

THE UNIVERSITY OF NORTH CAROLINA
2022-23 Operating Budget Allocations

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2022-23 Operating Budget Allocations

This document includes recommended allocations for operating funding, as well as additional information about the 2022-23 budget. A comparison of the final enacted budget to the Board of Governors budget priorities can be found in Appendix A.

It is recommended that the following proposed allocations for 2022-23 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: 2022-23 Recommended Allocations Requiring Board Approval

Institution	Enrollment Change Funding	Building Reserves	HMSI Cybersecurity Preparedness
ASU	\$ 7,250,127	\$ –	\$ –
ECU	2,773,318	–	–
ECSU	894,938	–	595,204
FSU	190,781	–	785,868
N.C. A&T	4,376,596	–	1,135,393
NCCU	(400,153)	1,494,629	869,736
NC State	10,806,785	2,528,441	–
UNCA	(655,397)	349,553	–
UNC-CH	11,455,366	1,807,372	–
UNCC	5,531,213	–	–
UNCG	(2,225,326)	550,973	–
UNCP	2,128,141	76,747	866,915
UNCW	4,334,992	53,200	–
UNCSA	(187,660)	–	–
WCU	180,272	241,683	–
WSSU	696,496	79,248	746,884
NCSSM	297,069	2,402,247	–
System Office*	(9,300,762)	–	–
Total	\$38,146,796	\$9,584,093	\$5,000,000

**Funding for nonresident veterans tuition waivers is now included in the enrollment funding model. Funding previously appropriated for this purpose will be used as an offset to the total enrollment funding.*

The amounts shown for Building Reserves include both recurring and nonrecurring dollars. See Table 2 for more detail, including project names.

2022-23 Operating Budget Allocations

1. Enrollment Change Funding

The General Assembly appropriated \$38,146,796 in recurring funds in response to the Board's request for enrollment change funding. The General Assembly made the appropriation to the UNC System Office, Institutional Programs (BOG Reserve). The UNC System has based its enrollment funding request on actual credit hours completed in arrears using the new formula adopted by the Board of Governors in April with approved transition year adjustments. It is recommended that the enrollment change funding be allocated as shown in Table 1.

2. UNC Building Reserves

The General Assembly provided recurring funds of \$8,249,114 and nonrecurring funds of \$1,334,979 for 2022-23 to be used for operation and maintenance of building projects. These funds were transferred to the UNC System Office, Institutional Programs (Board Reserve) and will be allocated, per House Bill 103 (S.L. 2022-74), as shown in Table 2.

Table 2: FY 2022-23 Building Reserves

	2022-23	
Institution/Building	Recurring	Nonrecurring
NC Central University Business School	\$1,138,767	\$355,862
NC State University Plant Sciences Building	2,528,441	—
UNC Asheville Carmichael Hall Renovation Owen Hall Renovation	174,704 174,849	— —
UNC Chapel Hill Medical Education Building	921,004	886,368
UNC Greensboro South Chiller Plant	550,973	—
UNC Pembroke West Hall Renovations	76,747	—
UNC Wilmington Allied Health (Veteran's Hall)	53,200	—
Western Carolina University Steam Plant	188,065	53,618
Winston-Salem State University 1602 Lowery Street Renovation	79,248	—
NCSSM NCSSM Morganton NCSSM Morganton – Barn	2,233,102 130,014	— 39,131
TOTAL	\$8,249,114	\$1,334,979

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3. HMSI Cybersecurity and Bomb Threat Preparedness

The General Assembly appropriated \$5,000,000 in nonrecurring funds in response to the Board's request. The General Assembly made the appropriation to the UNC System Office, Institutional Programs (BOG Reserve). The funds will be used to support costs associated with security camera and communication systems, access control and lockdown capabilities, integrated security systems, and cybersecurity. It is recommended that the HMSI Bomb Threat Preparedness funding be allocated as shown in Table 1. Each institution received a base allotment of \$500,000 and the remainder is allocated pro-rata based on full-time equivalent enrollment.

B. Additional Budget Actions

1. Compensation Increase Reserve

The General Assembly appropriated \$32,884,497 in recurring funds for 2022-23 for a one percent across-the-board salary increase for UNC System employees both subject to and exempt from the State Human Resources Act (SHRA and EHRA), in addition to the 2.5% salary increase appropriated in the 2021-23 budget. 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, 2022. The recurring funds will impact the employee's base salary and retirement contributions.

