

2023-24 Operating Budget Allocations

This document includes recommended allocations for operating funding, as well as additional information about the 2023-24 budget. A comparison of the final enacted budget to the University of North Carolina Board of Governors budget priorities can be found in Appendix A.

It is recommended that the following proposed allocations for FY 2023-24 be approved, and that the president be authorized to make refinements in the interest of accuracy and completeness. It is also recommended that the president be authorized to seek such concurrence as may be required of the director of the budget in the allocation of budget priorities.

A. Recommended Allocations for Items Requiring Board Approval

Table 1 summarizes the operating allocations requiring Board of Governors approval. Following the table is a summary of the methodology for each allocation.

Table 1: 2023-24 Recommended Allocations

Institution	Performance-Weighted Enrollment Change Funding	Completion Assistance Program (NR)	Athletic Department Operating Support	Nursing Faculty – Salary Adjustments	Other	Total
App State	\$(1,189,804)	-	-	\$261,092	-	(\$1,006,492)
ECU	(5,800,657)	-	-	1,533,804	1,000,000	(3,192,643)
ECSU	719,373	66,744	1,000,000	-	-	1,786,117
FSU	(1,419,789)	242,562	1,000,000	403,630	-	207,728
N.C. A&T	(2,767,470)	477,883	1,000,000	232,385	-	(1,032,950)
NCCU	(1,854,443)	206,353	1,000,000	123,750	-	(409,784)
NC State	924,773	-	-	-	3,000,000	3,924,773
UNCA	(1,444,512)	68,088	1,000,000	-	-	(376,424)
UNC-CH	7,573,657	-	-	958,772	-	9,030,988
UNCC	(151,229)	-	-	678,315	-	472,032
UNCG	(3,560,173)	528,202	1,000,000	848,720	-	(1,133,742)
UNCP	(4,068,183)	217,328	1,000,000	224,460	-	(2,520,893)
UNCW	269,462	-	1,000,000	1,959,214	-	2,754,290
UNCSA	364,785	-	-	-	-	364,785
WCU	(1,342,882)	-	1,000,000	740,767	-	291,378
WSSU	(3,002,877)	192,840	1,000,000	546,640	-	(1,397,583)
NCSSM	35,991	-	-	-	-	35,991
System Office	-	-	-	-	5,600,000	5,600,000
UNC Health	-	-	-	-	59,000,000	59,000,000
Total	\$(16,713,978)	\$2,000,000	\$10,000,000	\$8,511,549	\$68,600,000	\$72,397,571

The amounts shown for Performance-Weighted Enrollment Change include both recurring and nonrecurring dollars. See Table 2 for more detail.

1. Performance-Weighted Enrollment Change Funding

Enrollment funding was reduced by \$52,472,417 recurring in response to lower enrollments at University of North Carolina institutions. The funding reduction was partially offset by increased appropriations for performance change and a cap on enrollment loss. The performance change funding is \$32,921,356 nonrecurring and based on each institution's performance according to metrics related to student success, affordability, and productivity. The cap on enrollment loss funding of \$2,837,084 nonrecurring ensures that no institution experiences more than a 4.5 percent decline in its student credit hour enrollment factor over the past two years, as compared to its certified budget. The General Assembly made the appropriation to the UNC System Office, Institutional Programs (BOG Reserve). The UNC System based its enrollment funding request on actual credit hours completed in arrears. It is recommended that the enrollment change funding be allocated as shown in Table 2. *(Note: The General Assembly also appropriated \$60,000,000 recurring in 2024-25 to a reserve fund for education enrollment needs.)*

Table 2: 2023-24 Performance-Weighted Enrollment Change Funding

Institution	Recurring	Nonrecurring		Total
	Enrollment Change	Performance Change	Cap on Enrollment Loss	
App State	\$(1,518,851)	\$329,047	-	\$(1,189,804)
ECU	(8,366,492)	2,565,835	-	(5,800,657)
ECSU	291,781	427,592	-	719,373
FSU	(1,659,319)	239,530	-	(1,419,789)
N.C. A&T	(4,396,677)	1,629,206	-	(2,767,470)
NCCU	(2,445,568)	591,124	-	(1,854,443)
NC State	(6,583,499)	7,508,272	-	924,773
UNCA	(1,973,356)	44,206	484,639	(1,444,512)
UNC-CH	1,676,414	5,897,243	-	7,573,657
UNCC	(5,850,900)	5,699,671	-	(151,229)
UNCG	(8,307,585)	2,394,967	2,352,445	(3,560,173)
UNCP	(5,549,862)	1,481,679	-	(4,068,183)
UNCW	(2,033,965)	2,303,427	-	269,462
UNCSA	(118,925)	483,710	-	364,785
WCU	(2,515,744)	1,172,862	-	(1,342,882)
WSSU	(3,155,862)	152,985	-	(3,002,877)
NCSSM	35,991	-	-	35,991
Total	\$(52,472,417)	\$32,921,356	\$2,837,084	\$(16,713,978)

2. Completion Assistance Program

The General Assembly provided nonrecurring funds of \$2 million in receipts in each year of the biennium from the Escheats Fund for the Completion Assistance Programs at selected institutions. The funds will provide aid to students who are on track to graduate but at risk of dropping out because of financial shortfalls. The funds are allocated proportional to the number of in-state federal Pell Grant recipients at the selected institutions. It is recommended that these funds be allocated as shown in Table 3.

Table 3: FY 2023-24 Completion Assistance Program

Institution	Program Allocation (Nonrecurring)
ECSU	\$66,744
FSU	242,562
N.C. A&T	477,883
NCCU	206,353
UNCA	68,088
UNCG	528,202
UNCP	217,328
WSSU	192,840
Total	\$2,000,000

3. Athletic Department Operating Support

The General Assembly provided nonrecurring funds of \$10 million in FY 2023-24 and \$7 million in FY 2024-25 to the UNC Board of Governors to distribute equally among the selected institution athletic departments. The athletic departments of the selected institutions shall submit a plan to the President detailing the economic benefit to the institution and the service region that the athletics program provides. Upon approval of the submitted plan by the president, it is recommended that these funds be allocated as shown in Table 4.

Table 4: FY 2023-24 Athletic Department Operating Support

Institution	Program Allocation (Nonrecurring)
ECSU	\$1,000,000
FSU	1,000,000
N.C. A&T	1,000,000
NCCU	1,000,000
UNCA	1,000,000
UNCG	1,000,000
UNCP	1,000,000
UNCW	1,000,000
WCU	1,000,000
WSSU	1,000,000
Total	\$10,000,000

4. Nursing Faculty – Salary Adjustments

The General Assembly appropriated \$8,511,549 in recurring funds to provide across-the-board salary increases for nursing faculty. Nursing faculty starting pay shall be increased by an additional 10 percent and other nursing faculty may receive salary increases of up to 15 percent. The funds are allocated to institutions based upon the total number of nursing student credit hours at the institution. It is recommended that these funds be allocated as shown in Table 5.

Table 5: FY 2023-24 Nursing Faculty Salary Adjustment

Institution	Program Allocation (Recurring)
App State	\$261,092
ECU	1,533,804
FSU	403,630
N.C. A&T	232,385
NCCU	123,750
UNC-CH	958,772
UNCC	678,315
UNCG	848,720
UNCP	224,460
UNCW	1,959,214
WCU	740,767
WSSU	546,640
Total	\$8,511,549

5. University Cancer Research Fund

The General Assembly provided recurring funding of \$43.5 million to the University Cancer Research Fund to support cancer research at UNC Health and the Lineberger Comprehensive Cancer Center. The funding replaces receipts previously budgeted from tax collections on tobacco products. It is recommended that these funds be allocated as shown in Table 6.

Table 6: FY 2023-24 University Cancer Research Fund

Institution	Program Allocation (Recurring)
UNC Health	\$43,500,000

6. Rural Health Care Stabilization Program

The General Assembly provided nonrecurring funding of \$12.5 million in each year of the biennium to the UNC Board of Governors to allocated to the Rural Health Care Stabilization Program to provide loans to eligible hospitals in rural areas experiencing financial crisis. It is recommended that these funds be allocated as shown in Table 7.

Table 7: FY 2023-24 Rural Health Care Stabilization Program

Institution	Program Allocation (Nonrecurring)
UNC Health	\$12,500,000

7. Systemwide Cybersecurity

The General Assembly appropriated recurring funding of \$2.35 million and nonrecurring funding of \$3.25 million to the UNC Board of Governors for systemwide approach to central log management, network monitoring, endpoint detection and response, and other cybersecurity operational needs. It is recommended that these funds be allocated as shown in Table 8.

Table 8: FY 2023-24 Systemwide Cybersecurity

Institution	Program Allocation (Recurring)	Program Allocation (Nonrecurring)
UNC Board of Governors	\$2,350,000	\$3,250,000

8. Education and Workforce Training Opportunities for Individuals with Disabilities

The General Assembly appropriated recurring funding of \$3 million to the UNC Board of Governors to allocate to education, training, and workforce programs at NC State University for individuals with intellectual disabilities. North Carolina Central University will adopt the program developed by NC State and receive \$3 million in recurring funding beginning in FY 2024-25. It is recommended that these funds be allocated as shown in Table 9.

