

# GOVERNOR COOPER'S RECOMMENDED BUDGET 2023-2025

## Summary of Key Recommendations Related to Aging March 16, 2023

Funding amounts listed are the state appropriations.  
"R" notes recurring funding and "NR" notes non-recurring funding. The complete Governor's Budget Recommendations can be found [here](#).

	<u>SFY2023-24</u>	<u>SFY 2024-25</u>
<b>Education</b>		
<p><b>Nursing Preceptorship Funding</b> Funds a pilot program to pay preceptors who mentor newly-qualified workers, and evaluation of that program. This will address the preceptor shortage by partially compensating lost earnings for experienced nurses who take on this role, and hence bolster the pipeline of nurses in training.</p>	3,300,00 NR	3,000,000 NR
<p><b>Finish Line Grants</b> Makes permanent a financial aid program for community college students to enable them to complete their studies and improve their readiness for employment.</p>		3,750,000 R
<p><b>Summer Accelerator Tuition Grants</b> Makes permanent a financial aid program for community college students to accelerate their learning over the summer months.</p>		5,400,000 R
<p><b>Short-Term Workforce Credentials Financial Assistance</b> Invests General Fund monies in 2023-24 and receipts from the Strategic Workforce Investment Trust Fund in 2024-25 to make permanent a financial aid program to provide short-term training at community colleges, helping people not currently in work to return more quickly to the labor market.</p>	9,150,000 NR	10,000,000 R
<p><b>Addressing Child Care Needs Across the Community College System</b> Invests in competitive grant funding for community colleges to establish, expand, or re-open childcare services in response to demand from students or prospective students.</p>	11,000,000 NR	
<p><b>Longleaf Commitment</b> Makes permanent the financial aid program for community college students from lower- and middle-income households.</p>	6,425,000 R	6,425,000 R

## General Government

SFY2023-24

SFY 2025-25

### Housing Trust Fund

50,000,000 NR

Fund to expand affordable housing, address emergency home repairs, and preserve existing affordable rental housing. These activities support low-income individuals and families, including seniors, veterans, people with disabilities, and people who are currently homeless.

### Workforce Housing Support

50,000,000 NR

Budgets receipts from the Housing Reserve to address housing affordability challenges for families and individuals earning between 60% and 120% of area median income, financing up to an additional 250 affordable housing units.

### Workforce Housing Loan Program

35,000,000 NR

Budgets receipts from the Housing Reserve for the Workforce Housing Loan Program (WHLP) to construct or substantially rehabilitate multi family affordable housing units across the state.

### Senior Affordable Housing

25,000,000 NR

Budgets receipts from the Housing Reserve to address housing affordability challenges for low-income seniors by providing funds to create new affordable rental units for seniors. Funding may also be used for programs that help seniors to age in place, including emergency home repairs, single-family home rehabilitation, and accessibility modifications.

### Veterans Services

1,100,000 R

1,100,000 R

Invests in the state-county collaboration that connects veterans and their families to earned benefits. Funds will be used to create 14 positions.

### Veterans Affairs Outreach

450,000 R

450,000 R

Funds 4 positions to meet needs within the Veterans Affairs Division.

### Upkeep and Beautification of Cemeteries

225,000 R

225,000 R

Funds Maintenance Construction Technicians to maintain and beautify the state's four veterans cemeteries.

	<u>SFY 2023-24</u>	<u>SFY 2023-24</u>
<b>General Government</b>		
<b>Awareness and Digital Literacy</b> Funds an awareness campaign with targeted community-based efforts and digital literacy offerings.	12,500,000 NR	12,500,000 NR
<b>Broadband Administration</b> Provides funds to the Department of Information Technology to supplement existing administrative capacity in support of high-speed internet efforts.	3,750,000 NR	3,750,000 NR
<b>Absentee Ballot Request/Return Portal</b> Provides state funds to continue hosting an online absentee ballot request portal that was created with one-time federal funds. This portal is used by more than 30% of absentee voters as well as 14,000 military and overseas voters. A recent court order requires the board to continue offering this service because it increases accessibility for visually impaired voters.	350,000 R	350,000 R
<b>Postal System Ballot Tracking Software</b> Funds a secure software application that tracks mail-in ballots through the postal system, from election office to voter and back.	50,000 R	50,000 R
<b>Help America Vote Act State Match Requirement</b> Provides funding for the state match to receive 2022 and 2023 federal HAVA funding. These matching funds will allow North Carolina to receive an additional \$3.6 million in federal funds for election security initiatives.	727,763 NR	
<b>Health and Human Services</b>		
<b>Corporate Guardianship Rate Increase</b> Provides funding to adjust the Corporate Guardianship rates for Social Security cost-of-living increases. This funding will enable the division to retain guardianship providers, ensuring that older North Carolinians can access basic needs.	1,358,676 R	1,358,676 R
<b>Rural Aging in Place (Medicaid Expansion Bonus Investments)</b> Supports household improvements and upfitting to support older North Carolinians in rural communities preventing unnecessary institutionalization. This item is funded from the Improving Health Outcomes for People Everywhere (IHOPE) Fund.	34,800,000 NR	
<b>Board Payment to Kinship Parents</b> Creates a subsidy program for kinship care parents, incentivizing kinship care families to receive a specific foster parent license, and increasing the number of children living with family.	10,202,152 R	10,202,152 R