2. Labor Market Adjustment Salary Reserve

The General Assembly provided \$32,884,497 in recurring funds for 2022-23 to adjust salaries for specific staffing issues by providing targeted increases to recruit and retain employees. 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 based on the amount equivalent to the funds each institution receives for the one percent salary increase. See Section 39.2 in Appendix D for more information.

3. State Retirement Contributions – TSERS Members

Nonrecurring funds of \$3,983,805 were appropriated to increase the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund an additional one-time cost-of-living supplements to retirees of one percent in addition to the three percent already appropriated in S.L. 2021-180. These funds were appropriated from a reserve. Although funding for benefit changes was appropriated directly to the UNC System budget, the allocation will be approved by the Office of State Budget and Management.

4. UNC Laboratory Schools

The General Assembly provided \$1,500,000 in recurring funds in response to the Board's request. These funds will support the operations of the nine UNC Laboratory Schools. The revised net appropriation for this program is \$4.5 million. 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.

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5. Information Technology Rates

The General Assembly provided \$290,015 in recurring funds for the increase in the Department of Information Technology (DIT) rates based on the 2022-23 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*

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. FAFSA Tracker

The General Assembly provided recurring funds of \$55,000 to SEAA to support the Free Application for Federal Student Aid (FAFSA) Tracker. The tool will help schools monitor the number of high school seniors who have completed the FAFSA. These funds were appropriated to the UNC System Office, Related Educational Programs.

2. Collaboratory Partnership with the Eshelman Institute for Innovation

The General Assembly appropriated \$4,956,203 in nonrecurring funds for 2022-23 to the NC Policy Collaboratory for a research partnership with the Eshelman Institute for Innovation. These funds were appropriated directly to UNC-Chapel Hill, Academic Affairs and partially funded from a reserve.

3. Opioid Remediation Research and Development

The General Assembly provided \$1,900,000 in nonrecurring funds from the Opioid Abatement Fund to the NC Policy Collaboratory to implement competitive grants to UNC System constituent institutions for opioid abatement research projects. These funds were appropriated directly to UNC-Chapel Hill, Academic Affairs.

4. Opioid Remediation Outreach

The General Assembly provided \$600,000 in nonrecurring funds from the Opioid Abatement Fund to the NC Policy Collaboratory to support opioid remediation project management and community partnership outreach at NC Central University. These funds were appropriated directly to UNC-Chapel Hill, Academic Affairs.

5. Community Opioid Resources Engine for North Carolina

The General Assembly provided \$400,000 in nonrecurring funds from the Opioid Abatement Fund to the NC Policy Collaboratory to partner with the UNC Injury Prevention Research Center to expand resources to counties, municipalities, and the public on the use of opioid settlement funds. These funds were appropriated directly to UNC-Chapel Hill, Academic Affairs.

6. Research Grants for Historically Minority-Serving Institutions

The General Assembly provided recurring funds of \$1,000,000 for 2022-23 to the NC Policy Collaboratory to award competitive research grants to constituent institutions of the University of North Carolina System identified as historically minority-serving institutions. The revised net appropriation for this purpose is \$1.5 million. These funds were appropriated directly to UNC-Chapel Hill, Academic Affairs.

2022-23 Operating Budget Allocations**7. UNC School of Medicine Class Size Expansion**

The General Assembly appropriated \$8,000,000 in recurring funds for 2022-23 for the UNC School of Medicine to increase the size of each medical class by 40 students. These funds were appropriated directly to UNC-Chapel Hill, Health Affairs.

8. Innovation in Manufacturing Biopharmaceuticals

The General Assembly appropriated nonrecurring funds of \$2,000,000 for 2022-23 for NC State's participation in a collaborative effort to accelerate the development of innovative manufacturing processes for biopharmaceutical products. Funds will support the Biomanufacturing Training and Education Center at NC State University and serve as matching funds for a federal grant from the National Institute of Standards and Technology. These funds were appropriated directly to North Carolina State University, Academic Affairs.