Table 9: FY 2023-24 Education and Workforce Training Opportunities for Individuals with Disabilities

Institution	Program Allocation (Recurring)
NC State	\$3,000,000

9. UNC Health Southeastern – Campbell University Residency Programs

The General Assembly provided nonrecurring funds of \$3 million in each year of the biennium to the UNC Board of Governors to allocate to UNC Health to support residency programs affiliated with Campbell University School of Medicine. It is recommended that these funds be allocated as shown in Table 10.

Table 10: FY 2023-24 Campbell University Residency Programs

Institution	Program Allocation (Nonrecurring)
UNC Health	\$3,000,000

10. NC New Teacher Support Program

The General Assembly provided recurring funds of \$1 million to the UNC Board of Governors to allocated to the North Carolina New Teacher Support Program at East Carolina University. The program assists beginning teachers through coaching and mentorship activities. It is recommended that these funds be allocated as shown in Table 11.

Table 11: FY 2023-24 NC New Teacher Support Program

Institution	Program Allocation (Recurring)
ECU	\$1,000,000

B. Budget Allocations Delegated to the President

1. Compensation Increase Reserve

The General Assembly appropriated \$139,371,162 in recurring funds for 2023-24 for a four percent across-the-board salary increase and recurring funds of \$241,897,638 in 2024-25 for an additional three percent increase for UNC System employees both subject to and exempt from the State Human Resources Act (SHRA and EHRA). Although funding for compensation was appropriated directly to the UNC System budget, the allocation will be approved by the Office of State Budget and Management based on actual employee salary data as of June 30, 2023. The recurring funds will impact the employee's base salary and retirement contributions.

2. Faculty Retention Fund

The General Assembly appropriated \$15 million in recurring funds to support the UNC faculty recruitment and retention fund.

3. State Retirement Contributions – TSERS Members

The General Assembly appropriated \$12,236,616 in recurring funds and \$16,686,295 in nonrecurring funds in FY 2023-24 and \$15,295,770 in recurring funds in FY 2024-25 to fund the actuarially determined contribution and retiree medical premiums. The funds also provide a one-time cost of living supplement of four percent to retirees.

4. State Retirement Contributions – ORP Members

The General Assembly appropriated \$5,500,400 in recurring funds and \$1,787,630 in nonrecurring funds to fund retiree medical premiums for members of the Optional Retirement Program (ORP).

5. State Health Plan

The General Assembly appropriated \$5,569,488 in recurring funds in FY 2023-24 and \$24,296,891 recurring in FY 2024-25 to support health benefit coverage for enrolled active employees supported by the General Fund.

6. UNC Laboratory Schools

The General Assembly cut the appropriation to the UNC Laboratory Schools program by \$500,000 recurring in proportion to the decrease in the number of laboratory schools in operation.

7. Health Care Workforce Programs Expansion – UNC Institutions

The General Assembly appropriated \$15 million in nonrecurring funds in FY 2023-24 and \$25 million in nonrecurring funds in FY2024-25 to the UNC Board of Governors to allocate to constituent institutions to support the development and expansion of health care related degree courses.

8. UNC Faculty Realignment Program

The General Assembly appropriated \$16.8 million in nonrecurring funds in FY 2023-24 to the UNC Board of Governors to implement the Faculty Realignment Program with priority given to institutions most impacted by changing enrollment patterns.

9. Rural Residency Medical Education and Training Fund

The General Assembly appropriated \$11.25 million in nonrecurring funds in FY 2023-24 and \$8 million recurring and \$4.25 million nonrecurring in FY 2024-25 to the UNC Board of Governors to establish the UNC System Medical Education and Training Fund. Funding provided for this purpose shall support

training and residency programs associated with ECU Health, UNC Health, and UNC System constituent institution medical schools and health affairs programs.

10. NC Care Clinically Integrated Network

The General Assembly appropriated \$10 million in nonrecurring funds to the UNC Board of Governors to allocate to UNC Health to form a clinically integrated network (CIN) with ECU Health. Funding provided for this purpose is intended to connect UNC Health and ECU Health providers and facilities under the same CIN in support of the NC Care initiative.

11. Distinguished Professors Endowment Trust Fund

The General Assembly appropriated \$5 million in nonrecurring funds in both years of the biennium to the Distinguished Professors Endowment Trust Fund to address the backlog in state funds needed to match private donations to establish endowed professorships.

12. Information Technology Rates

The General Assembly appropriated \$67,333 in recurring funds for the increase in the Department of Information Technology (DIT) rates based on the 2023-24 approved rate. These funds were appropriated to the UNC System Office, Institutional Programs (Board Reserve), and it is recommended that the president be authorized to make further allocations.

C. *Appropriated Directly to Campuses and Other Entities*

The General Assembly increased appropriations directly to several institutional budgets, which do not require Board allocation. These are described on the following pages, for information only.

1. UNC School of Government

The General Assembly reduced the funding for the UNC School of Government at UNC-Chapel Hill by \$2.5 million on a nonrecurring basis.

2. Water Safety Act of 2023

The General Assembly appropriated \$6 million recurring and \$20 million nonrecurring to the Collaboratory at UNC-Chapel Hill to fulfill the requirements of the Water Safety Act of 2023. The funds will be used to study per- and polyfluoroalkyl substances (PFAS) and other research.

3. Energy Research and Development Partnerships

The General Assembly appropriated \$15 million in nonrecurring funds to the Collaboratory at UNC-Chapel Hill to create academic research partnerships with North Carolina businesses that work in next-generation energy fields.

4. UNC-Chapel Hill Computer Science Program Expansion

The General Assembly appropriated \$7.5 million recurring and \$2.5 million nonrecurring to UNC-Chapel Hill to expand its computer science program to include applications in data science.

5. Opioid Remediation Research and Development

The General Assembly appropriated \$5.2 million in nonrecurring receipts in FY 2023-24 and \$5.5 million nonrecurring receipts in FY 2024-25 from the Opioid Abatement Trust Fund to the Collaboratory at UNC-Chapel Hill for competitive grants to UNC constituent institutions for opioid abatement research and development projects.

6. Artificial Intelligence Study

The General Assembly appropriated \$3.5 million in nonrecurring funds to the Collaboratory at UNC-Chapel Hill to study the use of artificial intelligence in improving nonconfidential patient information.

7. Digital Engineering Grants

The General Assembly appropriated \$2 million in recurring funds to the Collaboratory at UNC-Chapel Hill to distribute grants that support digital engineering activities at UNC constituent institutions.

8. School of Civic Life and Leadership

The General Assembly appropriated \$2 million in nonrecurring funds in both years of the biennium to provide academic startup funds to UNC-Chapel Hill to create and operate a new School of Civic Life and Leadership. Funding provided for this purpose shall support development of the school and the initial hiring of faculty and staff.

9. Recovery Court Study

The General Assembly appropriated \$300,000 in nonrecurring receipts from the Opioid Abatement Reserve to the Collaboratory at UNC-Chapel Hill to study existing judicially managed accountability and recovery courts and the potential for statewide implementation.

10. FerryMon Water Monitoring

The General Assembly appropriated \$170,000 in nonrecurring receipts in both years of the biennium from the State Emergency Response and Disaster Relief Fund (SERDRF) to the Collaboratory at UNC-Chapel Hill for the continuation of a ferry-based water quality monitoring system.

11. ModMon River Monitoring

The General Assembly appropriated \$160,000 in nonrecurring receipts in both years of the biennium from the SERDRF to the Collaboratory at UNC-Chapel Hill for the continuation of a water quality modeling and monitoring program in the Neuse River and Neuse River estuary.

12. Department of Health Sciences Provider Education and Training

The General Assembly appropriated \$2 million in nonrecurring receipts from the American Rescue Plan Act (ARPA) Temporary Savings Fund to the Department of Health Sciences in the UNC School of Medicine at UNC-Chapel Hill to support an expansion of health care provider education and training.

13. Team-Based Clinical Teaching Hubs

The General Assembly appropriated \$1 million in nonrecurring receipts from the ARPA Temporary Savings Fund in FY 2023-24 and \$1 million recurring appropriation in FY 2024-25 to the Area Health Education Centers (AHEC) at UNC-Chapel Hill to develop five outpatient team-based clinical teaching sites in rural areas of the state.

14. Engineering North Carolina's Future NC State

The General Assembly appropriated \$10 million in recurring funds to NC State for faculty, staff, equipment, facility improvements, and other resources needed to support an expansion of the College of Engineering.

15. Veterinary Medicine Class Size Expansion

The General Assembly appropriated \$5.5 million in recurring funds to NC State's College of Veterinary Medicine to increase class size from 100 to 125 students.

16. Small Business and Technology Development Center

The General Assembly appropriated \$1 million in recurring funds to the Small Business and Technology Development Center (SBTDC), which is administratively housed at NC State, to support additional positions at the SBTDC main and regional offices.

17. NC Clean Energy Technology Center

The General Assembly appropriated \$400,000 in nonrecurring funds to the NC Clean Energy Technology Center at NC State.

18. Green Industry Economic Impact Study

The General Assembly appropriated \$350,000 in nonrecurring funds to NC State's College of Agriculture and Life Sciences to study the statewide, regional, and county-level economic impact of the green industry in the state.

19. NC State Agricultural Research Platform

The General Assembly appropriated \$650,000 in recurring funds in FY 2023-24 and an additional \$350,000 recurring in FY 2024-25 to NC State to contract with SAS Institute for an agricultural research platform to enrich research initiatives and support future grant opportunities.

20. NC State Christmas Tree Genetics Program

The General Assembly appropriated \$150,000 in recurring funds to the Christmas Tree Genetics Program at NC State's College of Natural Resources.

