

**Joint Meetings of the House and Senate Appropriations
Committees on General Government**

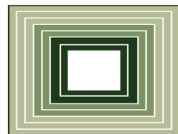
Office of State Budget and Management

Agency & Budget Overview

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Committee Staff

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FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

Outline

- 1) Establishing Laws & Responsibilities
- 2) Budget Overview
- 3) Organizational Chart
- 4) Recent Legislative Actions
- 5) Select Programs

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Establishing Laws

- **NC Constitution - Article III, Section 5(3)**
 - Governor shall prepare and recommend a budget
- **G.S. 143C-2-1** – The Governor of North Carolina is Director of the Budget but may delegate authority
- **G.S. 143C-6-1** – The budget shall be administered as enacted by the General Assembly

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General Responsibilities

- Prepares the Governor's recommended budget and advises the Governor on budgetary matters (**G.S. 143C-3-5**)
- Leads development of proposed agency base budgets (**G.S. 143C-1-1**)
- Oversees execution of the budget as enacted by the General Assembly (**G.S. 143C-6-4**)
- Monitors overall spending and revenue collections to ensure a balanced budget

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General Responsibilities

- Produces consensus revenue forecast with Fiscal Research Division
- Produces population estimates and projections (State Demographer)
- Develops and monitor State agencies' performance evaluation measures
- Reviews fiscal and regulatory impact of proposed rule changes by State agencies

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Additional Programs/Responsibilities

- Staffs the Council of Internal Auditing
- Staffs the Council of State
- Conducts studies and reviews as required in the law
- Administers some grants to non-State entities
- Operates Hometown Strong program
- Assists in the coordination of State response to disaster recovery
- Distributes and manages federal COVID relief funds, as directed by the North Carolina General Assembly and the federal government (Pandemic Recovery Office)

Department Budget Overview & Organizational Chart

Agency Budget In Context (FY 2022-23 Authorized)

Agency	Requirements	Receipts	Net Appropriation	Req. %	Net %	FTE	FTE %
Department of Administration	\$ 79,242,999	\$ 18,416,437	\$ 60,826,562	7.4%	10.9%	353	8%
Ethics Commission	1,410,674	92,139	1,318,535	0.1%	0.2%	11	0%
Office of Administrative Hearings	8,874,317	1,416,793	7,457,524	0.8%	1.3%	59	1%
Office of State Auditor	26,571,659	8,777,653	17,794,006	2.5%	3.2%	160	4%
Office of State Budget & Management	12,590,882	1,406,005	11,184,877	1.2%	2.0%	68	2%
OSBM Special Appropriations	104,817,300	89,300,300	15,517,000	9.7%	2.8%	0	0%
Office of the State Controller	33,949,260	1,339,976	32,609,284	3.2%	5.8%	167	4%
State Board of Elections	13,898,259	5,643,199	8,255,060	1.3%	1.5%	66	2%
NC General Assembly	84,474,142	874,679	83,599,463	7.8%	15.0%	521	12%
Office of the Governor	7,279,961	1,321,590	5,958,371	0.7%	1.1%	52	1%
Housing Finance Agency	210,660,000	170,000,000	40,660,000	19.6%	7.3%	0	0%
Office of State Human Resources	10,967,596	875,358	10,092,238	1.0%	1.8%	64	1%
Department of Insurance	107,661,543	40,701,878	66,959,665	10.0%	12.0%	465	11%
NC Industrial Commission	24,375,670	13,197,319	11,178,351	2.3%	2.0%	144	3%
Lieutenant Governor	1,235,456	4,420	1,231,036	0.1%	0.2%	9	0%
Department of Military & Veterans Affairs	13,741,127	1,284,631	12,456,496	1.3%	2.2%	88	2%
Department of Revenue	208,915,742	93,227,537	115,688,205	19.4%	20.7%	1463	34%
Department of Secretary of State	18,635,005	843,379	17,791,626	1.7%	3.2%	181	4%
Department of State Treasurer	74,606,990	69,328,717	5,278,273	6.9%	0.9%	411	10%
DST - Line of Duty Benefits	33,576,923	321,500	33,255,423	3.1%	5.9%	0	0%
TOTALS	\$ 1,077,485,505	\$ 518,373,510	\$ 559,111,995	100.0%	100.0%	4,283	100%
Notes: FTE = Full-Time Equivalent							
Source: NC Accounting System, December 2022 Authorized Budgets and FY 2022-23 Certified Budgets (BD 307)							

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General Fund Budget Overview

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Certified	FY 2022-23 Authorized
Requirements	\$8,531,226	\$15,237,683	\$11,721,691	\$8,978,843
Receipts	173,162	578,076	572,651	131,780
Net Appropriations	8,358,064	14,659,607	11,149,040	8,847,063
FTE	55	65	68	68