9. NC Clean Energy Technology Center

The General Assembly provided \$400,000 in recurring funds for 2022-23 for the NC Clean Energy Technology Center at NC State University. These funds were appropriated directly to North Carolina State University, Academic Affairs.

10. N.C. A&T Agricultural Research and Cooperative Extension

The General Assembly appropriated recurring funds of \$1,600,000 in 2022-23 to support the agricultural research and cooperative extension activities by matching federal funds awarded to N.C. A&T as a land-grant university. These funds were appropriated directly to N.C. A&T State University.

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

The General Assembly provided \$200,000 recurring funds for 2022-23 to the N.C. A&T Center for Energy Research and Technology. These funds were appropriated directly to N.C. A&T State University.

12. Blue Cross NC Institute for Health and Human Services at ASU

The General Assembly provided \$225,000 in nonrecurring funds for 2022-23 from the Local Project Reserve for the Blue Cross NC Institute at ASU. These funds were appropriated directly to Appalachian State University.

13. Appalachian Energy Center at ASU

The General Assembly appropriated \$200,000 in recurring funds for 2022-23 for the Appalachian Energy Center. These funds were appropriated directly to Appalachian State University.

14. UNCP College of Health Sciences

The General Assembly provided \$1,000,000 in nonrecurring funds for 2022-23 from the Local Project Reserve to the College of Health Sciences at UNCP for program development. These funds were appropriated directly to UNC Pembroke.

15. ECSU Aviation Program

The General Assembly provided \$1,700,000 in recurring funds for 2022-23 to support costs associated with providing hands-on flight instruction at ECSU, including aircraft maintenance, flight instructors, and insurance. Funds provided are intended to help prevent an increase in flight lab fees charged to students. These funds were appropriated directly to Elizabeth City State University.

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16. FSU Sexual Assault Nurse Examiner Training Program

The General Assembly provided \$1,500,000 in nonrecurring funds for 2022-23 from the State Capital Infrastructure Fund (SCIF) to establish a pilot training program. These funds were appropriated directly to Fayetteville State University.

17. FSU Innovation and Entrepreneurship Hub

The General Assembly provided \$1,000,000 in nonrecurring funds for 2022-23 from the State Capital Infrastructure Fund (SCIF) to support the Innovation and Entrepreneurship Hub. These funds were appropriated directly to Fayetteville State University.

18. UNC School of the Arts High School Program

The General Assembly provided \$1,000,000 in recurring funds for 2022-23 in response to the Board's request. These funds will support personnel and purchased services in the high school program. These funds were allocated directly to UNC School of the Arts.


19. NCSSM – Morganton Campus Operating Funds

The General Assembly provided recurring funds of \$1,638,794 in 2022-23 for faculty, staff, and services to support the second cohort of students at the NCSSM – Morganton campus. These funds were appropriated directly to NC School of Science and Mathematics.

20. Aid to Private Institutions

The General Assembly appropriated funds to programs for private institutions. The funds for these programs were appropriated directly to Aid to Private Institutions. Descriptions of these items can be found in Appendix C.