21. North Carolina Future Farmers of America CTE Grants

The General Assembly appropriated \$2 million in nonrecurring funds in both years of the biennium to NC State for a grant to the North Carolina Association of Future Farmers of America Inc. (FFA). FFA shall administer grants to support agriculture education at middle and high school career and technical education (CTE) programs.

22. UNCG Scholastic Esports League

The General Assembly appropriated \$1.45 million recurring appropriation and \$7 million nonrecurring receipts from the State Fiscal Recovery Reserve in both years of the biennium to form the University of North Carolina at Greensboro Scholastic Esports Alliance, which will be a statewide esports league for North Carolina middle and high schools.

23. UNCG Information Technology Support

The General Assembly appropriated \$4 million nonrecurring receipts from the State Fiscal Recovery Reserve in both years of the biennium to UNCG for critical information technology infrastructure improvements.

24. Engineering North Carolina's Future UNC Charlotte

The General Assembly appropriated \$5 million in recurring funds to University of North Carolina at Charlotte for faculty, staff, equipment, facility improvements, and other resources needed to support an expansion of the College of Engineering.

25. Esports Programming Support

The General Assembly appropriated \$250,000 in nonrecurring funds in both years of the biennium to UNC Charlotte to support esports programming.

26. UNCW Research Programs in Critical Workforce Areas

The General Assembly appropriated \$8 million in recurring funds to University of North Carolina Wilmington to expand research programs in critical workforce areas. Funding provided for this purpose shall only be used to increase research expenditures and shall not supplant existing funds.

27. UNCW Comprehensive Transition Program Development

The General Assembly appropriated \$500,000 in recurring funds to UNCW to develop and operate a comprehensive transition program for students with intellectual disabilities.

28. ECU Primary Care Programs Expansion

The General Assembly appropriated \$6,126,102 in nonrecurring funds in FY 2023-24 and \$9,363,534 recurring appropriation and \$693,000 nonrecurring ARPA Temporary Savings Fund in FY 2024-25 to East Carolina University to support various health care degree programs. Funds shall be used to expand the Brody School of Medicine class size by 40 students, to increase the number of nursing degrees at the College of Nursing, to double the size of the physician assistant program, and to grow the services clinic under the health psychology doctoral program.

29. ECU Medical Examiner's Office Operating Funds

The General Assembly appropriated \$1 million in recurring funds to ECU to support the added operating costs associated with the replacement of an existing medical examiner's office.

30. N.C. A&T Premier Research Institution Funding

The General Assembly appropriated \$10 million recurring and \$5 million nonrecurring to North Carolina A&T State University to support its efforts to be recognized as a leading R1 research university as defined by the Carnegie Classification of Institutions of Higher Education. Funding provided for this purpose shall be used for programs, research faculty and staff, research expenditures, and building infrastructure.

31. N.C. A&T Agriculture Research and Extension

The General Assembly appropriated \$10,660,661 in recurring funds to N.C. A&T to support agriculture research and Cooperative Extension programs, which have a focus on small farmers and limited resource communities.

32. Engineering North Carolina's Future N.C. A&T

The General Assembly appropriated \$5 million in recurring funds to N.C. A&T for faculty, staff, equipment, facility improvements, and other resources needed to support an expansion of the College of Engineering.

33. N.C. A&T Agricultural Research Platform

The General Assembly appropriated \$1 million in recurring funds to N.C. A&T to contract with SAS Institute for an agricultural research platform to enrich research initiatives and support future grant opportunities.

34. N.C. A&T Center for Energy Research and Technology

The General Assembly appropriated \$200,000 in nonrecurring funds to N.C. A&T's Center for Energy Research and Technology.

35. WCU Engineering Expansion

The General Assembly appropriated \$3,500,000 in recurring funds to Western Carolina University to expand its College of Engineering and Technology to support robotics, energy, controls, and automation concentrations.

36. App State Hickory Campus Operating and Startup Funds

The General Assembly appropriated \$3,096,291 recurring appropriation and \$2,416,888 nonrecurring receipts in FY 2023-24 and \$4,714,830 recurring appropriation and \$1,477,752 nonrecurring receipts in FY 2024-25 to Appalachian State University to support the new Hickory Campus, including costs associated with building operation and academic instruction. The nonrecurring receipts are transferred from the State Fiscal Recovery Reserve.

37. App State Beaver College of Health Sciences

The General Assembly appropriated \$225,000 in nonrecurring receipts from the ARPA Temporary Savings Fund to App State's Beaver College of Health Sciences to purchase equipment.

38. App State Appalachian Energy Center

The General Assembly appropriated \$200,000 in nonrecurring funds to App State Appalachian Energy Center.

39. UNCP Health Sciences

The General Assembly appropriated \$10 million in nonrecurring receipts from the ARPA Temporary Savings Fund in both years of the biennium to University of North Carolina at Pembroke to provide support for new health care-oriented programs at UNCP to meet regional workforce demands.

40. NCCU Storm Damage Repairs

The General Assembly appropriated \$50,000 in nonrecurring receipts from the SERDRF to repair storm damage at NCCU.

41. NCSSM Dining, Housekeeping, and Security Services

The General Assembly appropriated \$1.5 million in recurring funds to NCSSM to improve dining services, hire housekeeping staff, and bolster security services.

42. NCSSM Storm Damage Repairs

The General Assembly appropriated \$264,000 in nonrecurring receipts from the SERDRF to repair storm damage at North Carolina School of Science and Mathematics.

43. Athletic Department Support from Sports and Horse Wagering Receipts

The General Assembly budgeted anticipated receipts from S.L. 2023-42, Sports Wagering/Horse Racing Wagering, to support the collegiate athletic departments for \$1,164,615 recurring each at App State, ECU, ECSU, FSU, N.C. A&T, NCCU, UNCA, UNC Charlotte, UNCG, UNCP, UNCW, WCU, and WSSU beginning in FY 2024-25.

44. State Education Assistance Authority and Aid to Private Institutions

The General Assembly appropriated funds to the North Carolina State Education Assistance Authority and to programs for private institutions. Descriptions of these items can be found in Appendix C.

Appendix A: FY 2023-25 Operating Budget Comparison

	UNC Budget Priorities		Conference Budget	
	FY 2023-24	FY 2024-25	FY 2023-24	FY 2024-25
UNC Base Budget	3,338,170,416	3,338,147,695	3,338,170,416	3,338,147,695
UNC System Priorities				
Faculty Realignment (Retirement Incentive) Program	16,800,000 NR	-	16,800,000 NR	
UNC Performance-Weighted Enrollment Change <i>Note: \$60M has been reserved in FY25 for education enrollment adjustments.</i>	(16,713,978)	5,000,000	(52,472,417) 35,758,440 NR	(52,472,417)
Completion Assistance Programs ³	10,500,000	10,500,000	\$2M in receipts NR	\$2M in receipts NR
Cybersecurity ⁴	5,350,000 3,250,000 NR	5,350,000 -	2,350,000 \$3.25M in receipts NR	2,350,000
Distinguished Professorship Matching Funds ⁵	10,000,000 NR	10,000,000 NR	\$5M in receipts NR	\$5M in receipts NR
Total Recommended UNC System Priority Budget Changes	29,186,022	30,850,000	2,436,023	(50,122,417)
Faculty and Staff Salaries				
Conference budget includes a 4% across-the-board increase in FY23-24 and an additional 3% in FY24-25.	UNC System requests equity with State agencies and strongly supports Labor Market Adjustment Reserve funding.		139,371,162	241,897,638
Labor Market Salary Adjustment Reserve			-	-
Nursing Faculty - Salary Adjustments	-	-	8,511,549	8,511,549
State Retirement Contributions ⁶	-	-	17,737,016 1,787,630 NR \$16.7m in receipts NR	20,796,170
State Health Plan	-	-	5,569,488	24,296,891
UNC Institution-Specific Requests				
ECU- Growing Primary Care Workforce	5,433,107 693,000 NR	9,363,534 693,000 NR	\$6.1M in receipts NR	9,363,534 \$693k in receipts NR
N.C. A&T- Premier Research Institution Funding	10,000,000 5,000,000 NR	10,000,000	10,000,000 5,000,000 NR	10,000,000
N.C. A&T- Agriculture Research and Extension	10,660,611	10,660,611	10,660,661	10,660,661
UNCP- Health Sciences New Program Development	1,000,000 1,000,000 NR	1,000,000 1,000,000 NR	\$10M in receipts NR	\$10M in receipts NR
NCSU- Veterinary Medicine Class Size Expansion	5,500,000	5,500,000	5,500,000	5,500,000
UNCCH- Computer Science Program Expansion	7,500,000 2,500,000 NR	7,500,000 -	7,500,000 2,500,000 NR	7,500,000 -
UNCC- Data Science Program Expansion	3,000,000 3,000,000 NR	3,000,000 3,000,000 NR	- -	- -

