juvenile Justice to transfer hard copy electronic health records to an online database, allowing the division to efficiently collaborate with community partners and monitor the effectiveness and costs of health services. This transition will also ensure compliance with Health Insurance Portability and Accountability Act of 1996 (HIPAA) standards.	Req	\$ 250,000	\$ 1,030,000	\$ 1,280,000
	Rec	\$ -	\$ -	\$ -
	App	\$ 250,000	\$ 1,030,000	\$ 1,280,000
	FTE			0.000

		R Changes		NR Changes		Adjustments
23 Support for Juvenile Reentry						
Funds contractual services, intensive intervention programs, and increased funding for Juvenile Crime Prevention Councils to expand access to NC Results First-evaluated evidence-based re-entry programs, such as Value-Based Therapeutic Environment and Family First Therapy models for justice-involved youth.	Req \$	2,745,289	\$	185,000	\$	2,930,289
	Rec \$	-	\$	-	\$	-
	App \$	2,745,289	\$	185,000	\$	2,930,289
	FTE					0.000
24 Violence Prevention and Education for Juvenile Justice-Involved Youth						
Provides funds for Juvenile Crime Prevention Councils to implement evidence-based violence and gang prevention and firearm safety programming to at-risk and juvenile justice-involved youth in local communities.	Req \$	2,500,000	\$	-	\$	2,500,000
	Rec \$	-	\$	-	\$	-
	App \$	2,500,000	\$	-	\$	2,500,000
	FTE					0.000
Emergency Management (EM) and NC Office of Recovery and Resiliency (NOCORR)						
25 EM - Relocated Branch Offices						
Provides funds to relocate the Central and Western Branch facilities. The new locations will address logistical needs, such as warehouse space and transport vehicle parking, and allow for more effective coordination during major events.	Req \$	350,000	\$	-	\$	350,000
	Rec \$	-	\$	-	\$	-
	App \$	350,000	\$	-	\$	350,000
	FTE					0.000
26 NOCORR - Resiliency Positions						
Creates three new staff positions: an Interagency Coordination Director, Data Specialist, and Engagement and Communications Specialist. These positions will expand the Resilience Team's capacity to support communities in planning for and implementing resiliency projects aimed at mitigating the impact of natural disasters. This funding will also be used to shift three Resilient Communities program staff from federal grant funding, which expires in early 2023, to General Fund appropriation.	Req \$	762,825	\$	-	\$	762,825
	Rec \$	-	\$	-	\$	-
	App \$	762,825	\$	-	\$	762,825
	FTE					3.000
NC National Guard (NCNG)						
27 NCNG - Property Operating Funds						
Supports four newly acquired NCNG facilities. These funds will provide utility services, maintenance and repairs, contractual obligations, and federal match requirements at the Ballentine and Constable Buildings, Fountain Women's Correctional Facility, Wilmington New Hanover Readiness Center, and Morganton Regional Readiness Center.	Req \$	1,070,000	\$	-	\$	1,070,000
	Rec \$	-	\$	-	\$	-
	App \$	1,070,000	\$	-	\$	1,070,000
	FTE					0.000
28 NCNG - National Guard Tuition Assistance Program (NC TAP)						
Provides additional tuition funds for active-duty National Guard members seeking higher education. This funding is expected to support more than 150 new participants per academic year and allow NC TAP to assist nearly 100% of applicants.	Req \$	912,000	\$	-	\$	912,000
	Rec \$	-	\$	-	\$	-
	App \$	912,000	\$	-	\$	912,000
	FTE					0.000
Investments from Reserves						
29 NOCORR-Resilient Communities Program						
Provides \$6 million nonrecurring for the NC Regions Innovating for Strong Economies and Environment program (RISE). Funds will be used to expand the program to additional communities, enabling regions and local governments to reduce flood risk and promote long-term resilience. This item is funded in the Clean Energy and Environment Reserve in the Reserves Section of this document.	Req \$	-	\$	-	\$	-
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	-	\$	-
	FTE					0.000
Total Change to Requirements		\$ 112,966,120		\$ 106,103,700		\$ 219,069,820
Total Change to Receipts		\$ -		\$ -		\$ -
Total Change to Net Appropriation		\$ 112,966,120		\$ 106,103,700		\$ 219,069,820
Total Change to Full-Time Equivalent (FTE)						140.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$		219,069,820		
Recommended Total FTE Changes				140.000		

Public Safety - Other Special Grants (24550)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	41,530,039	36,918,397	36,918,397	-	1,050,000	1,050,000	37,968,397
Receipts	28,077,028	27,852,615	27,852,615	-	1,050,000	1,050,000	28,902,615
Δ in Fund Balance	(13,453,012)	(9,065,782)	(9,065,782)	-	-	-	(9,065,782)
Positions (FTE)	0.000	104.500	104.500			0.000	104.500

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
State Bureau of Investigation (SBI)			
1 Implement Cloud Migration			
Transfers funds from budget code 14550 for positional and information technology needs to support cloud migration of SBI's network. This transition will enhance the division's information technology capability, ensuring network security to address increasing safety threats, prepare for disaster recovery, and reduce capital expenses associated with on-site infrastructure.	Req \$	- \$	1,050,000 \$
	Rec \$	- \$	1,050,000 \$
	CFB \$	- \$	- \$
	FTE		0.000
Total Change to Requirements	\$	- \$	1,050,000 \$
Total Change to Receipts	\$	- \$	1,050,000 \$
Total Change to Net Appropriation	\$	- \$	- \$
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$		-
Recommended Total FTE Changes			0.000

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

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	627,585,782	521,474,833	347,132,833	-	10,000,000	10,000,000	357,132,833
Receipts	695,145,770	521,474,833	347,132,833	-	10,000,000	10,000,000	357,132,833
Δ in Fund Balance	67,559,988	-	-	-	-	-	-
Positions (FTE)	0.000	104.810	104.810			0.000	104.810

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Investments from Reserves			
1 EM - Funding for Road and Bridge Repairs			
Budgets receipts from the State Emergency Response and Disaster Relief Fund (SERDRF) to address overwhelming demand for private road and bridge repairs in response to Tropical Storm Fred (TS Fred). These projects are not eligible for federal disaster recovery assistance.	Req \$	- \$	5,000,000 \$
	Rec \$	- \$	5,000,000 \$
	CFB \$	- \$	- \$
	FTE		0.000
2 EM - TS Fred Remaining Debris Removal			
Budgets receipts from the SERDRF to support remaining debris removal in counties affected by TS Fred. These funds will enable the removal and disposal of approximately 85,000 cubic yards of debris, repairs for damages from TS Fred, and construction of infrastructure to prevent future losses.	Req \$	- \$	5,000,000 \$
	Rec \$	- \$	5,000,000 \$
	CFB \$	- \$	- \$
	FTE		0.000
Total Change to Requirements	\$	- \$	10,000,000 \$
Total Change to Receipts	\$	- \$	10,000,000 \$
Total Change to Net Appropriation	\$	- \$	- \$
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$		-
Recommended Total FTE Changes			0.000

Hurricane Florence Disaster Recovery Fund (24558)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	313,049,269	253,753,679	253,753,679	-	40,000,000	40,000,000	293,753,679
Receipts	292,482,713	253,753,679	253,753,679	-	40,000,000	40,000,000	293,753,679
Δ in Fund Balance	(20,566,556)	-	-	-	-	-	-
Positions (FTE)	0.000	0.000	0.000			0.000	0.000

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Investments from Reserves			
1 EM - Florence Unmet Housing Recovery Needs			
Budgets receipts from the State Emergency Response and Disaster Relief Fund to address unmet housing needs for families and homeowners severely impacted by Hurricane Florence and who are not eligible for federal recovery assistance. Additional funding will support critical home repairs, reconstructions, elevations, and buyouts of flood prone properties.	Req \$	- \$	40,000,000 \$
	Rec \$	- \$	40,000,000 \$
	CFB \$	- \$	- \$
	FTE		0.000
Total Change to Requirements	\$	- \$	40,000,000 \$
Total Change to Receipts	\$	- \$	40,000,000 \$
Total Change to Net Appropriation	\$	- \$	- \$
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$		-
Recommended Total FTE Changes			0.000

Mission

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

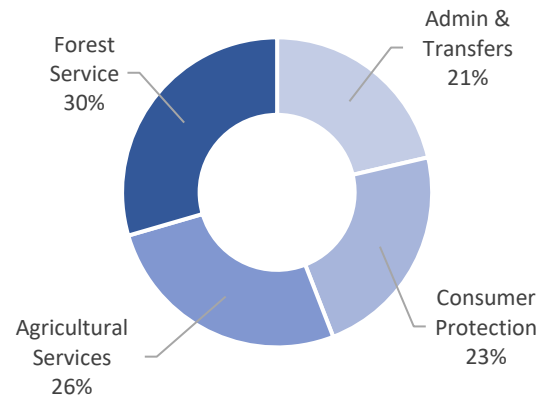
Goals

1. Promote and enhance the production, marketing, and distribution of safe, healthy agricultural products and ensure sound stewardship of farmland and natural resources for North Carolinians.
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.

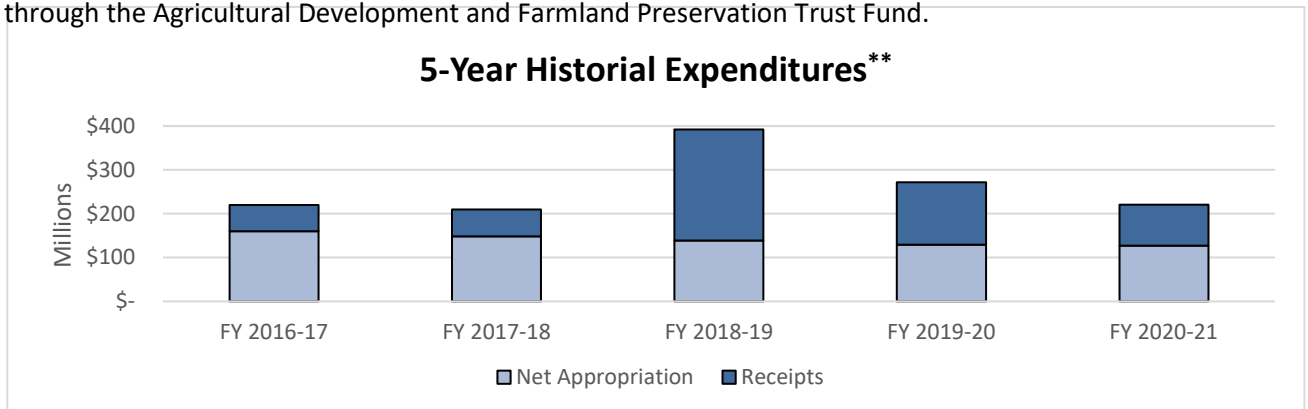
Agency Profile

- 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 99 million pounds of food assistance in FY21 to schools, food banks, and other partners.
- Protected 4,570 homes and structures with an estimated value of \$822,684,731 from wildfire.
- Funded grants that will conserve over 7,800 acres of privately-owned farms and forests in FY22 through the Agricultural Development and Farmland Preservation Trust Fund.

FY 2021-22 Authorized Expenditures*



5-Year Historical Expenditures**



*Chart includes General Fund budget code only and excludes State Fiscal Recovery Fund appropriation.

**Chart includes General Fund budget code only.

Department of Agriculture and Consumer Services (13700)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	220,899,472	372,398,736	225,820,109	7,779,141	6,003,400	13,782,541	239,602,650
Receipts	93,948,147	202,582,863	62,920,117	-	-	-	62,920,117
Net Appropriation	126,951,325	169,815,873	162,899,992	7,779,141	6,003,400	13,782,541	176,682,533
Positions (FTE)	0.000	1,821.521	1,821.521			6.000	1,827.521

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Compensation and Benefits Reserves			
1 Compensation Increase Reserve			
Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.	Req \$	2,582,400	\$ - \$ 2,582,400
	Rec \$	-	\$ - \$ -
	App \$	2,582,400	\$ - \$ 2,582,400
	FTE		0.000
2 Labor Market Retention and Adjustment Fund			
Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.	Req \$	1,895,000	\$ - \$ 1,895,000
	Rec \$	-	\$ - \$ -
	App \$	1,895,000	\$ - \$ 1,895,000
	FTE		0.000
3 Retention Bonus			
Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.	Req \$	-	\$ 4,586,000 \$ 4,586,000
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 4,586,000 \$ 4,586,000
	FTE		0.000
4 Retiree Cost of Living Increases			
Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.	Req \$	294,500	\$ 217,400 \$ 511,900
	Rec \$	-	\$ - \$ -
	App \$	294,500	\$ 217,400 \$ 511,900
	FTE		0.000
Department-wide			
5 Internal Auditor Position			
Funds one internal auditor to help meet minimum recommended levels from the Council of Internal Auditing. This position will improve efficiency, effectiveness, and compliance within the agency.	Req \$	105,491	\$ - \$ 105,491
	Rec \$	-	\$ - \$ -
	App \$	105,491	\$ - \$ 105,491
	FTE		1.000
6 Infrastructure and Energy Efficiency Staff and Software			
Creates three positions for Infrastructure Engineers, Energy Efficiency, or Facilities Maintenance staff. These positions will enhance the department's capital planning, ensure more timely building maintenance and repairs, and improve energy efficiency in state buildings. Funds will also be used for utility monitoring software, enabling the department to conserve energy, reduce consumption and cost, and support the state's energy efficiency goals.	Req \$	353,750	\$ - \$ 353,750
	Rec \$	-	\$ - \$ -
	App \$	353,750	\$ - \$ 353,750
	FTE		3.000

		R Changes		NR Changes		Adjustments
Emergency Programs						
7 Emergency Programs Division Personnel						
Provides funding for an Operations Chief and an Equipment Supervisor to support emergency response, including preparation for and response to emergencies such as natural disasters and animal diseases that impact the state's agriculture industry.	Req \$	190,000	\$	-	\$	190,000
	Rec \$	-	\$	-	\$	-
	App \$	190,000	\$	-	\$	190,000
	FTE					2.000
Food & Drug						
8 Food & Drug Lab Maintenance Agreements						
Closes the structural budget deficit for the Food and Drug Protection Division's maintenance agreements costs for laboratory equipment. These contracts provide preventative maintenance and service repairs for equipment used to conduct critical food safety analyses.	Req \$	508,000	\$	-	\$	508,000
	Rec \$	-	\$	-	\$	-
	App \$	508,000	\$	-	\$	508,000
	FTE					0.000
Forest Service						
9 NCFS Overtime and On-Call						
Provides funds to pay North Carolina Forest Service staff for overtime and on-call hours required for emergency response efforts.	Req \$	750,000	\$	-	\$	750,000
	Rec \$	-	\$	-	\$	-
	App \$	750,000	\$	-	\$	750,000
	FTE					0.000
10 NCFS Equipment Maintenance and Repairs						
Provides recurring funds to allow the North Carolina Forest Service to maintain and repair equipment used in preventing and fighting wildfires, including their fleet of bulldozers, transport vehicles, trailers, and plows.	Req \$	500,000	\$	-	\$	500,000
	Rec \$	-	\$	-	\$	-
	App \$	500,000	\$	-	\$	500,000
	FTE					0.000
11 NCFS Personal Protective Equipment for Fire Fighters						
Provides funding for improved personal protective equipment for wildland fire fighters.	Req \$	-	\$	200,000	\$	200,000
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	200,000	\$	200,000
	FTE					0.000
Research Stations						
12 Research Stations New Irrigation Systems						
Provides funding to update and repair existing irrigation systems at departmental research stations. Irrigation systems, which include reels, pumps, and supply lines, are critical to support research conducted at the research stations.	Req \$	-	\$	1,000,000	\$	1,000,000
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	1,000,000	\$	1,000,000
	FTE					0.000
13 Research Stations Operating Increase						
Increases operational funding to support agricultural research, mitigating the increased costs of livestock feed, seeds, fuel, and equipment repair.	Req \$	400,000	\$	-	\$	400,000
	Rec \$	-	\$	-	\$	-
	App \$	400,000	\$	-	\$	400,000
	FTE					0.000
Small Farms						
14 Agribusiness Internships						
Provides \$200,000 for ten annual internships that provide an opportunity to work directly on farms or within the agricultural industry.	Req \$	200,000	\$	-	\$	200,000
	Rec \$	-	\$	-	\$	-
	App \$	200,000	\$	-	\$	200,000
	FTE					0.000
Investments from Reserves						
15 Swine Floodplain Buyout Program						
Provides \$18 million nonrecurring to purchase permanent conservation easements on properties currently used for swine production that are within the 100-year floodplain. These funds leverage \$5 million of state and federal funds already committed to a regional partnership. These funds will be transferred to budget code 23704. This item is funded in the Clean Energy and Environment Reserve in the Reserves Section of this document.	Req \$	-	\$	-	\$	-
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	-	\$	-
	FTE					0.000

		R Changes	NR Changes	Adjustments
16 NCFS Forest Development Program				
Provides \$2 million nonrecurring for cost-share assistance to NC landowners to improve forest management on private lands through landowner outreach, tree plants, and technical support to adopt and follow best practice management plans. These funds will be transferred to budget code 23705. This item is funded in the Clean Energy and Environment Reserve in the Reserves Section of this document.	Req \$	-	-	-
	Rec \$	-	-	-
	App \$	-	-	-
	FTE			0.000
Total Change to Requirements	\$	7,779,141	\$ 6,003,400	\$ 13,782,541
Total Change to Receipts	\$	-	-	-
Total Change to Net Appropriation	\$	7,779,141	\$ 6,003,400	\$ 13,782,541
Total Change to Full-Time Equivalent (FTE)				6.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$	13,782,541	
Recommended Total FTE Changes			6.000	

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

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	9,069,513	49,488,191	9,988,191	-	-	-	9,988,191
Receipts	7,869,314	47,550,819	8,050,819	-	-	-	8,050,819
Δ in Fund Balance	(1,200,200)	(1,937,372)	(1,937,372)	-	-	-	(1,937,372)
Positions (FTE)	0.000	2.000	2.000			0.000	2.000

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Investments from Reserves			
1 Transfer - Swine Floodplain Buyout Program			
Budgets the transfer of \$18 million nonrecurring from budget code 13700 for the Swine Floodplain Buyout Program to purchase permanent conservation easements on properties currently used for swine production that are within the 100-year floodplain. These funds leverage \$5 million of state and federal funds already committed to a regional partnership. This item is funded in the Clean Energy and Environment Reserve in the Reserves Section of this document.	Req \$	- \$	- \$
	Rec \$	- \$	- \$
	CFB \$	- \$	- \$
	FTE		0.000
Total Change to Requirements	\$	- \$	- \$
Total Change to Receipts	\$	- \$	- \$
Total Change to Net Appropriation	\$	- \$	- \$
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$	-	
Recommended Total FTE Changes		0.000	

Agriculture and Consumer Services - Forest Development Fund (23705)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	1,205,287	1,988,470	1,988,470	-	-	-	1,988,470
Receipts	1,822,465	1,873,036	1,873,036	-	-	-	1,873,036
Δ in Fund Balance	617,178	(115,434)	(115,434)	-	-	-	(115,434)
Positions (FTE)	0.000	1.750	1.750			0.000	1.750

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Investments from Reserves			
1 Transfer - NCFS Forest Development Program			
Budgets the transfer of \$2 million nonrecurring from budget code 13700 for cost-share assistance to NC landowners to improve forest management on private lands through landowner outreach, tree plants, and technical support to adopt and follow best practice management plans. This item is funded in the Clean Energy and Environment Reserve in the Reserves Section of this document.	Req \$	- \$	- \$
	Rec \$	- \$	- \$
	CFB \$	- \$	- \$
	FTE		0.000
Total Change to Requirements	\$	- \$	- \$
Total Change to Receipts	\$	- \$	- \$
Total Change to Net Appropriation	\$	- \$	- \$
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$		-
Recommended Total FTE Changes			0.000

Mission

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

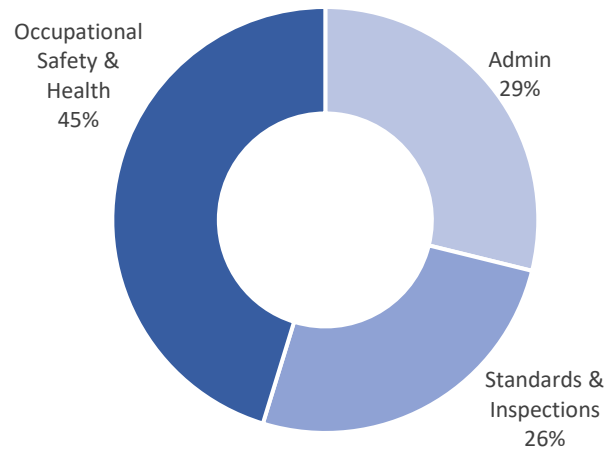
Goals

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.