APPENDIX K
Appendix A: 2022-23 Operating Budget Comparison

 THE UNIVERSITY OF NORTH CAROLINA SYSTEM	UNC Budget Priorities	Conference Budget
Enacted Budget (excludes aid to private institutions)	3,377,373,487	3,377,373,487
UNC System Priorities Enrollment Change Funding Building Reserves NCSSM - Morganton Campus UNC School of the Arts High School Program Laboratory School Support HMSI Cybersecurity and Bomb Threat Preparedness	38,146,796 8,249,114 1,334,979 NR 1,638,794 1,000,000 1,500,000 5,000,000 NR	38,146,796 8,249,114 1,334,979 NR 1,638,794 1,000,000 1,500,000 5,000,000 NR
Total Recommended UNC System Priority Budget Changes	56,869,683	56,869,683
Faculty and Staff Salaries 3.5% increase (from 2.5%), additional 1% if employee is paid on an experience-based salary schedule or has salary set in law Labor Market Adjustment Salary Reserve Retiree Cost of Living Increases	– – –	32,884,497 32,884,497 3,983,805 NR*
UNC Institution-Specific Requests ECSU Aviation Program N.C. A&T Agriculture Research and Extension Match NCSU Innovation in Manufacturing Biopharmaceuticals	1,700,000 1,600,000 2,000,000 NR	1,700,000 1,600,000 2,000,000 NR
Other UNC Items (not requested) Information Technology Rates UNC-CH Collaboratory Partnership with Eshelman Institute for Innovation UNC-CH Opioid Remediation Research and Development UNC-CH Opioid Remediation Outreach UNC-CH Community Opioid Resources Engine for NC UNC-CH Research Grants for HMSIs UNC-CH School of Medicine Class Size Expansion NCSU NC Clean Energy Technology Center N.C. A&T Center for Energy Research and Technology ASU Blue Cross NC Institute for Health and Human Services ASU Appalachian Energy Center UNCP College of Health Sciences FSU Sexual Assault Nurse Examiner Training Program Pilot FSU Innovation and Entrepreneurship Hub	– – – – – – – – – – – – – –	290,015 4,956,203 NR* 1,900,000 NR* 600,000 NR* 400,000 NR* 1,000,000 8,000,000 400,000 200,000 225,000 NR* 200,000 1,000,000 NR* 1,500,000 NR* 1,000,000 NR*
Financial Aid and SEAA FAFSA Tracker	–	55,000
Total Recurring Operating Changes	53,834,704	129,748,713
Total Nonrecurring Operating Changes	8,334,979	23,899,987
Total Recommended FY 22-23 UNC Budget	3,439,543,170	3,531,022,187
Total Percent Change	1.8%	4.5%

*Includes funding from reserves

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Aid to Private Institutions		
Enacted Budget	263,221,921	263,221,921
Wake Forest Institute for Regenerative Medicine	—	(10,000,000)
Opportunity Scholarship Grant Fund Reserve	—	56,000,000
Personal Education Student Accounts for Children with Disabilities Program	—	16,300,000
High Point University Principal Prep Program Support	—	1,000,000 NR
Campbell University Principal Prep Program Support	—	500,000 NR
HBCU Bound Athletics Inc.	—	25,000 NR*
Total Aid to Private Institutions	263,221,921	327,046,921

**Includes funding from reserves*

Note: All items are recurring unless specified as nonrecurring.



Section & Title		Conference Budget
UNC Section		
8.1	Revise UNC Enrollment Change Documentation Requirements	Requires the BOG to provide information concerning any metrics used when requesting changes in enrollment funding if the funding request is based on a metric other than enrollment growth.
8.2	Revise Wake Forest Institute For Regenerative Medicine Report	Replaces the BOG with the Joint Legislative Oversight Committee on Health and Human Services as the recipient of the report.
8.3	Recommendations on Increasing Nursing Graduates	Requires the BOG and State Board of Community Colleges to provide the Joint Legislative Education Oversight Committee and the Joint Legislative Oversight Committee on Health and Human Services a report on increasing the number of nursing graduates by at least 50%. The report is due by February 1, 2023.
8.4	UNC and ECU Dental School Clinical Operations Personnel Flexibility	Exempts employees of the Adams School of Dentistry at UNC-CH from most of the provisions of the State Human Resources Act. Requires the Board of Trustees at UNC-CH to develop policies and procedures governing the terms of employment for these employees. The Board of Trustees shall submit initial classification and pay plans, and other rules and regulations to the Office of State Human Resources for approval. Subsequent changes to the plans shall be submitted for review. Also provides ECU Dental School Clinical Operations the same employment flexibilities as the ECU Medical Faculty Practice Plan.
UNC/SEAA Section		
8A.1	Increase Funding and Eligibility Threshold for Opportunity Scholarships and Funding for Personal Education Student Accounts	Increases the funding for the Opportunity Scholarships Program and Personal Education Student Accounts for Children with Disabilities Program over the next ten fiscal years. The household income eligibility threshold for the Opportunity Scholarships Program is increased from 175% to 200% of the amount required for the student to qualify for the federal free or reduced-price lunch program.
8A.2	Limit Tuition Grants for Graduates of NCSSM and UNCSCA to Undergraduate Tuition	Limits the tuition grant program to only be used for undergraduate students.
8A.3	Temporarily Waive Compliance with Certain Selective Service Requirements and Report	For the 2022-23 and 2023-24 academic years, removes the requirement that dependents of active duty military comply with the requirements of the Selective Service System in order to qualify for in-state tuition. Allows those who do not comply to be eligible for state-sponsored scholarships, financial assistance, or loans insured by state agencies. SEAA shall report to the Joint Legislative Education Oversight Committee by January 15, 2023 on recommendations on ensuring compliance with G.S. 116-143.3(c) and G.S. 143B-421.1 beginning in the 2024-25 academic year. The report should include the practicality of ensuring compliance, methods, administrative costs, and barriers.