	UNC Budget Priorities		Conference Budget	
	FY 2023-24	FY 2024-25	FY 2023-24	FY 2024-25
UNCW- Critical Workforce Programs, Research, and Teaching	5,000,000 3,000,000 NR	5,000,000 3,000,000 NR	8,000,000	8,000,000
WCU- Expand Engineering to Meet Regional Industrial Needs	3,500,000 3,500,000 NR	3,500,000	3,500,000	3,500,000
ASU- Hickory Campus Building Reserves & Academic Start-Up ⁵	3,096,291 2,416,888 NR	4,714,830 1,477,752 NR	3,096,291 \$2.4M in receipts NR	4,714,830 \$1.47M in receipts NR
ECU- Eastern NC Merit Scholarship Program	2,000,000	2,000,000	-	-
UNCG- Create Prosperity Scholars Program	5,000,000	5,000,000	-	-
UNCSA- Student Mental and Physical Health	1,000,000	1,000,000	\$1M from SCIF to UNCSA Foundation NR	-
NCSSM- Dining, Housekeeping, and Security Services	1,500,000	1,500,000	1,500,000	1,500,000
PBS NC- Audio/Video Production Systems	3,130,000 NR	-	-	-
Other UNC System Items				
Faculty Recruitment and Retention	-	-	15,000,000	15,000,000
UNC Laboratory Schools	-	-	(500,000)	(500,000)
University Cancer Research Fund	-	-	43,500,000	43,500,000
Healthcare Workforce Programs Expansion - UNC Institutions	-	-	\$15M in receipts NR	\$25M in receipts NR
Rural Health Care Stabilization Program	-	-	\$12.5M in receipts NR	\$12.5M in receipts NR
Rural Residency Medical Education and Training Fund	-	-	\$11.25M in receipts NR	8,000,000 \$4.25M in receipts NR
Athletic Department Operating Support	-	-	10,000,000 NR	7,000,000 NR
Athletic Department Support from Sports Wagering Receipts				\$15.1M in receipts
NC Care Clinically Integrated Network	-	-	\$10M in receipts NR	
NCCU/NCSSU - Education and Workforce Training Opportunities	-	-	3,000,000	6,000,000
UNC Health Southeastern - Campbell U. Residency Programs	-	-	\$3M in receipts NR	\$3M in receipts NR
New Teacher Support Program	-	-	1,000,000	1,000,000
Information Technology Rates	-	-	67,333	67,333
Children and Adolescent Mental Health Facility Planning Funds ¹⁰	-	-		
NC Care Community Hospitals ¹⁰	-	-		
UNCCH - School of Government	-	-	(2,500,000) NR	
UNCCH - Water Safety Act of 2023	-	-	6,000,000	6,000,000
	-	-	20,000,000 NR	
UNCCH - Energy Research and Development Partnerships	-	-	15,000,000 NR	
UNCCH - Opioid Remediation Research and Development ⁷	-	-	\$5.2M in receipts NR	\$5.5M in receipts NR
UNCCH - Artificial Intelligence Study			3,500,000 NR	
UNCCH - Digital Engineering Grants			2,000,000	2,000,000
UNCCH - School of Civic Life and Leadership	-	-	2,000,000 NR	2,000,000 NR

	UNC Budget Priorities		Conference Budget	
	FY 2023-24	FY 2024-25	FY 2023-24	FY 2024-25
UNCCH - Recovery Court Study ⁷	-	-	\$300k in receipts NR	
UNCCH - FerryMon Water Monitoring ⁸	-	-	\$170k in receipts NR	\$170k in receipts NR
UNCCH - ModMon River Monitoring ⁸	-	-	\$160k in receipts NR	\$160k in receipts NR
UNCCH - Health Sciences Provider Education & Training			\$2M in receipts NR	
UNCCH - Gillings School of Global Public Health ¹⁰	-	-		
UNCCH - School of Law ¹⁰	-	-		
UNCCH AHEC - Team-Based Clinical Teaching Hubs	-	-	\$1M in receipts NR	1,000,000
NCSU - Engineering North Carolina's Future	-	-	10,000,000	10,000,000
NCSU - Small Business and Technology Development Center	-	-	1,000,000	1,000,000
NCSU - NC Clean Energy Technology Center	-	-	400,000 NR	
NCSU - Green Industry Economic Impact Study			350,000 NR	
NCSU - Agricultural Research Platform	-	-	650,000	1,000,000
NCSU - Christmas Tree Genetics Program	-	-	150,000	150,000
NCSU - North Carolina Future Farmers of America CTE Grants	-	-	2,000,000 NR	2,000,000 NR
UNCG - Scholastic Esports League ⁵	-	-	1,450,000	1,450,000
	-	-	\$7M in receipts NR	\$7M in receipts NR
UNCG - Information Technology Support ⁵	-	-	\$4M in receipts NR	\$4M in receipts NR
UNCC - Engineering North Carolina's Future	-	-	5,000,000	5,000,000
UNCC - Esports Programming Support	-	-	250,000 NR	250,000 NR
UNCW - Comprehensive Transition Program Development	-	-	500,000	500,000
ECU - Mobile Medical Outreach ¹⁰	-	-		
ECU - Medical Examiner's Office Operating Funds	-	-	1,000,000	1,000,000
N.C. A&T - Engineering North Carolina's Future	-	-	5,000,000	5,000,000
N.C. A&T - Agricultural Research Platform	-	-	1,000,000	1,000,000
N.C. A&T - Center for Energy Research and Technology	-	-	200,000 NR	
WCU - Mobile Medical Outreach ¹⁰	-	-		
ASU - Beaver College of Health Sciences	-	-	\$225k in receipts NR	
ASU - Appalachian Energy Center	-	-	200,000 NR	
NCSSM - Storm Damage Repairs ⁸			\$264k in receipts NR	
NCCU - Storm Damage Repairs ⁸			\$50k in receipts NR	
FSU - Risk Management School ⁹			\$2.5M in receipts NR	
Total Recurring Operating Changes	63,326,031	90,588,975	266,641,083	414,286,189
Total Nonrecurring Operating Changes	54,289,888	19,170,752	113,246,070	11,250,000
Total Recommended FY 23-25 UNC Budget	3,455,786,335	3,447,907,422	3,718,057,569	3,763,683,884
Total Percent Change	3.5%	3.3%	11.4%	12.7%

	UNC Budget Priorities		Conference Budget	
	FY 2023-24	FY 2024-25	FY 2023-24	FY 2024-25
SEAA & Aid to Private Institutions Base Budget (Budget Codes 16012 & 16015)	467,548,175	483,548,175	467,548,175	483,548,175
Opportunity Scholarship Reserve	-	-	87,000,000	163,000,000
Opportunity Scholarship Program Award Funds ¹⁰				
Need-Base Assistance Program Technical Adjustment	-	-	1,237,500	1,237,500
Growing Health Care Workforce Grant to NCICU ¹⁰	-	-		
Longleaf Commitment Community College Grant Program ³	-	-	125,000 <i>\$12.4M in receipts</i>	125,000 <i>\$12.4M in receipts</i>
State Education Assistance Authority IT Enhancements ⁴	-	-	<i>\$15.6M in receipts</i> NR	<i>\$25.5M in receipts</i> NR
Children of Wartime Veterans Scholarship Transfer ³				2,669,504 <i>\$10.9M in receipts</i>
Children of Wartime Veterans Scholarship Administration ³	-	-		<i>\$150k in receipts</i>
North Carolina Need-Based Scholarship ¹⁰	-	-		
NCSSM/UNCSA Tuition Grant Scale-up and Private Inst. Inclusion ¹⁰	-	-		
NCSSM/UNCSA Tuition Grant Scale-up	-	-	1,550,000	3,600,000
Washington Center Internship Scholarship Program	-	-	250,000 NR	250,000 NR
Need-Based Scholarship for Public Colleges and Universities ³	-	-	(10,625,000) <i>\$10.6M in receipts</i>	(10,625,000) <i>\$10.6M in receipts</i>
Primary Care Providers and Psych. Forgivable Loan Program	-	-	<i>\$8M in receipts</i> NR	<i>\$8M in receipts</i> NR
Common Digital Transcript ⁴			<i>\$7M in receipts</i> NR	
High Point University Healthcare Start-up Funds	-	-	<i>\$1.5M in receipts</i> NR	
Total SEAA and Aid to Private Institutions	467,548,175	483,548,175	547,085,675	643,805,179

Note: 1) All items are recurring unless specified as nonrecurring.

2) All receipts supported items funded by ARPA Temporary Savings Fund unless otherwise noted.

3) Receipts budgeted from the Escheat Fund.

4) Receipts budgeted from the Information Technology Reserve.

5) Receipts budgeted from interest earned on State Fiscal Recovery Reserve.

6) Receipts budgeted from the Retiree Supplement Reserve.

7) Receipts budgeted from the Opioid Abatement Fund.

8) Receipts budgeted from the State Emergency Response and Disaster Relief Fund.

9) Receipts budgeted from the Regional Economic Development Reserve.

10) Item was included in either the House or Senate budget, but was not included in BOG Priorities or Conference budget.

