

Table 1
Governor's Budget Recommendations for FY 2023-25

	FY 2023-24	FY 2024-25
Composition of Budget Availability		
Unappropriated Balance from Prior Fiscal Year	666,806,816	1,015,671,341
Overcollections FY 2022-23	3,250,300,000	
Public Instruction Reversion FY 2021-22 Funds	151,524,307	
Reversions FY 2022-23	425,000,000	
Medicaid Expansion Bonus - assumes June 1 enrollment date	194,100,000	
Comprehensive Remedial Plan Court Order for Years 2 and 3	(677,801,707)	
Subtotal Estimated Current Beginning Unreserved Balance	4,009,929,416	1,015,671,341
Statutorily Required Reservations of Revenue		
State Capital and Infrastructure Fund	(1,412,592,500)	(1,461,333,238)
Unfunded Liability Solvency Reserve	(29,280,000)	(87,795,000)
Subtotal	(1,441,872,500)	(1,549,128,238)
Investments to Reserves		
\$1.25 Billion IHOPE Fund (Medicaid Expansion Bonus)	(1,055,000,000)	(195,000,000)
Capital Improvements (New projects; \$1.1B K-12 schools)	(1,415,000,000)	(405,000,000)
Medicaid Contingency Reserve	(391,217,272)	
Federal Match Reserve	(225,000,000)	
Economic Development Reserve	(325,000,000)	
Information Technology Project Reserve	(180,000,000)	
Housing Reserve	(160,000,000)	
Transportation Reserve (S-Line Match)	(78,000,000)	(78,000,000)
Contingency and Emergency Fund	(5,000,000)	(5,000,000)
Child Care Stabilization Grants (from Overfunded Savings Reserve)	200,000,000	300,000,000
Subtotal	(3,634,217,272)	(383,000,000)
Revenue Forecast		
Tax Revenue	31,946,900,000	32,172,800,000
Non-Tax Revenue	1,759,500,000	1,475,500,000
Subtotal	33,706,400,000	33,648,300,000
Adjustments to Revenue		
Individual Income Tax Fairness, rate remains at 4.75% for income >\$200K/100K (MFJ/single)	69,000,000	222,000,000
Maintain Lowest Corporate Tax Rate at 2.5%		65,000,000
Maintain General Fund Sales Tax Transfer to DOT at 2%	210,000,000	429,000,000
PHP New Revenue from HASP	162,400,000	84,800,000
Medicaid Expansion Bonus - assumes June 1 enrollment date	860,900,000	686,400,000
Subtotal	1,302,300,000	1,487,200,000
Adjustments to Availability		
Golden LEAF - increase recurring transfer to \$20M	(2,500,000)	(2,500,000)
Insurance and Treasurer Non-Tax Transfers	25,667,904	28,154,187
Revised General Fund Availability	33,965,707,548	34,244,697,290

	FY 2023-24	FY 2024-25
Base Budget	27,532,739,359	27,549,282,413
Comprehensive Remedial Plan Years 2 and 3 Baseline	459,196,777	459,196,777
Total Recommended Starting Budget	27,991,936,136	28,008,479,190
Compensation		
State Health Plan Premiums - 5% Trend	120,580,000	279,290,000
Retirement System Contributions	41,400,000	81,400,000
Teacher Compensation - 10% year 1; 6% year 2; \$46k starting salary year 2	605,106,000	1,047,605,000
State Agency Teachers - 10% year 1; 6% year 2; \$46k starting salary year 2	2,565,000	4,117,000
Teacher Compensation - Masters Pay	10,000,000	10,000,000
School-based Administrator Pay - 10% year 1; 6% year 2	43,727,000	71,714,000
Other School Personnel - 6.5% year 1; 3% year 2	99,002,000	147,666,000
State-Funded Employees COLA - 5% year 1; 3% year 2	416,451,000	679,439,000
Receipt-Supported COLA Reserve - 5% year 1; 3% year 2	36,557,000	59,584,000
All General Fund Employees - 3% LMAR - year 1	250,903,000	250,903,000
Additional Increase for Step Plan Employees - 1.5% additional COLA - year 1	18,427,000	18,427,000
Bonus Reserve - \$1,500/employee <\$75K; \$1k /employee >\$75k	463,511,000	0
Retiree COLA - 2% R, 2% NR year 1, 1% NR year 2	200,772,000	147,306,000
Total Compensation	2,309,001,000	2,797,451,000
Investments		
K-12 Enrollment	30,100,000	60,200,000
Higher Education Enrollment	(912,711)	20,801,267
Comprehensive Remedial Plan Years 4 and 5	958,458,906	1,939,855,735
Receipts to Support Comprehensive Remedial Plan	(152,000,000)	(510,200,000)
Additional Support for K-12 Education	69,087,053	46,484,263
Higher Education	182,218,967	100,053,727
Medicaid Rebase	737,084,139	913,574,696
Disability - Community Based Services	32,205,000	100,410,000
Child Care Stabilization Grants	200,000,000	300,000,000
All other HHS Investments	187,027,622	279,111,625
Cybersecurity Needs	68,978,258	30,117,758
Conservation Investments	114,599,586	14,099,586
All Other Investments	222,252,251	133,317,718
Total Programmatic Investments	2,649,099,071	3,427,826,375
Total Recommended Adjustments	4,958,100,071	6,225,277,375
Total Recommended Appropriations	32,950,036,207	34,233,756,565
Balance	1,015,671,341	10,940,725

Table 2
Recommended General Fund Budget by Function
2023-24

	2023-24 Recommended	% of GF Budget
Education	\$ 19,350,313,543	58.73%
General Government	\$ 746,399,261	2.27%
Health and Human Services	\$ 7,988,087,221	24.24%
Justice and Public Safety	\$ 3,832,922,263	11.63%
Natural and Economic Resources	\$ 978,031,919	2.97%
Reserves and Other Adjustments	\$ 54,282,000	0.16%
Total General Fund Budget	\$ 32,950,036,207	100.00%