	<u>SFY 2023-24</u>	<u>SFY 2024-25</u>
<b>Health and Human Services</b>		
<b>State-County Special Assistance Rate Cost-of Living Increases</b> Adjusts State-County Special Assistance Rate to accommodate the Cost-of-living increase provided under GS 108A-42.1.	935,852 R	935,852 R
<b>Transitions to Community Living Initiative</b> This funding will provide additional housing and tenancy support and wraparound mental health services following the US Department of Justice Olmstead Settlement.	15,610,750 R	15,610,750 R
<b>Expanded Capacity to Improve Health Outcomes</b> Funding will support the development of 3 new positions which will work with community organizations to build capacity and improve health outcomes for North Carolinians living in rural, low-income, and Tribal lands.	440,899 R 79,650 NR	440,899 R
<b>Rural Hospital Rescue Fund</b> Provides grants or loans to hospitals in rural communities to bridge operations when hospitals are at risk. Funds will be used to stabilize hospitals over the next five years, while the benefits of Medicaid Expansion and Healthcare Access and Stabilization	50,000,000 NR	
<b>Critical Disease Prevention and Control Measures</b> Invests onetime funding for critical functions needed to Protect citizens from emerging disease threats. Funds will be used to retain some of the infectious disease staff and infrastructure built during COVID-19 to respond to other emerging threats.	4,851,879 NR	
<b>Innovation Rates</b> Invests funds to build on the Home and Community Based Services community provider rate increase in SL 2021-180. Funding will support a pay increase in each year of the biennium raising the Innovations Waiver Direct Care Workforce wage to \$18 per hour.	18,000,000 R	72,000,000 R
<b>Personal Care Services Rate</b> Increases the Personal Care Services (PCS) rate by \$2.14 per hour from 2020 levels, making 50% of the COVID-19 rate increase permanent. This funding will allow for Direct Support Professional Wage increases in the PCS and Community Alternatives Programs, addressing staffing shortages.	30,000,000 R	30,000,000 R
<b>Skilled Nursing Facility Rate Increase</b> Invests funding to increase Skilled Nursing Facility (SNF) average base per diem rates by making 50% of the enhanced COVID-19 rate permanent. This funding will allow SNFs to permanently increase wages, addressing staffing challenges.	50,366,796 R	50,366,796 R

## **Health and Human Services**

### **Medicaid Expansion**

Supports expanding Medicaid eligibility beginning June 1, 2023, to provide healthcare access for more than 600,000 North Carolinians, help prevent rural hospitals from closing, reduce the number of uninsured veterans, help fight the opioid epidemic, generate over \$113 million in state General Fund savings over the biennium, and secure North Carolina's share of federal resources that will inject over \$5 billion in direct investment into the state. An additional \$1.7 billion in federal funds over two years, which can be used for additional policy priorities, are available as part of the American Rescue Plan Act of 2021.

### **Behavioral Health Rates**

75,000,000 NR

150,000,000 NR

Invests \$75 million in state dollars each year for the next three years to increase rates for inpatient and community behavioral health services, improving access to these services statewide. Funding will ensure that Medicaid reimbursement rates reflect the actual cost of providing care, enabling providers to continue offering services to address mental health treatment needs across the state. This item is funded from the Improving Health Outcomes for People Everywhere (IHOPE) Fund.

### **988 Suicide and Crisis Lifeline**

325,000 R

1,300,000 R

Invests funds to support 988 Crisis Helpline Call Center staff that are currently funded by a Substance Abuse and Mental Health Services Administration (SAMHSA) grant that will end April 2024. The staff are required to meet the increased call volume following the implementation of the helpline.

### **Competitive Integrated Employment**

5,000,000 R

500,000,000 R

Expands competitive integrated employment with investments in vocational rehabilitation services, day supports, and community services for individuals with intellectual and developmental disabilities.

