

Special Briefing:
*State Budget to Include
Significant IT Investments*

November 22, 2021

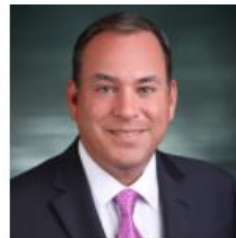


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with



FEATURED SPEAKERS



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Two 2021 Budget Documents

General Assembly website: www.ncleg.gov

- “Bill Text” for S 105

<https://webservices.ncleg.gov/ViewNewsFile/59/S105-CCSMLxr-3v5>

- “Committee Report” for S 105 (aka, “Money Report”)

<https://webservices.ncleg.gov/ViewBillDocument/2021/53458/2/S105-BD-NBC-9279>

2021 Budget Act (S 105)

- Enacts first budget since 2018
- Appropriates \$25.9 billion for FY 2022 and \$27 billion for FY 2023 (base budget \$24.8 billion)
- Provides a 5% pay raise for most state employees and an average 5% pay raise for teachers over the biennium. Both teachers and state employees will receive a bonus.
- Increases recurring education spending \$1.5 billion over the base budget during the biennium and appropriates funds for K-12 school construction
- Appropriates \$6 billion to the State Capital and infrastructure Fund over the biennium for infrastructure projects and debt reduction
- Provides \$1 billion for broadband Internet expansion
- Increases zero-tax bracket to \$25,500, reduces personal income tax rate from 5.25% to 3.99% by 2027 with reduction to 4.99% in 2022, reduces corporate tax rate from 2.5% to 0% after 2029, increases child tax deduction by \$500 by child, allows tax deductions for taxpayers that received Payment Protection Program (PPP) loans, and eliminates state income tax on military pensions
- Revises the Emergency Management Act to require a Council of State vote to extend a statewide emergency beyond 30 days (effective January 1, 2023)

Education — Community Colleges

- Broadband for 25 rural community colleges - \$15M NR B 9 #14
- Cybersecurity at community colleges
\$1.5M NR x 2/\$750,000 R--staff + plan B11 #20
- ERP solutions community colleges - \$3.5M R x 2 B 13 #30
- ERP complete at community colleges - \$28.5 NR B 18 #50

*Note: Community College section starts at B 1 in the Committee Report
and p. 44 in the Bill Text.*

Education — K-12

- Cybersecurity statewide K-12 at DPI - \$7M NR x 2 B 31 #90
- School Connectivity Initiative - \$4.6M R x 2 B 33 #107
- School business modernization/ERP at DPI
\$86.6M NR over 2 years B 37 #127

*Note: K-12 education starts at B 19 in the Committee Report
and p. 53 in the Bill Text.*

Education — UNC

- Project Kitty Hawk - \$97M NR B 48 # 145
- UNCG e-sports - \$2.4M NR B 64 #205
- NCSU e-sports
\$6M NR x 2/\$4M NR for truck H 13 #77 & 78
- UNCC Burson Data Center
\$600,000 R x 2 B 65 #207
- Carolina Cyber Network - \$11M NR G7 #13


*Note: UNC starts at B 40 in the Committee Report
and p. 124 in the Bill Text.*

Broadband — G7

- GREAT—federal (providers) \$72.9M NR
- GREAT—virus capital projects (providers) \$277M NR
 - GREAT changes p. 492 (38.1) & GREAT p. 497 (38.4)
 - Fixed wireless and satellite p. 503 (38.7)
 - Facilitation (city) p. 507 (38.9), (county) p. 508 (38.10)
- Completing Access to BB fund (CAB) - p. 502 (38.6) \$400M NR
- Stopgap Solutions—federal - p. 501 (38.5) \$90M NR
- Make Ready Accelerator \$100M NR
- Awareness & digital literacy \$50M NR (4 years)
- Administration (DIT) \$15M NR (4 years)
- Mapping (DIT) - p. 506 (38.8) \$1M NR



DIT

- DIT budget and head count G 1-5
 - DIT cybersecurity funds - \$7.5M R x 2 G 9 #19
 - DIT prepare cybersecurity plan—to GA by 2-1-22 p. 496 (38.3)
 - State surplus computers for nonprofits p. 512 (38.11)
 - Legislative study on a new budget and cost
accounting model for State IT goods and services
provided by DIT-interim 2022/final 2023 p. 513 (38.12)
 - No government ransomware payment p. 514 (38.13)
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Other Agencies

• DHHS NC FAST & other IT	p. 182 & 183	C 20, 21, 26
• Courts/Indigent defense		E 7, 8, 13, 20
• Elections	\$2.8M p. 464 (26.2)	F 66 #130
• General Assembly	\$8M p. 464 (27.1) + \$3.6M	F 74 #145
• Insurance call center		F 111 #198
• Revenue mainframe migration	\$2.5M NR	F 154 #274
• NC Health Connex (HIE)	\$4.25M R x 2	G 8 #17
• CJ LEADS	\$1.5M R x 2	G 9 #21
• Employment Security	\$600,000 NR	G 9 #22
• Controller ERP	\$25M NR x 2	I 7 #3

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