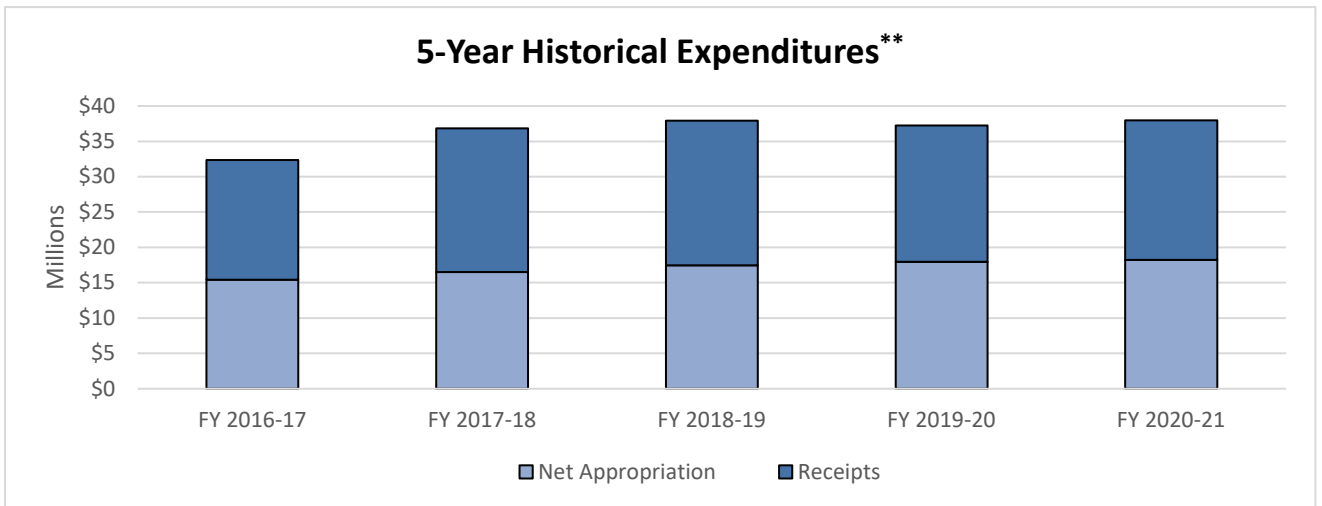
Agency Profile

- 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.

FY 2021-22 Authorized Expenditures*



5-Year Historical Expenditures**



*Chart includes General Fund budget code only and excludes State Fiscal Recovery Fund appropriation.

**Chart includes General Fund budget code only.

Department of Labor (13800)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	37,989,128	46,418,913	41,538,245	1,367,581	832,100	2,199,681	43,737,926
Receipts	19,738,209	24,971,497	19,445,475	(200,000)	-	(200,000)	19,245,475
Net Appropriation	18,250,919	21,447,416	22,092,770	1,567,581	832,100	2,399,681	24,492,451
Positions (FTE)	0.000	377.000	377.000			0.000	377.000

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Compensation and Benefits Reserves			
1 Compensation Increase Reserve			
Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.	Req \$	479,000	\$ - \$ 479,000
	Rec \$	-	\$ - \$ -
	App \$	479,000	\$ - \$ 479,000
	FTE		0.000
2 Labor Market Retention and Adjustment Fund			
Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.	Req \$	383,000	\$ - \$ 383,000
	Rec \$	-	\$ - \$ -
	App \$	383,000	\$ - \$ 383,000
	FTE		0.000
3 Retention Bonus			
Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.	Req \$	-	\$ 788,000 \$ 788,000
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 788,000 \$ 788,000
	FTE		0.000
4 Retiree Cost of Living Increases			
Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.	Req \$	59,700	\$ 44,100 \$ 103,800
	Rec \$	-	\$ - \$ -
	App \$	59,700	\$ 44,100 \$ 103,800
	FTE		0.000
Occupational Safety and Health			
5 OSH Legal Services Funding Increase			
Provides additional resources for legal services to the department. Funding will address a shortfall for the department's four contracted specialized attorneys and restore one contracted specialized attorney within the Attorney General's Office.	Req \$	445,881	\$ - \$ 445,881
	Rec \$	-	\$ - \$ -
	App \$	445,881	\$ - \$ 445,881
	FTE		0.000
6 OSH Consultative Services - Replace Federal Receipts with State Appropriation			
Transfers 1.92 FTE within the Occupational Safety and Health (OSH) Consultative Services Bureau from 21(d) federal grant support to net General Fund appropriation.	Req \$	-	\$ - \$ -
	Rec \$	(200,000)	\$ - \$ (200,000)
	App \$	200,000	\$ - \$ 200,000
	FTE		0.000

	R Changes		NR Changes		Adjustments
Total Change to Requirements	\$	1,367,581	\$	832,100	\$ 2,199,681
Total Change to Receipts	\$	(200,000)	\$	-	\$ (200,000)
Total Change to Net Appropriation	\$	1,567,581	\$	832,100	\$ 2,399,681
Total Change to Full-Time Equivalent (FTE)					0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$			2,399,681	
Recommended Total FTE Changes				0.000	

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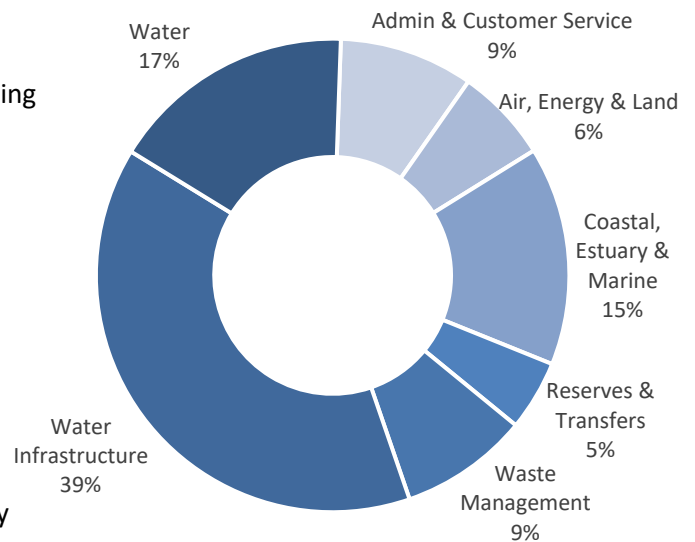
Mission

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

Goals

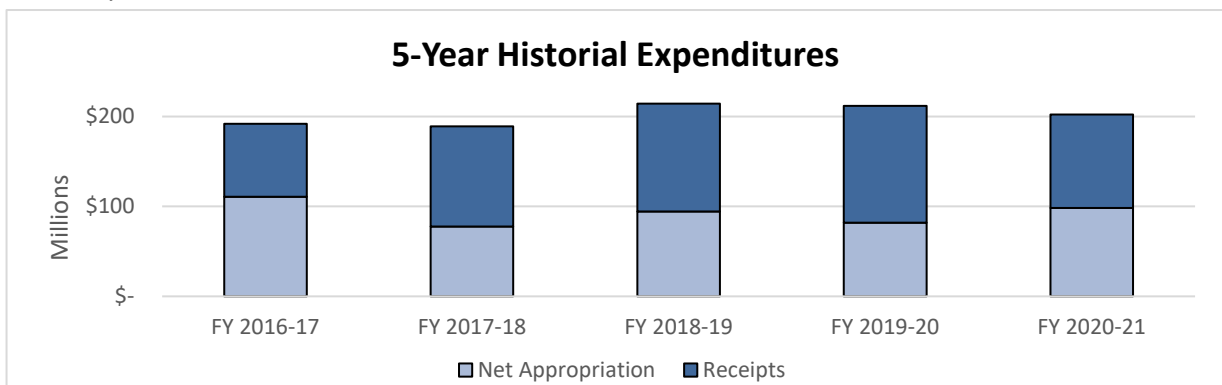
1. Promote and ensure environmental stewardship and provide technical, compliance, permit and financial assistance to meet or exceed regulatory requirements and prevent pollution.
2. Create a working environment where employees are empowered to be active participants in developing science-based solutions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

FY2021-22 Authorized Expenditures*



Agency Profile

- Protects, conserves, manages, and restores North Carolina's environmental resources through planning, permitting, education and research.
- Provides grants and technical assistance to local communities to improve air, land, and water quality through natural and built infrastructure investments.
- Awarded 142 drinking water and wastewater projects approved by the State Water Infrastructure Authority in 2021.



Charts include General Fund budget code only.

* Excludes State Fiscal Recovery Funds.

Department of Environmental Quality (14300)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	202,353,321	1,974,202,612	270,201,810	9,856,389	11,009,660	20,866,049	291,067,859
Receipts	104,093,172	1,867,310,314	168,141,345	2,617,488	-	2,617,488	170,758,833
Net Appropriation	98,260,149	106,892,298	102,060,465	7,238,901	11,009,660	18,248,561	120,309,026
Positions (FTE)	0.000	1,141.871	1,141.871			52.000	1,193.871

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments

Compensation and Benefits Reserves

1 Compensation Increase Reserve

Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.

Req \$	1,270,200	\$	-	\$	1,270,200
Rec \$	-	\$	-	\$	-
App \$	1,270,200	\$	-	\$	1,270,200
FTE					0.000

2 Retention Bonus

Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.

Req \$	-	\$	3,545,000	\$	3,545,000
Rec \$	-	\$	-	\$	-
App \$	-	\$	3,545,000	\$	3,545,000
FTE					0.000

3 Labor Market Retention and Adjustment Fund

Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.

Req \$	950,000	\$	-	\$	950,000
Rec \$	-	\$	-	\$	-
App \$	950,000	\$	-	\$	950,000
FTE					0.000

4 Retiree Cost of Living Increases

Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.

Req \$	147,300	\$	108,800	\$	256,100
Rec \$	-	\$	-	\$	-
App \$	147,300	\$	108,800	\$	256,100
FTE					0.000

Department-wide

5 Emerging Compounds

Funds agency-wide work on emerging compounds. These funds will support operating costs and additional highly skilled staff, such as chemists, hydrogeologists, engineers, and environmental specialists. These positions will address emerging compounds in permitting activities, additional demand for technical support related to emerging compounds at regional offices, and the growing need for groundwater testing capability.

Req \$	2,492,259	\$	483,360	\$	2,975,619
Rec \$	-	\$	-	\$	-
App \$	2,492,259	\$	483,360	\$	2,975,619
FTE					19.000

6 Project Liaison

Creates a dedicated Project Liaison at the Department of Environmental Quality (DEQ) to work in collaboration with the Department of Commerce and the Economic Development Partnership of North Carolina to ensure efficient communication and coordination on site development related to DEQ's environmental programs and permitting requirements.

Req \$	160,000	\$	-	\$	160,000
Rec \$	-	\$	-	\$	-
App \$	160,000	\$	-	\$	160,000
FTE					1.000

		R Changes		NR Changes		Adjustments
7 Environmental Site Development Support						
Funds support positions to work with a new DEQ Project Liaison on any environmental review needs related to timely site development.	Req \$	500,000	\$	-	\$	500,000
	Rec \$	-	\$	-	\$	-
	App \$	500,000	\$	-	\$	500,000
	FTE					4.000
8 Equitable Community Engagement						
Establishes a grant program to support equitable community engagement and participation in stakeholder processes. This funding will support public participation from underserved communities to better inform agency decision-making processes and assess community impact.	Req \$	-	\$	250,000	\$	250,000
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	250,000	\$	250,000
	FTE					0.000
Division of Coastal Management						
9 Coastal Reserve Site Maintenance						
Provides annual funding for management and upkeep to improve the public's experience at the ten Coastal Reserve sites. Funds will be used for supplies such as signs, lumber and tools; road and boardwalk maintenance; hazard tree and debris removal; trail repair services; and contractual services for surveys, assessments, sensitive and invasive species management; and law enforcement support.	Req \$	95,000	\$	-	\$	95,000
	Rec \$	-	\$	-	\$	-
	App \$	95,000	\$	-	\$	95,000
	FTE					0.000
Division of Environmental Assistance and Customer Service						
10 Environmental Business Support Positions and Grant Funding						
Provides funds for grants and positions for the Division of Environmental Assistance and Customer Service's programs. Positions will be allocated to the Recycling and Materials Management program, the Environmental Stewardship Initiative, and the Waste Reduction Partners program. These positions will help the state meet the needs of recycling businesses who wish to locate or expand in North Carolina, help businesses reduce their environmental impact, and provide energy assessments to businesses and institutions to save costs and reduce energy usage. One position will be created in budget code 14300, and a portion of these funds will be transferred to and positions will be created in budget code 64303.	Req \$	500,000	\$	1,000,000	\$	1,500,000
	Rec \$	-	\$	-	\$	-
	App \$	500,000	\$	1,000,000	\$	1,500,000
	FTE					1.000
11 Environmental Assistance Coordinator						
Creates an Environmental Assistance Coordinator in the Wilmington Office to respond to the region's rapid growth and to allow additional support to DEQ's express permitting program. This position will identify best permitting options for prospective applicants and support educational outreach to improve applications, leading to more efficient permit reviews.	Req \$	115,000	\$	-	\$	115,000
	Rec \$	-	\$	-	\$	-
	App \$	115,000	\$	-	\$	115,000
	FTE					1.000
Division of Energy, Mineral, and Land Resources						
12 Dam Safety Early Warning System						
Provides funds for the Dam Safety Early Warning System to monitor dams prior to, during, and after storm events in order to predict, identify, prepare for, and manage potential destruction from dam failures. This software will help the state identify and respond to dams that are at the greatest risk of failure among the over 2,500 regulated dams in North Carolina.	Req \$	200,000	\$	-	\$	200,000
	Rec \$	-	\$	-	\$	-
	App \$	200,000	\$	-	\$	200,000
	FTE					0.000
13 Stormwater Fee Program Updates						
Updates the Stormwater Program fee schedule to be more in-line with surrounding states. The additional revenue will support six staff, significantly shortening permit response time and enabling better service for permit applicants. This fee has not been updated since 2007.	Req \$	849,488	\$	-	\$	849,488
	Rec \$	849,488	\$	-	\$	849,488
	App \$	-	\$	-	\$	-
	FTE					6.000
Division of Marine Fisheries						
14 Coastal Habitat Assessment Program						
Establishes the Coastal Habitat Assessment Program. This program will assess coastal habitats through site mapping, vegetation assessments, and observation of wetland changes over time.	Req \$	720,526	\$	122,500	\$	843,026
	Rec \$	-	\$	-	\$	-
	App \$	720,526	\$	122,500	\$	843,026
	FTE					6.000

		R Changes	NR Changes	Adjustments
Division of Water Infrastructure				
15 Viable Utility Reserve				
Provides emergency operating grant funding for water and wastewater systems that the State Water Infrastructure Authority and Local Government Commission have designated as distressed pursuant to GS 159G-34.5. Emergency operating grants are not an eligible use for the program's current American Rescue Plan Act funds. These funds will be transferred to budget code 24327.	Req \$	-	\$ 5,000,000	\$ 5,000,000
	Rec \$	-	-	-
	App \$	-	\$ 5,000,000	\$ 5,000,000
	FTE			0.000
Division of Waste Management				
16 Brownfields Program Expansion				
Provides nonrecurring bridge funding until sufficient receipts are generated for the Brownfields Program. This program mitigates environmental contamination that hinders property redevelopment. These project managers are needed to meet the high demand for brownfields agreements, leading to increased redevelopment of brownfields properties and their associated economic development benefits. These funds will be transferred to budget code 64305.	Req \$	-	\$ 500,000	\$ 500,000
	Rec \$	-	-	-
	App \$	-	\$ 500,000	\$ 500,000
	FTE			0.000
17 Division of Waste Management (DWM) Fee Updates				
Updates several DWM fee schedules, including hazardous waste, underground storage tanks, solid waste, and septage fees. The additional revenue will allow DWM to hire staff to address growing industry needs and will lead to faster permit review times and enhanced training for the regulated communities. Of these fees, the most recent change was in 2010. This item budgets the hazardous waste fee revenue and creates two positions from those receipts.	Req \$	223,000	-	\$ 223,000
	Rec \$	223,000	-	\$ 223,000
	App \$	-	-	-
	FTE			2.000
18 Transfer - DWM Fee Updates				
Updates several DWM fee schedules, including hazardous waste, underground storage tanks, solid waste, and septage fees. The additional revenue will allow DWM to hire staff to address growing industry needs and will lead to faster permit review times and enhanced training for the regulated communities. Of these fees, the most recent change was in 2010. This item budgets the transfer of the underground storage tank receipts from budget code 64305 and creates one engineering position.	Req \$	150,000	-	\$ 150,000
	Rec \$	150,000	-	\$ 150,000
	App \$	-	-	-
	FTE			1.000
Division of Water Resources				
19 Transfer - Division of Water Resources (DWR) Permitting Fee Updates				
Budgets the transfer of the DWR Permitting Fee Updates and creates ten full-time positions from the updated fee schedule for several permits, including: National Pollutant Discharge Elimination System (NPDES) Wastewater, Sewer System Extension, General Permits, Non-Discharge, and Water Quality Certification. The revenue will allow for additional permitting staff to more quickly address increasingly complex analyses, including emerging compounds, which will lead to faster permit review.	Req \$	1,395,000	-	\$ 1,395,000
	Rec \$	1,395,000	-	\$ 1,395,000
	App \$	-	-	-
	FTE			10.000
State Energy Office				
20 Utility Savings Initiative Program Expansion				
Establishes one position to expand the Utility Savings Initiative to support energy saving projects at K-12 schools and community colleges. The position will support schools by completing energy assessments and submitting applications for energy conservation program grants.	Req \$	88,616	-	\$ 88,616
	Rec \$	-	-	-
	App \$	88,616	-	\$ 88,616
	FTE			1.000
Investments from Reserves				
21 Clean Energy Access and Energy Efficient Supplement				
Provides \$15 million nonrecurring to reduce energy bills while improving safety and quality of life for North Carolinians. This funding will complement the existing federal Weatherization program and expand support for low-income households to implement energy efficiency measures, access clean energy sources, and weatherize and update their homes. This item is funded in the Clean Energy and Environment Reserve in the Reserves Section of this document.	Req \$	-	-	-
	Rec \$	-	-	-
	App \$	-	-	-
	FTE			0.000