### **Crisis Stabilization Facility Capacity**

1,694,596 R

3,936,490 R

Addresses the needs of children in crisis who are currently boarded in emergency departments by investing funds to increase the number of crisis stabilization beds at facilities statewide.

### **Behavioral Health Crisis System**

200,000,000 NR

Strengthens the state's behavioral health crisis system to expand access to mental health and substance use disorder treatment. Funds will expand access to critical supports including mobile crisis and non emergency department crisis treatment, as well as community-based supportive housing. Funds will also support the implementation of a statewide involuntary commitment transportation program. This item is funded from the Improving Health Outcomes for People Everywhere (IHOPE) Fund

**Health and Human Services****Psychiatric Facility Capacity Improvements**

100,000,000 NR

Invests funds to ensure that individuals with complex needs can access care and successfully discharge from psychiatric hospitals to a lower level of care. Funds will be used to increase salaries and offer loan forgiveness to the state facility workforce, ensuring beds can remain open. Funds will also support investments in critical infrastructure, such as electronic medical records and automated medication dispensing cabinets. This item is funded from the IHOPE Fund.

**Acute Care Workforce Capacity**198,385 R  
55,198 NR

198,385 R

Creates positions to ensure the section can meet federal and state requirements, including the new Centers for Medicare and Medicaid Services Conditions of Participation requirement. The 2 positions will allow the section to investigate the rising number of acute care and psychiatric hospitals complaints, protecting patient safety and health.

**Adult Care Workforce Capacity**591,895 R  
52,000 NR

591,895 R

Establishes 8 positions that are needed to meet federal and state mandates, including new requirements in SL 2021-171. The positions will ensure the section can investigate the growing number of complex complaints and address serious violations within adult care facilities across the state.

**Licensing and Regulation Workforce Capacity**231,331 R  
13,000 NR

231,331 R

Funds 2 positions to allow the section to perform physical plant inspections of adult care facilities pursuant to GS 131D-2.11 and mental health facilities pursuant to GS 122C-21(2). The positions are critical in ensuring that facilities are safe and adequate, protecting residents and preventing harm.

**Complaint Intake Capacity**130,178 R  
19,500 NR

130,178 R

Establishes 3 positions to ensure that the section can respond to residents in a timely manner and process intakes within two days, per federal requirements. These positions will also enhance the section's ability to process and refer complaints and facility reported incidents, improving the safety and well-being of individuals in facilities statewide.

**Nursing Home Workforce Capacity**1,093,755 R  
97,500 NR

1,093,755 R

Creates 15 positions to allow the section to investigate complaints and address nursing home violations. These positions are required to meet federal and state requirements and will ensure the safety of nursing home residents statewide.

**SFY 2023-24**

**SFY 2024-25**

**Department of Public Safety**

**NC 2-1-1 System**

100,000 R

100,000 R

Provides additional funding to support operations of the NC 2-1-1 program that the United Way of North Carolina operates. This funding increases recurring net appropriations for the NC 2-1-1 program to \$500,000.

**Department of Agriculture and Consumer Services**

**Food Insecurity Grants**

500,000 NR

Provides funds for the department to distribute grants to nonprofits to address food insecurity among children, families, and older adults.

**Department of Commerce**

**Rural Works Program Pilot**

4,000,000 NR

Provides funding to North Carolina Business Committee for Education to implement the three-year Rural Works program pilot, an expanded version of the successful Surry-Yadkin Works program that helps provide work-based learning opportunities, including internships and pre-apprenticeships from middle school through high schools, across five counties.

**Golden LEAF**

25,000,000 NR

Budgets the transfer of funds from the Economic Development Project Reserve to Golden LEAF. Golden LEAF will use these funds for their programs focused on increasing economic opportunity in rural and economically distressed areas.

**Rural Transformation Grant**

12,500,000 R

12,500,000 R

Fund Funds a program administered by the Rural Economic Development Division which provides grants to local government that support downtown revitalization, resilient neighborhood development, and rural community capacity building.

12,500,000 NR

12,500,000 NR

**Workforce Development Training Grants**

15,000,000 NR

Budgets the transfer of funds from the Strategic Workforce Investment Trust Fund to support a competitive grant program for workforce development boards (WDBs) to support employers hiring, training, and retaining employees. Funding may be used to support outreach, work based learning, on-the job training, or employer engagement activities.

**Department of Transportation**

**Bicycle and Pedestrian Projects**

Establishes a local government grant program to match federal funds for bicycle and pedestrian projects, such as shared use paths, bicycle lanes, and bicycle and pedestrian bridges

10,000,000 NR