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Section & Title		Conference Budget
8A.4	Early Admission to Kindergarten for Students Participating in NCSEAA K-12 Scholarship Programs	Requires SEAA to adopt a rule regarding early admission of four-year-old children that establishes the same factors for eligibility as the rule adopted by the State Board of Education pursuant to G.S. 115C-364(d). The rule shall be adopted by December 31, 2022 and apply to applications for scholarship grants for 2023-24 school year.
8A.5	Changes to NCSEAA's Administration of the Opportunity Scholarship Program	Makes the criminal background check conducted for the staff member with the highest decision-making authority privileged information and not a public record. Also changes the requirement to contract with a certified public accountant to preform a financial review from receiving \$300,000 in scholarship funds to enrolling 70 or more receiving scholarship grants. Revises the procedures if a nonpublic school is found to be in violation of the requirements of the section and requires the Board of Directors of NCSEAA to review the criminal history of a schools highest decision making staff member to ensure the staff does not pose a threat to the safety of the students, has the integrity to oversee state funds, or has no outstanding criminal sentencing obligations.
8A.6	Changes to NCSEAA's Administration of Education Savings Accounts	Makes technical changes to the eligibility requirements and requires SEAA to provide written notice to every parent of an eligible student who would be impacted by the changes.
8A.7	Revise Washington Center Internship Scholarship Program	Allows for one to four week public policy and career readiness seminar programs to be eligible for the scholarships. Changes the maximum amount of the per student award for semester internships from \$7,000 to \$10,000 and establishes a maximum of \$8,000 for summer programs and \$4,000 for shortened seminar programs. Requires the BOG to develop guidance for awarding academic credit for participating in the programs. Changes the reporting requirement from March 1, 2023 to March 1 of each year in which grants are received under the program.
8A.8	Report On and Suspend Certain Program Evaluation Requirements for Opportunity Scholarships	Requires SEAA, the Department of Administration, Division of Nonpublic Education, and the Department of Public Instruction to report to the Joint Legislative Education Oversight Committee on the options and timeline to implement the recommendations from the March 1, 2018 task force report established pursuant to 2017 Budget Bill, the cost of implementing the recommendations, and any other legislative recommendations for improving evaluation of students receiving Opportunity Scholarships. For the 2022-23 academic year, if a school is unable to report test score data, then the school will not lose eligibility for opportunity scholarships. For the 2022 and 2023 calendar years, removes an SEAA reporting requirement on learning loss/gain and standardized test scores.
Salaries and Benefits		
39.2	Labor Market Adjustment Reserve	Establishes policies for the Labor Market Salary Adjustment Salary Reserve, including limiting the amount per employee to the greater of \$15,000 or 15% of their current salary. Requires agencies receiving a reserve to report to OSHR by September 30, 2022 on salary increases provided.
39.13	The University of North Carolina	Increases the legislative salary adjustment from 2.5% to 3.5%.
39.18	Mitigate Bonus Leave	Allows employees to voluntarily cash in special bonus leave benefits. Special leave is liquidated for a cash payment based on the employee's current annual salary. Participating agencies must report to the Fiscal Research Division by September 1, 2023 on the position characteristics of the employees participating in the program.
39.19	Salary Related Contribution Adjustments	Adjusts the state's employer contribution rates for retirement and related benefits.