		R Changes	NR Changes	Adjustments
22 Local Grants for Energy Efficient Schools				
Provides \$10 million nonrecurring to establish a grant program for K-12 school districts and community colleges to implement energy efficiency, clean energy, and clean transportation projects. Funds may also be used for the department's Utility Savings Initiative and serve as a state match to bring additional federal infrastructure funds to communities statewide. This item is funded in the Clean Energy and Environment Reserve in the Reserves Section of this document.	Req \$	-	-	-
	Rec \$	-	-	-
	App \$	-	-	-
	FTE			0.000
23 Resilient Communities Program				
Provides \$4 million nonrecurring for the NC Resilient Coastal Communities Program. Funds will be used to expand the program to additional communities, enabling regions and local governments to reduce flood risk and promote long-term resilience. This item is funded in the Clean Energy and Environment Reserve in the Reserves Section of this document.	Req \$	-	-	-
	Rec \$	-	-	-
	App \$	-	-	-
	FTE			0.000
24 Low- and Moderate-Income Area Drinking Water and Wastewater Infrastructure				
Provides \$20 million nonrecurring for drinking water and wastewater infrastructure grants in low- and moderate-income areas to mitigate public and environmental health problems. This is the only source of state funds to extend public service to and connect private low-to-moderate residences with failing private septic systems or dry or contaminated wells. This item is funded in the Affordable Housing Reserve in the Reserves Section of this document.	Req \$	-	-	-
	Rec \$	-	-	-
	App \$	-	-	-
	FTE			0.000
25 State Match for Federal Funds				
Provides \$9,867,798 nonrecurring for four years to meet federal grant match requirements, leveraging more than \$89 million. In total, \$36.7 million will be used to match Clean Water and Drinking Water State Revolving Loan Funds for four years, and \$2.8 million will be used to invest in the Albemarle-Pamlico National Estuary Partnership's Comprehensive Conservation and Management Plan for four years. This item is funded in the Matching Funds Reserve in the Reserves Section of this document.	Req \$	-	-	-
	Rec \$	-	-	-
	App \$	-	-	-
	FTE			0.000
Total Change to Requirements	\$	9,856,389	\$ 11,009,660	\$ 20,866,049
Total Change to Receipts	\$	2,617,488	\$ -	2,617,488
Total Change to Net Appropriation	\$	7,238,901	\$ 11,009,660	18,248,561
Total Change to Full-Time Equivalent (FTE)				52.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		18,248,561	
Recommended Total FTE Changes				52.000

Environmental Quality - Special (24300)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	82,286,956	153,152,132	82,252,132	2,393,293	-	2,393,293	84,645,425
Receipts	103,989,807	142,895,354	74,895,354	2,393,293	-	2,393,293	77,288,647
Δ in Fund Balance	21,702,850	(10,256,778)	(7,356,778)	-	-	-	(7,356,778)
Positions (FTE)	0.000	203.519	203.519			5.000	208.519

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Department-wide			
1 Express Permitting			
Simplifies and updates the fee schedule to offer efficient concurrent permit reviews for multiple environmental permits, helping foster economic development and business growth while maintaining environmental protections. The Express Permitting Program is a key tool for DEQ to respond effectively to economic development and recruitment efforts. The fee schedule was last updated in 2005.	Req \$	362,000	\$ - \$ 362,000
	Rec \$	362,000	\$ - \$ 362,000
	CFB \$	-	\$ - \$ -
	FTE		3.000
Division of Energy, Mineral, and Land Resources			
2 Dam Safety Program Fee			
Amends the dam safety fee schedule and creates one full-time position to support processing and reviewing dam safety applications and related compliance activities, allowing for better technical assistance and education for dam owners. It will also allow for timelier high-hazard dam inspections, which protect against failures that could result in loss of life or significant property damage downstream. The current fee schedule is the original 1991 rate.	Req \$	305,093	\$ - \$ 305,093
	Rec \$	305,093	\$ - \$ 305,093
	CFB \$	-	\$ - \$ -
	FTE		1.000
Division of Waste Management			
3 Division of Waste Management (DWM) Fee Updates			
Updates several DWM fee schedules, including hazardous waste, underground storage tanks, solid waste, and septage fees. The additional revenue will allow DWM to hire staff to address growing industry needs and will lead to faster permit review times and enhanced training for the regulated communities. Of these fees, the most recent change was in 2010. This item budgets the solid waste and septage fee revenue and creates one position from those receipts.	Req \$	331,200	\$ - \$ 331,200
	Rec \$	331,200	\$ - \$ 331,200
	CFB \$	-	\$ - \$ -
	FTE		1.000
Division of Water Resources			
4 Division of Water Resources (DWR) Permitting Fee Updates			
Updates the fee schedule for several permits, including: National Pollutant Discharge Elimination System (NPDES) Wastewater, Sewer System Extension, General Permits, Non-Discharge, and Water Quality Certification. The revenue will allow for additional permitting staff to more quickly address increasingly complex analyses, including emerging compounds, which will lead to faster permit review. These funds will be transferred to budget code 14300. Of these fees, the most recent change was in 2007.	Req \$	1,395,000	\$ - \$ 1,395,000
	Rec \$	1,395,000	\$ - \$ 1,395,000
	CFB \$	-	\$ - \$ -
	FTE		0.000
Total Change to Requirements	\$	2,393,293	\$ - \$ 2,393,293
Total Change to Receipts	\$	2,393,293	\$ - \$ 2,393,293
Total Change to Net Appropriation	\$	-	\$ - \$ -
Total Change to Full-Time Equivalent (FTE)			5.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$		-
Recommended Total FTE Changes			5.000

Environmental Quality - WIF Local Supplemental Grants (24327)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	34,502,065	13,798,521	13,798,521	-	5,000,000	5,000,000	18,798,521
Receipts	39,737,293	10,150,000	10,150,000	-	5,000,000	5,000,000	15,150,000
Δ in Fund Balance	5,235,227	(3,648,521)	(3,648,521)	-	-	-	(3,648,521)
Positions (FTE)	0.000	0.000	0.000			0.000	0.000

			FY 2022-23 Recommended		
			R Changes	NR Changes	Adjustments

1 Transfer - Viable Utility Reserve							
Transfers funds from budget code 14300 for the Viable Utility Reserve to provide emergency operating grant funding for water and wastewater systems that the State Water Infrastructure Authority and Local Government Commission have designated as distressed pursuant to GS 159G-34.5. Emergency operating grants are not an eligible use for the program's current American Rescue Plan Act funds.	Req	\$	-	\$	5,000,000	\$	5,000,000
	Rec	\$	-	\$	5,000,000	\$	5,000,000
	CFB	\$	-	\$	-	\$	-
	FTE						0.000

Total Change to Requirements	\$	-	\$	5,000,000	\$	5,000,000
Total Change to Receipts	\$	-	\$	5,000,000	\$	5,000,000
Total Change to Net Appropriation	\$	-	\$	-	\$	-
Total Change to Full-Time Equivalent (FTE)						0.000

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

Environmental Quality - Coal Ash Management Fund (24340)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	1,826,116	1,922,808	1,922,808	875,000	-	875,000	2,797,808
Receipts	1,844,012	1,922,808	1,922,808	680,000	-	680,000	2,602,808
Δ in Fund Balance	17,895	-	-	(195,000)	-	(195,000)	(195,000)
Positions (FTE)	0.000	21.746	21.746			10.000	31.746

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Division of Water Resources			
1 Coal Ash Management Act			
Changes the combustion residuals surface impoundments fee from 0.022% to 0.03% to provide for more effective implementation of the Coal Ash Management Act. Funds will support additional staff to provide 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. This fee was last updated in 2016.	Req \$	680,000	\$ - \$ 680,000
	Rec \$	680,000	\$ - \$ 680,000
	CFB \$	-	\$ - \$ -
	FTE		10.000
Division of Waste Management			
2 Dry Cleaning Solvent Clean Up Fund Changes			
Increases the cap for assessing releases on or near active or abandoned dry cleaning site from 1% to 3% of the Dry Cleaning Solvent Clean Up Fund balance. These assessments address increased demand for dry-cleaning contamination cleanup, identify contamination sources, and support site redevelopment.	Req \$	195,000	\$ - \$ 195,000
	Rec \$	-	\$ - \$ -
	CFB \$	(195,000)	\$ - \$ (195,000)
	FTE		0.000
Total Change to Requirements	\$	875,000	\$ - \$ 875,000
Total Change to Receipts	\$	680,000	\$ - \$ 680,000
Total Change to Net Appropriation	\$	(195,000)	\$ - \$ (195,000)
Total Change to Full-Time Equivalent (FTE)			10.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$		(195,000)
Recommended Total FTE Changes			10.000

Environmental Quality - Solid Waste Management Trust (64303)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	1,670,233	1,875,410	1,875,410	385,000	1,000,000	1,385,000	3,260,410
Receipts	1,520,010	1,520,000	1,520,000	385,000	1,000,000	1,385,000	2,905,000
Δ in Fund Balance	(150,223)	(355,410)	(355,410)	-	-	-	(355,410)
Positions (FTE)	0.000	0.000	0.000			2.000	2.000

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments

Division of Environmental Assistance and Customer Service

1 Transfer - Environmental Business Support Positions and Grant Funding

Budgets the transfer from budget code 14300 and funds positions and grants for the Division of Environmental Assistance and Customer Service's programs. Positions will be allocated to the Recycling and Materials Management program and the Waste Reduction Partners program. These positions will help the state meet the needs of recycling businesses who wish to locate or expand in NC and provide energy assessments to businesses and institutions to save costs and reduce energy usage.

Req	\$ 385,000	\$ 1,000,000	\$ 1,385,000
Rec	\$ 385,000	\$ 1,000,000	\$ 1,385,000
CFB	\$ -	\$ -	\$ -
FTE			2.000

Total Change to Requirements	\$ 385,000	\$ 1,000,000	\$ 1,385,000
Total Change to Receipts	\$ 385,000	\$ 1,000,000	\$ 1,385,000
Total Change to Net Appropriation	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)			2.000

Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$ -
Recommended Total FTE Changes	2.000

Environmental Quality - Waste Management Cleanup (64305)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	25,226,755	43,580,646	43,580,646	150,000	500,000	650,000	44,230,646
Receipts	41,336,126	40,809,657	40,809,657	150,000	500,000	650,000	41,459,657
Δ in Fund Balance	16,109,371	(2,770,989)	(2,770,989)	-	-	-	(2,770,989)
Positions (FTE)	0.000	30.750	30.750			5.000	35.750

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Division of Waste Management			
1 Transfer - Brownfields Program Expansion			
Transfers funds from budget code 14300 and creates five receipt-supported positions to work within the Brownfields Program to mitigate environmental contamination that hinders property redevelopment. These project managers are needed to meet the high demand for brownfields agreements, leading to increased redevelopment of brownfields properties and their associated economic development benefits. The positions will be supported by nonrecurring bridge funding for the first year until sufficient receipts are generated.	Req \$	- \$	500,000 \$
	Rec \$	- \$	500,000 \$
	CFB \$	- \$	- \$
	FTE		5.000
2 Division of Waste Management (DWM) Fee Updates			
Updates several DWM fee schedules, including hazardous waste, underground storage tank, solid waste, and septage fees. The additional revenue will allow DWM to hire additional staff, leading to faster permit review times and enhanced training for the regulated communities to address growing industry needs. Of these fees, the most recent change was in 2010. These funds are from the underground storage tank fee schedule changes and will be transferred to budget code 14300.	Req \$	150,000 \$	- \$
	Rec \$	150,000 \$	- \$
	CFB \$	- \$	- \$
	FTE		0.000
Total Change to Requirements	\$	150,000	\$ 500,000
Total Change to Receipts	\$	150,000	\$ 500,000
Total Change to Net Appropriation	\$	-	\$ -
Total Change to Full-Time Equivalent (FTE)			5.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$		-
Recommended Total FTE Changes			5.000

Environmental Quality - Water Pollution Revolving Loan (64311)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	114,436,284	109,916,831	109,916,831	-	-	-	109,916,831
Receipts	256,439,549	132,810,041	132,810,041	-	-	-	132,810,041
Δ in Fund Balance	142,003,264	22,893,210	22,893,210	-	-	-	22,893,210
Positions (FTE)	0.000	29.225	29.225			0.000	29.225

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Investments from Reserves			
1 Transfer - State Match for Federal Funds			
Budgets the transfer of \$5,929,198 nonrecurring for the Clean Water State Revolving Fund	Req \$	- \$	- \$
from the General Fund. This item is funded in the Matching Funds Reserve in the Reserves	Rec \$	- \$	- \$
Section of this document.	CFB \$	- \$	- \$
	FTE		0.000
Total Change to Requirements	\$	- \$	- \$
Total Change to Receipts	\$	- \$	- \$
Total Change to Net Appropriation	\$	- \$	- \$
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$		-
Recommended Total FTE Changes			0.000

Environmental Quality - Drinking Water SRF (64320)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	37,500,309	56,126,651	47,763,651	-	-	-	47,763,651
Receipts	101,898,293	44,429,691	36,066,691	-	-	-	36,066,691
Δ in Fund Balance	64,397,983	(11,696,960)	(11,696,960)	-	-	-	(11,696,960)
Positions (FTE)	0.000	63.000	63.000			0.000	63.000

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Investments from Reserves			
1 Transfer - State Match for Federal Funds			
Budgets the transfer of \$3,238,600 nonrecurring for the Drinking Water State Revolving Fund from the General Fund. This item is funded in the Matching Funds Reserve in the Reserves Section of this document.	Req \$	- \$	- \$
	Rec \$	- \$	- \$
	CFB \$	- \$	- \$
	FTE		0.000
Total Change to Requirements	\$	- \$	- \$
Total Change to Receipts	\$	- \$	- \$
Total Change to Net Appropriation	\$	- \$	- \$
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$		-
Recommended Total FTE Changes			0.000

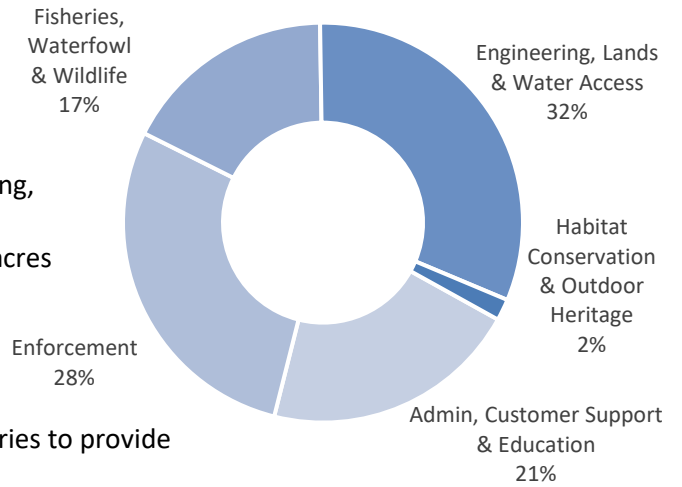
Mission

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

Goals

1. Ensure North Carolinians have opportunities for safe and readily available participation in hunting, fishing, boating and other 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.

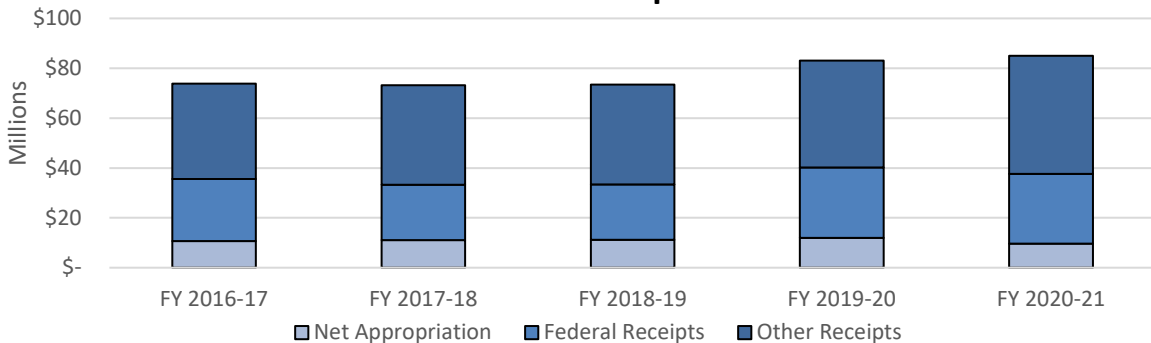
FY 2021-22 Authorized Expenditures



Agency Profile

- Conserves and sustains the state’s fish and wildlife resources through research, scientific management, wise use, and public input.
- Administers and enforces North Carolina fishing, hunting, trapping, and boating laws.
- Owns and operates 69 game lands of almost 500,000 acres and manages an additional 1.6 million acres through cooperative agreements for wildlife management and conservation.
- Manages over 240 boating access areas, 200 public fishing areas, eight shooting ranges and six fish hatcheries to provide opportunity and access to the public.

5-Year Historical Expenditures



Charts include General Fund budget code only.

Wildlife Resources Commission (14350)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	84,979,116	97,932,592	101,846,889	930,491	1,553,800	2,484,291	104,331,180
Receipts	75,380,291	85,060,825	81,599,123	-	-	-	81,599,123
Net Appropriation	9,598,825	12,871,767	20,247,766	930,491	1,553,800	2,484,291	22,732,057
Positions (FTE)	0.000	655.000	655.000			1.000	656.000

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Compensation and Benefits Reserves			
1 Compensation Increase Reserve			
Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.	Req \$	547,700	\$ - \$ 547,700
	Rec \$	-	\$ - \$ -
	App \$	547,700	\$ - \$ 547,700
	FTE		0.000
2 Retention Bonus			
Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.	Req \$	-	\$ 1,527,000 \$ 1,527,000
	Rec \$	-	\$ - \$ -
	App \$	-	\$ 1,527,000 \$ 1,527,000
	FTE		0.000
3 Labor Market Retention and Adjustment Fund			
Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.	Req \$	241,000	\$ - \$ 241,000
	Rec \$	-	\$ - \$ -
	App \$	241,000	\$ - \$ 241,000
	FTE		0.000
4 Retiree Cost of Living Increases			
Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.	Req \$	36,300	\$ 26,800 \$ 63,100
	Rec \$	-	\$ - \$ -
	App \$	36,300	\$ 26,800 \$ 63,100
	FTE		0.000
Department-wide			
5 Internal Auditor			
Funds one internal auditor to help meet minimum recommended levels from the Council of Internal Auditing. This position will improve efficiency, effectiveness, and compliance within the agency.	Req \$	105,491	\$ - \$ 105,491
	Rec \$	-	\$ - \$ -
	App \$	105,491	\$ - \$ 105,491
	FTE		1.000
Total Change to Requirements	\$	930,491	\$ 1,553,800 \$ 2,484,291
Total Change to Receipts	\$	-	\$ - \$ -
Total Change to Net Appropriation	\$	930,491	\$ 1,553,800 \$ 2,484,291
Total Change to Full-Time Equivalent (FTE)			1.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		2,484,291
Recommended Total FTE Changes			1.000

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 advance economic, community and workforce development for the state.