Appendix B: UNC-Related Provisions Summary

Link to full bill text: [S.L.2023-134](#)

Section & Title		House Budget	Senate Budget	Conference Budget
UNC Section				
8.1	UNC/Escheats Fund for Student Financial Aid Programs	Requires the financial aid from the Escheat Fund to be allocated in accordance with G.S. 116-B7 and allows the principal of the Escheat Fund to be used for scholarships if the interest is insufficient provided the principal does not drop below the statutory amount. Requires the State Education Assistance Authority (SEAA) to conduct periodic evaluations of its financial aid programs and allows SEAA to make recommendations to the presidents of the UNC and Community College systems regarding the redistribution of unutilized funds.	Same as House Budget	Same as House Budget
8.2	UNC Building Reserve Study	Requires the BOG to report to the Joint Legislative Education Oversight Committee (JLEOC) and the Fiscal Research Division (FRD) by April 1, 2024 on the building reserve model. The report should include an analysis of the expenditures on operations and maintenance, number of full-time positions for building operations and maintenance, recurring expenditures generated by the current building reserve model.	Same as House Budget	Same as House Budget

Section & Title		House Budget	Senate Budget	Conference Budget
8.3	Completion Assistance Programs	Directs the BOG to establish the Completion Assistance Program at ECSU, FSU, N.C. A&T, NCCU, UNCA, and UNCP. Sets the maximum annual grant to students at \$5,000 and creates the eligibility requirements. Requires the BOG to report to the JLEOC by March 15, 2025 on the effect of the program on graduation rates and debt at graduation. Requires the BOG to allocate the funds for the program proportionately between the institutions based upon the number of undergraduate students enrolled at the institution that are NC residents and recipients of Pell Grants.	Directs the BOG to establish the Completion Assistance Program at ECSU, FSU, N.C. A&T, NCCU, UNCA, and UNCP. Sets the maximum annual grant to students at \$1,000 and creates the eligibility requirements. Requires the BOG to report to the JLEOC annually by March 15 on the effect of the program on graduation rates and debt at graduation. Requires the BOG to allocate the funds equally to the eligible institutions.	Directs the BOG to establish the Completion Assistance Program at ECSU, FSU, N.C. A&T, NCCU, UNCA, UNCG, UNCP, and WSSU. Sets the maximum annual grant to students at \$1,000 and creates the eligibility requirements. Requires the BOG to report to the JLEOC by March 15, 2025 on the effect of the program on graduation rates and debt at graduation. Requires the BOG to allocate the funds based upon the number of Pell Grant recipients at the eligible institutions.

Section & Title		House Budget	Senate Budget	Conference Budget
8.4	NC AHEC to Establish Team-Based Care Clinical Teaching Hubs and Study Impediments to the Availability of Community-Based Preceptors	Requires North Carolina Area Health Education Centers Program (NC AHEC) to contract with up to five rural community-based medical teaching practices for at least \$150,000 per teaching practice per year to establish and maintain up to five outpatient, clinical, team-based healthcare teaching sites across the rural areas of the State. NC AHEC may use up to \$250,000 in each year of the 2023-2025 fiscal biennium to study the availability of community preceptors in North Carolina and nearby states and the demand for those preceptors, including factors that influence the supply and barriers that community-based outpatient clinicians face in teaching healthcare professional students. NC AHEC shall provide a preliminary report of its findings to JLEOC and the Joint Legislative Oversight Committee by April 1, 2024 and a final report by September 1, 2024.	Not included	Same as House Budget
8.5	Establish the School of Civic Life and Leadership at the University of North Carolina at Chapel Hill	Directs the Board of Trustees at UNC Chapel Hill to establish the school and develop course curriculum. Directs UNC Chapel Hill to expend sufficient additional funds if the nonrecurring funds appropriated in the budget are insufficient. The Board of Trustees shall report to the JLEOC and FRD by March 15, 2024 on the progress made toward establishing the school and factors affecting the long-term sustainability of the school.	Same as House Budget	Same as House Budget

Section & Title		House Budget	Senate Budget	Conference Budget
8.6	Reduce Number of Required UNC Laboratory Schools from Nine to Eight	Reduces the number of required UNC laboratory schools from nine to eight.	Same as House Budget	Same as House Budget
8.7	Funds for Athletic Departments with Approved Plans to Provide Economic Benefits	Requires ESCU, FSU, N.C. A&T, NCCU, UNCA, UNCG, UNCP, UNCW, WCU, and WSSU to provide plans to the president of the UNC System on the economic benefit to the constituent institution and surrounding area of the institutions athletic department. If the president approves the plan, then the BOG shall allocate \$1,000,000 to the constituent institution to support its athletic department.	Not included	Same as House Budget
8.8	Educational Opportunities Pilot Program	Directs the BOG to establish the College of Educational Opportunities Pilot Program at NCCU and NCSU. The program will provide postsecondary educational opportunities to students with intellectual and developmental disabilities. The BOG shall report to the JLEOC by May 15, 2024 on the impact of the program including its effect on the performance of eligible students.	Not included	Directs the BOG to establish the College of Educational Opportunities Pilot Program at NCCU and NCSU. The program will provide postsecondary educational opportunities to students with intellectual and developmental disabilities. NCSU will receive \$3 million recurring in FY 2023-24 to begin the program and NCCU will receive \$3 million recurring in FY 2024-25 to adapt and operate the program. The BOG shall report to the JLEOC by May 15, 2024 on the impact of the program including its effect on the performance of eligible students.

Section & Title		House Budget	Senate Budget	Conference Budget
8.9	CTE Grants for Agriculture	Directs NCSU to use up to \$2M in Agricultural Extension funds to provide grants to the NC Future Farmers of America (FFA) program to fund career and technical education programs in middle or high schools. FFA shall prioritize public schools in low wealth counties and have a high population of at-risk or students with disabilities. FFA shall report to the JLEOC and FRD by December 15 on the outcomes of the grant program.	Not included	Directs NCSU to use up to \$2M in Agricultural Extension funds to provide grants to the NC Future Farmers of America (FFA) program to fund career and technical education programs in middle or high schools. FFA shall prioritize public schools in low wealth counties and have a high population of at-risk or students with disabilities. Funds shall not revert until June 30, 2025. FFA shall report to the JLEOC and FRD by December 15, 2024 on the outcomes of the grant program.
8.10	Board of Governors Study New Teacher Support Program/Elizabeth City State	Requires the BOG to submit a report to the JLEOC on the advisability and feasibility of incorporating additional constituent institutions, including ECSU, as administrators of the New Teacher Support Program.	Not included	Requires the BOG to submit a report to the JLEOC by December 15, 2023 on the advisability and feasibility of incorporating additional constituent institutions, including ECSU, as administrators of the New Teacher Support Program.

Section & Title		House Budget	Senate Budget	Conference Budget
8.11	Collaboratory Report on Recovery Court Study Results	Not included	Requires the Collaboratory to study existing Judicially Managed Accountability and Recovery Courts (JMARC) and by October 1, 2024 to report to the Joint Legislative Committees on Health and Human Services, Justice and Public Safety, and Education as well as the chairs of the House and Senate Appropriations Committees on Health and Human Services, Justice and Public Safety, and Education. The report shall include a summary of each JMARC's operating model and funding sources, an analysis of demand and capacity for each JMARC, a summary of need and local interest for additional JMARC, an analysis of the feasibility of JMARC operating across counties and judicial districts, and a proposed JMARC expansion plan including funding sources.	Same as Senate Budget

Section & Title		House Budget	Senate Budget	Conference Budget
8.12	Require Comprehensive Transition Postsecondary Programs Report and Establish CTP Program at UNCW	Not included	Requires the System Office to report annually by March 15 to the JLEOC on the impact of Comprehensive Transition Postsecondary (CTP) programs. The report shall include admissions requirements, the number of participants, and participant outcomes including credits earned toward a degree, diploma, or certificate and job placement data. Requires UNCW to establish a CTP program and report to the JLEOC and FRD by March 15, 2025. The report shall include progress towards establishing the program, admissions requirements, support services to be provided by the program including eligibility of participants to receive college credits, number of participants, estimated additional costs to provide scholarships to students, and whether the program has been approved by the US Department of Education and if not, the timeline for approval.	Same as Senate Budget

Section & Title		House Budget	Senate Budget	Conference Budget
8.13	Agriculture Analytics Platform Initiative <i>(formerly NC Plant Sciences Initiative)</i>	Not included	Requires N.C. A&T and NCSU to contract with SAS Institute, Inc. to establish or maintain a software platform to use data collection via in-field sensors to improve agricultural systems and profitability and to detect and respond to plant disease. N.C. A&T and NCSU shall report to the JLEOC by August 15, 2025 on the impact of the initiative. The report shall include the sustainability and profitability of agricultural systems in the State including any improved efficiencies, research grants secured by each constituent institution, students and faculty recruitment and retention, engagement and collaboration with private farmers, faculty research on agriculture, and collaboration between N.C. A&T and NCSU.	Senate Budget language but removes the references to the NC Plant Sciences Initiative
8.14	University of North Carolina System Faculty Realignment Incentive Program <i>(formerly University of North Carolina System Faculty Retirement Incentive Program)</i>	Not included	Establishes a faculty retirement incentive pilot program for full-time, tenured faculty who are at least 55 years old and retirement eligible. The payments and participation shall be at the discretion of constituent institutions. The payments shall be equivalent to the employee's prior year salary. The Board of Governors shall report to the JLEOC and FRD by December 1, 2024 and annually until all funds are expended on the number of faculty members that received funds through the program and the total amount paid by the program. The funds appropriated for the program shall not revert.	Same as Senate Budget

Section & Title		House Budget	Senate Budget	Conference Budget
8.15	Revise Postsecondary Attainment Goal Reporting Time	Not included	Changes the annual reporting date from September 1 to March 1 beginning March 1, 2024.	Same as Senate Budget
8.16	Water Safety Act of 2023	Not included	Directs the Collaboratory to used \$20M in nonrecurring funds to study aqueous film-forming foams (AFFF) containing per- and poly-fluoroalkyl substances (PFAS) used by state and local fire departments and describes the allowable uses of the funding. Directs the Collaboratory to use \$4M in recurring funds for a multiyear human exposure study related to PFAS in NC counties with higher than average exposure risks. Directs the Collaboratory to use \$2M in recurring funds for water-related research for emerging compounds, water quality improvements, and other research. Requires the Collaboratory to include the uses of the funds in its annual report. Allows the Collaboratory to negotiate data use, data management, and revenue sharing requirements for intellectual property developed using State funds. States that funds appropriated to the Collaboratory shall not revert.	Same as Senate Budget