APPENDIX K

Section & Title		Conference Budget
39.20	Increased One-Time Cost-Of-Living Supplement for Retirees of the Teachers' and State Employees' Retirement System, the Consolidated Judicial Retirement System, and the Legislative Retirement System	Increases the legislative cost-of-living supplement from 3% to 4%.
39.21	Temporary Arrangement to Increase Funding for Public Safety Employees' Line of Duty Death Benefits	Instructs the Department of State Treasurer to transfer funds to expedite the payment of line of duty death benefits for public safety employees.
Capital		
40.1	Capital Improvement and Repairs and Renovations Changes	Adds a new project authorization the UNC-CH Law School and ASU Hickory Campus. Increases the total project authorization for NCSU's Engineering Building from \$160M to \$180M, increases the total project authorization for UNC-CH's Nursing School renovation from \$60M to \$65.2M and appropriates an additional \$5.2M in FY 2023, authorizes and appropriates \$2M in FY 2023 for the UNC-CH Law School, decreases the FY 2023 appropriation for ECSU's new Resident Hall from \$30M to \$25M, increases the total project authorization for ECSU's new Dining Facility from \$7.5M to \$15M and appropriates an additional \$5M in FY 2023, authorizes and appropriates \$9M for ASU's Hickory Campus. Also requires the \$2.5M of the R&R funds appropriated to the BOG be used for ECSU's Dining Facility. Removes ECSU's Butler Residence Hall Renovation project from the list of projects authorized to receive R&R funds. Increases the matching requirement of private funds from \$80M to \$90M and the intended state allocation from \$80M to \$90M for NC State's STEM Building. Repeals Section 2 of the UNC Non-Appropriated Projects Capital Projects bill (S.L. 2022-15).
40.5	Six-Year Intended Project Allocation Schedule	Increases the intended allocation for NCSU's Engineering Building in FY 2024 from \$18.25M to \$28.25M, increases the intended allocation for UNC-CH's Business School from \$57.5M to \$68M and redistributes the funds through FY 2025, increases the intended allocation for UNC-CH's Nursing School in FY 2022 from \$13.75M to \$21.25M and in FY 2023 from \$18M to \$25.5M, increases the intended allocation for FSU's College of Education in FY 2024 from \$25.2M to \$27.2M.
40.6	Downtown Government Complex Capital Projects	Clarifies details of a number of downtown government projects, including that the General Assembly will have final authority over any activity related to the planning and construction for the downtown Education Campus.
40.7	Capital Project Inflationary Reserve	Establishes the Capital Project Inflationary Reserve within the State Capital Infrastructure Fund (SCIF). Agencies may request funds from the reserve if they have significantly reduced the scope of the project since it was authorized by the General Assembly, provided evidence of the scope reduction, and documented cost increases due to supply chain or inflationary pressures. Requests shall be submitted to Joint Legislative Oversight Committee on Capital Improvements and the Fiscal Research Division.

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Section & Title		Conference Budget
40.9	Increase Dollar Threshold for Capital Projects	Increases the threshold for capital projects requiring BOG approval from \$2M to \$4M. Requires UNC institutions to follow the provisions of G.S. 143-131 for any repair work involving the expenditure of public money between \$100,000 and \$500,000.
Other UNC-Related Sections		
2.1	General Fund Appropriations	Includes budget code specific appropriations.
2.2	General Fund Availability	Directs the State Controller to transfer \$1.8B to the State Capital and Infrastructure Fund (SCIF), \$1B to the Stabilization and Inflation Reserve, and \$80M to the Local Project Reserve.
4.1	Appropriation of Receipts Increased Due to Salary and Benefit Increases	Appropriates any receipts necessary to be used to pay legislatively mandated salary increases and employee benefit increases.
5.1	Unexpended Nonrecurring Funds Appropriated in 2021-22 Fiscal Year Do Not Revert	Allows agencies to not revert nonrecurring funds that remain unspent as of June 30, 2022. Any remaining funding will revert on June 30, 2023.
7.8	Revise Allocation of Funds from the Elementary and Secondary School Emergency Relief Fund for the National College Advising Corps	Focuses the program on supporting existing college advisers and placement of new advisers especially in tier III counties as designated by the Department of Commerce. Changes the initial report due on October 1, 2022 from The National College Advising Corps (CAC) to the Joint Legislative Education Oversight Committee and the Fiscal Research Division to an interim report and requires a final report on October 1, 2023.
7.11	Interoperable and Interconnected Student Data Systems Study	Directs myFutureNC, Inc. to consult with SEAA, DPI, and the Community College and UNC System Offices to submit a report to the Joint Legislative Education Oversight Committee and the Fiscal Research Division by March 15, 2023 on the requirements necessary to create an interconnected and interoperable real-time data system to facilitate transmission of student data.
9D.1	Modify Medicaid Receivables Accounted for as Nontax Revenue	Makes technical changes to the deposits required by UNC Hospitals for FY 2023.
9D.11	Average Commercial Rate Supplemental and Directed Payment Program/ECU Health Physicians	Includes ECU Health Physicians in the Directed Payment Program.
9F.1	Use of Opioid Settlement Funds	Creates the Opioid Abatement Reserve and directs allocation of funds, including to the NC Collaboratory at UNC-CH.
12.9	Water and Sewer Infrastructure Funds	Appropriates \$3.6M to the City of Elizabeth City and requires at least \$1M shall be used on a new pump station to accommodate recent campus improvements at ECSU.
43.8	Effective Date	Legislative is effective July 1, 2022.