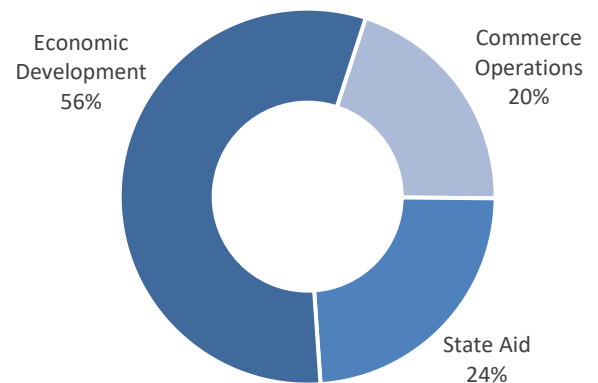
Goals

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.

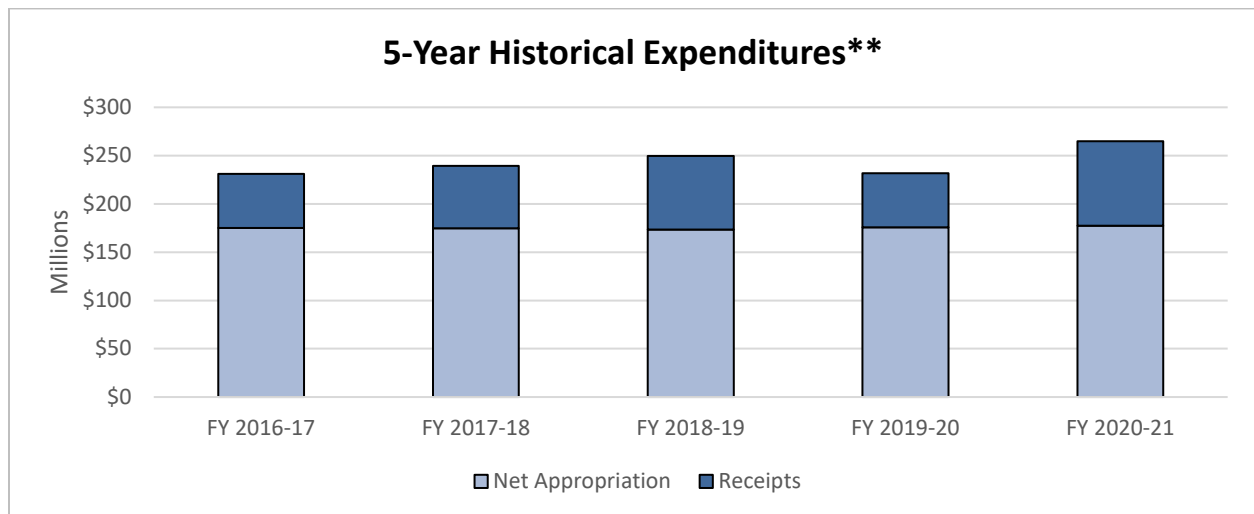
Agency Profile

- 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 2021-22 Authorized Expenditures*



5-Year Historical Expenditures**



*Chart includes General Fund budget codes only and over \$190 million in State Fiscal Recovery Funds across three areas.
 **Chart includes General Fund budget codes only.

Department of Commerce (14600)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	98,363,793	138,210,485	69,662,265	14,069,846	3,866,300	17,936,146	87,598,411
Receipts	87,288,942	125,907,708	56,969,545	-	-	-	56,969,545
Net Appropriation	11,074,851	12,302,777	12,692,720	14,069,846	3,866,300	17,936,146	30,628,866
Positions (FTE)	0.000	171.051	171.051			51.000	222.051

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments

Compensation and Benefits Reserves

1 Compensation Increase Reserve

Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.

Req \$	721,000	\$	-	\$	721,000
Rec \$	-	\$	-	\$	-
App \$	721,000	\$	-	\$	721,000
FTE					0.000

2 Retention Bonus

Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.

Req \$	-	\$	3,800,000	\$	3,800,000
Rec \$	-	\$	-	\$	-
App \$	-	\$	3,800,000	\$	3,800,000
FTE					0.000

3 Labor Market Retention and Adjustment Fund

Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.

Req \$	577,000	\$	-	\$	577,000
Rec \$	-	\$	-	\$	-
App \$	577,000	\$	-	\$	577,000
FTE					0.000

4 Retiree Cost of Living Increases

Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.

Req \$	89,800	\$	66,300	\$	156,100
Rec \$	-	\$	-	\$	-
App \$	89,800	\$	66,300	\$	156,100
FTE					0.000

Department-wide

5 Assistant Secretary for Clean Energy Economic Development

Funds one position to develop and implement a coordinated strategy to transition North Carolina to a clean energy economy. This position will partner with the Governor's Office, the Department of Environmental Quality, the Department of Transportation, and others to identify, communicate, and secure economic development opportunities in offshore wind, solar, energy efficiency, and other clean energy sectors.

Req \$	169,100	\$	-	\$	169,100
Rec \$	-	\$	-	\$	-
App \$	169,100	\$	-	\$	169,100
FTE					1.000

6 Internal Auditors and Grants Manager

Funds seven internal auditors to help meet minimum recommended levels from the Council of Internal Auditing. Of these funds, \$100,000 is also provided for a grants manager position. These positions will improve efficiency, effectiveness, and compliance within the department.

Req \$	832,946	\$	-	\$	832,946
Rec \$	-	\$	-	\$	-
App \$	832,946	\$	-	\$	832,946
FTE					8.000

		R Changes		NR Changes		Adjustments
Division of Workforce Solutions						
7 Job Ready Work-based Learning Grants						
Expands work-based learning grants to include new employer led-training, incentives for businesses, and consultative services executed through the Job Ready program.	Req \$	5,000,000	\$	-	\$	5,000,000
	Rec \$	-	\$	-	\$	-
	App \$	5,000,000	\$	-	\$	5,000,000
	FTE					0.000
8 Services for Priority Populations						
Provides funds to the Division of Workforce Solutions (DWS) for 38 FTE to enable DWS and local workforce boards to offer tailored services to priority populations including: reentry- and justice-involved individuals, minorities, jobseekers in rural and underserved communities, recipients of public assistance, limited English proficiency jobseekers, seasoned workers, people with disabilities, military spouses, and the neurodiverse. Funding will be provided to hire 30 Job Placement Coaches to aid with placement and retention and eight Business Services Representatives, one for each prosperity zone, to foster new opportunities with employers for work-based learning, apprenticeship, and job placement.	Req \$	4,950,000	\$	-	\$	4,950,000
	Rec \$	-	\$	-	\$	-
	App \$	4,950,000	\$	-	\$	4,950,000
	FTE					38.000
9 Work-based Learning Data Enhancements						
Enables sophisticated tracking of employer engagement in a Salesforce platform that will better share information, manage projects, and align to the Department of Commerce's grants management system.	Req \$	450,000	\$	-	\$	450,000
	Rec \$	-	\$	-	\$	-
	App \$	450,000	\$	-	\$	450,000
	FTE					0.000
Labor & Economic Analysis Division						
10 Career Information Portal						
Funds two positions to manage and promote the NCcareers' Career Information Portal (NCcareers.org) and funds maintenance and enhancement of the system to better attract and support website users. NCcareers.org is the state's comprehensive career information system, providing data and resources in an engaging manner to help students and jobseekers of all ages make informed career decisions.	Req \$	530,000	\$	-	\$	530,000
	Rec \$	-	\$	-	\$	-
	App \$	530,000	\$	-	\$	530,000
	FTE					2.000
Rural Economic Development Division						
11 CDBG Federal Match Requirement						
Provides the Rural Economic Development Division funding for two positions and operating expenses to administer the increased block grant allotments to Neighborhood Revitalization, Economic Development, and Neighborhood Rural Community Development, pursuant to SL 2021-180. This investment is needed to meet the federally required 1:1 match for Community Development Block Grant (CDBG) administration-dedicated funds.	Req \$	750,000	\$	-	\$	750,000
	Rec \$	-	\$	-	\$	-
	App \$	750,000	\$	-	\$	750,000
	FTE					2.000
Investments from Reserves						
12 Workforce Development Outreach and Awareness						
Provides \$2.3 million nonrecurring to fund a competitive grant process that makes available up to \$150,000 to the state's workforce development boards to support communications and outreach for new or expanding initiatives. In their communication strategies, all boards shall encourage the use of NCcareers.org, NCWorks.gov, or the work-based learning Navigator portal. The Division of Workforce Solutions will administer the grant application process and will receive \$100,000 for communications, outreach, and administrative costs. This item is funded in the Workforce and Economic Development Reserve in the Reserves Section of this document.	Req \$	-	\$	-	\$	-
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	-	\$	-
	FTE					0.000
Total Change to Requirements	\$	14,069,846	\$	3,866,300	\$	17,936,146
Total Change to Receipts	\$	-	\$	-	\$	-
Total Change to Net Appropriation	\$	14,069,846	\$	3,866,300	\$	17,936,146
Total Change to Full-Time Equivalent (FTE)						51.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$					17,936,146
Recommended Total FTE Changes						51.000

Commerce - General State Aid (14601)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	16,155,810	168,959,737	20,205,810	1,000,000	-	1,000,000	21,205,810
Receipts	-	134,671,927	-	-	-	-	-
Net Appropriation	16,155,810	34,287,810	20,205,810	1,000,000	-	1,000,000	21,205,810
Positions (FTE)	0.000	0.000	0.000			0.000	0.000

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Business Assistance			
1 Carolina Small Business Development Fund			
Provides funds to the Carolina Small Business Development Fund to meet small businesses' high demand for financial and technical assistance and to cover operating costs.	Req \$ 1,000,000	\$ -	\$ 1,000,000
	Rec \$ -	\$ -	\$ -
	App \$ 1,000,000	\$ -	\$ 1,000,000
	FTE		0.000
Investments from Reserves			
2 Small Business Support and HUB Incubation			
Provides \$10 million nonrecurring to the National Institute of Minority Economic Development (The Institute) and the Carolina Small Business Development Fund to share evenly in order to provide more technical assistance and counseling to minority and women-owned small businesses. An additional \$2 million nonrecurring will fund The Institute's Center for Entrepreneurship, which will provide a historically underutilized business incubation space with access to business development assistance and Community Development Financial Institution lending resources. This item is funded in the Workforce and Economic Development Reserve in the Reserves Section of this document.	Req \$ -	\$ -	\$ -
	Rec \$ -	\$ -	\$ -
	App \$ -	\$ -	\$ -
	FTE		0.000
3 Rural Works Program Pilot			
Funds the North Carolina Business Committee for Education with \$8 million nonrecurring to implement the three-year Rural Works program pilot, an expanded version of the successful Surry-Yadkin Works program that helps provide education and work-based learning opportunities from fifth grade through young adulthood, across ten counties. This item is funded in the Workforce and Economic Development Reserve in the Reserves Section of this document.	Req \$ -	\$ -	\$ -
	Rec \$ -	\$ -	\$ -
	App \$ -	\$ -	\$ -
	FTE		0.000
4 QVC Fire Relief and Resiliency			
Provides \$1 million nonrecurring to reimburse Edgecombe County for emergency response costs associated with the QVC fire and post-fire clean up as well as for the expected loss of FY 2021-22 tax revenue due to the detriment of the QVC property. The county will also receive \$1.5 million nonrecurring for firefighting vehicles and equipment to enhance emergency responsiveness. Additionally, \$250,000 nonrecurring will support former QVC employees affected by the fire by matching the United Way Tar River Region's Edgecombe/Rocky Mount Employee Assistance Fund. This item is funded in the Workforce and Economic Development Reserve in the Reserves Section of this document.	Req \$ -	\$ -	\$ -
	Rec \$ -	\$ -	\$ -
	App \$ -	\$ -	\$ -
	FTE		0.000
Total Change to Requirements	\$ 1,000,000	\$ -	\$ 1,000,000
Total Change to Receipts	\$ -	\$ -	\$ -
Total Change to Net Appropriation	\$ 1,000,000	\$ -	\$ 1,000,000
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$	1,000,000	
Recommended Total FTE Changes		0.000	

Commerce - Economic Development (14602)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	150,485,699	398,840,380	163,018,236	1,000,000	20,000,000	21,000,000	184,018,236
Receipts	310,000	122,020,000	120,000	-	-	-	120,000
Net Appropriation	150,175,699	276,820,380	162,898,236	1,000,000	20,000,000	21,000,000	183,898,236
Positions (FTE)	0.000	0.000	0.000			0.000	0.000

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Targeting Businesses			
1 Sporting Events and Business Recruitment			
Provides funding to the Department of Commerce to make investments to encourage major sporting events to be held in North Carolina. Funds may be used to secure commitments from collegiate, professional, or international organizations which decisions to locate or produce major sporting events in the state will create positive economic impacts.	Req \$	- \$	20,000,000 \$
	Rec \$	- \$	- \$
	App \$	- \$	20,000,000 \$
	FTE		0.000
2 One North Carolina Small Business Program			
Funds early-stage technology grants. Expanding funding for this program will increase the number of North Carolina's small businesses who can access support.	Req \$	1,000,000 \$	- \$
	Rec \$	- \$	- \$
	App \$	1,000,000 \$	- \$
	FTE		0.000
Investments from Reserves			
3 Site Development Grants			
Provides \$111 million nonrecurring to the Department of Commerce for a competitive site development grant program to attract more businesses to North Carolina. Grant recipients may use funds to acquire and develop major sites, megasites, and sites in distressed communities. Funding allocations for site identification and evaluation, property purchase, and upgrades are detailed in a special provision. This item is funded in the Workforce and Economic Development Reserve in the Reserves Section of this document.	Req \$	- \$	- \$
	Rec \$	- \$	- \$
	App \$	- \$	- \$
	FTE		0.000
4 One North Carolina Small Business Program			
Provides \$6 million nonrecurring for early-stage technology grants for small businesses, expanding the program to increase the number of North Carolina's small businesses which can access funds. This item is funded in the Workforce and Economic Development Reserve in the Reserves Section of this document.	Req \$	- \$	- \$
	Rec \$	- \$	- \$
	App \$	- \$	- \$
	FTE		0.000
5 Economic Development Partnership of North Carolina (EDPNC) General Support			
Dedicates \$1 million nonrecurring to enhance EDPNC's general capacity to support businesses, including those in the defense industry. These funds will also expand these businesses' economic reach, bolstering their competitiveness and promoting North Carolina. This item is funded in the Workforce and Economic Development Reserve in the Reserves Section of this document.	Req \$	- \$	- \$
	Rec \$	- \$	- \$
	App \$	- \$	- \$
	FTE		0.000
6 Economic Development Partnership of North Carolina (EDPNC) Service Industry Support			
Invests \$1 million nonrecurring to boost technical assistance for service sector businesses. These funds will be equally allocated to support businesses in the hospitality, healthcare, and childcare industries. EDPNC will coordinate with the Department of Commerce to ensure aid is offered to businesses still recovering from pandemic-related revenue losses or those experiencing extreme labor shortages. This item is funded in the Workforce and Economic Development Reserve in the Reserves Section of this document.	Req \$	- \$	- \$
	Rec \$	- \$	- \$
	App \$	- \$	- \$
	FTE		0.000

		R Changes	NR Changes	Adjustments
7 Clean Energy Innovation and Research Grants				
Funds the Department of Commerce with \$2 million nonrecurring for a competitive grant and mentorship program for energy-related businesses to encourage the development and deployment of innovative renewable energy, energy efficient, and environmentally sustainable clean energy technologies and products across the state. This item is funded in the Workforce and Economic Development Reserve in the Reserves Section of this document.	Req \$	-	-	-
	Rec \$	-	-	-
	App \$	-	-	-
	FTE			0.000
Total Change to Requirements	\$	1,000,000	\$ 20,000,000	\$ 21,000,000
Total Change to Receipts	\$	-	-	-
Total Change to Net Appropriation	\$	1,000,000	\$ 20,000,000	\$ 21,000,000
Total Change to Full-Time Equivalent (FTE)				0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$	21,000,000	
Recommended Total FTE Changes				0.000

Commerce - Special (24600)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	3,588,812	5,063,909	5,063,909	-	-	-	5,063,909
Receipts	806,370	3,424,800	3,424,800	-	-	-	3,424,800
Δ in Fund Balance	(2,782,442)	(1,639,109)	(1,639,109)	-	-	-	(1,639,109)
Positions (FTE)	0.000	7.450	7.450			0.000	7.450

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Investments from Reserves			
1 Local Government Assistance to Apply for IJJA Grants			
Provides \$4 million nonrecurring to hire up to 20 two-year, time-limited positions to assist local governments competing for Infrastructure Investment and Jobs Act (IJJA) grants. This item is funded in the Matching Funds Reserve in the Reserves Section of this document.	Req \$	- \$	- \$
	Rec \$	- \$	- \$
	CFB \$	- \$	- \$
	FTE		0.000
Total Change to Requirements	\$	- \$	- \$
Total Change to Receipts	\$	- \$	- \$
Total Change to Net Appropriation	\$	- \$	- \$
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$		-
Recommended Total FTE Changes			0.000

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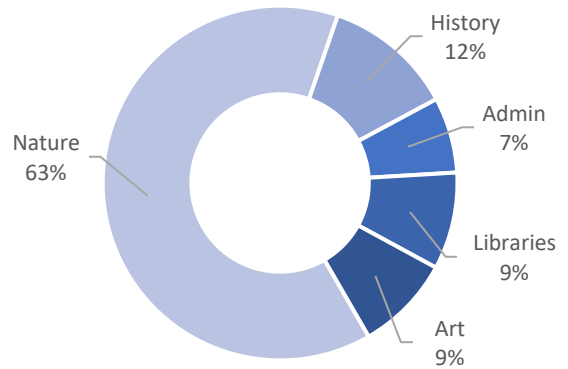
Mission

To improve quality of life in North Carolina by creating opportunities to experience excellence in the arts, history, libraries, and nature by stimulating learning, inspiring creativity, preserving the state’s history, conserving the state’s natural heritage, encouraging recreation and cultural heritage tourism, and promoting economic development.