Section & Title		House Budget	Senate Budget	Conference Budget
8.17	UNCW Research Programs in Critical Workforce Areas Funds and Report	Not included	Directs UNCW to use the appropriated funds to expand research programs in critical research areas to maintain its classification in the Carnegie Classification of Institutions of Higher Education as R2 – High Research Activity. Funds shall be used to expand relevant research programs and not supplant current funding. UNCW shall report by March 15, 2024 and annually thereafter to the JLEOC and FRD on the use of the funds. The report shall include a detailed explanation of how the funds are used including all expansions of research areas, all critical research areas at the university, the impact of the expansions of research areas, recommended actions to maintain R2 status or to improve to R1 - Very High Research Activity, and any other matter UNCW deems relevant.	Same as Senate Budget
8.18	Revise Distinguished Professors Endowment Trust Fund	Not included	Revises the authorizing language of the trust fund to focus the addition of new endowed professorships in STEM subject areas. Requires the BOG by December 15, 2024 and annually thereafter to provide the JLEOC a list of degree programs in STEM subject areas and the number of distinguished professorships at each constituent institution in each STEM subject area and to make the list available on the BOG website.	Same as Senate Budget

Section & Title		House Budget	Senate Budget	Conference Budget
8.19	Collaboratory Study Next-Generation Energy Research and Development	Not included	Directs the Collaboratory to establish partnerships with NC businesses working in the field of next-generation energy to perform research and development of new technologies. The funds allocated for this purpose shall not revert. The Collaboratory shall report to the JLEOC on its activities by March 15, 2024 and annually thereafter. The report shall include all academic research partnerships entered into, the research and development projects undertaken alone or via those partnerships, and the results of those projects.	Same as Senate Budget
8.20	Reallocation of Funds Between Patriot Star Family Scholarship Nonprofit Corporations	Not included	Not included	Directs the Marine Corps Scholarship Foundation to transfer any unencumbered funds remaining at the end of FY 2022-23 to the Patriot Foundation.
8.21	Green Industry Economic Impact Study/NCSU	Not included	Not included	Directs NCSU to consult with the Department of Agriculture and Consumer Services and The North Carolina Green Industry Council to study the economic impact of the green industry in North Carolina. NCSU shall report the results tot the Joint Legislative Committee on Agriculture and Natural and Economic Resources by January 15, 2025.
8.22	Clarify Definition of Eligible Private Institutions for Patriot Scholarship Programs	Not included	Not included	Makes changes to the definition of private institution.

Section & Title		House Budget	Senate Budget	Conference Budget
UNC/SEAA Section				
8A.1	Washington Center Internship Scholarship Program	Directs SEAA to establish the Washington Center Scholarship Program to provide scholarships to eligible students to pursue internships and workshops through the Washington Center. The BOG shall develop guidance for awarding academic credit for participation in the internships. SEAA shall report by March 1 of each year to the JLEOC and FRD on the implementation of the program including the number of participating students and amount awarded.	Not included	Directs SEAA to establish the Washington Center Scholarship Program to provide scholarships to eligible students to pursue internships and workshops through the Washington Center. The BOG shall develop guidance for awarding academic credit for participation in the internships by December 1, 2023. SEAA shall report by September 1, 2024 and annually thereafter to the JLEOC and FRD on the implementation of the program including the number of participating students and amount awarded.
8A.2	State Education Assistance Authority Disburse State's Scholarships for Children of Wartime Veterans	Moves the responsibility of disbursing the scholarships from the Department of Military and Veterans Affairs to SEAA.	Not included	Same as House Budget
8A.3	Expand Scholarships for High School Graduates of NCSSM and UNCSA to Attend Private Postsecondary Institutions Located in North Carolina	Expands the grant program from students attending UNC constituent institutions to include students attending private postsecondary institutions located in NC. Limits the amount of the scholarship for private institutions to the highest undergraduate resident tuition charged at an UNC constituent institution.	See below	Not Included

Section & Title		House Budget	Senate Budget	Conference Budget
8A.3	Permit NCSSM and UNCSA Tuition Scholarships to be Used for Summer Tuition and Establish Institutional Trust Fund	See above	Expands the allowable uses of the scholarships for NCSSM and UNCSA graduates attending a UNC constituent institution to pay for summer courses. Requires SEAA to establish an institutional trust fund for all funds appropriated for the tuition grants. Requires eligible students to complete the Free Application for Federal Student Aid (FAFSA) form.	Same as Senate Budget
8A.4	Revise Teaching Fellows Program	Expands the eligibility for the program by removing the requirement for teaching fellows to teach STEM or special education. Expands to program to each UNC constituent and requires the Teaching Fellows Commission to select four private postsecondary institutions with teacher preparation programs to participate in the teaching fellows program. Decreases the amount of time a scholarship recipient needs to work as a teacher in NC to receive loan forgiveness.	Not included	Expands the eligibility for the program by to include elementary education license areas. The North Carolina Teaching Fellows Commission shall select 10 public and private institutions with approved educator preparation programs to be in the program. Increases the amount per semester of the forgivable loan. Decreases the amount of time a scholarship recipient needs to work as a teacher in NC to receive loan forgiveness.
8A.5	Revise Selection Criteria for Principal Fellows Program	Increases the number of recipients and requires that two recipients shall be private postsecondary institutions operating directly or through a consortium.	Not included	Not Included
8A.6	Expand Eligibility and Revise Administration for Opportunity Scholarships	Expands eligibility for the scholarship program and requires that the parent of recipient be domiciled in NC at least six months prior to the scholarship award. Increases the amount of funds in the Grant Reserve Fund for fiscal years 2025-26 through 2031-32.	See below	Not Included

Section & Title		House Budget	Senate Budget	Conference Budget
8A.6	Expand Eligibility for Opportunity Scholarships, Require a Sequence of Courses for Early High School Graduation, and Establish the Early Graduate Scholarship Program	See above	Expands eligibility for the Opportunity Scholarship Program. Requires SEAA to set up a system to verify that the domicile requirements are met. Requires SEAA to submit a report to JLEOC and FRD by April 1 of any fiscal year in which the SEAA uses funds from the Opportunity Scholarship Grant Fund Reserve. The report shall include the methodology used by SEAA for determining awards for the school year, number of eligible students and amount of scholarship grants received by eligible students, amount of funds used from the Reserve, and any legislative recommendations. Allows SEAA to use up to 30% of the unencumbered cash balance in the Reserve if appropriated funds are insufficient to award scholarship grants. Removes the family income limits on eligibility for the scholarships beginning with the 2024-25 school year. Increases the amount of funds in the Grant Reserve Fund for fiscal years 2025-26 through 2031-32. Establishes the Early Graduate Scholarship Program and requires SEAA to report to JLEOC by December 1, 2026 and annually thereafter on the dollar amount of awards disbursed, number of eligible students	Expands eligibility for the Opportunity Scholarship Program. Adds a new definition of eligible student. Allows for grants to students who attend any nonpublic school on full time or part time basis. Requires SEAA to set up a system to verify that the domicile requirements are met. Makes changes to the testing requirements of schools receiving scholarship funds. Makes changes to existing reporting requirements. Requires SEAA to submit a report to JLEOC and FRD by April 1 of any fiscal year in which the SEAA uses funds from the Opportunity Scholarship Grant Fund Reserve. The report shall include the methodology used by SEAA for determining awards for the school year, number of eligible students and amount of scholarship grants received by eligible students, amount of funds used from the Reserve, and any legislative recommendations. Allows SEAA to use up to 30% of the unencumbered cash balance in the Reserve if appropriated funds are insufficient to award scholarship grants. Removes the family income limits on eligibility for the scholarships beginning with the 2024-25 school year. Increases the amount of funds in the Grant Reserve Fund

Section & Title		House Budget	Senate Budget	Conference Budget
8A.7	Longleaf Commitment Community College Grant Program	Establishes the Longleaf Commitment Community College Grant Program to award grants to eligible high school graduates for tuition and fees at community college. Requires SEAA to report annually to JLEOC on the implementation of the program by September 1, 2024.	Not included	Establishes the Longleaf Commitment Community College Grant Program to award grants to eligible high school graduates for tuition and fees at community college. Eligibility requirements include an expected family contribution of below \$15,000. Sets the minimum annual grant amount at \$700 and the maximum at \$2,800. Requires SEAA to report annually to JLEOC on recommendations for a permanent community college grant program based upon the goals of the Longleaf commitment Grant program by March 15, 2024 and on the implementation of the program by September 1, 2024.
8A.8	Remove Requirement for Opportunity Scholarship Programs Evaluations	Removes the requirement that schools receiving opportunity scholarship funds submit testing data to SEAA.	Not included	Not Included
8A.9	Conform SEAA Requirements with Federal Changes to FAFSA Simplification Act	Makes conforming changes to State law to match federal changes to FAFSA.	Not included	Same as House Budget
8A.10	Conform In-State Tuition for Military-Related Individuals to Federal Law	Makes conforming changes to State law to match federal law.	Same as House Budget	Same as House Budget
8A.11	Allow Preapproval of PESA Expenses in Lieu of Expense Reports, as Recommended by the Internal Auditor	Allows for preapproval of certain expenses and removes the requirement for an expense report for any preapproved expenses.	Same as House Budget	Same as House Budget