The 2022 General Assembly appropriated funds for the following programs. The funds were appropriated directly to Aid to Private Institutions.

1. Wake Forest Institute for Regenerative Medicine

The General Assembly reduced the budget by \$10,000,000 to reflect a change in the administration of the funds to the Wake Forest Institution for Regenerative Medicine from the UNC System to the Office of State Budget and Management.

2. Opportunity Scholarship Grant Fund Reserve

The General Assembly appropriated \$56,000,000 in recurring funds for 2022-23 to the Opportunity Scholarship Grant Fund Reserve. Funds appropriated to the Reserve in a given fiscal year are used to award scholarship grants the subsequent fiscal year.

3. Personal Education Student Accounts for Children with Disabilities Program

The General Assembly appropriated recurring funds of \$16,300,000 in 2022-23 to the NC Personal Education Student Accounts for Children with Disabilities (PESA) Program.

4. High Point University Principal Preparation Program Support

The General Assembly appropriated \$1,000,000 in nonrecurring funds for 2022-23 for a directed grant to High Point University to support its principal preparation program.

5. Campbell University Principal Preparation Program

The General Assembly appropriated \$500,000 in nonrecurring funds for 2022-23 to Campbell University to support its principal preparation program.

6. HBCU Bound Athletics

Nonrecurring funds of \$25,000 are provided in 2022-23 from the Local Project Reserve to HBCU Bound Athletics, Inc.

Appendix D: Significant UNC-Related Special Provisions of S.L. 2022-74 (House Bill 103)**REVISE UNC ENROLLMENT CHANGE DOCUMENTATION REQUIREMENTS**

SECTION 8.1. G.S. 116-11(9)a1 reads as rewritten:

- "a1 The Board of Governors shall provide full documentation and justification of any enrollment change funding request at the time it is recommended. This documentation and justification shall include the following:
- 1 If the enrollment change funding request is based in whole or in part on enrollment growth, the most recent academic year's actual enrollment numbers in the same format in which the growth increase request is made. The actual enrollment numbers shall be the actual student credit hours (SCH) or full-time equivalencies (FTE)
 - 2 If the enrollment change funding request is based in whole or in part on one or more metrics other than enrollment growth, including student performance, identification of any metric used, and the portion of the funding request based on that metric for each constituent institution."

RECOMMENDATIONS ON INCREASING NURSING GRADUATES

SECTION 8.3. No later than February 1, 2023, the Board of Governors of The University of North Carolina, in collaboration with the State Board of Community Colleges, shall study and provide recommendations to the Joint Legislative Education Oversight Committee and the Joint Legislative Oversight Committee on Health and Human Services on methods and a timeline for increasing the number of graduates from nursing programs at constituent institutions of The University of North Carolina and community colleges by at least fifty percent (50%).

UNEXPENDED NONRECURRING FUNDS APPROPRIATED IN 2021-22 FISCAL YEAR DO NOT REVERT

SECTION 5.1.(a) Notwithstanding any provision of law to the contrary, any nonrecurring funds appropriated for the 2021-2022 fiscal year that remain unexpended as of the effective date of this section and are subject to reversion at the end of the 2021-2022 fiscal year shall not revert at the end of the 2021-2022 fiscal year and shall remain available for expenditure for the purpose for which the funds were appropriated until the earlier of the date the funds are expended or the date the funds revert pursuant to subsection (b) of this section.