Goals

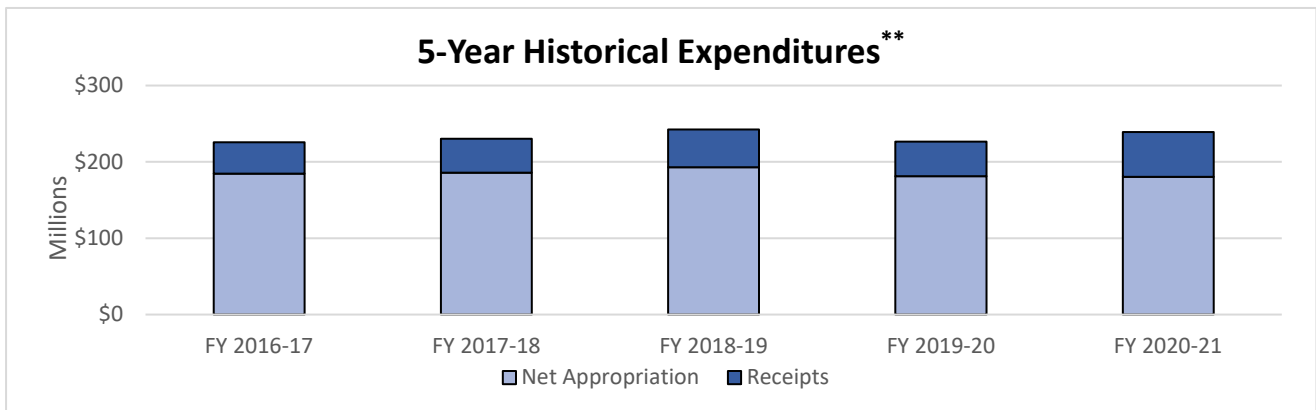
1. Expand educational opportunities for children and families by increasing access to the state’s innovative, interactive, and inspirational natural and cultural sites, programs, and services.
2. Boost economic growth through the “Hometown Strong” initiative to support rural communities, and other efforts.
3. Preserve, enhance, and expand North Carolina’s natural and cultural resources in an effective, efficient, collaborative, and customer-friendly manner.
4. Promote diversity, equity, accessibility, and cultural inclusion in departmental programs, recruitment, administration, and community engagement.
5. Evaluate the impact of climate change and integrate climate change mitigation, adaption, education, and resiliency practices into DNCR programs and operations.

FY 2021-22 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.



*Chart includes General Fund budget code only and excludes State Fiscal Recovery Fund appropriation.

**Chart includes General Fund budget code only.

Natural and Cultural Resources (14800)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	239,057,094	394,934,053	278,077,598	24,116,936	14,767,800	38,884,736	316,962,334
Receipts	58,664,757	167,852,892	46,719,049	-	-	-	46,719,049
Net Appropriation	180,392,337	227,081,161	231,358,549	24,116,936	14,767,800	38,884,736	270,243,285
Positions (FTE)	0.000	1,903.821	1,916.821			36.000	1,952.821

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments

Compensation and Benefits Reserves

1 Compensation Increase Reserve

Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.

Req \$	3,013,300	\$	-	\$	3,013,300
Rec \$	-	\$	-	\$	-
App \$	3,013,300	\$	-	\$	3,013,300
FTE					0.000

2 Retention Bonus

Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.

Req \$	-	\$	4,374,000	\$	4,374,000
Rec \$	-	\$	-	\$	-
App \$	-	\$	4,374,000	\$	4,374,000
FTE					0.000

3 Labor Market Retention and Adjustment Fund

Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.

Req \$	2,135,000	\$	-	\$	2,135,000
Rec \$	-	\$	-	\$	-
App \$	2,135,000	\$	-	\$	2,135,000
FTE					0.000

4 Retiree Cost of Living Increases

Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.

Req \$	330,300	\$	243,800	\$	574,100
Rec \$	-	\$	-	\$	-
App \$	330,300	\$	243,800	\$	574,100
FTE					0.000

Department-wide

5 Infrastructure and Energy Efficiency Staff and Software

Creates three positions for Infrastructure Engineers, Energy Efficiency, or Facilities Maintenance staff. These positions will enhance the department's capital planning, ensure more timely building maintenance and repairs, and improve energy efficiency in state buildings. Funds will also be used for utility monitoring software, enabling the department to conserve energy, reduce consumption and cost, and support the state's energy efficiency goals.

Req \$	353,750	\$	-	\$	353,750
Rec \$	-	\$	-	\$	-
App \$	353,750	\$	-	\$	353,750
FTE					3.000

6 Grant Program Managers

Provides funding for two Grant Program Manager positions to administer the department's increased grants portfolio. These positions will provide training and assistance to grantees to navigate processes and comply with state and federal regulations, with a focus on serving grantees from rural communities, communities of color, economically disadvantaged communities, and others who have been historically underserved.

Req \$	175,000	\$	-	\$	175,000
Rec \$	-	\$	-	\$	-
App \$	175,000	\$	-	\$	175,000
FTE					2.000

		R Changes	NR Changes	Adjustments
7 Marketing and Advertising Funds				
Provides funds to address advertising and marketing needs across the department, including promotion of historic sites, exhibits, museum events, library events, park events, and arts. Of these funds, \$250,000 shall be used to promote the 2023 Year of the Trail.	Req \$	-	\$ 500,000	\$ 500,000
	Rec \$	-	-	-
	App \$	-	\$ 500,000	\$ 500,000
	FTE			0.000
History				
8 Exhibit Updates at Historic Sites and History Museums				
Funds updates to critically outdated exhibits at Historic Sites across the state. Many exhibits are more than forty years old. Updates will include online content, virtual engagement, tour scripts, and refurbishment of outdated materials. These funds will be transferred to budget code 24805.	Req \$	-	\$ 6,000,000	\$ 6,000,000
	Rec \$	-	-	-
	App \$	-	\$ 6,000,000	\$ 6,000,000
	FTE			0.000
9 History Organizations Grant Program				
Provides funds for grants to local governments or nonprofits that operate historical organizations. These funds will be used to invest in sustaining history museums, sites, archives, and historical organizations across the state.	Req \$	2,500,000	-	\$ 2,500,000
	Rec \$	-	-	-
	App \$	2,500,000	-	\$ 2,500,000
	FTE			0.000
10 Historic Sites Staffing				
Funds seven positions to support the state's Historic Sites. Increased staffing will enable the division to complete new projects, accommodate expansion in the number and size of the historic site system, address maintenance needs, and ensure compliance with mandated preservation statutes.	Req \$	500,000	-	\$ 500,000
	Rec \$	-	-	-
	App \$	500,000	-	\$ 500,000
	FTE			7.000
11 A250 Wayside & Oral History Program and Educational Resources				
Expands the Wayside and Oral History Program in anticipation of America's 250th Anniversary in 2026. Funds will support the creation of exhibits and educational and promotional resources to be launched in 2023.	Req \$	-	\$ 250,000	\$ 250,000
	Rec \$	-	-	-
	App \$	-	\$ 250,000	\$ 250,000
	FTE			0.000
12 NC Freedom Park Manager				
Establishes a Park Manager for the North Carolina African American Heritage Commission to manage the North Carolina Freedom Park. Construction of the Park will be complete in early 2023.	Req \$	90,000	-	\$ 90,000
	Rec \$	-	-	-
	App \$	90,000	-	\$ 90,000
	FTE			1.000
13 Thomas Day Operating Funds				
Provides operating funds and five positions for the new Thomas Day State Historic Site.	Req \$	500,000	-	\$ 500,000
	Rec \$	-	-	-
	App \$	500,000	-	\$ 500,000
	FTE			5.000
14 Underwater Archaeology Conservation Lab Staffing and Operating Funds				
Provides funds for operations and staffing to continue to conserve excavated artifacts from the 1718 Queen Anne's Revenge shipwreck and to support the recovery of irreplaceable archeological artifacts from other shipwrecks along North Carolina's shoreline and navigable rivers.	Req \$	455,000	-	\$ 455,000
	Rec \$	-	-	-
	App \$	455,000	-	\$ 455,000
	FTE			2.000
15 Dinosaur Lab Positions				
Creates two positions for the Dueling Dinosaur Lab Exhibit. The Dueling Dinosaur Lab is set to open in early 2023. Needs include lab, education, and exhibit staff to provide visitors a live lab experience.	Req \$	180,000	-	\$ 180,000
	Rec \$	-	-	-
	App \$	180,000	-	\$ 180,000
	FTE			2.000
Arts				
16 Symphony Western NC Music Education and Transportation Programs				
Supports the NC Symphony in providing music education programming to underserved student populations in Western NC. Funding will include free transportation for schools to travel to NC Symphony music education concerts and support for the orchestra for statewide music programming.	Req \$	1,200,000	-	\$ 1,200,000
	Rec \$	-	-	-
	App \$	1,200,000	-	\$ 1,200,000
	FTE			0.000

		R Changes		NR Changes	Adjustments
17 NCMA Park Welcome Center Maintenance and SECCA Operating Funds					
Funds operations and maintenance for the NC Museum of Art (NCMA) Park Welcome Center and the Southeastern Center for Contemporary Arts (SECCA). NCMA will use the funds to support maintenance and improvements for facilities, amenities, and trails needed due to increased visitation. SECCA will receive \$140,000 to make the funds received in FY 2021-22 recurring, allowing the museum to continue to address maintenance and accessibility needs.	Req \$	750,000	\$	-	\$ 750,000
	Rec \$	-	\$	-	-
	App \$	750,000	\$	-	750,000
	FTE				0.000
Libraries					
18 NC Cardinal Consortium					
Funds the increased technology and logistical costs of the NC Cardinal Consortium, a platform that allows users to request and access library materials online. This will allow the State Library to continue to meet growing demand while increasing accessibility of library materials to more residents throughout the state.	Req \$	200,000	\$	-	\$ 200,000
	Rec \$	-	\$	-	-
	App \$	200,000	\$	-	200,000
	FTE				0.000
Nature					
19 Core Positions to Enhance Mission Capability for Biological Inventory and Environmental					
Supports one position in the Natural Heritage program and one in the State Historic Preservation Office. The Natural Heritage position will update and maintain the state's inventory of natural resources and will work with partners to establish nature preserves to protect vital natural areas. The State Historic Preservation Office Environmental Review Specialist will conduct environmental reviews and provide technical assistance to constituents for disaster planning, recovery, response, and mitigation.	Req \$	170,000	\$	-	\$ 170,000
	Rec \$	-	\$	-	-
	App \$	170,000	\$	-	170,000
	FTE				2.000
20 Jennette's Pier Operating Funds					
Provides funding for operations and four positions at Jennette's Pier, a publicly accessible fishing pier and satellite aquarium that provides educational programming, serves as a platform for ocean scientific research, and has a major economic impact in Dare County.	Req \$	325,000	\$	-	\$ 325,000
	Rec \$	-	\$	-	-
	App \$	325,000	\$	-	325,000
	FTE				4.000
21 Zoo Positions					
Establishes three new positions for the North Carolina Zoo. These positions will support education, safety, sustainability, construction, and management functions.	Req \$	250,000	\$	-	\$ 250,000
	Rec \$	-	\$	-	-
	App \$	250,000	\$	-	250,000
	FTE				3.000
22 Prescribed Fire Crew for State Parks and Supplies and Equipment					
Provides four positions to the Division of Parks and Recreation to conduct prescribed fires and to respond to wildfires in state parks. Nonrecurring funds will be used for supplies and equipment to support the work of the crew, including personal protective equipment, chainsaws, and vehicles. Prescribed fires are essential to maintain healthy ecosystems that support habitats for rare, threatened, and endangered species; reduce risk of future fires; and protect both parks and neighboring structures.	Req \$	300,000	\$	400,000	\$ 700,000
	Rec \$	-	\$	-	-
	App \$	300,000	\$	400,000	700,000
	FTE				4.000
23 Rendezvous Mountain and Parks General Equipment Needs					
Provides funding for general equipment needs for Rendezvous Mountain and Parks, which was transferred to the Department of Natural and Cultural Resources from the Department of Agriculture and Consumer Services in February 2022.	Req \$	-	\$	1,500,000	\$ 1,500,000
	Rec \$	-	\$	-	-
	App \$	-	\$	1,500,000	1,500,000
	FTE				0.000
24 Adopt-A-Trail Program					
Provides funding for grants to local and regional organizations for trails development and maintenance, including placing trail markers, trail building, trail blazing, litter control, resource protection, and other trail development and maintenance activities.	Req \$	-	\$	1,500,000	\$ 1,500,000
	Rec \$	-	\$	-	-
	App \$	-	\$	1,500,000	1,500,000
	FTE				0.000

		R Changes		NR Changes		Adjustments
25 Great Carolina Trails Position						
Funds a position to provide statewide coordination of trail and greenway connection efforts. Many communities have plans to construct trails and greenways, and statewide coordination would accelerate completion of these trails and maximize their value through regional connections.	Req \$	90,000	\$	-	\$	90,000
	Rec \$	-	\$	-	\$	-
	App \$	90,000	\$	-	\$	90,000
	FTE					1.000
26 Parks and Recreation Trust Fund (PARTF)						
Provides funds for grants to support projects in state parks, the development and renovation of local parks, and beach access. This funding increases the recurring support of PARTF to \$20 million. These funds will be transferred to budget code 24820.	Req \$	3,757,116	\$	-	\$	3,757,116
	Rec \$	-	\$	-	\$	-
	App \$	3,757,116	\$	-	\$	3,757,116
	FTE					0.000
27 North Carolina Land and Water Fund (NCLWF)						
Provides funds to support Land and Water Fund grants to protect and restore the state's land and water resources, preserve military buffers, restore degraded streams, and develop and improve stormwater treatment. This funding increases the recurring support of LWF to \$20 million annually. These funds will be transferred to budget code 24818.	Req \$	6,842,470	\$	-	\$	6,842,470
	Rec \$	-	\$	-	\$	-
	App \$	6,842,470	\$	-	\$	6,842,470
	FTE					0.000
Investments from Reserves						
28 Parks and Recreation Trust Fund (PARTF)						
Provides an additional \$20 million nonrecurring for grants to support projects in state parks, the development and renovation of local parks, and beach accesses. The total funding is \$40 million in FY 2022-23. These funds will be transferred to budget 24820. This item is funded in the Clean Energy and Environment Reserve in the Reserves Section of this document.	Req \$	-	\$	-	\$	-
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	-	\$	-
	FTE					0.000
29 North Carolina Land and Water Fund (NCLWF)						
Provides an additional \$20 million nonrecurring to support Land and Water Fund grants, which protect and restore the state's land and water resources, preserve military buffers, restore degraded streams, and develop and improve stormwater treatment. In FY 2022-23, the total funding is \$40 million. These funds will be transferred to budget code 24818. This item is funded in the Clean Energy and Environment Reserve in the Reserves Section of this document.	Req \$	-	\$	-	\$	-
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	-	\$	-
	FTE					0.000
30 Peatland and Pocosins Conservation and Inventory						
Provides \$10 million nonrecurring for peatlands and pocosins acquisition and restoration to reduce carbon emissions and wildfire risk, provide flood resilience, and improve water quality. With this funding, the Natural Heritage Program will be able to inventory Coastal Plain wetlands not previously included in natural heritage inventories to inform acquisition and restoration efforts. These funds will be transferred to budget code 24818. This item is funded in the Clean Energy and Environment Reserve in the Reserves Section of this document.	Req \$	-	\$	-	\$	-
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	-	\$	-
	FTE					0.000
Total Change to Requirements	\$	24,116,936	\$	14,767,800	\$	38,884,736
Total Change to Receipts	\$	-	\$	-	\$	-
Total Change to Net Appropriation	\$	24,116,936	\$	14,767,800	\$	38,884,736
Total Change to Full-Time Equivalent (FTE)						36.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)						
	\$	38,884,736				
Recommended Total FTE Changes						
		36.000				

Natural and Cultural Resources - Special (24800)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	178,789	431,143	431,143	-	6,000,000	6,000,000	6,431,143
Receipts	120,764	431,143	431,143	-	6,000,000	6,000,000	6,431,143
Δ in Fund Balance	(58,026)	-	-	-	-	-	-
Positions (FTE)	0.000	1.091	1.091			0.000	1.091

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
1 Transfer - Exhibit Updates at Historic Sites and History Museums			
Budgets the transfer from 14800 for the Exhibits Special Fund.			
	Req \$	- \$	6,000,000 \$
	Rec \$	- \$	6,000,000 \$
	CFB \$	- \$	- \$
	FTE		0.000
Total Change to Requirements	\$	- \$	6,000,000 \$
Total Change to Receipts	\$	- \$	6,000,000 \$
Total Change to Net Appropriation	\$	- \$	- \$
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$		-
Recommended Total FTE Changes			0.000

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

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	17,305,522	81,251,747	69,251,747	6,842,470	-	6,842,470	76,094,217
Receipts	18,810,542	81,251,747	69,251,747	6,842,470	-	6,842,470	76,094,217
Δ in Fund Balance	1,505,020	-	-	-	-	-	-
Positions (FTE)	0.000	0.000	0.000			0.000	0.000

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
North Carolina Land and Water Fund			
1 Transfer - North Carolina Land and Water Fund (NCLWF)			
Budgets the recurring transfer from the General Fund for the North Carolina Land and Water Trust Fund.	Req \$	6,842,470	\$ - \$ 6,842,470
	Rec \$	6,842,470	\$ - \$ 6,842,470
	CFB \$	-	\$ - \$ -
	FTE		0.000
Investments from Reserves			
2 Transfer - North Carolina Land and Water Fund (NCLWF)			
Budgets the transfer from the General Fund for an additional \$20 million nonrecurring for Land and Water Fund grants. This item is funded in the Clean Energy and Environment Reserve in the Reserves Section of this document.	Req \$	-	\$ - \$ -
	Rec \$	-	\$ - \$ -
	CFB \$	-	\$ - \$ -
	FTE		0.000
3 Transfer - Peatland Conservation and Pocosins Inventory			
Budgets the transfer from the General Fund for \$10 million nonrecurring for peatlands and pocosins acquisition and restoration. This item is funded in the Clean Energy and Environment Reserve in the Reserves Section of this document.	Req \$	-	\$ - \$ -
	Rec \$	-	\$ - \$ -
	CFB \$	-	\$ - \$ -
	FTE		0.000
Total Change to Requirements	\$	6,842,470	\$ - \$ 6,842,470
Total Change to Receipts	\$	6,842,470	\$ - \$ 6,842,470
Total Change to Net Appropriation	\$	-	\$ - \$ -
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$		-
Recommended Total FTE Changes			0.000

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

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	18,485,052	72,112,884	62,112,884	3,757,116	-	3,757,116	65,870,000
Receipts	18,555,430	73,168,033	63,168,033	3,757,116	-	3,757,116	66,925,149
Δ in Fund Balance	70,377	1,055,149	1,055,149	-	-	-	1,055,149
Positions (FTE)	0.000	0.000	0.000			0.000	0.000

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Parks and Recreation Trust Fund			
1 Transfer - Parks and Recreation Trust Fund (PARTF)			
Budgets the recurring transfer from the General Fund for the Parks and Recreation Trust Fund.	Req \$ 3,757,116	\$ -	\$ 3,757,116
	Rec \$ 3,757,116	\$ -	\$ 3,757,116
	CFB \$ -	\$ -	-
	FTE		0.000
Investments from Reserves			
2 Transfer - Parks and Recreation Trust Fund (PARTF)			
Budgets the transfer from the General Fund for an additional \$20 million nonrecurring for the Parks and Recreation Trust Fund. This item is funded in the Clean Energy and Environment Reserve in the Reserves Section of this document.	Req \$ -	\$ -	\$ -
	Rec \$ -	\$ -	\$ -
	CFB \$ -	\$ -	-
	FTE		0.000
Total Change to Requirements	\$ 3,757,116	\$ -	\$ 3,757,116
Total Change to Receipts	\$ 3,757,116	\$ -	\$ 3,757,116
Total Change to Net Appropriation	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$	-	
Recommended Total FTE Changes		0.000	

Mission

To connect people, products, and places safely and efficiently with customer focus, accountability, and environmental sensitivity to enhance the economy and vitality of North Carolina.