Figure 1
General Fund Recommended Budget by Function
FY 2023-24

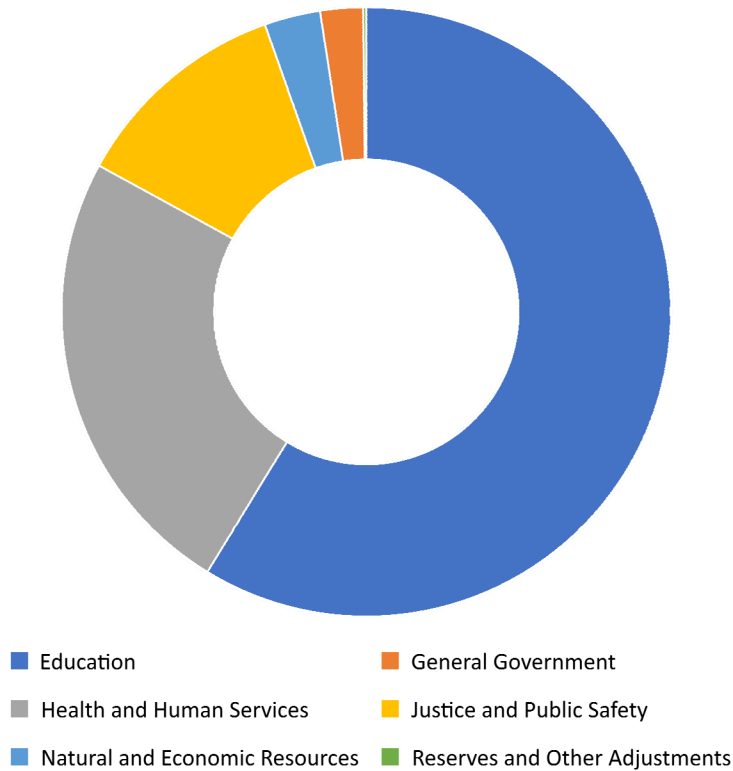


Table 3: Governor's Recommended General Fund Budget 2023-24 Adjustments

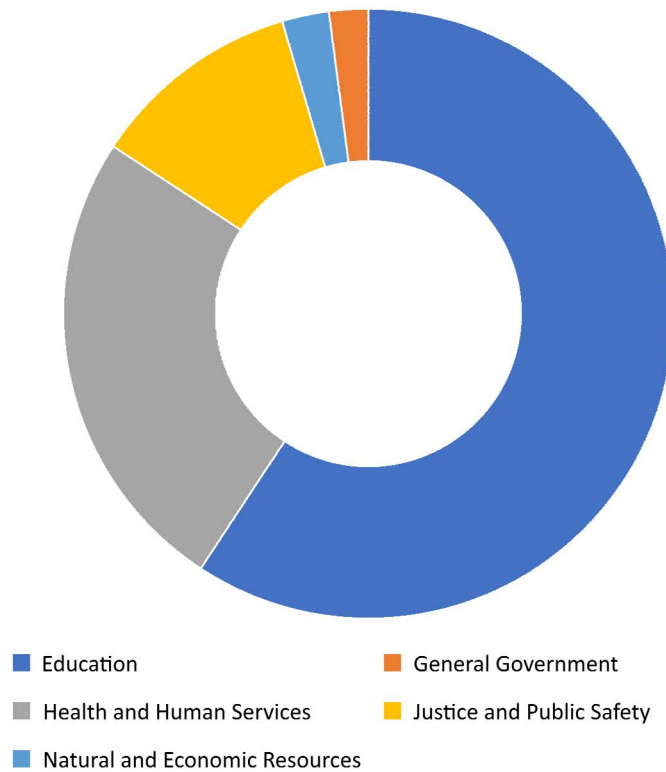
Budget Code	Function	2023-24 Base Budget	Decrease			Increase			Net Change	Recommended Net Appropriation	Net Position Change
			Recurring	Nonrecurring	Positions	Recurring	Nonrecurring	Positions			
13510	Department of Public Instruction	11,153,715,156	-	-	-	1,976,762,932	282,892,000	50.00	2,259,654,932	13,413,370,088	50.00
16800	Community Colleges	1,342,691,304	-	-	-	185,344,898	65,831,000	2.00	251,175,898	1,593,867,202	2.00
160XX	University System	3,805,718,591	-	-	-	432,185,662	105,172,000	7.00	537,357,662	4,343,076,253	7.00
	Total Education	16,302,125,051	-	-	-	2,594,293,492	453,895,000	59.00	3,048,188,492	19,350,313,543	59.00
	General Government										
11000	General Assembly	85,589,229	-	-	-	8,502,883	1,096,000	-	9,598,883	95,188,112	-
13000	Office of the Governor	5,924,640	-	-	-	534,961	94,000	-	628,961	6,553,601	-
13005	Office of State Budget and Management	10,622,270	-	-	-	2,077,154	246,750	4.00	2,323,904	12,946,174	4.00
13085	OSBM-Special Projects	10,000,000	-	-	-	2,000,000	1,000,000	-	3,000,000	13,000,000	-
13010	NC Housing Finance Agency	40,660,000	-	-	-	-	-	-	-	40,660,000	-
13050	Department of Military and Veterans Affairs	10,859,229	-	-	-	3,921,595	185,000	31.00	4,106,595	14,965,824	31.00
13100	Office of the Lieutenant Governor	1,222,759	-	-	-	99,975	26,000	-	125,975	1,348,734	-
13200	Department of Secretary of State	17,217,900	-	-	-	3,213,693	643,000	12.60	3,856,693	21,074,593	12.60
13300	Office of the State Auditor	17,632,950	-	-	-	2,034,299	198,000	1.00	2,232,299	19,865,249	1.00
13410	Department of State Treasurer	5,265,792	-	-	-	1,616,346	656,000	8.00	2,272,346	7,538,138	8.00
13412	State Treasurer - Retirement System	33,255,423	-	-	-	-	-	-	-	33,255,423	-
13900	Department of Insurance	48,919,240	-	-	-	21,770,558	1,625,000	15.00	23,395,558	72,314,798	15.00
13902	Industrial Commission	11,713,276	-	-	-	1,912,476	199,000	1.00	1,912,476	13,033,752	1.00
14100	Department of Administration	60,973,574	-	-	-	6,756,452	792,000	14.00	7,548,452	68,522,026	14.00
14111	Office of State Human Resources - General	10,034,678	-	-	-	1,612,341	2,306,500	3.00	3,918,841	13,953,519	3.00
14160	Office of the State Controller	32,556,135	-	-	-	2,935,546	248,000	1.00	3,183,546	35,739,681	1.00
14660	Department of Information Technology	72,497,440	-	-	-	14,186,563	38,643,500	20.00	52,830,063	125,327,503	20.00
14700	Department of Revenue	115,174,371	-	-	-	11,198,348	5,196,920	16.00	16,395,268	131,569,639	16.00
18025	State Board of Elections	8,208,162	-	-	-	2,281,185	834,763	5.00	3,115,948	11,324,110	5.00
18210	Office of Administrative Hearings	7,443,718	-	-	-	688,167	86,500	1.00	774,667	8,218,385	1.00
	Total General Government	605,178,786	-	-	-	87,143,542	54,076,933	132.60	141,220,475	746,399,261	132.60
	Health and Human Services										
14410	Division of Central Management and Support	195,394,045	-	-	-	70,736,612	31,501,463	11.00	102,238,075	297,632,120	11.00
14411	Division of Aging and Adult Services	52,432,344	-	-	-	1,558,448	-	-	1,558,448	53,990,792	-
14420	Division of Child Development and Early	251,279,045	-	-	-	209,794,508	200,750,000	-	410,544,508	661,823,553	-
14430	Division of Public Health	113,498,433	-	-	-	2,530,942	7,351,879	-	9,882,821	123,381,254	-
14435	Division of Child and Family Well Being	57,959,754	-	-	-	16,611,187	3,100,000	-	19,711,187	77,670,941	-
14440	Division of Social Services	211,373,371	-	-	-	14,132,074	-	8.00	14,132,074	225,505,445	8.00
14445	Division of Health Benefits	4,738,956,306	-	-	-	790,788,587	107,363,358	20.00	898,151,945	5,637,108,251	20.00
14450	Division of Services for the Blind, Deaf and	9,095,757	-	-	-	283,861	-	-	283,861	9,379,618	-
14460	Division of Mental Health/Developmental	801,833,838	-	-	-	28,863,191	334,000	10.00	29,197,191	831,031,029	10.00
14470	Division of Health Services Regulation	22,820,650	-	-	-	4,284,127	234,000	36.00	4,518,127	27,338,777	36.00
14480	Division of Vocational Rehabilitation	42,077,450	-	-	-	1,147,991	-	-	1,147,991	43,225,441	-
	Total Health and Human Services	6,496,720,993	-	-	-	1,140,731,528	350,634,700	85.00	1,491,366,228	7,988,087,221	85.00
	Judicial and Public Safety										
12000	Judicial Branch	697,364,682	-	-	-	55,784,631	11,355,701	49.75	67,140,332	764,505,014	49.75
12001	Judicial Branch - Indigent Defense	139,851,194	-	-	-	18,583,756	1,154,564	141.00	19,738,320	159,589,514	141.00
13600	Department of Justice	59,606,725	-	-	-	10,364,478	1,658,000	31.00	12,022,478	71,629,203	31.00
14550	Department of Public Safety	613,934,202	-	-	-	78,527,171	33,974,750	190.00	112,501,921	726,436,123	190.00
15010	Adult Correction - General Fund	1,908,481,614	-	-	-	139,045,795	63,235,000	-	202,280,795	2,110,762,409	-
	Total Justice and Public Safety	3,419,238,417	-	-	-	302,305,831	111,378,015	411.75	413,683,846	3,832,922,263	411.75

Budget Code	Function	2023-24				Increase				Decrease				Net	
		Base Budget	Recurring	Nonrecurring	Positions	Recurring	Nonrecurring	Positions	Net Change	Recommended	Net Appropriation	Change	Position		
Natural and Economic Resources															
13700	Department of Agriculture and Consumer	154,557,579	-	20,765,384	33,669,000	-	-	4.00	54,434,384	208,991,963	4.00	-			
13800	Department of Labor	23,006,652	-	3,736,175	546,000	-	-	1.00	4,282,175	27,288,827	1.00	-			
14300	Department of Environmental Quality	97,243,460	-	19,235,728	8,246,543	-	-	72.00	27,482,271	124,725,731	72.00	-			
14350	Wildlife Resources Commission	13,773,311	-	5,420,225	1,041,000	-	-	7.00	6,461,225	20,234,536	7.00	-			
14600	Department of Commerce	13,727,393	-	3,062,334	3,221,000	-	-	10.00	6,283,334	20,010,727	10.00	-			
14601	Commerce - General State Aid	18,155,810	-	2,500,000	6,000,000	-	-	-	8,500,000	26,655,810	-	-			
14602	Commerce - Economic Development	158,550,660	-	14,950,000	13,500,000	-	-	-	28,450,000	187,000,660	-	-			
14800	Natural and Cultural Resources	230,461,247	-	37,302,918	95,359,500	-	-	114.00	132,662,418	363,123,665	114.00	-			
14802	Natural and Cultural Resources - Roanoke	-	-	-	-	-	-	-	-	-	-	-			
	Total Natural and Economic Resources	709,476,112	-	106,972,764	161,583,043	-	-	208.00	268,555,807	978,031,919	208.00	-			
Reserves and Other Adjustments															
19xxx	Reserves and Other Adjustments	-	(56,400,000)	-	110,682,000	-	-	-	54,282,000	54,282,000	-	-			
	Total Reserves, Debt Service, and Other	-	(56,400,000)	-	110,682,000	-	-	-	54,282,000	54,282,000	-	-			
	Total	27,532,739,359	(56,400,000)	4,231,447,157	1,242,249,691	-	-	896.35	5,417,296,848	32,950,036,207	896.35	-			

Table 4
Recommended General Fund Budget by Function
FY 2024-25

	FY 2024-25 Recommended	% of GF Budget
Education	\$ 20,285,909,980	59.26%
General Government	\$ 710,584,235	2.08%
Health and Human Services	\$ 8,556,295,812	24.99%
Justice and Public Safety	\$ 3,832,783,430	11.20%
Natural and Economic Resources	\$ 851,117,108	2.49%
Reserves and Other Adjustments	\$ (2,934,000)	-0.01%
Total General Fund Budget	\$ 34,233,756,565	100.00%

Figure 2
General Fund Recommended Budget by Function
FY 2024-25



**Table 5: Governor's Recommended General Fund Budget
2024-25 Adjustments**

Budget Code	Function	2024-25 Base Budget	Decrease			Increase			Net Change	Recommended Net Appropriation	Net Position Change
			Recurring	Nonrecurring	Positions	Recurring	Nonrecurring	Positions			
13510	Department of Public Instruction	11,153,715,156	-	-	-	3,122,979,884	8,000,000	58.00	3,130,979,884	14,284,695,040	58.00
16800	Community Colleges	1,342,691,304	-	-	-	250,591,749	3,000,000	2.00	253,591,749	1,596,283,053	2.00
160XX	University System	3,821,695,870	-	-	-	581,543,017	1,693,000	7.00	583,236,017	4,404,931,887	7.00
	Total Education	16,318,102,330	-	-	-	3,955,114,650	12,693,000	67.00	3,967,807,650	20,285,909,980	67.00
	General Government										
11000	General Assembly	85,589,229	-	-	-	11,043,910	-	-	11,043,910	96,633,139	-
13000	Office of the Governor	5,924,640	-	-	-	760,376	-	-	760,376	6,685,016	-
13005	Office of State Budget and Management	10,622,270	-	-	-	2,432,220	-	4.00	2,432,220	13,054,490	4.00
13085	OSBM-Special Projects	10,000,000	-	-	-	2,000,000	-	-	2,000,000	12,000,000	-
13010	NC Housing Finance Agency	40,660,000	-	-	-	-	-	-	-	40,660,000	-
13050	Department of Military and Veterans Affairs	10,859,229	-	-	-	4,179,740	-	31.00	4,179,740	15,038,969	31.00
13100	Office of the Lieutenant Governor	1,222,759	-	-	-	142,214	-	-	142,214	1,364,973	-
13200	Department of Secretary of State	17,264,651	-	-	-	3,809,584	-	12.60	3,809,584	21,074,235	12.60
13300	Office of the State Auditor	17,632,950	-	-	-	2,767,949	-	1.00	2,767,949	20,400,899	1.00
13410	Department of State Treasurer	5,265,792	-	-	-	1,667,368	-	8.00	1,667,368	6,933,160	8.00
13412	State Treasurer - Retirement System	33,255,423	-	-	-	-	-	-	-	33,255,423	-
13900	Department of Insurance	48,919,240	-	-	-	26,486,819	-	15.00	26,486,819	75,406,059	15.00
13902	Industrial Commission	11,121,276	-	-	-	2,177,089	-	1.00	2,177,089	13,298,365	1.00
14100	Department of Administration	60,973,574	-	-	-	8,061,381	-	14.00	8,061,381	69,034,955	14.00
14111	Office of State Human Resources - General	10,034,678	-	-	-	1,903,276	-	3.00	1,903,276	11,937,954	3.00
14160	Office of the State Controller	32,556,135	-	-	-	3,798,193	-	1.00	3,798,193	36,354,328	1.00
14660	Department of Information Technology	72,497,440	-	-	-	14,935,565	-	20.00	14,935,565	87,433,005	20.00
14700	Department of Revenue	115,174,371	-	-	-	15,699,309	-	16.00	15,699,309	130,873,680	16.00
18025	State Board of Elections	8,208,162	-	-	-	2,551,128	-	5.00	2,551,128	10,759,290	5.00
18210	Office of Administrative Hearings	7,457,176	-	-	-	929,119	-	1.00	929,119	8,386,295	1.00
	Total General Government	605,238,995	-	-	-	105,345,240	-	132.60	105,345,240	710,584,235	132.60
	Health and Human Services										
14410	Division of Central Management and Support	195,394,363	-	-	-	79,131,390	-	11.00	79,131,390	274,525,753	11.00
14411	Division of Aging and Adult Services	52,432,344	-	-	-	1,685,428	-	-	1,685,428	54,117,772	-
14420	Division of Child Development and Early	251,279,045	-	-	-	337,424,916	300,250,000	-	637,674,916	888,953,961	-
14430	Division of Public Health	113,534,670	-	-	-	11,269,874	-	-	11,269,874	124,804,544	-
14435	Division of Child and Family Well Being	57,986,873	-	-	-	12,485,154	12,850,000	-	25,335,154	83,322,027	-
14440	Division of Social Services	211,373,961	-	-	-	16,263,029	-	8.00	16,263,029	227,636,990	8.00
14445	Division of Health Benefits	4,738,961,396	-	-	-	1,144,127,930	90,898,546	20.00	1,235,026,476	5,973,987,872	20.00
14450	Division of Services for the Blind, Deaf and	9,096,418	-	-	-	464,402	-	-	464,402	9,560,820	-
14460	Division of Mental Health/Developmental	801,833,838	-	-	-	45,533,212	-	10.00	45,533,212	847,367,050	10.00
14470	Division of Health Services Regulation	22,820,650	-	-	-	5,237,826	-	36.00	5,237,826	28,058,476	36.00
14480	Division of Vocational Rehabilitation	42,081,330	-	-	-	1,879,217	-	-	1,879,217	43,960,547	-
	Total Health and Human Services	6,496,794,888	-	-	-	1,655,502,378	403,998,546	85.00	2,059,500,924	8,556,295,812	85.00
	Justice and Public Safety										
12000	Judicial Branch	697,373,524	-	-	-	79,664,252	-	49.75	79,664,252	777,037,776	49.75
12001	Judicial Branch - Indigent Defense	139,852,334	-	-	-	24,296,519	-	141.00	24,296,519	164,148,853	141.00
13600	Department of Justice	59,618,384	-	-	-	13,481,591	-	31.00	13,481,591	73,099,975	31.00
14550	Department of Public Safety	614,233,284	-	-	-	97,254,229	-	190.00	97,254,229	711,487,513	190.00
15010	Adult Correction - General Fund	1,908,596,865	-	-	-	198,412,448	-	-	198,412,448	2,107,009,313	-
	Total Justice and Public Safety	3,419,674,991	-	-	-	413,109,039	-	411.75	413,109,039	3,832,783,430	411.75