Section & Title		House Budget	Senate Budget	Conference Budget
8A.12	Allow Cash Basis Accounting for Schools Participating in the Opportunity Scholarship Program	Allows schools participating in the Opportunity Scholarship Program to use cash basis accounting.	Not included	Same as House Budget
8A.13	Personal Education Student Account Unexpended Funds to Establish an Institutional Trust Fund	Not included	Requires SEAA to establish an institutional trust fund for any unexpended funds for the program. The fund may accrue a balance of up to \$10M. The funds shall be used to award scholarships in any year in which the number of eligible students exceeds the appropriated amount. SEAA shall report to the JLEOC and FRD by April 1 in any year in which funds were spent from the institutional trust fund. The report shall include the methodology for determining awards, number of eligible students, amount of scholarship funds received by students, amount of funds used to fully fund the awards, and legislative recommendations.	Same as Senate Budget

Section & Title		House Budget	Senate Budget	Conference Budget
8A.14	Primary Care Medicine and Psychiatry Targeted Assistance Program <i>(formerly PCP and Psychiatrists Forgivable Loan Program)</i>	Not included	Establishes a forgivable loan program administered by SEAA for medical students who agree to practice as primary care providers or psychiatrists in eligible counties. The loans shall be for \$25,000 per academic year up to \$100,000. The loans shall be forgiven at a rate of \$25,000 per year for each year the physician practices in an eligible county up to \$100,000. SEAA shall report to the JLEOC and Joint Legislative Oversight Committee on Health and Human Services by December 1, 2025 and annually thereafter. The report shall include information on the forgivable loans awarded, placement rates, repayment rates, and recommendations to improve the program.	Same as Senate Budget with technical changes
8A.15	Common Digital Transcript	Not included	Not included	Requires SEAA to consult with Department of Public Instruction, the Community Colleges System Office, and The University of North Carolina System Office and shall contract with the College Foundation, Inc., to design, develop, and maintain a common digital transcript for students enrolled in eligible public education entities. SEAA shall report by March 15, 2024 to JLEOC on additional steps necessary for completion and any additional costs.
8A.16	Revise Reporting Requirements for SEAA and DNPE	Not included	Not included	Makes changes to various reporting requirements and dates.

Section & Title		House Budget	Senate Budget	Conference Budget
8A.17	Allow the Authority to Use Administrative Funds from Opportunity Scholarships for Personal Education Student Accounts	Not included	Not included	Allows SEAA to use funds set aside for the administrative costs of the Opportunity Scholarship Program if the actual costs of administering the Personal Education Student Accounts for Children with Disabilities Program exceed the funds authorized for administration.
Salaries and Benefits				
39.2	Labor Market Adjustment Reserve Note: House budget does not include LMAR funding for UNC. Senate budget includes \$15M.	Sets requirements for adjustments using funds from the Labor Market Adjustment Reserve including a maximum increase of \$15,000 or 15% of current base salary and no more than 25% of an agency's employees may receive an increase from the reserve. The Director of the Budget may adjust a State agency's budgeted receipts to provide an equivalent 1% Labor Market Adjustment Salary Reserve for FY 23-25.	Sets requirements for adjustments using funds from the Labor Market Adjustment Reserve including a maximum increase of \$15,000 or 15% of current base salary and no more than 25% of an agency's employees may receive an increase from the reserve. The Director of the Budget may adjust a State agency's budgeted receipts to provide an equivalent 2% Labor Market Adjustment Salary Reserve for FY 23-25.	UNC System was not appropriated any funding from the Labor Market Adjustment Reserve.
39.3	State Agency Hiring, Pay and Classification Flexibility Pilot During 2023-25 Biennium <i>(formerly State Agency Hiring, Pay and Classification Flexibility)</i>	Authorizes the UNC system to classify positions according to the classification system established by the State Human Resources Commission (SHRC) and set salaries within the salary ranges established by the SHRC.	Not included	For the FY 2023-25 biennium, authorizes the UNC system to classify positions according to the classification system established by the State Human Resources Commission (SHRC) and set salaries within the salary ranges established by the SHRC.
39.14	The University of North Carolina	Provides a 4.25% salary increase to all UNC employees on July 1, 2023 and a 3.25% salary increase on July 1, 2024.	Provides a 2.5% salary increase to all UNC employees on July 1, 2023 and a 2.5% salary increase on July 1, 2024.	Provides a 4% salary increase to all UNC employees on July 1, 2023 and a 3% salary increase on July 1, 2024.
39.23	Other Salary Adjustments/UNC & Community College Nursing Faculty	Not included	Requires that starting pay for nursing faculty at UNC constituent institutions receive a salary increase of at least 10% effective July 1, 2023. Limits salary increases for nursing faculty to 15%.	Same as Senate Budget

Section & Title		House Budget	Senate Budget	Conference Budget
39.24	Mitigate Bonus Leave	Allows State agencies including UNC System Office and institutions to offer employees the opportunity to cash in bonus leave benefits. Requires a report to FRD by September 1, 2024 on the position characteristics of the employees participating in the program.	Allows State agencies including UNC System Office and institutions to offer employees the opportunity to cash in bonus leave benefits. Requires a report to FRD by March 1, 2025 on the position characteristics of the employees participating in the program.	Same as Senate Budget
39.26	Salary-Related Contributions	Sets the State's employer contribution rates for retirement and related benefits based on funding levels included in the House budget	Sets the State's employer contribution rates for retirement and related benefits based on funding levels included in the Senate budget	Sets the State's employer contribution rates for retirement and related benefits based on funding levels included in the Conference budget

Section & Title		House Budget	Senate Budget	Conference Budget
Capital				
40.1	Capital Improvement & Repairs and Renovations Appropriations	Assigns the project codes for named capital improvement and R&R projects and authorizes the funding in the committee report. Sets a limit of \$15M for any single R&R project not listed in Section 40.1(d) of SL 2021-180. Requires NCSU to provide \$50M in from non-State sources by Dec. 31, 2024, to match the \$70M in State appropriations for the Veterinary Hospital project and requires NCSU to deposit \$25M with OSBM before the letting of construction and design contracts. Requires UNCW to provide \$4,450,000 from non-State sources by Dec. 31, 2025, to match the \$40M in State appropriations for the Cameron Hall project. Requires UNCW to provide \$2.4M from non-State sources by Dec. 31, 2025, to match the \$21.6M in State appropriations for the Kenan Auditorium project. Requires the BOG to allocate funds to the athletic departments of ESCU, FSU, N.C. A&T, NCCU, UNCA, UNCG, UNCP, UNCW, WCU, and WSSU upon submission of plans to utilize the funds for capital improvements to intercollegiate athletic facilities.	Assigns the project codes for named capital improvement and R&R projects and authorizes the funding in the committee report. Sets a limit of \$15M for any single R&R project not listed in Section 40.1(d) of SL 2021-180. Requires UNCW to provide \$4,450,000 from non-State sources by Dec. 31, 2025, to match the \$40M in State appropriations for the Cameron Hall project. Requires UNCW to provide \$2.4M from non-State sources by Dec. 31, 2025, to match the \$21.6M in State appropriations for the Kenan Auditorium project. Extends the maximum length of the System Office lease in Raleigh from four to five years.	Assigns the project codes for named capital improvement and R&R projects and authorizes the funding in the committee report. Sets a limit of \$15M for any single R&R project not listed in Section 40.1(d) of SL 2021-180. Allows the BOG to reallocate funds provided the funds are still used for repairs and renovations. Allows ECSU to use up to \$1.5 million to renovate the chancellor's residence. Requires NCSU to provide \$50M in from non-State sources by Dec. 31, 2024, to match the \$70M in State appropriations for the Veterinary Hospital project and requires NCSU to deposit \$25M with OSBM before the letting of construction and design contracts. Requires UNCW to provide \$4,450,000 from non-State sources by Dec. 31, 2025, to match the \$40M in State appropriations for the Cameron Hall project. Requires UNCW to provide \$2.4M from non-State sources by Dec. 31, 2025, to match the \$21.6M in State appropriations for the Kenan Auditorium project. Extends the maximum length of the System Office lease in Raleigh from four to five years. Increases the maximum authorization for UNC-CH's Business School from \$150M to \$194,250,000. Requires NCSU to use project
40.2	Six Year Intended Project Allocation Schedule	Sets the House's intended capital improvement projects and cash flow for projects funded through the State Capital and Infrastructure Fund through FY 2028-29.	Sets the Senate's intended capital improvement projects and cash flow for projects funded through the State Capital and Infrastructure Fund through FY 2028-29.	Sets the Conference intended capital improvement projects and cash flow for projects funded through the State Capital and Infrastructure Fund through FY 2028-29.