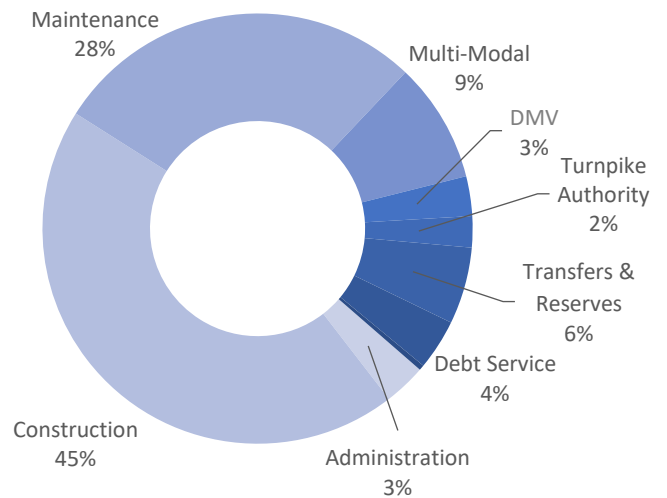
Goals

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

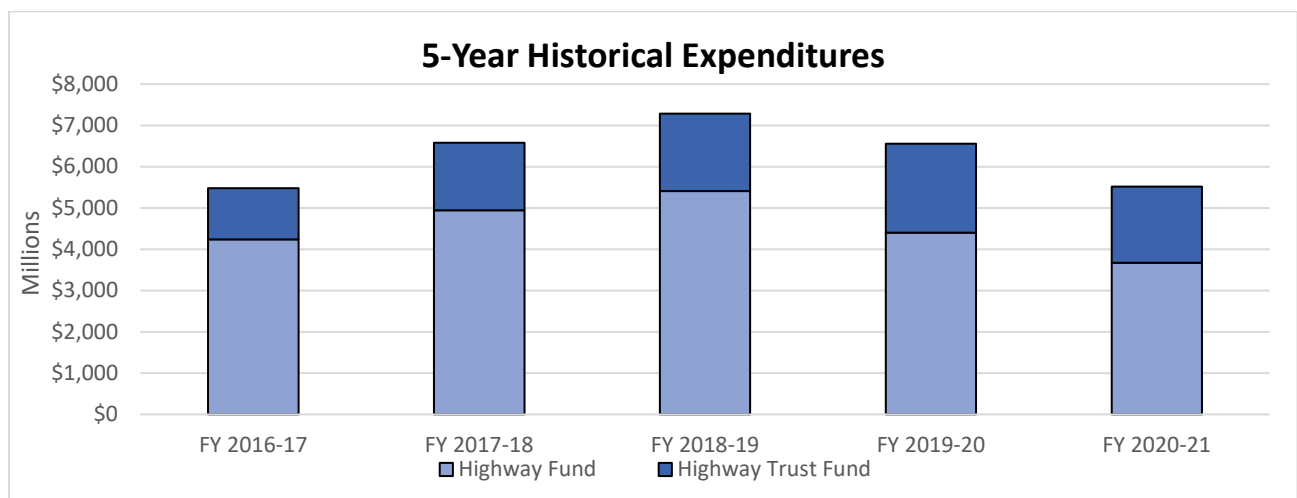
Agency Profile

- 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 2nd 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 2021-22 Authorized Expenditures



5-Year Historical Expenditures



Transportation - Highway Fund (84210)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	-	4,301,760,143	4,151,946,029	131,139,732	31,507,268	162,647,000	4,314,593,029
Receipts	-	1,675,360,143	1,548,546,029	-	20,947,000	20,947,000	1,569,493,029
Net Appropriation	-	2,626,400,000	2,603,400,000	131,139,732	10,560,268	141,700,000	2,745,100,000
Positions (FTE)	-	11,146.000	11,146.000			10.000	11,156.000

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments

Compensation and Benefits Reserves

1 Compensation Increase Reserve

Provides funding to double the FY 2022-23 compensation increase to 5%, building on the 2.5% increase provided in SL 2021-180. Where applicable, funds are also provided for an additional 2.5% salary increase for sworn Law Enforcement Officers and healthcare professionals as well as to adjust the salaries of state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.

Req \$	12,859,200	\$	-	\$	12,859,200
Rec \$	-	\$	-	\$	-
App \$	12,859,200	\$	-	\$	12,859,200
FTE					0.000

2 Retention Bonus

Repeats and augments the FY 2021-22 pandemic bonuses in SL 2021-180, providing a \$1,500 bonus to all state employees and local education employees regardless of funding source and an additional \$500 bonus to employees in at least one of the following employee groups: 1) Employees with an annual salary of less than \$75,000, 2) Law enforcement officers, 3) Employees in the Department of Public Safety, Division of Adult Correction and Juvenile Justice, with job duties requiring frequent in-person contact, or 4) Employees of the Department of Health and Human Services in a position at a 24-hour residential or treatment facility. To address retention, the bonus will be paid in two installments with half of the bonus paid in November 2022 and half in April 2023. A corresponding special provision provides additional details on the retention bonus.

Req \$	-	\$	20,947,000	\$	20,947,000
Rec \$	-	\$	20,947,000	\$	20,947,000
App \$	-	\$	-	\$	-
FTE					0.000

3 Labor Market Retention and Adjustment Fund

Provides 2% of payroll to allow agencies to address retention and other labor market needs unique to their staffing concerns. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent.

Req \$	9,976,000	\$	-	\$	9,976,000
Rec \$	-	\$	-	\$	-
App \$	9,976,000	\$	-	\$	9,976,000
FTE					0.000

4 Retiree Cost of Living Increases

Funds a 1% recurring cost-of-living adjustment and a 1% one-time cost-of-living supplement for retirees. This increase is in addition to the 3% one-time cost-of-living supplement for FY 2022-23 provided in SL 2021-180.

Req \$	1,548,500	\$	1,143,000	\$	2,691,500
Rec \$	-	\$	-	\$	-
App \$	1,548,500	\$	1,143,000	\$	2,691,500
FTE					0.000

5 Minimum Wage of \$15 / Hour for All Employees

Increases salaries of Department of Transport (DOT) temporary staff to a minimum of \$15 / hour. This affects 73 current temporary employees.

Req \$	238,000	\$	-	\$	238,000
Rec \$	-	\$	-	\$	-
App \$	238,000	\$	-	\$	238,000
FTE					0.000

6 Salary to Market Range Minimum Reserve

Provides funds to increase salaries to the minimum of the newly established salary ranges in accordance with market-based data.

Req \$	367,000	\$	-	\$	367,000
Rec \$	-	\$	-	\$	-
App \$	367,000	\$	-	\$	367,000
FTE					0.000

		R Changes	NR Changes	Adjustments
Integrated Mobility				
7 Integrated Mobility: Advancing Innovative Technologies and Initiatives				
Provides funds to enable the Integrated Mobility Division (IMD) to respond to new technologies to provide affordable and equitable access to transportation. These funds will support pilot programs and match Federal grants, including grants to increase access to on-demand transit in rural areas.	Req \$	2,000,000	\$ -	\$ 2,000,000
	Rec \$	-	\$ -	-
	App \$	2,000,000	\$ -	\$ 2,000,000
	FTE			0.000
8 Rail: S-Line Federal Grant Match				
Provides matching funds to leverage significant federal grants available under the bipartisan Infrastructure Investment and Jobs Act (IIJA). This will fund the first portion of the S-Line, connecting Wake, Franklin, Vance and Warren Counties, increasing rail capacity and resilience and creating economic development and environmental benefits.	Req \$	10,000,000	\$ -	\$ 10,000,000
	Rec \$	-	\$ -	-
	App \$	10,000,000	\$ -	\$ 10,000,000
	FTE			0.000
9 Bicycle and Pedestrian Projects				
Establishes a local government grant program to match federal funds for bicycle and pedestrian projects, such as shared use paths, bicycle lanes, and bicycle and pedestrian bridges.	Req \$	10,000,000	\$ -	\$ 10,000,000
	Rec \$	-	\$ -	-
	App \$	10,000,000	\$ -	\$ 10,000,000
	FTE			0.000
Highway Maintenance				
10 Bridge Program - Legislatively Required Adjustment				
Adjusts the base budget for the bridge program due to revised revenue estimates, as required in GS 119-18.	Req \$	1,000,000	\$ -	\$ 1,000,000
	Rec \$	-	\$ -	-
	App \$	1,000,000	\$ -	\$ 1,000,000
	FTE			0.000
11 General Maintenance				
Increases funds for the statewide maintenance program. These funds will be expended by the local highway divisions. The revised net appropriation for the General Maintenance Reserve is \$606.5 million.	Req \$	23,867,708	\$ -	\$ 23,867,708
	Rec \$	-	\$ -	-
	App \$	23,867,708	\$ -	\$ 23,867,708
	FTE			0.000
12 Contract Resurfacing				
Provides funds for contract resurfacing projects, which are administered by the local highway divisions, to improve road surfaces. The revised net appropriation for contract resurfacing projects is \$591.2M.	Req \$	20,500,000	\$ -	\$ 20,500,000
	Rec \$	-	\$ -	-
	App \$	20,500,000	\$ -	\$ 20,500,000
	FTE			0.000
13 Bridge Preservation				
Provides additional funds for bridge maintenance to extend the lifespan of bridges. The revised net appropriation is \$90.5 million.	Req \$	20,500,000	\$ -	\$ 20,500,000
	Rec \$	-	\$ -	-
	App \$	20,500,000	\$ -	\$ 20,500,000
	FTE			0.000
14 Safety / Risk Management on Transportation Construction Sites				
Provides funds for essential safety equipment to prevent fatalities and injuries from falls on construction sites. This equipment is necessary for DOT to meet Occupational Safety and Health Administration (OSHA) standards.	Req \$	-	\$ 1,891,010	\$ 1,891,010
	Rec \$	-	\$ -	-
	App \$	-	\$ 1,891,010	\$ 1,891,010
	FTE			0.000
Administration				
15 Expansion of Facilities Maintenance Group				
Provides funds to inspect, maintain, and oversee repairs to DOT buildings. This will reduce costs arising from deferred maintenance.	Req \$	1,200,000	\$ -	\$ 1,200,000
	Rec \$	-	\$ -	-
	App \$	1,200,000	\$ -	\$ 1,200,000
	FTE			0.000
16 Increased Fire Insurance Premiums				
Fully funds insurance premiums, which have increased by 49% since 2014, creating a budget shortfall of over \$350,000. The revised total program budget is \$552,000.	Req \$	400,000	\$ -	\$ 400,000
	Rec \$	-	\$ -	-
	App \$	400,000	\$ -	\$ 400,000
	FTE			0.000

		R Changes		NR Changes		Adjustments
17 Global TransPark Operational Marketing and Advertising Plan						
Supports the development of a marketing plan to better position North Carolina to create new jobs at the Global TransPark in Lenoir County.	Req \$	25,000	\$	75,000	\$	100,000
	Rec \$	-	\$	-	\$	-
	App \$	25,000	\$	75,000	\$	100,000
	FTE					0.000
18 Vehicles for School Bus and Traffic Safety Unit						
Increases the cost-effectiveness of the School Bus and Traffic Safety Unit by providing 40 state-owned vehicles instead of using unit employees' own vehicles to accomplish state business. This will provide better protection of information and state equipment in the event of accidents.	Req \$	220,000	\$	-	\$	220,000
	Rec \$	-	\$	-	\$	-
	App \$	220,000	\$	-	\$	220,000
	FTE					0.000
19 Office of the Inspector General: Auditor Positions						
Funds ten Internal Auditors to meet recommended staffing levels from the Council of Internal Auditing. These positions will improve efficiency, effectiveness and compliance across the Department.	Req \$	1,029,223	\$	-	\$	1,029,223
	Rec \$	-	\$	-	\$	-
	App \$	1,029,223	\$	-	\$	1,029,223
	FTE					10.000
20 Office of the Inspector General: Contract Services						
Provides funding for outside contractors to provide audit and accounting services to supplement internal capacity.	Req \$	500,000	\$	-	\$	500,000
	Rec \$	-	\$	-	\$	-
	App \$	500,000	\$	-	\$	500,000
	FTE					0.000
21 Board of Transportation: New Member						
Meets increased costs arising from the addition of one new Board of Transportation member and an increased number of board and committee meetings held across the state, creating greater board oversight and transparency.	Req \$	50,000	\$	-	\$	50,000
	Rec \$	-	\$	-	\$	-
	App \$	50,000	\$	-	\$	50,000
	FTE					0.000
Division of Motor Vehicles (DMV)						
22 Increased Operating Costs at New Rocky Mount Headquarters						
Meets increased costs arising from DMV's move to its new headquarters in Rocky Mount. Costs include the relocation of the Supply and Logistics unit and print-mail services; the outsourcing of scan operations; and utility costs that were not incurred in its former state-owned facilities.	Req \$	3,345,641	\$	-	\$	3,345,641
	Rec \$	-	\$	-	\$	-
	App \$	3,345,641	\$	-	\$	3,345,641
	FTE					0.000
23 Merchant Fees Increases						
Funds cost increases for electronic transactions. Costs have risen due to rapid growth in the use of online payments by DMV customers.	Req \$	949,604	\$	-	\$	949,604
	Rec \$	-	\$	-	\$	-
	App \$	949,604	\$	-	\$	949,604
	FTE					0.000
24 DMV Customer Service and Process Improvements						
Supports the implementation of modern, cloud-based call center and electronic fax software, offering greater DMV customer service contact options and enabling the division to streamline processes by moving from paper to electronic processing.	Req \$	635,418	\$	157,505	\$	792,923
	Rec \$	-	\$	-	\$	-
	App \$	635,418	\$	157,505	\$	792,923
	FTE					0.000
25 DMV Postage Costs						
Funds one-time and ongoing costs arising from the requirement in SL 2019-277 to replace vehicle license plates every seven years. Also provides an additional \$500,000 to meet further increases in postage costs resulting from greater use of online and mail-in services since the start of the Covid-19 pandemic.	Req \$	4,028,438	\$	1,613,753	\$	5,642,191
	Rec \$	-	\$	-	\$	-
	App \$	4,028,438	\$	1,613,753	\$	5,642,191
	FTE					0.000
Aviation Division						
26 Aviation Division - Legislatively Required Adjustment						
Adjusts the base budget for the Aviation Division, as required by GS 105-164.44M, due to a revised revenue estimate for aviation fuel tax.	Req \$	3,400,000	\$	-	\$	3,400,000
	Rec \$	-	\$	-	\$	-
	App \$	3,400,000	\$	-	\$	3,400,000
	FTE					0.000

		R Changes		NR Changes		Adjustments
Ferry Division						
27 Marine Facility and Vessel Repairs and Maintenance						
Provides funding for the maintenance of marine facilities and support vessels, including dry dock maintenance required by the United States Coast Guard, as well as the planning and/or design of projects in order to be shovel ready for federal grant opportunities.	Req	\$ 2,500,000	\$	4,000,000	\$	6,500,000
	Rec	-	\$	-	\$	-
	App	2,500,000	\$	4,000,000	\$	6,500,000
	FTE					0.000
28 Facility Maintenance and Building Repairs						
Funds facility maintenance projects throughout the Ferry Division. These projects include: roof, window and sub-floor replacements; paving of parking lots; HVAC installations; and the renovation of public restrooms and tourist facilities.	Req	-	\$	1,680,000	\$	1,680,000
	Rec	-	\$	-	\$	-
	App	-	\$	1,680,000	\$	1,680,000
	FTE					0.000
Total Change to Requirements		\$ 131,139,732	\$	31,507,268	\$	162,647,000
Total Change to Receipts		\$ -	\$	20,947,000	\$	20,947,000
Total Change to Net Appropriation		\$ 131,139,732	\$	10,560,268	\$	141,700,000
Total Change to Full-Time Equivalent (FTE)						10.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$		141,700,000		
Recommended Total FTE Changes						10.000

Transportation - Highway Trust Fund (84290)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	-	1,552,000,000	1,728,300,000	107,200,000	-	107,200,000	1,835,500,000
Receipts	-	-	-	-	-	-	-
Net Appropriation	-	1,552,000,000	1,728,300,000	107,200,000	-	107,200,000	1,835,500,000
Positions (FTE)	-	0.000	0.000			0.000	0.000

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
1 Strategic Transportation Investments Prioritization (STIP)			
Adjusts the budget for the STIP program to match the revenues available to the Highway Trust Fund. The revised net appropriation for Strategic Transportation Investments is \$1.6 billion.	Req \$ 107,200,000 Rec \$ - App \$ 107,200,000 FTE	\$ - \$ - \$ - \$ -	\$ 107,200,000 -\$ - \$ 107,200,000 0.000
Total Change to Requirements	\$ 107,200,000	\$ -	\$ 107,200,000
Total Change to Receipts	\$ -	\$ -	\$ -
Total Change to Net Appropriation	\$ 107,200,000	\$ -	\$ 107,200,000
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$	107,200,000	
Recommended Total FTE Changes		0.000	

Transportation - NC Global TransPark (04280)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	-	10,452,406	10,452,406	25,000	75,000	100,000	10,552,406
Receipts	-	10,452,406	10,452,406	25,000	75,000	100,000	10,552,406
Δ in Fund Balance	-	-	-	-	-	-	-
Positions (FTE)	-	15.750	15.750			0.000	15.750

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
1 Global TransPark Operational Marketing and Advertising Plan			
Budgets receipts from the Highway Fund to pay for the development of a marketing plan to better position North Carolina to create new jobs at the Global TransPark in Lenoir County.	Req \$ 25,000	\$ 75,000	\$ 100,000
	Rec \$ 25,000	\$ 75,000	\$ 100,000
	CFB \$ -	\$ -	\$ -
	FTE		0.000
Total Change to Requirements	\$ 25,000	\$ 75,000	\$ 100,000
Total Change to Receipts	\$ 25,000	\$ 75,000	\$ 100,000
Total Change to Net Appropriation	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$ -	\$ -	\$ -
Recommended Total FTE Changes			0.000

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State Budget and Management - State Capital and Infrastructure Fund (24001)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	96,197,715	3,651,787,898	2,159,491,235	220,368	1,038,585,547	1,038,805,915	3,198,297,150
Receipts	185,000,000	3,664,334,999	2,400,000,000	-	1,038,805,915	1,038,805,915	3,438,805,915
Δ in Fund Balance	88,802,284	12,547,101	240,508,765	(220,368)	220,368	-	240,508,765
Positions (FTE)	0.000	0.000	0.000			2.000	2.000