Budget Code	Function	2024-25				Increase				Decrease				Net	
		Base Budget	Recurring	Nonrecurring	Positions	Recurring	Nonrecurring	Positions	Net Change	Recommended Net Appropriation	Position Change				
Natural and Economic Resources															
13700	Department of Agriculture and Consumer	154,557,579	-	-	-	25,899,374	-	4.00	25,899,374	180,456,953	4.00	-	-	-	-
13800	Department of Labor	23,011,157	-	-	-	4,992,156	-	1.00	4,992,156	28,003,313	1.00	-	-	-	-
14300	Department of Environmental Quality	97,223,371	-	-	-	22,682,326	-	72.00	22,682,326	119,905,697	72.00	-	-	-	-
14350	Wildlife Resources Commission	13,784,592	-	-	-	7,257,782	-	7.00	7,257,782	21,042,374	7.00	-	-	-	-
14600	Department of Commerce	13,727,393	-	-	-	3,645,028	-	10.00	3,645,028	17,372,421	10.00	-	-	-	-
14601	Commerce - General State Aid	18,155,810	-	-	-	2,500,000	-	-	2,500,000	20,655,810	-	-	-	-	-
14602	Commerce - Economic Development	158,550,660	-	-	-	14,950,000	13,500,000	-	28,450,000	187,000,660	-	-	-	-	-
14800	Natural and Cultural Resources	230,461,247	-	-	-	44,770,133	1,448,500	133.00	46,218,633	276,679,880	133.00	-	-	-	-
14802	Natural and Cultural Resources - Roanoke	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Natural and Economic Resources	709,471,809	-	-	-	126,696,799	14,948,500	227.00	141,645,299	851,117,108	227.00	-	-	-	-
Reserves and Other Adjustments															
19xxx	Reserves and Other Adjustments	-	(56,400,000)	-	-	-	53,466,000	-	(2,934,000)	(2,934,000)	-	-	-	-	-
	Total Reserves and Other Adjustments	-	(56,400,000)	-	-	-	53,466,000	-	(2,934,000)	(2,934,000)	-	-	-	-	-
	Total	27,549,282,413	(56,400,000)	-	-	6,255,768,106	485,106,046	923.35	6,684,474,152	34,233,756,565	923.35	-	-	-	923.35

Table 6: Highway Fund and Highway Trust Fund Budget 2023-24

Function	FY 2023-24 Base Appropriation				Decreases				Increases				Net Appropriated Positions	Net Change	2023-24 Recommended Net Appropriation	Net Position Change
	FY 2023-24 Base Appropriation	Net Recurring	Net Nonrecurring	Net Appropriated Positions	Net Recurring	Net Nonrecurring	Net Recurring	Net Nonrecurring	Net Appropriated Positions	Net Change	2023-24 Recommended Net Appropriation	Net Position Change				
DOT Administration	113,375,757	-	-	-	-	-	-	-	16,862,880	6,839,464	6,000	23,702,344	137,078,101	6,000		
Division of Highways Administration	40,365,753	-	-	-	-	-	-	-	-	-	3,000	-	40,365,753	3,000		
Construction	77,543,078	-	-	-	-	-	-	-	-	-	-	-	77,543,078	-		
Maintenance Planning and Research	1,754,374,076	(750,750)	-	-	-	-	-	-	-	16,291,858	-	15,541,108	1,769,915,184	-		
OSHA Program	358,030	-	-	-	-	-	-	-	-	-	-	-	358,030	-		
State Aid to Municipalities	154,875,000	-	-	-	-	-	-	-	-	-	-	-	154,875,000	-		
Multi-Modal Airports	181,478,146	-	-	-	-	-	-	-	4,498,877	-	9,000	4,498,877	185,977,023	9,000		
Bicycle	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Ferry	58,614,849	-	-	-	-	-	-	-	21,490,000	7,825,000	-	29,315,000	87,929,849	-		
Public Transportation	69,510,286	-	-	-	-	-	-	-	3,200,000	10,000,000	-	13,200,000	82,710,286	-		
Railroads	45,299,938	-	-	-	-	-	-	-	-	-	-	-	45,299,938	-		
Governor's Highway Safety Program	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Division of Motor Vehicles	165,600,202	-	-	-	-	-	-	-	7,981,872	3,124,577	10,000	11,106,449	176,706,651	10,000		
Other State Agencies	16,951,217	-	-	-	-	-	-	-	803,571	-	-	803,571	17,754,788	-		
Transfer to General Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Other Reserves	3,477,089	-	-	-	-	-	-	-	56,784,000	17,117,000	-	73,901,000	77,378,089	-		
Capital Improvements	-	-	-	-	-	-	-	-	-	55,984,119	-	55,984,119	55,984,119	-		
Total Highway Fund	2,681,823,421	(750,750)	-	-	(750,750)	-	-	-	111,621,200	117,182,018	28,000	228,052,468	2,909,875,889	28,000		
Administration	42,012,293	-	-	-	-	-	-	-	352,393	237,712	-	590,105	42,602,398	-		
Construction	\$1,576,907,882	-	-	-	-	-	-	-	196,609,895	7,500,000	-	204,109,895	1,781,017,777	-		
Bonds	\$69,600,000	-	-	-	-	-	-	-	-	-	-	-	69,600,000	-		
Bond Interest	\$51,839,825	-	-	-	-	-	-	-	-	-	-	-	51,839,825	-		
NC Turnpike Authority	49,000,000	-	-	-	-	-	-	-	-	-	-	-	49,000,000	-		
Transfer to Ports	640,000	-	-	-	-	-	-	-	45,000,000	-	-	45,000,000	45,000,000	-		
Reserve for Visitor's Centers	-	-	-	-	-	-	-	-	-	-	-	-	640,000	-		
Uncommitted Trust Fund Admin	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total Highway Trust Fund	1,790,000,000	-	-	-	-	-	-	-	196,962,288	52,737,712	-	249,700,000	2,039,700,000	-		

Table 7: Highway Fund and Highway Trust Fund Budget 2024-25

Function	FY 2024-25 Base Appropriation	Decreases				Increases				Net Appropriated Supported Positions	Net Change	2024-25 Recommended Net Appropriation	Net Position Change
		Net Recurring	Net Nonrecurring	Net Appropriated Supported Positions	Net Recurring	Net Nonrecurring	Net Appropriated Supported Positions	Net Change					
DOT Administration	113,375,757	-	-	-	16,862,880	6,189,464	-	6,000	23,052,344	130,238,637	6,000		
Division of Highways Administration	40,365,753	-	-	-	-	-	3,000	-	-	40,365,753	3,000		
Construction	77,543,078	-	-	-	-	-	-	-	-	77,543,078	-		
Maintenance Planning and Research	\$1,760,656,877	(650,750)	-	-	175,776,854	-	-	-	175,126,104	1,935,782,981	-		
OSHA Program	358,030	-	-	-	-	-	-	-	-	358,030	-		
State Aid to Municipalities	154,875,000	-	-	-	-	-	-	-	-	154,875,000	-		
Multi-Modal Airports	181,478,146	-	-	-	16,198,877	-	9,000	-	16,198,877	197,677,023	9,000		
Bicycle	-	-	-	-	-	-	-	-	-	-	-		
Ferry	58,614,849	-	-	-	21,490,000	-	-	-	21,490,000	80,104,849	-		
Public Transportation	69,510,286	-	-	-	13,200,000	-	-	-	13,200,000	82,710,286	-		
Railroads	45,299,938	-	-	-	-	-	-	-	-	45,299,938	-		
Governor's Highway Safety Program	-	-	-	-	-	-	-	-	-	-	-		
Division of Motor Vehicles	165,601,202	-	-	-	7,981,872	-	10,000	-	7,981,872	173,583,074	10,000		
Other State Agencies	16,951,217	-	-	-	803,571	-	-	-	803,571	17,754,788	-		
Transfer to General Fund	-	-	-	-	-	-	-	-	-	-	-		
Other Reserves	3,477,089	-	-	-	76,221,000	-	-	-	76,221,000	79,698,089	-		
Capital Improvements	-	-	-	-	-	75,484,363	-	-	75,484,363	75,484,363	-		
Total Highway Fund	2,688,107,222	(650,750)	-	-	328,535,054	81,673,827	28,000	-	409,558,131	3,091,475,889	28,000		
Administration	42,016,600	-	-	-	352,293	247,712	-	-	600,005	42,616,605	-		
Construction Strategic Prioritization Program	1,577,405,864	-	-	-	286,199,895	-	-	-	286,199,895	1,863,605,759	-		
Bonds Bond Redemption	52,290,000	-	-	-	-	-	-	-	-	52,290,000	-		
Bond Interest	40,757,650	-	-	-	-	-	-	-	-	40,757,650	-		
NC Turnpike Authority Transfer to Ports	49,000,000	-	-	-	-	-	-	-	-	49,000,000	-		
Transfer to Visitor's Centers Uncommitted Trust Fund Admin	640,000 26,489,986	-	-	-	-	45,000,000	-	-	45,000,000	45,000,000	-		
Total Highway Trust Fund	1,788,600,100	-	-	-	286,552,188	45,247,712	-	-	331,799,900	2,120,400,000	-		