SECTION 5.1.(b) Any funds described in subsection (a) of this section that remain unexpended as of June 30, 2023, shall revert to the appropriate fund at the end of the 2022-2023 fiscal year.

SECTION 5.1.(c) This section becomes effective June 30, 2022.

INTEROPERABLE AND INTERCONNECTED STUDENT DATA SYSTEMS STUDY

SECTION 7.11. myFutureNC, Inc., in consultation with the North Carolina State Education Assistance Authority, the Department of Public Instruction, the Community College System Office, and The University of North Carolina System Office, in partnership with their respective public school units, community colleges, and universities, shall submit a report to the Joint Legislative Education Oversight Committee and the Fiscal Research Division no later than March 15, 2023, on requirements necessary to create an interconnected and interoperable real-time data system to facilitate communication, collection, and transition of student data between public school units, community colleges, and universities and to provide students access to their own data, including after the student leaves the institution. The goal of such a system would be to share data more efficiently among educational institutions using existing student information management systems, to assist students in earning postsecondary credentials that could assist the student in finding employment, and to eliminate redundant efforts and expenses among the institutions. The report shall include at least the following:

- (1) Current instances of best practices regarding data warehouses, school district-community partnerships, and relationship management systems
- (2) Technology necessary to create such an interconnected and interoperable system and to create a working prototype.
- (3) Legal considerations for sharing data across institutional systems that would conform with the Family Educational Rights and Privacy Act (FERPA), specifically focusing on student support services.

Appendix D: Significant UNC-Related Special Provisions of S.L. 2022-74 (House Bill 103)

- (4) Human capital and machine capabilities, such as artificial intelligence, needed to develop data and analytical capacity across institutions.
- (5) Any issues that may arise with cultural views on data as an individually owned resource, as opposed to a collaborative tool.
- (6) As applicable, the potential role of existing State longitudinal data systems.

LABOR MARKET ADJUSTMENT RESERVE

SECTION 39.2.(a) Of the Labor Market Adjustment Salary Reserve funds appropriated in this Act, agencies shall award salary adjustments to identified employees pursuant to the following requirements:

- (1) Any increase provided to an employee shall not exceed the greater of fifteen thousand dollars (\$15,000) or fifteen percent (15%) of their current base salary.
- (2) Any increase provided to an employee may not result in the employee's salary exceeding the maximum salary of the salary range associated with the position.
- (3) No more than twenty-five percent (25%) of the agency's permanent employees may receive a salary increase from the funds appropriated for this purpose.
- (4) Funds may not be awarded to employees in positions with salaries set in law or paid based on an experience-based salary schedule that is eligible to receive funding from the Pay Plan Reserve.
- (5) Funds must be used to increase salaries paid to employees and shall not be used to supplant other funding sources or for any other purpose.

SECTION 39.2.(b) The provisions of subsection (a) of this section do not apply to the State Highway Patrol or the State Bureau of Investigation, and no allocations shall be made to those agencies for labor market adjustments.

SECTION 39.2.(c) The Director of the Budget may adjust a State agency's budgeted receipts to provide an equivalent one percent (1%) Labor Market Adjustment Salary Reserve subject to the requirements in subsection (a) of this section, provided that sufficient receipts are available. Agency receipts needed to implement this section are appropriated for the 2022-2023 fiscal year.

SECTION 39.2.(d) The Office of State Human Resources (OSHR) shall compile a single report detailing how these funds were distributed by each agency. The OSHR shall develop a uniform reporting mechanism for agencies that displays the salary increases made for each position classification, the average increase provided to employees in each position classification, and the market-based justification for the awarded salary increases. Agencies receiving Labor Market Adjustment Salary Reserve appropriations shall report to the OSHR by September 30, 2022. By October 31, 2022, the OSHR shall submit the report containing the agency responses to the Fiscal Research Division.

THE UNIVERSITY OF NORTH CAROLINA

SECTION 39.13. Section 39.13(2) of S.L. 2021-180 reads as rewritten:

- "(2) Effective July 1, 2022, the Board of Governors of The University of North Carolina shall provide SHRA employees, EHRA employees, and teachers employed by the North Carolina School of Science and Mathematics with an across-the-board salary increase in the amount of ~~two and one-half percent (2.5%)~~ three and one-half percent (3.5%)."