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
SCIF Availability			
1 State Capital and Infrastructure Fund			
Provides additional funding to support projects funded by the SCIF.	Req \$ -	\$ -	\$ -
	Rec \$ -	\$ 1,038,805,915	\$ 1,038,805,915
	CFB \$ -	\$ 1,038,805,915	\$ 1,038,805,915
	FTE		0.000
Debt Service			
2 Debt Service Adjustment			
Adjusts the transfer from the State Capital Infrastructure Fund to the Department of State Treasurer's budget code 19425 to more accurately reflect debt service requirements. The new total amount needed to support existing debt service is \$633,927,009.	Req \$ -	\$ (15,338,702)	\$ (15,338,702)
	Rec \$ -	\$ -	\$ -
	CFB \$ -	\$ 15,338,702	\$ 15,338,702
	FTE		0.000
Repairs and Renovations			
3 Clean Energy Repairs and Renovations Reserve			
Provides funding for small repairs and renovations across state agencies and the University of North Carolina System. These funds will be used for repairs and renovations that increase energy efficiency and / or reduce energy costs.	Req \$ -	\$ 50,000,000	\$ 50,000,000
	Rec \$ -	\$ -	\$ -
	CFB \$ -	\$ (50,000,000)	\$ (50,000,000)
	FTE		0.000
Department of Administration			
4 DOA Statewide POTS Engineering and Electrical Design			
Provides \$3 million to the Department of Administration for engineering assessments of Plain Old Telephone Service (POTS) for approximately 850 accounts monitored by the DOA Central Receiving Station.	Req \$ -	\$ 3,000,000	\$ 3,000,000
	Rec \$ -	\$ -	\$ -
	CFB \$ -	\$ (3,000,000)	\$ (3,000,000)
	FTE		0.000
5 Bath Building Demolition and Site Stabilization			
Provides funds to demolish the Bath Building and stabilize the site to include decontamination and cleaning, asbestos abatement, basic grading, and minimal landscaping to convert the facility to greenspace.	Req \$ -	\$ 6,932,000	\$ 6,932,000
	Rec \$ -	\$ -	\$ -
	CFB \$ -	\$ (6,932,000)	\$ (6,932,000)
	FTE		0.000
Department of Agriculture and Consumer Services			
6 Piedmont Triad Farmers Market Restaurant Renovation			
Provides funds to renovate the Piedmont Triad Farmers Market Restaurant, including replacement of mechanical systems, roof, windows, and door.	Req \$ -	\$ 3,000,000	\$ 3,000,000
	Rec \$ -	\$ -	\$ -
	CFB \$ -	\$ (3,000,000)	\$ (3,000,000)
	FTE		0.000
7 Standards Laboratory Renovation			
Provides funds to repurpose and expand the former Standards lab to include additional greenhouses and a quarantine/containment lab space to house the Beneficial Insect Laboratory.	Req \$ -	\$ 6,000,000	\$ 6,000,000
	Rec \$ -	\$ -	\$ -
	CFB \$ -	\$ (6,000,000)	\$ (6,000,000)
	FTE		0.000
8 Raleigh State Farmers Market Improvements			
Provides funds to demolish and replace the existing farmers and maintenance sheds, and to create a new open-air pavilion access to Dix Park.	Req \$ -	\$ 13,000,000	\$ 13,000,000
	Rec \$ -	\$ -	\$ -
	CFB \$ -	\$ (13,000,000)	\$ (13,000,000)
	FTE		0.000
9 Forest Service: Maintenance Shop Replacement			
Provides funds to construct a new three-bay maintenance shop to include office space, storage, and restrooms.	Req \$ -	\$ 4,000,000	\$ 4,000,000
	Rec \$ -	\$ -	\$ -
	CFB \$ -	\$ (4,000,000)	\$ (4,000,000)
	FTE		0.000

		R Changes	NR Changes	Adjustments
10 Research Stations: Construction of Pesticide Facilities				
Provides funds to construct ten new pesticide storage, loading, and cleaning facilities to meet current and future regulations.	Req \$	-	\$ 1,750,000	\$ 1,750,000
	Rec \$	-	-	-
	CFB \$	-	\$ (1,750,000)	\$ (1,750,000)
	FTE			0.000
11 Griffith Forest Center Central Warehouse and Office				
Provides funds to construct a warehouse and office to support Regional Operations. The facility will include a single office, restroom, and plumbing for a safety shower and eye wash station.	Req \$	-	\$ 750,000	\$ 750,000
	Rec \$	-	-	-
	CFB \$	-	\$ (750,000)	\$ (750,000)
	FTE			0.000
12 Research Stations: Administrative Office				
Provides funds to construct a new office at the Cherry Research Station to relocate Administrative Services out of the flood plain.	Req \$	-	\$ 650,000	\$ 650,000
	Rec \$	-	-	-
	CFB \$	-	\$ (650,000)	\$ (650,000)
	FTE			0.000
Department of Commerce				
13 Wanchese Marine Park: Building Addition				
Provides funds to construct a 1,750 square foot workspace addition in Lot 26A.	Req \$	-	\$ 276,000	\$ 276,000
	Rec \$	-	-	-
	CFB \$	-	\$ (276,000)	\$ (276,000)
	FTE			0.000
Department of Health and Human Services				
14 Black Mountain Neuro-Medical Treatment Center: Raspberry Building				
Provides funds for major renovations of the Raspberry Building at the Black Mountain Neuro-Medical Treatment Center.	Req \$	-	\$ 12,847,000	\$ 12,847,000
	Rec \$	-	-	-
	CFB \$	-	\$ (12,847,000)	\$ (12,847,000)
	FTE			0.000
15 J. Iverson Riddle Developmental Center: Cedar Cottage				
Provides funds for major renovations of the Cedar Cottage at the J. Iverson Riddle Developmental Center.	Req \$	-	\$ 10,313,000	\$ 10,313,000
	Rec \$	-	-	-
	CFB \$	-	\$ (10,313,000)	\$ (10,313,000)
	FTE			0.000
16 J. Iverson Riddle Developmental Center : Willow Cottage				
Provides funds for major renovations at the Willow Cottage at the J. Iverson Riddle Development Center.	Req \$	-	\$ 10,313,000	\$ 10,313,000
	Rec \$	-	-	-
	CFB \$	-	\$ (10,313,000)	\$ (10,313,000)
	FTE			0.000
17 Murdoch Developmental Center : Briarwood Cottage				
Provides funds for major renovations at the Briarwood Cottage at the Murdoch Developmental Center.	Req \$	-	\$ 8,606,000	\$ 8,606,000
	Rec \$	-	-	-
	CFB \$	-	\$ (8,606,000)	\$ (8,606,000)
	FTE			0.000
18 Murdoch Developmental Center: Arbor Cottage				
Provides funds for major renovations at the Arbor Cottage at the Murdoch Developmental Center.	Req \$	-	\$ 8,606,000	\$ 8,606,000
	Rec \$	-	-	-
	CFB \$	-	\$ (8,606,000)	\$ (8,606,000)
	FTE			0.000
19 Cherry Hospital: New Maintenance & Warehouse Facility				
Provides funds to construct a new maintenance and warehouse facility at Cherry Hospital.	Req \$	-	\$ 5,405,000	\$ 5,405,000
	Rec \$	-	-	-
	CFB \$	-	\$ (5,405,000)	\$ (5,405,000)
	FTE			0.000
20 O'Berry Neuro-Medical Treatment Center : ELC-3 Building				
Provides funds to renovate the ELC-3 Building at the O'Berry Neuro-Medical Treatment Center.	Req \$	-	\$ 9,475,000	\$ 9,475,000
	Rec \$	-	-	-
	CFB \$	-	\$ (9,475,000)	\$ (9,475,000)
	FTE			0.000

		R Changes	NR Changes	Adjustments
21 Broughton Hospital: New Maintenance & Warehouse Facility				
Provides funds to construct a new maintenance and warehouse facility at Broughton Hospital.	Req \$	-	\$ 16,635,000	\$ 16,635,000
	Rec \$	-	-	-
	CFB \$	-	\$ (16,635,000)	\$ (16,635,000)
	FTE			0.000
Department of Justice				
22 DOJ Administration Building East				
Provides funds for major renovations of the North Carolina Justice Academy East Administration Building to include architectural, mechanical, plumbing and electrical systems.	Req \$	-	\$ 5,689,000	\$ 5,689,000
	Rec \$	-	-	-
	CFB \$	-	\$ (5,689,000)	\$ (5,689,000)
	FTE			0.000
Department of Natural and Cultural Resources				
23 African American Monument at the State Capitol				
Provides funds to the African American Heritage Commission to complete the planning, design, and construction of the African American Monument on the southeast corner of the State Capitol grounds.	Req \$	-	\$ 4,000,000	\$ 4,000,000
	Rec \$	-	-	-
	CFB \$	-	\$ (4,000,000)	\$ (4,000,000)
	FTE			0.000
24 Town Creek Indian Mound State Historic Site Visitor Center Expansion				
Provides funds to expand and update portions of the visitor services area, and to update older displays.	Req \$	-	\$ 2,000,000	\$ 2,000,000
	Rec \$	-	-	-
	CFB \$	-	\$ (2,000,000)	\$ (2,000,000)
	FTE			0.000
25 Historic Sites: Visitor Center Planning for Upgrades and Renovations				
Provides planning funds for upgrades and renovations at four state historic site visitor centers (House in the Horseshoe, Historic Stagville, Fort Dobbs, and Somerset).	Req \$	-	\$ 1,500,000	\$ 1,500,000
	Rec \$	-	-	-
	CFB \$	-	\$ (1,500,000)	\$ (1,500,000)
	FTE			0.000
26 Charlotte Hawkins Brown State Historic Site				
Provides funds to renovate the dormitories at the Charlotte Hawkins Brown State Historic Site.	Req \$	-	\$ 16,000,000	\$ 16,000,000
	Rec \$	-	-	-
	CFB \$	-	\$ (16,000,000)	\$ (16,000,000)
	FTE			0.000
27 Fort Fisher Aquarium Renovation and Expansion				
Provides funds to renovate and expand the Fort Fisher Aquarium. An additional \$4,200,000 is funded from receipts for this project.	Req \$	-	\$ 10,000,000	\$ 10,000,000
	Rec \$	-	-	-
	CFB \$	-	\$ (10,000,000)	\$ (10,000,000)
	FTE			0.000
28 Oregon Inlet Lifesaving Station Move and Rehabilitation				
Provides funds to move and repair the Oregon Inlet Lifesaving Station.	Req \$	-	\$ 600,000	\$ 600,000
	Rec \$	-	-	-
	CFB \$	-	\$ (600,000)	\$ (600,000)
	FTE			0.000
29 Halifax State Historic Site Exhibits				
Provides funds for new exhibits at Halifax State Historic Visitor Center.	Req \$	-	\$ 2,000,000	\$ 2,000,000
	Rec \$	-	-	-
	CFB \$	-	\$ (2,000,000)	\$ (2,000,000)
	FTE			0.000
30 NC Zoo: Aviary				
Provides funds for the demolition of the NC Zoo aviary facility and for planning a new aviary exhibit.	Req \$	-	\$ 5,000,000	\$ 5,000,000
	Rec \$	-	-	-
	CFB \$	-	\$ (5,000,000)	\$ (5,000,000)
	FTE			0.000
31 International Civil Rights Center and Museum (ICRCM)				
Provides funds to purchase property in downtown Greensboro adjacent to the ICRCM to expand the current museum space. The organization will provide \$4,500,000 in matching funds.	Req \$	-	\$ 10,500,000	\$ 10,500,000
	Rec \$	-	-	-
	CFB \$	-	\$ (10,500,000)	\$ (10,500,000)
	FTE			0.000

		R Changes	NR Changes	Adjustments
32 Dorothea Dix Transition and Planning				
Provides \$7 million to the Dorothea Dix Park Conservancy to complete a feasibility study and support advance construction to enhance the Rocky Branch waterway and remediate the existing landfill. Funds will also be used to make improvements to connect Dix Park with the State Farmers Market.	Req \$	- \$	7,000,000 \$	7,000,000
	Rec \$	- \$	- \$	-
	CFB \$	- \$	(7,000,000) \$	(7,000,000)
	FTE			0.000
Department of Public Safety				
33 State Highway Patrol (SHP): Civil Defense Vehicle Storage Building				
Provides funds to construct a building for storage of civil defense vehicles and equipment.	Req \$	- \$	1,100,000 \$	1,100,000
	Rec \$	- \$	- \$	-
	CFB \$	- \$	(1,100,000) \$	(1,100,000)
	FTE			0.000
34 Department of Juvenile Justice (DJJ) Cabarrus YDC Parking Lot				
Provides funds for paving and installation of EV charging stations at Cabarrus Youth Development Center.	Req \$	- \$	2,000,000 \$	2,000,000
	Rec \$	- \$	- \$	-
	CFB \$	- \$	(2,000,000) \$	(2,000,000)
	FTE			0.000
35 Department of Correction and Rehabilitation Facility Management Office				
Provides funds to renovate an acquired building adjacent to Central Prison to serve the needs of Facility Management.	Req \$	- \$	5,200,000 \$	5,200,000
	Rec \$	- \$	- \$	-
	CFB \$	- \$	(5,200,000) \$	(5,200,000)
	FTE			0.000
36 Capitol Area Security Project				
Provides funds to replace and upgrade the surveillance system for grounds and buildings in the downtown government complex, including Halifax Mall, the Capitol building and the Bicentennial Mall.	Req \$	- \$	10,612,000 \$	10,612,000
	Rec \$	- \$	- \$	-
	CFB \$	- \$	(10,612,000) \$	(10,612,000)
	FTE			0.000
37 Alcoholism and Chemical Dependency Programs (ACDP): Arledge Building				
Provides funds to renovate the Arledge Dormitory at Western Correctional Center for Women, including the replacement of finishes and building systems, and the construction of a new metal building for facility maintenance shop/storage.	Req \$	- \$	6,352,000 \$	6,352,000
	Rec \$	- \$	- \$	-
	CFB \$	- \$	(6,352,000) \$	(6,352,000)
	FTE			0.000
38 Division of Juvenile Justice (DJJ) Modular Office at Cabarrus YDC				
Provides funds to construct modular offices, accessible toilets, and parking area modifications to accommodate staff relocating to the Cabarrus Youth Development Center (YDC) from Stonewall YDC.	Req \$	- \$	621,000 \$	621,000
	Rec \$	- \$	- \$	-
	CFB \$	- \$	(621,000) \$	(621,000)
	FTE			0.000
39 Office of Staff Development and Training (OSDT): Training Facility Acquisition				
Provides funds to acquire a facility in central North Carolina to house and conduct basic training for the Department of Correction and Rehabilitation.	Req \$	- \$	9,906,700 \$	9,906,700
	Rec \$	- \$	- \$	-
	CFB \$	- \$	(9,906,700) \$	(9,906,700)
	FTE			0.000
40 Department of Correction and Rehabilitation Gatehouses				
Provides funds to build six new gatehouses at various sites to increase security and efficiency at the prisons.	Req \$	- \$	5,967,200 \$	5,967,200
	Rec \$	- \$	- \$	-
	CFB \$	- \$	(5,967,200) \$	(5,967,200)
	FTE			0.000
41 State Highway Patrol (SHP): Troop B - Elizabethtown				
Provides funds to renovate and complete maintenance of existing buildings.	Req \$	- \$	2,360,000 \$	2,360,000
	Rec \$	- \$	- \$	-
	CFB \$	- \$	(2,360,000) \$	(2,360,000)
	FTE			0.000
42 Emergency Management (EM): Badin Warehouse Expansion				
Provides funds to construct a raised warehouse addition with four loading docks at the North Carolina Emergency Management Disaster Warehouse.	Req \$	- \$	3,731,000 \$	3,731,000
	Rec \$	- \$	- \$	-
	CFB \$	- \$	(3,731,000) \$	(3,731,000)
	FTE			0.000

		R Changes	NR Changes	Adjustments
43 Emergency Management (EM): Central Disaster Warehouse				
Provides funds to acquire a property and build a warehouse to serve the eastern portion of the state during disasters.	Req \$	-	\$ 19,648,349	\$ 19,648,349
	Rec \$	-	-	-
	CFB \$	-	\$ (19,648,349)	\$ (19,648,349)
	FTE			0.000
44 State Highway Patrol (SHP): Troop 1 Aviation Office				
Provides funds to construct an office for the NCSHP aviation group, replacing the former office, which was demolished in 2015.	Req \$	-	\$ 1,433,000	\$ 1,433,000
	Rec \$	-	-	-
	CFB \$	-	\$ (1,433,000)	\$ (1,433,000)
	FTE			0.000
45 Eastern Correctional Institution				
Provides funds to address drainage and paving issues at the Eastern Correctional Institution (CI) in Greene County.	Req \$	-	\$ 3,572,000	\$ 3,572,000
	Rec \$	-	-	-
	CFB \$	-	\$ (3,572,000)	\$ (3,572,000)
	FTE			0.000
46 Bertie Correctional Institution				
Provides funds to address drainage and paving issues at the Bertie CI in Bertie County.	Req \$	-	\$ 6,768,000	\$ 6,768,000
	Rec \$	-	-	-
	CFB \$	-	\$ (6,768,000)	\$ (6,768,000)
	FTE			0.000
47 Neuse Correctional Institution				
Provides funds to address drainage and paving issues at the Neuse CI in Wayne County.	Req \$	-	\$ 6,400,000	\$ 6,400,000
	Rec \$	-	-	-
	CFB \$	-	\$ (6,400,000)	\$ (6,400,000)
	FTE			0.000
48 Nash Correctional Institution				
Provides funds for major renovations of the HVAC system at the Nash CI, including campus-wide upfit and replacement of air handling units in three dormitories.	Req \$	-	\$ 7,797,000	\$ 7,797,000
	Rec \$	-	-	-
	CFB \$	-	\$ (7,797,000)	\$ (7,797,000)
	FTE			0.000
Department of Revenue				
49 DOR Fire Protection Systems				
Provides funds to update the existing fire protection systems throughout the New Revenue building, including new devices for audio and strobe alarms and rewiring of fire panels.	Req \$	-	\$ 2,300,000	\$ 2,300,000
	Rec \$	-	-	-
	CFB \$	-	\$ (2,300,000)	\$ (2,300,000)
	FTE			0.000
50 New Revenue Building Foundation Repairs				
Provides funds to remove granite panels along the outside of the building to patch and fill penetrations and damage to the exterior of the facility.	Req \$	-	\$ 209,000	\$ 209,000
	Rec \$	-	-	-
	CFB \$	-	\$ (209,000)	\$ (209,000)
	FTE			0.000
Office of State Budget and Management				
51 Increased Flexibility Funds for State Agency Capital Projects				
Increases the funding available for state agencies to meet increased costs for capital projects authorized in SL 2021-180, up to an additional 10% of the amount originally authorized. These funds will help agencies address cost increases arising from current inflationary pressures in the construction sector. Combined with \$25 million already appropriated, the total amount available for this purpose is \$50 million.	Req \$	-	\$ 25,000,000	\$ 25,000,000
	Rec \$	-	-	-
	CFB \$	-	\$ (25,000,000)	\$ (25,000,000)
	FTE			0.000
52 OSBM: Grants Management Positions				
Provides funds to support the addition of two grants management positions at the Office of State Budget and Management (OSBM). The positions are necessary to provide technical assistance and support for the nearly 600 directed grants in the State Capital and Infrastructure Fund totaling over \$1.1 billion. Grant funds are available until expended and thus reporting, monitoring, and compliance requirements will continue for several years.	Req \$	220,368	-	\$ 220,368
	Rec \$	-	-	-
	CFB \$	(220,368)	-	\$ (220,368)
	FTE			2.000