Table 8: Summary of General Fund Base Budget Adjustments, 2023-24

Budget Code	Function	2021-22		2022-23		Base Budget		Base Budget		Base Budget		Base Budget		Positions
		Actual	Authorized	Requirements	Receipts	Base Budget	Change from 2022-23 Auth	Base Budget	Change from 2022-23 Auth	Base Budget	Change from 2022-23 Auth			
Education														
13510	Public Education	\$ 10,587,742,324	\$ 11,277,833,406	\$ 12,862,113,777	\$ 1,708,398,621	\$ 11,153,715,156	\$ (124,118,250)	\$ 11,153,715,156	\$ (124,118,250)	\$ 11,153,715,156	\$ (124,118,250)	(1.10%)	1,201,977	
16800	Community Colleges	\$ 1,307,874,612	\$ 1,358,003,063	\$ 1,689,563,818	\$ 346,872,514	\$ 1,342,691,304	\$ (45,311,759)	\$ 1,342,691,304	\$ (45,311,759)	\$ 1,342,691,304	\$ (45,311,759)	(1.13%)	214,010	
160XX	University System	\$ 3,491,868,171	\$ 3,813,667,966	\$ 5,858,533,326	\$ 2,052,814,735	\$ 3,805,718,591	\$ (7,949,375)	\$ 3,805,718,591	\$ (7,949,375)	\$ 3,805,718,591	\$ (7,949,375)	(0.21%)	36,187,649	
	Total Education	\$ 15,387,485,107	\$ 16,449,504,435	\$ 20,410,210,921	\$ 4,108,085,870	\$ 16,302,125,051	\$ (1,47,379,384)	\$ 16,302,125,051	\$ (1,47,379,384)	\$ 16,302,125,051	\$ (1,47,379,384)	(0.90%)	37,603,636	
General Government														
11000	General Assembly	\$ 79,525,351	\$ 83,599,463	\$ 86,150,229	\$ 561,000	\$ 85,589,229	\$ 1,989,766	\$ 85,589,229	\$ 1,989,766	\$ 85,589,229	\$ 1,989,766	2.38%	577,460	
13000	Governor's Office	\$ 5,624,456	\$ 5,956,504	\$ 6,925,370	\$ 1,000,730	\$ 5,924,640	\$ (31,864)	\$ 5,924,640	\$ (31,864)	\$ 5,924,640	\$ (31,864)	(0.53%)	50,000	
13005	State Budget and Management	\$ 14,659,608	\$ 11,162,629	\$ 11,658,787	\$ 1,036,517	\$ 10,622,270	\$ (540,359)	\$ 10,622,270	\$ (540,359)	\$ 10,622,270	\$ (540,359)	(4.84%)	73,000	
13010	NC Housing Finance Agency	\$ 10,660,000	\$ 40,660,000	\$ 210,660,000	\$ 170,000,000	\$ 40,660,000	\$ -	\$ 40,660,000	\$ -	\$ 40,660,000	\$ -	0.00%	0,000	
13050	Military and Veterans Affairs	\$ 11,481,568	\$ 12,446,066	\$ 10,859,229	\$ -	\$ 10,859,229	\$ (1,586,837)	\$ 10,859,229	\$ (1,586,837)	\$ 10,859,229	\$ (1,586,837)	(12.75%)	86,650	
13085	OSBM-Special Projects	\$ 30,164,587	\$ 15,517,000	\$ 10,000,000	\$ -	\$ 10,000,000	\$ (5,517,000)	\$ 10,000,000	\$ (5,517,000)	\$ 10,000,000	\$ (5,517,000)	(35.55%)	0,000	
13100	Lieutenant Governor	\$ 1,026,085	\$ 1,228,538	\$ 1,222,759	\$ -	\$ 1,222,759	\$ (5,779)	\$ 1,222,759	\$ (5,779)	\$ 1,222,759	\$ (5,779)	(0.47%)	9,000	
13200	Secretary of State	\$ 16,675,125	\$ 17,791,626	\$ 17,596,061	\$ 378,161	\$ 17,217,900	\$ (573,726)	\$ 17,217,900	\$ (573,726)	\$ 17,217,900	\$ (573,726)	(3.22%)	178,553	
13300	State Auditor	\$ 15,986,959	\$ 17,728,074	\$ 24,532,113	\$ 6,899,163	\$ 17,632,950	\$ (95,124)	\$ 17,632,950	\$ (95,124)	\$ 17,632,950	\$ (95,124)	(0.54%)	160,000	
13410	State Treasurer	\$ 4,078,270	\$ 5,275,657	\$ 7,346,788	\$ 68,201,996	\$ 5,265,792	\$ (9,865)	\$ 5,265,792	\$ (9,865)	\$ 5,265,792	\$ (9,865)	(0.19%)	409,200	
13412	State Treasurer - Retirement/Benefits	\$ 32,905,423	\$ 33,255,423	\$ 33,255,423	\$ -	\$ 33,255,423	\$ -	\$ 33,255,423	\$ -	\$ 33,255,423	\$ -	0.00%	0,000	
13900	Insurance	\$ 50,633,184	\$ 66,932,596	\$ 54,059,587	\$ 5,140,347	\$ 48,919,240	\$ (18,013,356)	\$ 48,919,240	\$ (18,013,356)	\$ 48,919,240	\$ (18,013,356)	(26.91%)	434,748	
13902	Industrial Commission	\$ 8,776,799	\$ 11,155,217	\$ 23,283,671	\$ 12,162,395	\$ 11,121,276	\$ (33,941)	\$ 11,121,276	\$ (33,941)	\$ 11,121,276	\$ (33,941)	(0.30%)	142,250	
14100	Administration	\$ 60,320,269	\$ 62,123,449	\$ 72,609,629	\$ 11,636,055	\$ 60,973,574	\$ (1,149,875)	\$ 60,973,574	\$ (1,149,875)	\$ 60,973,574	\$ (1,149,875)	(1.85%)	372,023	
14111	Office of State Human Resources - General Fund	\$ 9,384,157	\$ 10,081,406	\$ 10,135,566	\$ 100,888	\$ 10,034,678	\$ (46,728)	\$ 10,034,678	\$ (46,728)	\$ 10,034,678	\$ (46,728)	(0.46%)	61,100	
14660	Information Technology	\$ 89,168,887	\$ 74,597,261	\$ 72,920,020	\$ 422,580	\$ 72,497,440	\$ (2,099,821)	\$ 72,497,440	\$ (2,099,821)	\$ 72,497,440	\$ (2,099,821)	(2.81%)	127,750	
14160	State Controller	\$ 26,588,500	\$ 32,662,846	\$ 33,432,092	\$ 875,957	\$ 32,556,135	\$ (106,711)	\$ 32,556,135	\$ (106,711)	\$ 32,556,135	\$ (106,711)	(0.33%)	191,545	
14700	Revenue	\$ 109,930,590	\$ 115,666,477	\$ 182,147,968	\$ 66,973,597	\$ 115,174,371	\$ (492,106)	\$ 115,174,371	\$ (492,106)	\$ 115,174,371	\$ (492,106)	(0.43%)	1,455,386	
18025	State Board of Elections	\$ 12,861,380	\$ 8,249,204	\$ 8,310,162	\$ 102,000	\$ 8,208,162	\$ (41,042)	\$ 8,208,162	\$ (41,042)	\$ 8,208,162	\$ (41,042)	(0.50%)	54,100	
18210	Office of Administrative Hearings	\$ 6,233,926	\$ 7,466,795	\$ 8,660,343	\$ 1,216,625	\$ 7,443,718	\$ (23,077)	\$ 7,443,718	\$ (23,077)	\$ 7,443,718	\$ (23,077)	(0.31%)	57,290	
	Total General Government	\$ 596,685,124	\$ 633,556,231	\$ 951,886,797	\$ 346,708,011	\$ 605,178,786	\$ (28,377,445)	\$ 605,178,786	\$ (28,377,445)	\$ 605,178,786	\$ (28,377,445)	(4.48%)	4,440,055	
Health and Human Services														
14410	Central Administration	\$ 191,865,088	\$ 197,613,142	\$ 369,173,742	\$ 173,779,697	\$ 195,394,045	\$ (2,219,097)	\$ 195,394,045	\$ (2,219,097)	\$ 195,394,045	\$ (2,219,097)	(1.12%)	1,052,500	
14411	Aging and Adult Services	\$ 47,290,204	\$ 52,590,333	\$ 162,811,870	\$ 110,379,526	\$ 52,432,344	\$ (157,989)	\$ 52,432,344	\$ (157,989)	\$ 52,432,344	\$ (157,989)	(0.30%)	79,000	
14420	Child Development and Early Education	\$ 229,746,393	\$ 251,936,332	\$ 829,893,524	\$ 578,614,479	\$ 251,279,045	\$ (657,287)	\$ 251,279,045	\$ (657,287)	\$ 251,279,045	\$ (657,287)	(0.26%)	331,000	
14430	Public Health	\$ 171,067,246	\$ 173,832,187	\$ 476,682,236	\$ 363,183,803	\$ 113,498,433	\$ (60,333,754)	\$ 113,498,433	\$ (60,333,754)	\$ 113,498,433	\$ (60,333,754)	(34.71%)	1,195,285	
14435	Division of Child and Family Well Being	\$ -	\$ -	\$ 572,936,467	\$ 514,976,713	\$ 57,959,754	\$ 57,959,754	\$ 57,959,754	\$ 57,959,754	\$ 57,959,754	\$ 57,959,754	0.00%	868,725	
14440	Social Services	\$ 203,834,260	\$ 227,516,706	\$ 2,110,968,620	\$ 1,899,595,249	\$ 211,373,371	\$ (16,143,335)	\$ 211,373,371	\$ (16,143,335)	\$ 211,373,371	\$ (16,143,335)	(7.10%)	367,000	
14445	Medical Assistance	\$ 3,989,163,824	\$ 4,724,614,516	\$ 18,703,196,456	\$ 13,964,240,150	\$ 4,738,956,306	\$ 14,341,790	\$ 4,738,956,306	\$ 14,341,790	\$ 4,738,956,306	\$ 14,341,790	0.30%	460,000	
14450	Services for the Blind, Deaf, and Hard of Hearing	\$ 7,676,105	\$ 9,106,133	\$ 45,204,538	\$ 36,108,781	\$ 9,095,757	\$ (10,376)	\$ 9,095,757	\$ (10,376)	\$ 9,095,757	\$ (10,376)	(0.11%)	336,500	
14460	Mental Health/Disabilities/Substance Abuse	\$ 809,706,193	\$ 844,897,485	\$ 1,754,310,803	\$ 952,476,965	\$ 801,833,838	\$ (43,063,647)	\$ 801,833,838	\$ (43,063,647)	\$ 801,833,838	\$ (43,063,647)	(5.10%)	11,270,300	
14470	Health Services Regulation	\$ 24,653,954	\$ 23,177,203	\$ 79,220,241	\$ 56,399,591	\$ 22,820,650	\$ (305,553)	\$ 22,820,650	\$ (305,553)	\$ 22,820,650	\$ (305,553)	(1.54%)	579,500	
14480	Vocational Rehabilitation	\$ 34,728,813	\$ 42,578,097	\$ 186,310,635	\$ 144,233,185	\$ 42,077,450	\$ (500,647)	\$ 42,077,450	\$ (500,647)	\$ 42,077,450	\$ (500,647)	(1.18%)	1,001,750	
	Total Health and Human Services	\$ 5,709,732,081	\$ 6,547,862,134	\$ 25,290,709,132	\$ 18,793,988,139	\$ 6,496,720,993	\$ (51,441,141)	\$ 6,496,720,993	\$ (51,441,141)	\$ 6,496,720,993	\$ (51,441,141)	(0.78%)	17,941,560	
Justice and Public Safety														
12000	Judicial	\$ 673,637,589	\$ 716,889,846	\$ 698,574,848	\$ 1,210,166	\$ 697,364,682	\$ (19,525,164)	\$ 697,364,682	\$ (19,525,164)	\$ 697,364,682	\$ (19,525,164)	(2.72%)	6,424,625	
12001	Judicial - Indigent Defense	\$ 133,929,817	\$ 140,257,234	\$ 153,813,873	\$ 13,962,679	\$ 139,851,194	\$ (406,040)	\$ 139,851,194	\$ (406,040)	\$ 139,851,194	\$ (406,040)	(0.29%)	593,000	
13600	Justice	\$ 64,973,628	\$ 63,535,419	\$ 103,179,287	\$ 43,772,562	\$ 59,606,725	\$ (3,928,694)	\$ 59,606,725	\$ (3,928,694)	\$ 59,606,725	\$ (3,928,694)	(6.18%)	822,385	
14550	Public Safety	\$ 2,389,660,154	\$ 633,101,721	\$ 851,698,725	\$ 237,764,523	\$ 613,934,202	\$ (19,167,519)	\$ 613,934,202	\$ (19,167,519)	\$ 613,934,202	\$ (19,167,519)	(3.03%)	5,484,051	
15010	Adult Correction - General Fund	\$ -	\$ 1,915,121,970	\$ 1,933,093,844	\$ 24,612,230	\$ 1,908,481,614	\$ (6,640,356)	\$ 1,908,481,614	\$ (6,640,356)	\$ 1,908,481,614	\$ (6,640,356)	(0.35%)	19,518,225	
	Total Justice and Public Safety	\$ 3,262,201,188	\$ 3,468,906,190	\$ 3,740,360,577	\$ 321,122,160	\$ 3,419,238,417	\$ (49,667,773)	\$ 3,419,238,417	\$ (49,667,773)	\$ 3,419,238,417	\$ (49,667,773)	(1.43%)	32,842,286	