*FTE = Full Time Equivalents

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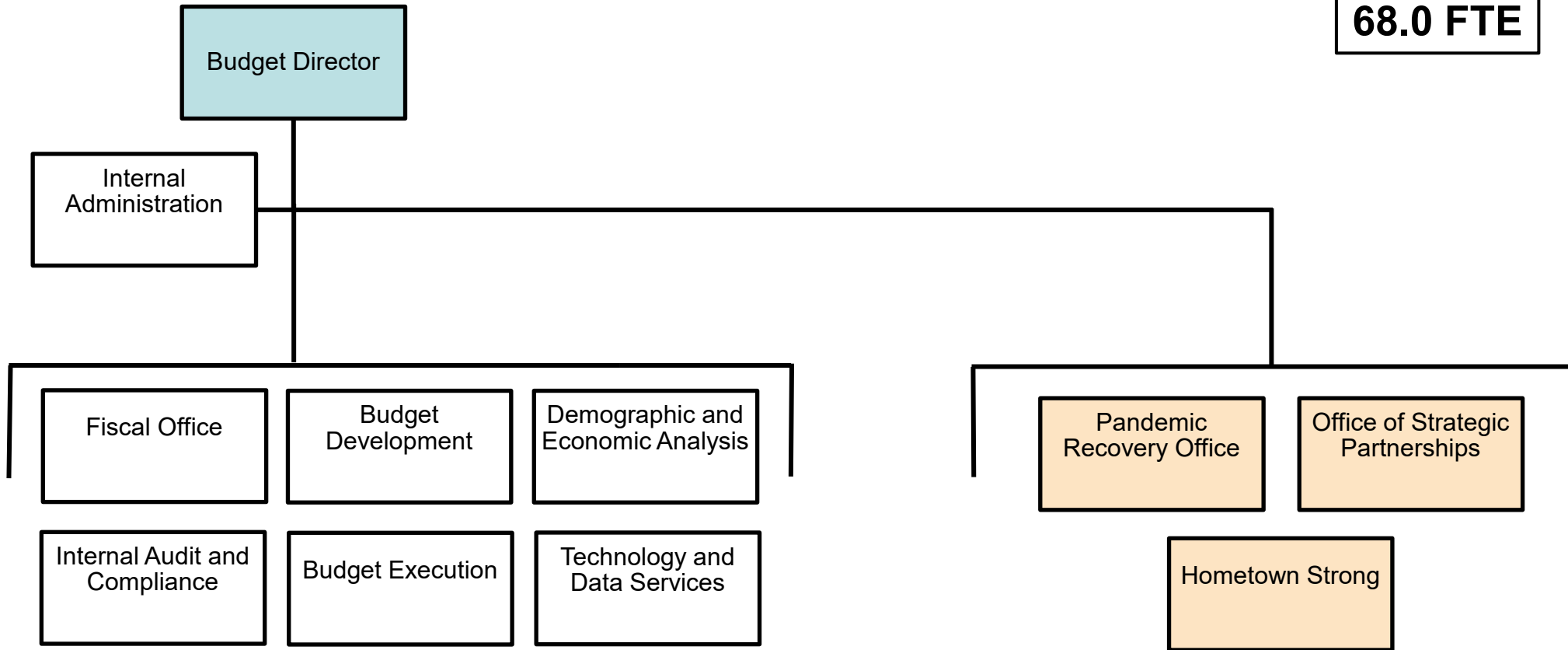
History of Reversions

	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Actual	Average
Reversions	\$5,505	\$83,342	\$142,968	\$197,798	\$153,795	\$116,681
Reversion % of Appropriation	0.07%	1.00%	1.71%	2.26%	1.04%	1.20%

Key takeaway - the majority of reversions are the result of vacant positions.

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68.0 FTE



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NC Pandemic Recovery Office (NCPRO)

- Established by S.L. 2020-4
- Authorized through June 30, 2023 (S.L. 2021-180, Section 23.2)
- Oversees and coordinates disbursement of funds as directed by the North Carolina General Assembly and federal government
- Reports periodically to the Joint Legislative Commission on Government Operations:
 - Quarterly on allocations of coronavirus relief funds (S.L. 2021-1, Sec. 3.1)
 - Monthly on unexpended amounts from those allocations (S.L. 2021-1, Sec. 1.7(b))
 - Monthly on the number of staff hired by NCPRO (S.L. 2021-1, Sec. 4.3.(b))

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Results First Initiative

- Partnership with Pew Charitable Trusts
- Initiative aims to provide State and local governments with training and resources to assess the effectiveness of existing programs and evaluate costs and benefits
- S.L. 2017-57, Sec. 26.3 directed OSBM to report annually on the status of implementing Results First principles in North Carolina
- Related to broader performance management efforts:
 - Governor's Advisory Committee on Performance Management
 - Performance Management Academy
 - Office of Strategic Partnerships

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Office of Strategic Partnerships

- 4 receipt-supported FTE funded via grants
- Coordinates partnerships between State agencies, research institutions, and nonprofits organizations on projects meant to improve State agency programs and operations

Questions?

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