		R Changes	NR Changes	Adjustments
K-12 Public School Facilities				
53 K-12 Public School Facilities				
Provides funds for the construction and renovation of public school facilities to begin to address the estimated \$12 billion in statewide public school facility need. The Department of Public Instruction will allocate \$500,000 of funding to each public school unit in the state. The remaining funds will be allocated to public schools on the basis of average daily membership for FY 2021-2022.	Req \$	- \$	500,000,000 \$	500,000,000
	Rec \$	- \$	- \$	-
	CFB \$	- \$	(500,000,000) \$	(500,000,000)
	FTE			0.000
University of North Carolina (UNC)				
54 UNC System Office: Flexibility Funds for Capital Projects				
Provides \$50 million that the UNC System Office may allocate to projects across all campuses to supplement funds for UNC capital projects appropriated in SL 2021-180, up to an additional 10% of the amount authorized in SL 2021-180. These funds will help address cost increases arising from current inflationary pressures in the construction sector.	Req \$	- \$	50,000,000 \$	50,000,000
	Rec \$	- \$	- \$	-
	CFB \$	- \$	(50,000,000) \$	(50,000,000)
	FTE			0.000
55 UNC Hospitals: Child and Adolescent Behavioral Health Planning				
Provides funding to UNC Hospitals for the planning of a new state child and adolescent behavioral health hospital and regional statewide crisis centers. Funds are to be utilized for capital planning for the new hospital and regional statewide facilities, creating funding options and opportunities, and developing child and adolescent service-lines.	Req \$	- \$	10,000,000 \$	10,000,000
	Rec \$	- \$	- \$	-
	CFB \$	- \$	(10,000,000) \$	(10,000,000)
	FTE			0.000
56 Appalachian State University: Hickory Campus Phase I				
Funds Phase 1 renovations of the 225,800-square-foot former Corning Optical Communications building to establish the Appalachian State Hickory Campus. The Hickory-Lenoir-Morganton Metro Area — with a population of more than 370,000 — is the largest metropolitan area in North Carolina without a state university presence	Req \$	- \$	15,000,000 \$	15,000,000
	Rec \$	- \$	- \$	-
	CFB \$	- \$	(15,000,000) \$	(15,000,000)
	FTE			0.000
57 East Carolina University (ECU) Telehealth / Healthcare Digital Transformation				
Provides funds to establish the space, equipment, and technology necessary to support consolidation of ECU's many telehealth programs into one integrated effort to provide telehealth services to North Carolinians. Funds will also expand ECU's NC Statewide Telepsychiatry Program (NC STeP) to four additional UNC institutions.	Req \$	- \$	3,000,000 \$	3,000,000
	Rec \$	- \$	- \$	-
	CFB \$	- \$	(3,000,000) \$	(3,000,000)
	FTE			0.000
58 Fayetteville State University (FSU) Veterans' Center				
Provides funds to renovate and enlarge the Cook Building at FSU, enabling it to accommodate FSU's two ROTC detachments (Army and Air Force), a consolidated and enlarged Military Affairs department staff, and a full-service support center for military-connected students.	Req \$	- \$	8,000,000 \$	8,000,000
	Rec \$	- \$	- \$	-
	CFB \$	- \$	(8,000,000) \$	(8,000,000)
	FTE			0.000
59 NC Central University Electrical and Steam Distribution Phase I				
Funds immediate repairs to the electrical and steam distribution systems to maintain campus operations, including the repair or replacement of failing electrical switches, outdated electrical equipment, and damaged electrical and steam distribution lines.	Req \$	- \$	8,000,000 \$	8,000,000
	Rec \$	- \$	- \$	-
	CFB \$	- \$	(8,000,000) \$	(8,000,000)
	FTE			0.000
60 NC State University: National Institute for Innovation in Manufacturing Biopharmaceutics				
Provides the final installment of funding to support the state's five-year, \$10 million commitment to provide matching funds for a federal grant from the National Institute of Standards and Technology.	Req \$	- \$	2,000,000 \$	2,000,000
	Rec \$	- \$	- \$	-
	CFB \$	- \$	(2,000,000) \$	(2,000,000)
	FTE			0.000
61 UNC Asheville (UNCA): Lipinsky Renovation				
Funds the comprehensive modernization of an outdated and deteriorated facility on UNCA's academic quadrangle to support modern learning spaces for relocated academic programs.	Req \$	- \$	19,400,000 \$	19,400,000
	Rec \$	- \$	- \$	-
	CFB \$	- \$	(19,400,000) \$	(19,400,000)
	FTE			0.000

		R Changes	NR Changes	Adjustments
62 UNC Chapel Hill (UNC-CH): School of Data Science and Society				
Provides \$20 million in matching funds to support UNC-CH to launch a School of Data Science and Society. Funding will support faculty, staff, curriculum development, equipment, facility improvements, and other resources required to launch the new school.	Req \$	- \$	20,000,000 \$	20,000,000
	Rec \$	- \$	- \$	-
	CFB \$	- \$	(20,000,000) \$	(20,000,000)
	FTE			0.000
63 UNC Charlotte (UNCC): Surveillance Sequencing Hub				
Invests \$8 million to increase UNCC's clinical and wastewater sequencing surveillance capacity, enabling it to serve more areas of the Piedmont and western NC, and increasing its ability to provide rapid detection of emerging viral and pathogen threats.	Req \$	- \$	8,000,000 \$	8,000,000
	Rec \$	- \$	- \$	-
	CFB \$	- \$	(8,000,000) \$	(8,000,000)
	FTE			0.000
64 UNC Greensboro: Roof Replacements				
Provides \$20 million in funds to support a replacement program for over 1.3 million square feet of roof that is beyond useful service life.	Req \$	- \$	20,000,000 \$	20,000,000
	Rec \$	- \$	- \$	-
	CFB \$	- \$	(20,000,000) \$	(20,000,000)
	FTE			0.000
65 UNC Pembroke: Education Building Renovation Phase I				
Provides \$10 million to fund the partial renovation of approximately 22,700 square feet in the Education Building, which has not been updated since 1976. This work will maximize classroom and learning spaces by reconfiguring interior spaces, improving accessibility, addressing the building envelope, and providing mechanical, electrical, and IT/AV upgrades.	Req \$	- \$	10,000,000 \$	10,000,000
	Rec \$	- \$	- \$	-
	CFB \$	- \$	(10,000,000) \$	(10,000,000)
	FTE			0.000
66 UNC Wilmington: Research Laboratories				
Provides \$7.5 million to purchase lab equipment and instrumentation to support increased sponsored research activity focused on the region's most challenging issues.	Req \$	- \$	7,500,000 \$	7,500,000
	Rec \$	- \$	- \$	-
	CFB \$	- \$	(7,500,000) \$	(7,500,000)
	FTE			0.000
67 Western Carolina University (WCU) Engineering				
Invests \$6 million in enhancing WCU's engineering programs to meet the workforce needs of engineering, manufacturing, and research-focused businesses and industries relocating to the region. Funds will support renovation and expansion of laboratory facilities and the acquisition of lab equipment.	Req \$	- \$	6,000,000 \$	6,000,000
	Rec \$	- \$	- \$	-
	CFB \$	- \$	(6,000,000) \$	(6,000,000)
	FTE			0.000
68 Winston-Salem State University: Steam and Electrical Infrastructure Repairs				
Funds the repair or replacement of damaged and leaking steam lines and electrical infrastructure, including switches and transformers.	Req \$	- \$	6,000,000 \$	6,000,000
	Rec \$	- \$	- \$	-
	CFB \$	- \$	(6,000,000) \$	(6,000,000)
	FTE			0.000
69 NC Arboretum: Visitor Entrance and Parking Renovations				
Invests \$2 million to improve parking, restroom, and other visitor amenities at the NC Arboretum to respond to increased multimodal, greenway, and pedestrian use volume. Improved visitor ingress will help alleviate traffic backups and long waits at the gates.	Req \$	- \$	2,000,000 \$	2,000,000
	Rec \$	- \$	- \$	-
	CFB \$	- \$	(2,000,000) \$	(2,000,000)
	FTE			0.000
70 PBS NC: Audio / Visual Production Systems				
Provides funds to replace outdated audio and video systems, which are no longer supported by their manufacturers, with modern systems. Over the last 12 months, the existing systems have failed several times, causing costly delays.	Req \$	- \$	2,200,000 \$	2,200,000
	Rec \$	- \$	- \$	-
	CFB \$	- \$	(2,200,000) \$	(2,200,000)
	FTE			0.000
Total Change to Requirements		\$ 220,368	\$ 1,038,585,547	\$ 1,038,805,915
Total Change to Receipts		\$ -	\$ 1,038,805,915	\$ 1,038,805,915
Total Change to Net Appropriation		\$ (220,368)	\$ 220,368	\$ -
Total Change to Full-Time Equivalent (FTE)				2.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)		\$ -		
Recommended Total FTE Changes				2.000

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Reserves, Debt Service, and Other Adjustments (19xxx)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	925,945,554	849,624,208	738,912,381	14,441,298	615,487,000	629,928,298	1,368,840,679
Receipts	60,158,565	849,624,208	674,265,711	(15,338,702)	1,326,540,000	1,311,201,298	1,985,467,009
Net Appropriation	865,786,988	-	64,646,670	29,780,000	(711,053,000)	(681,273,000)	(616,626,330)
Positions (FTE)	0.000	0.000	0.000			0.000	0.000

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
Debt Service			
1 Debt Service Adjustment			
Adjusts budgeted requirements and receipts to more accurately reflect debt service projections and adjusts the transfer from the State Capital Infrastructure Fund. The new total amount needed to support existing debt service is \$633,927,009.	Req \$ (15,338,702)	\$ -	\$ (15,338,702)
	Rec \$ (15,338,702)	\$ -	\$ (15,338,702)
	App \$ -	\$ -	\$ -
	FTE		0.000
Technical Adjustment			
2 Technical Adjustment			
Budgets \$742 million in additional federal receipts in FY 2022-23 resulting from the 5% sign-on bonus from expanding Medicaid on September 1, 2022. Additional federal receipts are expected to total \$1.5 billion over two years.	Req \$ -	\$ -	\$ -
	Rec \$ -	\$ 742,000,000	\$ 742,000,000
	App \$ -	\$ (742,000,000)	\$ (742,000,000)
	FTE		0.000
Compensation Reserves			
3 DOT Retention Bonuses			
Transfers General Fund funds to the Department of Transportation to repeat and augment the FY 2021-22 pandemic bonuses in SL 2021-180. A corresponding item in the Department of Transportation provides additional details on the use of these funds.	Req \$ -	\$ 20,947,000	\$ 20,947,000
	Rec \$ -	\$ -	\$ -
	App \$ -	\$ 20,947,000	\$ 20,947,000
	FTE		0.000
4 Salary to Market Range Minimum			
Provides funds to increase salaries to the minimum of the newly established salary ranges in accordance with market-based data.	Req \$ 2,530,000	\$ -	\$ 2,530,000
	Rec \$ -	\$ -	\$ -
	App \$ 2,530,000	\$ -	\$ 2,530,000
	FTE		0.000
5 Workers' Compensation Settlement Reserve			
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 \$ -	\$ 10,000,000	\$ 10,000,000
	Rec \$ -	\$ -	\$ -
	App \$ -	\$ 10,000,000	\$ 10,000,000
	FTE		0.000
Living Wage			
6 Temporary and Seasonal Workers Living Wage Reserve			
Creates a reserve to reimburse agency costs associated with increasing the hourly wage for temporary or seasonal employees employed by state agencies or the University of North Carolina to \$15 per hour. Funds will be distributed by the Office of State Budget and Management (OSBM).	Req \$ 2,250,000	\$ -	\$ 2,250,000
	Rec \$ -	\$ -	\$ -
	App \$ 2,250,000	\$ -	\$ 2,250,000
	FTE		0.000
7 Contractor Living Wage Reserve			
Establishes a reserve to cover increased contract costs due to the intention to pay all employees on state contracts a minimum of \$15 per hour. Agencies may seek reimbursement of additional contract costs resulting from this change from this reserve.	Req \$ 25,000,000	\$ -	\$ 25,000,000
	Rec \$ -	\$ -	\$ -
	App \$ 25,000,000	\$ -	\$ 25,000,000
	FTE		0.000

		R Changes	NR Changes	Adjustments
Statewide				
8 Clean Energy and Environment Reserve				
Provides nonrecurring funds to fund the Clean Energy and Environment Reserve. This reserve funds large investments in items such as state and local parks, floodplain buyouts, grants for communities, schools, and small businesses. Additional details are provided on individual projects in the Natural and Economic Resources and Department of Public Safety sections of this document.	Req \$	- \$	105,000,000 \$	105,000,000
	Rec \$	- \$	105,000,000 \$	105,000,000
	App \$	- \$	- \$	-
	FTE			0.000
9 Workforce and Economic Development Reserve				
Allocates nonrecurring funds to the Workforce and Economic Development Reserve. This reserve invests in workforce and site development to support existing and attract new businesses. The reserve also provides funding to business assistance organizations to meet small business counseling and financial needs. Additional details are provided on individual items within the Natural and Economic Resources, Health and Human Services, University of North Carolina, and Community Colleges sections of this document.	Req \$	- \$	182,540,000 \$	182,540,000
	Rec \$	- \$	182,540,000 \$	182,540,000
	App \$	- \$	- \$	-
	FTE			0.000
10 Affordable Housing Reserve				
Provides nonrecurring funds to the Affordable Housing Reserve. This reserve will be used to increase the availability of and access to affordable housing statewide. Funds in this reserve also address drinking water and wastewater infrastructure and energy burden for low to moderate-income households. Additional details are provided in the Housing Finance Agency, Department of Environmental Quality, and Department of Health and Human Services sections of this document.	Req \$	- \$	165,000,000 \$	165,000,000
	Rec \$	- \$	165,000,000 \$	165,000,000
	App \$	- \$	- \$	-
	FTE			0.000
11 Matching Funds Reserve				
Establishes the Matching Funds Reserve. These nonrecurring funds will support state agencies and other North Carolina stakeholders in meeting match requirements for federal grants, including Infrastructure Investment and Jobs Act grants. Additional details are provided for specific grants and initiatives in the Departments of Commerce, Environmental Quality, and Information Technology sections of this document.	Req \$	- \$	100,000,000 \$	100,000,000
	Rec \$	- \$	100,000,000 \$	100,000,000
	App \$	- \$	- \$	-
	FTE			0.000
12 IT Rates Impact to Agencies				
Funds the net impact of the Department of Information Technology's (DIT) approved FY 2022-23 subscription and service rates changes to state agencies, the University System, and Community Colleges. The approved subscription rate covers personnel costs and administrative support for DIT, such as internal audit, finance, human resources, and facility management.	Req \$	- \$	22,000,000 \$	22,000,000
	Rec \$	- \$	22,000,000 \$	22,000,000
	App \$	- \$	- \$	-
	FTE			0.000
13 Contingency and Emergency Fund				
Restores funding to the Contingency and Emergency Fund, established in GS 143C-4-4. This funding was eliminated in 2017. Funds are needed to respond to emergent circumstances, such as court or Industrial Commission orders or death benefits.	Req \$	- \$	10,000,000 \$	10,000,000
	Rec \$	- \$	10,000,000 \$	10,000,000
	App \$	- \$	- \$	-
	FTE			0.000
Total Change to Requirements	\$	14,441,298	\$ 615,487,000	\$ 629,928,298
Total Change to Receipts	\$	(15,338,702)	\$ 1,326,540,000	\$ 1,311,201,298
Total Change to Net Appropriation	\$	29,780,000	\$ (711,053,000)	\$ (681,273,000)
Total Change to Full-Time Equivalent (FTE)				0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		(681,273,000)	
Recommended Total FTE Changes				0.000

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

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	729,399,707	802,000,000	830,000,000	51,900,000	-	51,900,000	881,900,000
Receipts	729,468,498	802,000,000	830,000,000	55,000,000	-	55,000,000	885,000,000
Δ in Fund Balance	68,791	-	-	3,100,000	-	3,100,000	3,100,000
Positions (FTE)	0.000	0.000	0.000			0.000	0.000

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
1 Education Lottery Fund - Additional Receipts			
Budgets additional projected receipts from the State Lottery Fund.	Req \$ -	\$ -	\$ -
	Rec \$ 55,000,000	\$ -	\$ 55,000,000
	CFB \$ 55,000,000	\$ -	\$ 55,000,000
	FTE		0.000
2 Educational Lottery Fund – Early Childhood Education			
Transfers funding to the Department of Health and Human Services for early childhood education. Ten million dollars are allocated for Smart Start, and \$41.9 million are allocated for the prekindergarten program. Additional details are provided in the Department of Health and Human Services section of this document.	Req \$ 51,900,000	\$ -	\$ 51,900,000
	Rec \$ -	\$ -	\$ -
	CFB \$ (51,900,000)	\$ -	\$ (51,900,000)
	FTE		0.000
Total Change to Requirements	\$ 51,900,000	\$ -	\$ 51,900,000
Total Change to Receipts	\$ 55,000,000	\$ -	\$ 55,000,000
Total Change to Net Appropriation	\$ 3,100,000	\$ -	\$ 3,100,000
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$	3,100,000	
Recommended Total FTE Changes		0.000	

NC Education Lottery Proceeds (54641)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	3,824,598,366	2,827,746,400	2,855,746,400	55,000,000	-	55,000,000	2,910,746,400
Receipts	3,821,318,752	2,827,746,400	2,855,746,400	55,000,000	-	55,000,000	2,910,746,400
Δ in Fund Balance	(3,279,614)	-	-	-	-	-	-
Positions (FTE)	0.000	0.000	0.000			0.000	0.000

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
1 Lottery Proceeds			
Increases the transfer to the Education Lottery Fund and increases the lottery receipts consistent with the revenue forecast.	Req \$ 55,000,000	\$ -	\$ 55,000,000
	Rec \$ 55,000,000	\$ -	\$ 55,000,000
	CFB \$ -	\$ -	\$ -
	FTE		0.000
Total Change to Requirements	\$ 55,000,000	\$ -	\$ 55,000,000
Total Change to Receipts	\$ 55,000,000	\$ -	\$ 55,000,000
Total Change to Net Appropriation	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$ -	\$ -	\$ -
Recommended Total FTE Changes			0.000

NC Education Lottery Commission (54670)

	2021 Session Law-Enacted			2022 Legislative Session Recommended - FY 2022-23			
	2020-21 Actual	2021-22 Certified	2022-23 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2022-23 Revised
Requirements	150,524,296	117,716,400	117,716,400	316,473	-	316,473	118,032,873
Receipts	153,803,910	117,716,400	117,716,400	316,473	-	316,473	118,032,873
Δ in Fund Balance	3,279,613	-	-	-	-	-	-
Positions (FTE)	0.000	255.000	255.000			0.000	255.000

	FY 2022-23 Recommended		
	R Changes	NR Changes	Adjustments
1 Internal Auditors			
Budgets receipts to support internal auditing. The North Carolina Education Lottery shall use receipts for up to three internal auditor positions to help meet minimum recommended levels from the Council of Internal Auditing. These positions would improve efficiency, effectiveness, and compliance within the Lottery.	Req \$ 316,473	\$ -	\$ 316,473
	Rec \$ 316,473	\$ -	\$ 316,473
	CFB \$ -	\$ -	\$ -
	FTE		0.000
Total Change to Requirements	\$ 316,473	\$ -	\$ 316,473
Total Change to Receipts	\$ 316,473	\$ -	\$ 316,473
Total Change to Net Appropriation	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$ -		
Recommended Total FTE Changes			0.000

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