Budget Code	Function	2021-22		2022-23		Base Budget		Base Budget		Base Budget		Base Budget		Base Budget		
		Actual	Authorized	Requirements	Receipts	Requirements	Receipts	Requirements	Receipts	Requirements	Receipts	Requirements	Receipts	Change from 2022-23 Auth	% Change from 2022-23 Auth	Positions
Natural and Economic Resources																
13700	Agriculture and Consumer Services	\$ 160,279,794	\$ 176,587,461	\$ 230,607,635	\$ 76,050,056	\$ 154,557,579	\$ (22,029,882)	(12.48%)	1,816,521							
13800	Labor	\$ 20,598,034	\$ 24,625,621	\$ 41,612,064	\$ 18,605,412	\$ 23,006,652	\$ (1,618,969)	(6.57%)	370,670							
14300	Environmental Quality	\$ 104,653,363	\$ 106,097,399	\$ 289,041,532	\$ 191,798,072	\$ 97,243,460	\$ (8,853,939)	(8.35%)	1,143,946							
14350	Wildlife Resources Commission	\$ 12,870,855	\$ 23,826,213	\$ 104,365,794	\$ 90,592,483	\$ 13,773,311	\$ (10,052,902)	(42.19%)	678,000							
14600	Commerce	\$ 12,253,955	\$ 13,792,800	\$ 77,250,848	\$ 63,523,455	\$ 13,727,393	\$ (65,407)	(0.47%)	176,357							
14601	Commerce - State Aid	\$ 34,287,810	\$ 21,705,810	\$ 18,155,810	\$ -	\$ 18,155,810	\$ (3,550,000)	(16.36%)	0.000							
14602	Commerce - Economic Development	\$ 276,820,380	\$ 164,148,236	\$ 158,670,660	\$ 120,000	\$ 158,550,660	\$ (5,597,576)	(3.41%)	0.000							
14800	Natural and Cultural Resources	\$ 226,777,181	\$ 238,764,761	\$ 285,304,197	\$ 54,842,950	\$ 230,461,247	\$ (8,303,514)	(3.48%)	1,944,822							
14802	Natural and Cultural Resources - Roanoke Island	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.000							
	Total Natural and Economic Resources	\$ 848,541,371	\$ 769,548,301	\$ 1,205,005,540	\$ 495,532,428	\$ 709,476,112	\$ (60,072,189)	(7.81%)	6,130,316							
Debt Service																
19420	General Debt Service	\$ -	\$ -	\$ 649,265,711	\$ 649,265,711	\$ -	\$ -	0.00%	0.000							
	Total Debt Service	\$ -	\$ -	\$ 649,265,711	\$ 649,265,711	\$ -	\$ -	0.00%	0.000							
	Total General Fund Operating Budget	\$ 25,804,644,872	\$ 27,869,377,291	\$ 52,247,441,678	\$ 24,714,702,319	\$ 27,532,759,359	\$ (336,637,932)	(1.21%)	98,557,852							

Table 9: Summary of General Fund Base Budget Adjustments, 2024-25

Budget Code	Function	2021-22		2022-23		Base Budget		Base Budget		Base Budget		Base Budget		Base Budget	
		Actual	Authorized	Requirements	Receipts	Requirements	Receipts	Requirements	Receipts	Requirements	Receipts	Change from 2022-23 Auth	% Change from 2022-23 Auth	Positions	
Education															
13510	Public Education	\$ 10,587,742,324	\$ 11,277,833,406	\$ 12,862,113,777	\$ 1,708,398,621	\$ 11,153,715,156	\$ (124,118,250)								
16800	Community Colleges	\$ 1,307,874,612	\$ 1,358,003,063	\$ 1,689,563,818	\$ 346,872,514	\$ 1,342,691,304	\$ (15,311,759)								
160XX	University System	\$ 3,491,868,171	\$ 3,813,667,966	\$ 5,874,510,605	\$ 2,052,814,735	\$ 3,821,695,870	\$ 8,027,904								
	Total Education	\$ 15,387,485,107	\$ 16,449,504,435	\$ 20,426,188,200	\$ 4,108,085,870	\$ 16,318,102,330	\$ (131,402,105)								
General Government															
11000	General Assembly	\$ 79,525,351	\$ 83,599,463	\$ 86,150,229	\$ 561,000	\$ 85,589,229	\$ 1,989,766								
13000	Governor's Office	\$ 5,624,456	\$ 5,956,504	\$ 6,925,370	\$ 1,000,730	\$ 5,924,640	\$ (31,864)								
13005	State Budget and Management	\$ 14,659,608	\$ 11,162,629	\$ 11,658,787	\$ 1,036,517	\$ 10,622,270	\$ (540,359)								
13010	NC Housing Finance Agency	\$ 10,660,000	\$ 40,660,000	\$ 210,660,000	\$ 170,000,000	\$ 40,660,000	\$ -								
13050	Military and Veterans Affairs	\$ 11,481,568	\$ 12,446,066	\$ 10,859,229	\$ -	\$ 10,859,229	\$ (1,586,837)								
13085	OSBM-Special Projects	\$ 30,164,587	\$ 15,517,000	\$ 10,000,000	\$ -	\$ 10,000,000	\$ (5,517,000)								
13100	Lieutenant Governor	\$ 1,026,085	\$ 1,228,538	\$ 1,222,759	\$ -	\$ 1,222,759	\$ (5,779)								
13200	Secretary of State	\$ 16,675,125	\$ 17,791,626	\$ 17,642,812	\$ 378,161	\$ 17,264,651	\$ (526,975)								
13300	State Auditor	\$ 15,986,959	\$ 17,728,074	\$ 24,532,113	\$ 6,899,163	\$ 17,632,950	\$ (95,124)								
13410	State Treasurer	\$ 4,078,270	\$ 5,275,657	\$ 73,485,130	\$ 68,219,338	\$ 5,265,792	\$ (9,865)								
13412	State Treasurer - Retirement/Benefits	\$ 32,905,423	\$ 33,255,423	\$ 33,255,423	\$ -	\$ 33,255,423	\$ -								
13900	Insurance	\$ 50,633,184	\$ 66,932,596	\$ 54,059,587	\$ 5,140,347	\$ 48,919,240	\$ (18,013,356)								
13902	Industrial Commission	\$ 8,776,799	\$ 11,155,217	\$ 23,283,671	\$ 12,162,395	\$ 11,121,276	\$ (33,941)								
14100	Administration	\$ 60,320,269	\$ 62,123,449	\$ 72,609,629	\$ 11,636,055	\$ 60,973,574	\$ (1,149,875)								
14111	Office of State Human Resources - General Fund	\$ 9,384,157	\$ 10,081,406	\$ 10,135,566	\$ 100,888	\$ 10,034,678	\$ (46,728)								
14660	Information Technology	\$ 89,168,887	\$ 74,597,261	\$ 72,920,020	\$ 422,580	\$ 72,497,440	\$ (2,099,821)								
14160	State Controller	\$ 26,588,500	\$ 32,662,846	\$ 33,432,092	\$ 875,957	\$ 32,556,135	\$ (106,711)								
14700	Revenue	\$ 109,930,590	\$ 115,666,477	\$ 182,147,968	\$ 66,973,597	\$ 115,174,371	\$ (492,106)								
18025	State Board of Elections	\$ 12,861,380	\$ 8,249,204	\$ 8,310,162	\$ 102,000	\$ 8,208,162	\$ (41,042)								
18210	Office of Administrative Hearings	\$ 6,233,926	\$ 7,466,795	\$ 8,673,801	\$ 1,216,625	\$ 7,457,176	\$ (9,619)								
	Total General Government	\$ 596,685,124	\$ 633,556,231	\$ 951,964,348	\$ 346,725,353	\$ 605,238,995	\$ (28,317,236)								
Health and Human Services															
14410	Central Administration	\$ 191,865,088	\$ 197,613,142	\$ 369,176,929	\$ 173,782,566	\$ 195,394,363	\$ (2,218,779)								
14411	Aging and Adult Services	\$ 47,290,204	\$ 52,590,333	\$ 162,811,870	\$ 110,379,526	\$ 52,432,344	\$ (157,989)								
14420	Child Development and Early Education	\$ 229,746,393	\$ 251,936,332	\$ 829,893,524	\$ 578,614,479	\$ 251,279,045	\$ (657,287)								
14430	Public Health	\$ 171,067,246	\$ 173,832,187	\$ 476,743,480	\$ 363,208,810	\$ 113,534,670	\$ (60,297,517)								
14435	Division of Child and Family Well Being	\$ -	\$ -	\$ 572,963,586	\$ 514,976,713	\$ 57,986,873	\$ 57,986,873								
14440	Social Services	\$ 203,834,260	\$ 227,516,706	\$ 2,110,971,533	\$ 1,899,597,572	\$ 211,373,961	\$ (16,142,745)								
14450	Services for the Blind, Deaf, and Hard of Hearing	\$ 7,676,105	\$ 9,106,133	\$ 45,208,625	\$ 36,112,207	\$ 9,096,418	\$ (9,715)								
14445	Medical Assistance	\$ 3,989,163,824	\$ 4,724,614,516	\$ 18,703,201,546	\$ 13,964,240,150	\$ 4,738,961,396	\$ 14,346,880								
14460	Mental Health/Disabilities/Substance Abuse	\$ 809,706,193	\$ 844,897,485	\$ 1,730,280,599	\$ 928,446,761	\$ 801,833,838	\$ (43,063,647)								
14470	Health Services Regulation	\$ 24,653,954	\$ 23,177,203	\$ 79,220,241	\$ 56,399,591	\$ 22,820,650	\$ (356,553)								
14480	Vocational Rehabilitation	\$ 34,728,813	\$ 42,578,097	\$ 186,357,702	\$ 144,276,372	\$ 42,081,330	\$ (496,767)								
	Total Health and Human Services	\$ 5,709,732,081	\$ 6,547,862,134	\$ 25,266,829,635	\$ 18,770,034,747	\$ 6,496,794,888	\$ (5,107,246)								
Justice and Public Safety															
12000	Judicial	\$ 673,637,589	\$ 716,889,846	\$ 698,583,690	\$ 1,210,166	\$ 697,373,524	\$ (19,516,322)								
12001	Judicial - Indigent Defense	\$ 133,929,817	\$ 140,257,234	\$ 153,815,013	\$ 13,962,679	\$ 139,852,334	\$ (404,900)								
13600	Justice	\$ 64,973,628	\$ 63,535,419	\$ 103,190,946	\$ 43,572,562	\$ 59,618,384	\$ (3,917,035)								
14550	Public Safety	\$ 2,389,660,154	\$ 633,101,721	\$ 851,997,807	\$ 237,764,523	\$ 614,233,284	\$ (18,868,437)								
15010	Adult Correction - General Fund	\$ -	\$ 1,915,121,970	\$ 1,933,209,095	\$ 24,612,230	\$ 1,908,596,865	\$ (6,525,105)								
	Total Justice and Public Safety	\$ 3,262,201,188	\$ 3,468,906,190	\$ 3,740,796,551	\$ 321,122,160	\$ 3,419,674,391	\$ (49,231,799)								
	Total	\$ 17,541,188,188	\$ 18,449,504,435	\$ 22,426,188,200	\$ 4,108,085,870	\$ 16,318,102,330	\$ (131,402,105)								