Section & Title		House Budget	Senate Budget	Conference Budget
40.5	Various Capital Changes	Not included	Increases the non-State funds UNCCH must commit to the new business school building from \$75M to \$97M and decreases the intended match of State funds from \$75M to \$53M.	Clarifies the requirement that funds unspent and unencumbered upon completion of a project revert to the State Capital and Infrastructure Fund includes any allocation from the fund to the UNC System.
Other UNC-Related Sections				
2.1	General Fund Appropriations	Includes budget code specific appropriations.	Same as House Budget	Same as House Budget
2.2	General Fund Availability	Directs the State Controller to transfer \$15M from the Information Technology Reserve to UNC.	Directs the State Controller to transfer \$330k in each year of the biennium from the State Emergency Response and Disaster Relief Fund to UNCCH. Establishes the NCInnovation Reserve to make funds available for NCInnovation, Inc. and directs the State Controller to transfer \$1.425 billion for the Reserve.	Directs the State Controller to transfer \$3,250,000 from the Information Technology Reserve to UNC for cybersecurity and \$48,140,000 from the Reserve to SEAA information technology enhancements. Directs the State Controller to transfer \$330k in each year of the biennium from the State Emergency Response and Disaster Relief Fund to UNCCH, \$264,000 in FY 2023-24 to NCSSM, and \$50,000 in FY 2023-24 to NCCU. Establishes the NCInnovation Reserve to make funds available for NCInnovation, Inc. and directs the State Controller to transfer \$500 million for the Reserve to the Department of Commerce.

Section & Title		House Budget	Senate Budget	Conference Budget
4.9	American Rescue Plan Act (ARPA) Temporary Savings Fund	Appropriates the funds from the ARPA Temporary Savings Fund and states the funds shall not revert.	Appropriates the funds from the ARPA Temporary Savings Fund and states the funds shall not revert. Beginning October 1, 2024 and annually thereafter, requires agencies receiving funds to report to FRD on the use of the appropriated funds. Allows agencies to use up to five percent of the ARPA funds for administration except for capital projects.	Appropriates the funds from the ARPA Temporary Savings Fund and states the funds shall not revert. Creates a prioritization list for the disbursement schedule of ARPA funds for biennium. Allows agencies to use the lessor of up to five percent or \$1,000,000 of the ARPA funds for administration except for capital projects. Beginning October 1, 2024 and annually thereafter, requires agencies receiving funds to report to FRD on the use of the appropriated funds. The report shall include how the funds were spent and the amount remaining.
4.10	Clarification of the Authority of the University of North Carolina Health Care System and East Carolina University Health Care System with Respect to Operations and Personnel Flexibilities	Not included	Makes significant structural changes to the governance structures of UNC Health and ECU Health.	Makes significant structural changes to the governance structures of UNC Health and ECU Health. By April 1, 2024, and every six months thereafter, ECU Health and the University of North Carolina Health Care System shall jointly report to the Senate Committee on Appropriations/Base Budget, the House Appropriations Committee, and FRD regarding the NC Care initiative.
5.6(a)	Disaster Relief and Recovery/Mitigation/Resiliency	Directs the State Controller to transfer \$3,739,701 in remaining funds from the 2018 Hurricane Florence Disaster Recovery Act from UNC.	Directs the State Controller to transfer \$3,739,701 in remaining funds from the 2018 Hurricane Florence Disaster Recovery Act from UNC. Allocates \$340k in each year of the biennium to the Collaboratory for the FerryMon Program. Allocates \$320k in each year of the biennium to the Collaboratory for the ModMon Program.	Directs the State Controller to transfer \$1,984,499 in remaining funds from the 2018 Hurricane Florence Disaster Recovery Act from UNC. Allocates \$340k in each year of the biennium to the Collaboratory for the FerryMon Program. Allocates \$320k in each year of the biennium to the Collaboratory for the ModMon Program. Allocates \$264,000 to NCSSM and \$50,000 to NCCU for storm damage mitigation.

Section & Title		House Budget	Senate Budget	Conference Budget
5.7	State Budget Act/Funds Carryforward	Adds a definition of carryforward funds to the State Budget Act. Restricts expenditures of carryforward funds to the purpose for which they were carried forward. Restricts carryforward funds from being transferred out of the General Fund. Funds carried forward shall revert at the end of the fiscal year.	Adds a definition of carryforward funds to the State Budget Act. Restricts expenditures of carryforward funds to the purpose for which they were carried forward. Funds carried forward shall revert at the end of the fiscal year.	Same as Senate Budget
5.8	Medical Freedom/COVID-19 Vaccinations	Bans the UNC System from requiring students to provide proof of COVID-19 vaccinations.	Same as House Budget	Same as House Budget
7.9	Opportunity Gap Task Force	Creates the Opportunity Gap Task Force and makes the President of the University System a member.	Not included	Not Included
7.16	Standards Advisory Commission	Creates the Standard Course of Study Advisory Commission and makes the President of the University System a member.	Not included	Not Included
7.64	Prohibition Against "Three-Cueing"	Not included	Requires that chancellors at institutions with lab schools ensure that the three-cueing model of reading instruction is not taught to students grades kindergarten through three.	Same as Senate Budget
9G.8	Use of Opioid Settlement Funds	Not included	Directs the Collaboratory to use appropriated funds to study judicially managed accountability and recovery courts. Appropriates funds to the Collaboratory to make competitive grants available to constituent institutions for opioid abatement research and development projects.	Same as Senate Budget

Section & Title		House Budget	Senate Budget	Conference Budget
11.9	NCInnovation	Not included	Establishes NCInnovation, Inc. and provides funds to develop a network of regional innovation hubs, incentivize applied research opportunities, support the commercial growth and scale of emerging technologies, promote the welfare of the people of the State, maximize the economic growth in the State. NCInnovation may consult with the Collaboratory for any duties requiring the distribution of State funds and the Collaboratory shall manage the distributions. NCInnovation shall assist in targeting applied scientific research conducted by universities.	Same as Senate Budget
33.4	DMVA/Children of Veterans' Scholarships	Requires a student receiving the scholarship to maintain a 2.0 grade point average.	Same as House Budget	Same as House Budget
43.8	Effective Date	Legislative is effective July 1, 2023.	Same as House Budget	Same as House Budget

The 2023 General Assembly appropriated funds for the following programs. The funds were appropriated directly to the State Education Assistance Authority (Budget Code 16012) and Aid to Private Institutions (Budget Code 16015).

1. Opportunity Scholarship Grant Fund Reserve

The General Assembly appropriated additional recurring funding of \$87,000,000 in FY 2023-24 and \$163,000,000 recurring in FY 2024-25 for the Opportunity Scholarship Grant Fund Reserve to support awards for Opportunity Scholarship recipients.

2. State Education Assistance Authority IT Enhancements

The General Assembly appropriated \$15,622,000 in nonrecurring receipts in FY 2023-24 and \$25,518,000 nonrecurring receipts in FY 2024-25 from the IT Reserve to the North Carolina State Education Assistance Authority (NCSEAA) for upgrades of its K-12 grant system and to offer Free Application for Federal Student Aid (FAFSA) completion tracking for private schools.

3. Children of Wartime Veterans Scholarship Transfer

The General Assembly adjusted the budget to reflect the transfer of funds appropriated from the General Fund and the Escheat Fund for scholarships for children of wartime veterans to NCSEAA for program administration in 2024-25.

4. Children of Wartime Veterans Scholarship Administrative Cost

Budgets receipts from the Escheat Fund to offset a reduction in General Fund appropriations for scholarships resulting from the NCSEAA's authorized use of \$150,000 for administrative costs in 2024-25.

5. Longleaf Commitment Community College Grant Program

The General Assembly appropriated \$12,375,000 in recurring escheat receipts and \$125,000 recurring funding for the Longleaf Commitment community college grant program, which provides need-based financial aid to high school graduates who attend a North Carolina community college. Funding provided for this purpose this biennium shall be used to support the high school class of 2023.

6. Primary Care Providers and Psychiatrists Forgivable Loan Program

The General Assembly appropriated \$8,000,000 in nonrecurring receipts from the American Rescue Plan Act (ARPA) Temporary Savings Fund in both years of the biennium for a new forgivable education loan program for medical students who go on to practice primary care medicine or psychiatry in eligible counties.

7. Common Digital Transcript

The General Assembly appropriated \$7,000,000 in nonrecurring receipts from the IT Reserve to NCSEAA to contract with the College Foundation Inc. to create a common digital transcript between public school units, community colleges, and UNC constituent institutions.

8. NCSSM and UNCSEA Tuition Grant Scale-up

The General Assembly appropriated \$1,550,000 in recurring funding in FY 2023-24 and an additional \$2,050,000 recurring in FY 2024-25 to NCSEAA to support tuition grants for students graduating from

North Carolina School of Science and Mathematics (NCSSM) and University of North Carolina School of the Arts (UNCSA) who attend a UNC constituent institution.

9. Need-Based Scholarship for Public Colleges and Universities Fund Source

The General Assembly switched the funding source for \$10,625,000 from appropriations to receipts from the Escheat Fund that go to the Need-Based Scholarship for Public Colleges and Universities.

10. Need-Based Scholarship Program for Public Colleges and Universities Technical Adjustment

The General Assembly appropriated \$1,237,500 in recurring funds to complete the consolidation of need-based assistance programs for the UNC System and North Carolina Community College System.

11. Washington Center Internship Scholarship Program

The General Assembly appropriated \$250,000 in nonrecurring funds to provide scholarships to students attending UNC constituent institutions to participate in the internship program through the Washington Center.

12. High Point University Health Care Start-up Funds

The General Assembly appropriated \$1,500,000 nonrecurring in ARPA Temporary Savings Fund to provide a grant to High Point University to support new health care-oriented programs to meet regional workforce demands.