Budget Code	Function	2021-22		2022-23		Base Budget Requirements	Base Budget Receipts	Base Budget	\$ Change from		% Change from		Base Budget Positions
		Actual	Authorized	Authorized	Requirements				2022-23 Auth	2022-23 Auth	2022-23 Auth	2022-23 Auth	
Natural and Economic Resources													
13700	Agriculture and Consumer Services	\$ 160,279,794	\$ 176,587,461	\$ 230,607,635	\$ 76,050,056	\$ 154,557,579	\$ (22,029,882)	(12.48%)	1,816,521				
13800	Labor	\$ 20,598,034	\$ 24,625,621	\$ 41,616,569	\$ 18,605,412	\$ 23,011,157	\$ (1,614,464)	(6.56%)	370,670				
14300	Environmental Quality	\$ 104,653,363	\$ 106,097,399	\$ 289,031,740	\$ 191,808,369	\$ 97,223,371	\$ (8,874,028)	(8.36%)	1,143,946				
14350	Wildlife Resources Commission	\$ 12,870,855	\$ 23,826,213	\$ 104,415,878	\$ 90,631,286	\$ 13,784,592	\$ (10,041,621)	(42.15%)	678,000				
14600	Commerce	\$ 12,253,955	\$ 13,792,800	\$ 77,250,848	\$ 63,523,455	\$ 13,727,393	\$ (65,407)	(0.47%)	176,357				
14601	Commerce - State Aid	\$ 34,287,810	\$ 21,705,810	\$ 18,155,810	\$ -	\$ 18,155,810	\$ (3,550,000)	(16.36%)	0.000				
14602	Commerce - Economic Development	\$ 276,820,380	\$ 164,148,236	\$ 158,670,660	\$ 120,000	\$ 158,550,660	\$ (5,597,576)	(3.41%)	0.000				
14800	Natural and Cultural Resources	\$ 226,777,181	\$ 238,764,761	\$ 285,304,197	\$ 54,842,950	\$ 230,461,247	\$ (8,303,514)	(3.48%)	1,944,822				
14802	Natural and Cultural Resources - Roanoke Island	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.000				
	Total Natural and Economic Resources	\$ 848,541,371	\$ 769,548,301	\$ 1,205,053,337	\$ 495,581,528	\$ 709,471,809	\$ (60,076,492)	(7.81%)	6,130,316				
Debt Service													
19420	General Debt Service	\$ -	\$ -	\$ 649,265,711	\$ 649,265,711	\$ -	\$ -	0.00%	0.000				
	Total Debt Service	\$ -	\$ -	\$ 649,265,711	\$ 649,265,711	\$ -	\$ -	0.00%	0.000				
Total General Fund Operating Budget													
		\$ 25,804,644,872	\$ 27,869,377,291	\$ 52,240,097,782	\$ 24,690,815,369	\$ 27,549,282,413	\$ (320,094,878)	(1.15%)	98,557,853				

Economic Outlook

A Slowcession Likely Headed Our Way

Over 80% of American adults rate economic conditions as fair or poor, according to a Gallup Survey in January 2023, and many economists expect that the US economy will experience a “slowcession” in 2023, defined as “growth that comes to a near standstill but that never slips into reverse.”ⁱ Inflation remains a top concern for the Federal Reserve and rising prices for goods and services have particularly squeezed lower-income households.

Despite negative perceptions of the economy and recent headlines of technology-sector layoffs, job growth remains solid. Consumer spending rebounded sharply in January to average 2022 levels, after declining in November and December. The combination of recent robust economic growth, slowing-but-still-elevated inflation, and a Federal Reserve determined to slow inflation led the Consensus Revenue Forecasting group to adopt a slowcession scenario as the most likely economic path in the coming years.

Food, Housing, and Energy Continue to Drive Price Increases

Inflation has eased in recent months due primarily to falling energy prices and improving supply chains but remains elevated. The consumer price index (CPI) is down from last summer’s four-decade high of 8.9% year-over-year growth but remained high at 6.4% in January. The largest contributors to the overall level of inflation are increases in food, shelter, and energy prices.ⁱⁱ Food price inflation has decelerated from August’s year-over-year peak of 11.3% but remained above 10% in January. Energy prices are also 8.7% above their level a year ago.ⁱⁱⁱ Shelter inflation continues to increase. The CPI measure of housing inflation for homeowners increased 7.8% from January 2022 to January 2023, and the equivalent measure for renters increased 8.6% in the same time period.^{iv} While these measures have not yet shown a deceleration, rent measures are lagged in the CPI data and are expected to decrease in the coming months. Inflation is expected to decrease in the coming months as supply chain issues continue to ease, commodity price shocks fade, home prices and rents moderate, and labor market conditions cool.

Labor Market Pressures Continue to Drive Up Wages

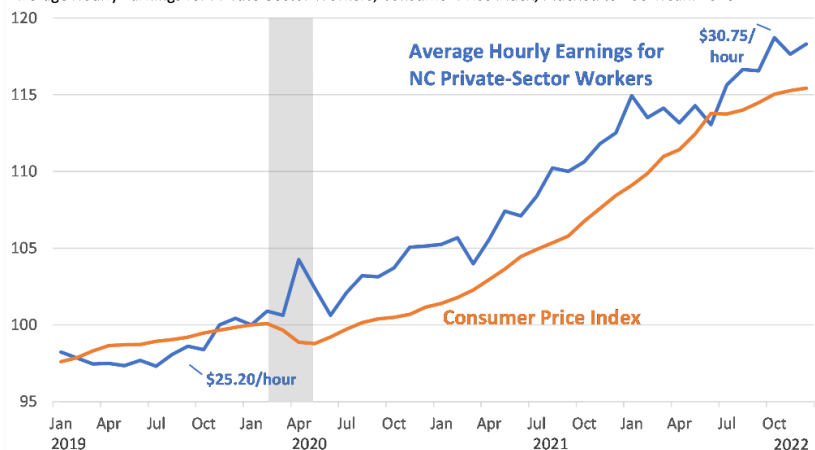
Average hourly earnings of North Carolina workers have risen by more than 17% since the start of pandemic. The wages of North Carolinians have outpaced inflation due to a continued tight labor market.

The state’s unemployment rate in December was 3.9%, which is up from 3.4% in spring of 2022, but still at historically low levels.^{iv} North Carolina’s labor force grew by over 130,000 workers in 2022, and labor force participation has gradually increased from the pandemic low, but it is still below 2019 levels.^{iv} In the NC Department of Commerce’s January Business Pulse Survey, 56% of business owners had concerns about adequate staffing levels and 31%

believed it would become harder to find qualified workers six months from now.^v In December, there were

Wage Growth in North Carolina Has Outpaced Inflation

Average Hourly Earnings for Private-Sector Workers; Consumer Price Index; Indexed to 100 in Jan. 2020



Source: US Department of Commerce, Bureau of Labor Statistics; Shaded area indicates recession

two job openings for every unemployed person in North Carolina.^{iv} Economists at the Federal Reserve have shown that a large share of the decrease in the job market is attributable to retirements among those who may have retired earlier than planned due to impacts of the pandemic.^{vi}

North Carolina workers' earnings have been growing faster than the average U.S. worker since the beginning of the pandemic.^{vii} While national real average hourly earnings are roughly unchanged compared to the months before the pandemic, average hourly earnings for private sector workers in North Carolina have outpaced inflation since the pandemic began. In addition, North Carolina per capita income rose to 87.6% of the national average in 2021, up from 86.4% in 2015.

Consumer Spending May Be Slowing in the Face of Inflation and Rising Interest Rates

Due to lower household spending and federal pandemic aid during 2020 and 2021, households built up approximately \$2.4 trillion in excess savings.^{viii} While households have spent down approximately half of their excess savings, substantial savings remain to prop up consumer spending. Spending has remained resilient in the face of elevated inflation and has been an important factor in sustaining economic growth despite Federal Reserve interest rate hikes, energy price spikes, and a housing market recession. However, signs of weakness may be showing as inflation persists and consumer sentiment remains low. After growing at an annual pace of over 2% in the middle of 2022, real consumer spending growth slowed to 1.4% in the fourth quarter.^{ix} Spending on goods (as measured by real personal consumption expenditures on goods) peaked in March of 2021 and has since declined by 4.0%, whereas spending on services has risen 9.0% over the same period, pointing towards a post-pandemic rebalancing of spending.

Risks to the Economic Forecast

High inflation remains a primary risk to the economy today. The persistence of elevated inflation, despite recent deceleration, and a tight job market will likely lead the Federal Reserve to continue raising interest rates to slow inflation toward its 2% target. If the labor market remains overheated or inflation remains elevated, the odds shift from a near-term slowcession or mild recession toward a later, deeper recession.

The economic fallout from geopolitical conflict also has the potential to cause or exacerbate a recession. As the war in Ukraine grinds on, further escalation or an expansion of the conflict beyond the borders of Ukraine could lead to further supply chain disruptions and increases in fuel and gas prices. Such an outcome presents a significant risk to the economic outlook for the U.S. and North Carolina.

International politics are not the only political risk to the economy – domestic political disagreements over the debt ceiling and government spending within Congress also could derail the “soft landing” the Federal Reserve desires. The federal government defaulting on its debt, particularly if longer than a few days, could trigger a severe recession with significant long-term consequences.^x

ⁱ Mark Zandi. “Slowcession.” <https://www.moodysanalytics.com/-/media/article/2022/slowcession.pdf>

ⁱⁱ S&P Global, Economic Watch - Market Watch Compilation, February 21, 2023.

ⁱⁱⁱ U.S. Bureau of Labor Statistics data retrieved from BLS.gov

^{iv} U.S. BLS, Labor Force Participation Rate for North Carolina, retrieved from FRED, Federal Reserve Bank of St. Louis, February 22, 2023.

^v North Carolina Department of Commerce. Pulse Survey, December 2022. <https://analytics.nccommerce.com/pulse-survey/>

^{vi} Montes, Joshua, Christopher Smith, and Juliana Dajon (2022). “The Great Retirement Boom”: The Pandemic-Era Surge in Retirements and Implications for Future Labor Force Participation,” <https://doi.org/10.17016/FEDS.2022.081>.

^{vii} U.S. BLS, Average Hourly Earnings of All Employees, Total Private, retrieved 2/27/23 from FRED; <https://fred.stlouisfed.org/series/CES0500000003>.

^{viii} S&P Global, Economic Watch - Market Watch Compilation, February 21, 2023.

^{ix} U.S. Bureau of Economic Analysis. Accessed March 1, 2023. <https://www.bea.gov/news/2023/personal-income-and-outlays-january-2023>

^x Zandi, Mark. “Debt Limit Brinkmanship (Again).” <https://www.moodysanalytics.com/-/media/article/2023/debt-limit-brinkmanship.pdf>

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.

Consensus Revenue Forecast

OSBM and the General Assembly's Fiscal Research Division issued a revised consensus revenue forecast for FY 2022-23 and an initial consensus forecast for the 2023-2025 biennium on February 15, 2023. The revised forecast includes a substantial upward revision to collections in the current fiscal year. This is consistent with experience in most other states, which have also seen higher-than-expected revenue collections. The median growth rate for total tax revenues across all states for 2022 was 11.6%.

Current Year Revenue

The revised forecast projects net General Fund revenue of \$33.76 billion in FY 2022-23, an upward revision of \$3.25 billion (10.7%) from certified revenues and a 1.7% increase over FY 2021-22 revenues.

Larger-than-expected tax payments from pass-through businesses that elected to be taxed at the entity level and smaller-than-expected declines in individual income tax collections are contributing to personal income tax overcollections. Persistently high corporate profits, particularly among large multi-national corporations which were successful at passing on inflationary increases to their customers, and resilient consumer spending are also ensuring overcollections in corporate income tax revenue and sales tax revenue. Finally, the historically high \$17 billion of General Fund balances and reserves, combined with rising interest rates, are resulting in increased investment returns that contribute to the overcollections expected in the current fiscal year.

All major revenue sources—and some minor sources—have contributed to projected overcollections. Collections from individual income taxes (+\$1.28 billion), corporate income taxes (+\$537 million), and sales and use tax (+\$604 million) will all be substantially higher than certified revenues.

Outlook for the Next Biennium (FY 2023-2025)

For FY 2023-25, the consensus forecast anticipates net General Fund revenue of \$33.71 billion in FY 2023-24 and \$33.65 billion in FY 2024-25. A 0.2% decrease in total General Fund revenues is expected in each year of the biennium, due to slowing growth in economic activity and significant tax cuts that are scheduled to occur in the next two years.

Major tax cuts and revenue transfers that are scheduled to occur in this biennium's forecast include:

- Reducing the individual income tax rate to 4.75% in 2023, 4.6% in 2024, and 4.5% in 2025;
- Dropping the corporate income tax rate to 2.25% in 2025;
- Eliminating the two property bases from the franchise tax base in 2023, keeping only the net worth base; and
- Increasing the sales tax transfer to the Highway Fund and Highway Trust Fund from 2% in FY 2022-23 to 4% in FY 2023-24 and 6% in FY 2024-25.

The forecast anticipates a "slowcession" characterized by stagnant real growth in the economy during 2023 as the Federal Reserve raises interest rates to slow inflation, followed by a period of modest growth over the rest of the biennium. Inflation is expected to slow from recent peaks towards the Federal Reserve's 2% target but remain above that target well into 2024.

Recommended Revenue Changes

Individual Income Tax Reduction Fairness with Rate for Higher Incomes Remaining at 4.75%

The Governor recommends implementing a two-tiered bracket at the \$200,000 threshold for married couples filing jointly (and 50% and 75% of this level for single filers and head of household filers, respectively). Income below these levels would benefit from tax rate decreases to 4.6% in 2024 and 4.5% in 2025, while the recently reduced tax rate of 4.75% would continue to apply to income above the thresholds. This change would raise \$69 million in FY 2023-24 and \$222 million in FY 2024-25. North Carolina's income tax rates would remain among the lowest in the Southeast among those states that have an income tax.

Maintain the Corporate Tax Rate

The Governor also recommends maintaining the corporate income tax rate at 2.5% on a permanent basis. This would raise \$65 million in FY 2024-25 and support growth in General Fund revenues in the years beyond the biennium. Decreasing the corporate income tax rate mostly reduces the tax liability of large, out-of-state, multi-national corporations.

Maintain the Sales Tax Transfer to the Highway Fund at 2%

The Governor recommends maintaining the sales tax transfer from the General Fund to the Highway Fund and Highway Trust Fund at 2% of revenues. This change increases General Fund revenues by \$210M in the first year of the biennium and \$429M in the second year of the biennium.

General Fund Revenue by Fiscal Year: Recent History and Forecast With Governor's Recommended Changes
(In Millions)

	2019-20	2020-21	2021-22	2022-23		2023-24	%	2024-25	%
	Actual	Actual	Actual	Budget	Revised	Budget	Change	Budget	Change
Tax Revenue									
Individual Income	12,414.7	15,822.6	17,567.6	15,470.9	16,747.9	16,679.1	-0.4%	17,040.0	2.2%
Sales and Use	7,820.6	9,023.6	10,200.7	10,183.4	10,787.3	10,874.6	0.8%	11,119.7	2.3%
Corporate Income	657.8	1,511.5	1,625.8	1,155.5	1,692.9	1,680.7	-0.7%	1,698.5	1.1%
Franchise	646.0	869.8	888.3	690.9	841.8	726.5	-13.7%	738.6	1.7%
Insurance Premium	656.2	692.6	972.3	1,033.5	1,143.4	1,432.4	25.3%	1,356.5	-5.3%
Alcoholic Beverage	410.6	492.6	521.2	552.5	541.5	556.0	2.7%	578.5	4.0%
Inheritance	1.2	0.0	0.2	0.0	0.0	0.0	n.a.	0.0	n.a.
Privilege License	35.1	41.2	38.4	39.6	37.0	37.2	0.5%	37.4	0.5%
Tobacco Products	251.9	265.2	251.6	270.2	267.5	280.9	5.0%	276.6	-1.5%
Real Estate Conveyance	87.9	113.6	152.8	149.6	119.1	105.9	-11.1%	112.7	6.4%
White Goods Disposal	3.3	3.6	3.9	3.6	4.0	4.1	2.5%	4.2	2.4%
Scrap Tire Disposal	6.1	6.5	7.5	6.5	7.5	7.5	0.0%	7.5	0.0%
Mill Machinery	1.1	1.1	1.3	0.2	-0.3	0.0	-100.0%	0.0	n.a.
Solid Waste Disposal	2.9	2.9	3.0	3.1	3.2	3.2	0.0%	3.2	0.0%
Other Tax	0.5	0.3	0.5	0.3	0.3	0.2	-33.3%	0.2	0.0%
Total Tax Revenue	22,995.7	28,847.1	32,235.0	29,559.8	32,193.1	32,388.3	0.6%	32,973.6	1.8%
Nontax Revenue									
Investment Income	135.5	23.3	59.9	60.9	668.1	856.3	28.2%	645.1	-24.7%
Judicial Fees	203.3	178.6	207.6	222.8	221.9	220.8	-0.5%	219.8	-0.5%
Insurance	92.4	100.0	110.8	116.1	112.2	114.9	2.4%	117.8	2.5%
Disproportionate Share	165.3	177.6	167.4	161.5	161.5	164.5	1.9%	88.4	-46.3%
Master Settlement Agreement	131.7	149.7	176.9	144.6	149.5	150.2	0.5%	149.1	-0.7%
Other Nontax	215.3	222.5	251.1	244.2	253.9	252.8	-0.4%	255.3	1.0%
Total Nontax Revenue	943.6	851.8	973.7	950.1	1,567.1	1,759.5	12.3%	1,475.5	-16.1%
Total General Fund Revenue	23,939.3	29,698.9	33,208.7	30,509.9	33,760.2	34,147.8	1.1%	34,449.1	0.9%

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

Highway Fund and Highway Trust Fund Revenue Forecast

The largest overall revenue source is the state excise tax on motor fuels, comprising approximately half of the total revenue for the Highway Fund and Highway Trust Fund. Both Funds also receive revenue from Division of Motor Vehicle (DMV) licenses and fees, as well as interest earned on investments of the Funds' cash balances. Additionally, the Highway Trust Fund receives all the revenue from the highway use tax.

Current Year Revenue

The revised consensus forecast for FY 2022-23 anticipates total Highway Fund and Highway Trust Fund revenue at \$4.8 billion (10.7% above FY 2021-22). The consensus has Highway Fund revenues finishing the year at \$3 billion, or 9.9% above FY 2021-22 and \$35 million (+1.2%) above budget. Highway Trust Fund revenues are expected to total \$1.8 billion in the current year, an increase of 12.2% over last year, but \$17 million (1.0%) lower than budgeted revenues due mostly to softer DMV fee collections.

SL 2022-74 transferred 2% of General Fund sales tax revenues to the Highway Fund. The new consensus forecast estimates this transfer to be \$207 million in FY 2022-23. Per the session law, the transfer increases to 4% in FY 2023-24 (split 1% and 3% between the Highway Fund and Highway Trust Fund, respectively) and then to 6% in FY 2024-25 (split 1.5% and 4.5% respectively).

Revenue Outlook for the 2023-2025 Biennium

Total Highway Fund revenue is expected to stay relatively flat in the first year of the next biennium. This is due primarily to moderately higher gasoline and diesel prices through the rest of 2023, which will dampen consumption growth. In the second year, total Highway Fund revenue is expected to increase by 6.2%, largely driven by higher DMV revenue due to the quadrennial DMV fee inflation adjustment required by GS 20-4.02 (fees are forecast to increase in July 2024 by 19.1%).

Total Highway Trust Fund revenue increases by 12.2% in the first year of the biennium and increases again by 4.0% in FY 2024-25. This increase is due primarily to continued growth in Highway Use Tax collections (i.e., sales tax on new and used vehicles sold or transferred) as consumers continue to take advantage of tax credits from federal incentives by purchasing newer electric vehicles. The quadrennial inflation adjustment discussed above is also driving up Highway Trust Fund revenues.

Recommended Revenue Changes

The Governor recommends maintaining the sales tax transfer from the General Fund to the Highway Fund at 2% for the biennium. For the Highway Trust Fund, the proposed change represents \$157.3 million lower Highway Trust Fund availability in FY 2023-24 and \$321.7 million in FY 2024-25. For the Highway Fund, the proposed change reduces availability by \$52.4 million and \$107.3 million in FY 2023-24 and 2024-25, respectively.

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

Source	2021-22 Actual	2022-23 Budget**	2022-23 Revised	2023-24 Forecast	Year-over-year Change	2024-25 Forecast	Year-over-year Change
Highway Fund							
Motor Fuels Taxes	1,744.1	1,766.1	1,731.4	1,791.9	3.5%	1,802.7	0.6%
Highway Short Term Lease	98.4	95.3	109.7	116.7	6.4%	121.5	4.1%
Licenses and Fees	854.2	872.2	882.8	895.1	1.4%	1,053.3	17.7%
Investment Income	2.6	1.5	30.4	40.7	33.9%	35.7	-12.3%
Aviation Fuel Tax	6.3	10.0	11.3	13.3	17.7%	25.0	88.0%
Transfers from General Fund***	-	193.1	207.6	52.5	-74.7%	53.6	2.3%
Total Highway Fund Availability	2,705.6	2,938.2	2,973.2	2,910.2	-2.1%	3,091.8	6.2%
Highway Trust Fund							
Highway Use Tax	1,028.5	1,086.0	1,090.8	1,112.4	2.0%	1,160.8	4.4%
Motor Fuels Tax	437.0	590.1	569.3	598.9	5.2%	602.5	0.6%
Title Fees & Lien	152.3	158.0	136.2	142.1	4.3%	170.9	20.3%
Transfers from General Fund***	-	-	-	157.4	-	160.9	2.2%
Investment Income	2.0	1.4	21.8	28.9		25.3	-12.5%
Total Trust Fund Availability	1,619.8	1,835.5	1,818.1	2,039.7	12.2%	2,120.4	4.0%
Total HF & HTF Availability	4,325.4	4,773.7	4,791.3	4,949.8	3.3%	5,212.2	5.3%

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

**May 2022 consensus revenue forecast with sales tax transfer estimates included per S.L. 2022-74.

***Estimated transfer based on Governor's proposal

Population Dynamics

North Carolina's Population Growth Accelerates

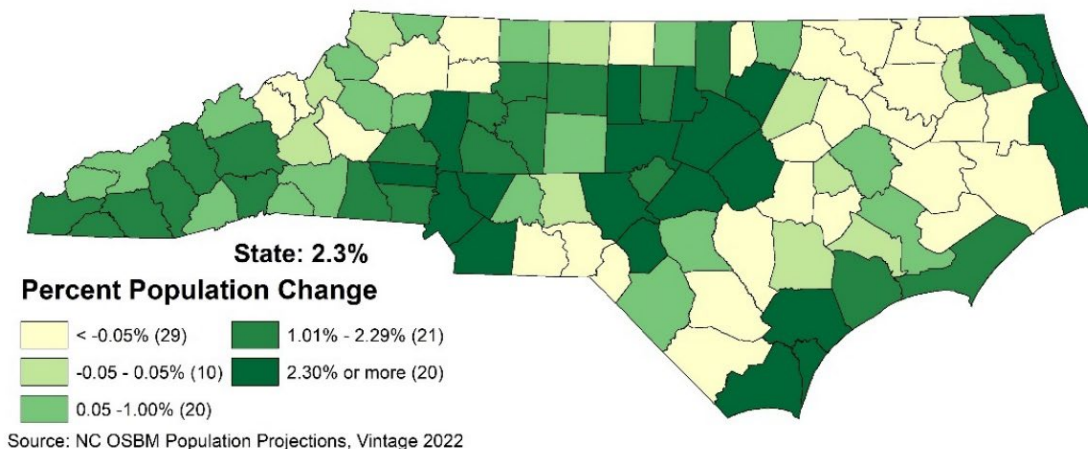
North Carolina experienced significant gains in [population](#) over the previous year – adding 133,000 people (1.3%) – **the third largest population gain** in the nation. International migration returned to pre-pandemic levels (a net gain of 26,000 people) and an estimated 100,000 more people moved to North Carolina from other states than those who moved away. Once again, North Carolina ranked 3rd in state-to-state movers – behind only Florida and Texas.

The State Demographer's latest [projections](#) predict an increase of 244,000 people over the biennium – an equivalent of adding the population of Winston-Salem. By July 1, 2025, an estimated **11 million people** will be living in North Carolina.¹

Some Rural Counties Recover While Urban Areas Continue to Grow

According to the State Demographer's latest [population projections](#), 61 counties are expected to grow by at least 0.05% over the biennium. Growth will occur in all regions of the state with almost 20% of this growth occurring in 78 rural counties (compared to less than 10% during the previous decade).² Whereas Wake and Mecklenburg Counties accounted for almost half of all growth in North Carolina between 2010-20, these same counties will account for less than 40% of the state's growth over the biennium. Between July 1, 2023 and July 1, 2025, the fastest growing counties will be outlying counties of metropolitan areas – the four fastest being Currituck (8.1%), Brunswick (7.1%), Franklin (6.1%), and Johnston (5.6%) counties.

Projected County Population Change, 2023-2025



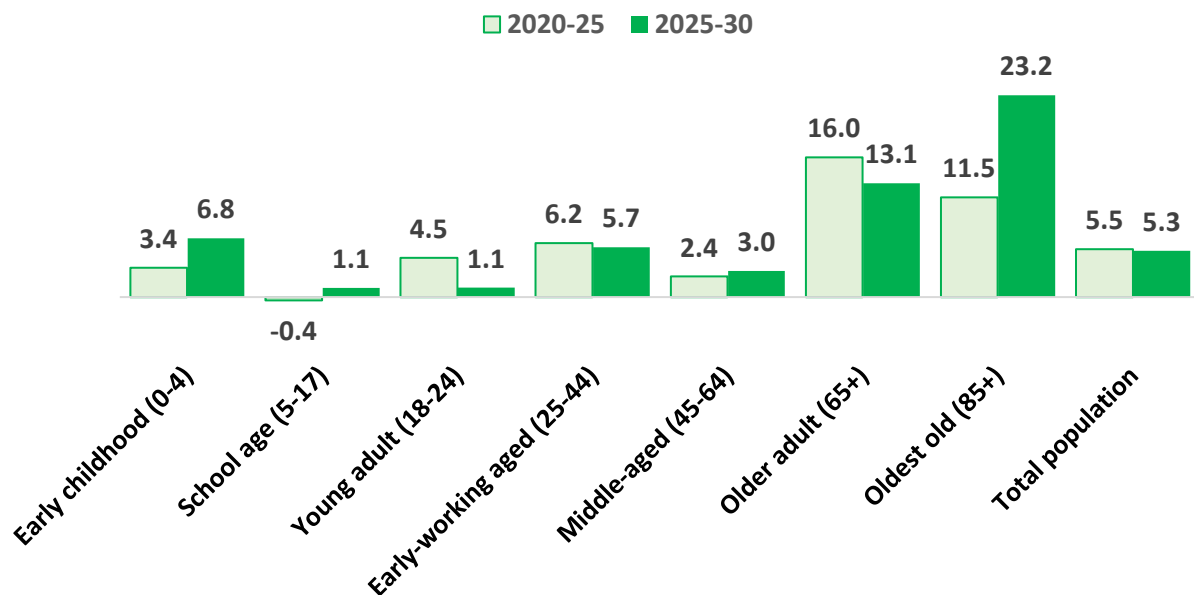
¹ North Carolina Office of State Budget & Management Population Projections, Vintage 2022

² Rural counties as defined by the [North Carolina Rural Center](#) for the 2020 Census. Urban/Suburban/Regional Center counties had population densities of 250 people per square mile or more in 2020. These counties include Alamance, Buncombe, Cabarrus, Catawba, Cabarrus, Cumberland, Davidson, Durham, Forsyth, Gaston, Guilford, Henderson, Iredell, Johnston, Lincoln, Mecklenburg, New Hanover, Onslow, Orange, Pitt, Rowan, Union, and Wake. All other counties are considered rural.

Faster Growth Among Early-Working Age Adults and Young Children

The early-working aged adult population (ages 25 to 44) will grow more rapidly than the state’s population now through 2030. At the same time, the Baby Boom generation will continue to retire – taking with them institutional knowledge and skills acquired over a lifetime. In 2023, for every person approaching retirement ages (ages 60 to 64), there are 1.1 people entering into the primary working ages (ages 20 to 24). This is far less than past ratios of 1.8 in 2000 and 2.3 in 1970. Different rates of growth for other age groups will impact demand for state services in other ways as well. The early childhood population (ages 0 to 4) has begun to grow again and will grow at a faster rate than the total population during the latter part of this decade. In 2020, the school-age population (ages 5 to 17) was only slightly larger than the same population in 2010 (at 1.6 million in 2020). This population will begin to grow again, although at a slower rate than the total population to 1.7 million by 2030.

Percent growth for age groups, 2020-25 and 2025-30



Population Aging Continues

The first wave of the Baby Boom generation turned 65 in 2011. Since that time, the 65 and older population has increased in size by over 50,000 people per year. That pace of change will continue into the 2030s. By the end of this decade, [1 in 5 North Carolinians](#) will be at least 65 years old, and by 2031 there will be more older adults than children. At the end of the 2023-25 biennium, an expected 2 million older adults will be living in North Carolina, an increase of 283,000 people (16%) since 2020. Of these, 216,000 will be 85 years of age or older (a 12% increase since 2020). This aging population brings with it different demands for healthcare, social services, transportation, and other programs. In addition, because of slower growth in other age cohorts and low fertility rates, future population growth will become even more dependent upon migration. In fact, since 2020, migration accounted for almost all of North Carolina’s [population growth](#).