



Nonprofit Provisions in the North Carolina State Budget for FY2022-2023

Revised: June 30, 2022

Items in green indicate better provisions for nonprofits, and items in red indicate problematic provisions for nonprofits. Appropriations to individual nonprofits are generally not marked in green. Unless otherwise specified, appropriations to nonprofits are one-time funding.

Issue	Provision in State Budget
Total spending	<ul style="list-style-type: none"> \$27.9 billion in FY 2022-23
Total new funding for nonprofits	<ul style="list-style-type: none"> \$232.4 million in total new support for nonprofits. \$155.5 million in new support for nonprofits' operations, programs, and services. \$78.9 million in support for building projects at nonprofits.
Nonprofit sales tax refunds	<ul style="list-style-type: none"> Preserves nonprofit sales tax refunds but does not convert them to the process to point-of-sale exemption.
Incentives for charitable giving	<ul style="list-style-type: none"> No new incentives for charitable giving. The Center had encouraged legislators to consider adding a state tax credit for charitable contributions by non-itemizers. The state charitable deduction remains uncapped.
Tax rates	<ul style="list-style-type: none"> Make no changes to tax rates in 2022 or future years. Last year's budget reduces individual income tax rate from 5.25% to 4.99% in 2022, 4.75% in 2023, 4.6% in 2024, 4.5% in 2025, 4.25% in 2025, and 3.99% after 2026 and reduces the corporate income tax rate from 2.5% to 2.25% in 2025, 2.0% in 2026 and 2027, 1% in 2028, and 0% after 2028. Some nonprofits pay state corporate income tax on unrelated business income.
Disbursement of grants and appropriations to nonprofits	<ul style="list-style-type: none"> Provides that one-time state grants and appropriations to nonprofits of \$100,000 or less may be disbursed as a single payment and that larger grants or appropriations may be disbursed as monthly or quarterly payments. Requires state agencies to pay out these grants or appropriations as soon as possible and no later than 100 days after the state budget is enacted. One-time funds to nonprofits do not revert to the state (if unused) until June 30, 2024. Provides that one-time funds from last year's budget do not revert to the state if they haven't been fully used. This is important for many nonprofits that received one-time funds long after the start of the last fiscal year on July 1, 2021 and may not have had the opportunity to spend all of these funds.
Nonprofit grant management	<ul style="list-style-type: none"> Provides \$368,679 to the NC Office of State Budget and Management (OSBM) for grants management and oversight. This additional funding should help OSBM have more staff dedicated to working with nonprofit grants and could help alleviate problems nonprofits have with late contracts and late payments from state agencies.
Savings for recession	<ul style="list-style-type: none"> Creates a \$1 billion Stabilization and Inflation Reserve fund. This fund is intended to help offset potential reductions in state revenue if there is an economic recession in the near future. This reserve fund could be helpful in minimizing future reductions to state grants and contracts with nonprofits if there is a recession.
Medicaid expansion	<ul style="list-style-type: none"> Not included in budget.

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	<ul style="list-style-type: none"> The House and Senate have passed separate plans for Medicaid expansion. They will need to agree on one version for Medicaid expansion to be enacted in North Carolina.
<p>Various health and human services nonprofits</p>	<ul style="list-style-type: none"> Provides \$52,272 to Cumberland County Coordinating Council on Older Adults, Inc. Provides \$500,000 to Eden Village of Wilmington. Provides \$100,000 to Place of Grace Homeless Shelter. Provides \$1 million to Stanly County Senior Center. Provides \$50,000 to Open Door Clinic of Alamance County. Provides \$1.6 million to Jo Ann Carter Harrelson Center, Inc. Provides \$350,000 to Paws4People. Provides \$250,000 to Community Free Clinic, Inc. Provides \$200,000 to Moore Free and Charitable Clinic, Inc. Provides \$400,000 to Surry Medical Ministry Foundation, Inc. Provides \$50,000 to Children’s Council of Watauga County, Inc. Provides \$130,000 to North Carolina Down Syndrome Alliance, Inc. Provides \$50,000 to Residential Treatment Services of Alamance, Inc. Provides \$250,000 to Residential Treatment Services of Alamance, Inc. Provides \$500,000 to First Contact Ministries, Inc. Provides \$250,000 to Blue Ridge Hope. Provides \$105,000 to Burke Psychological Services, Inc. Provides \$100,000 to TIDES, Inc. Provides \$1 million to TROSA. Provides \$1.3 million to Carolina Maternity Home Association, Inc. Provides \$500,000 to Cabarrus Cooperative Christian Ministry, Inc. Provides \$500,000 to The Salvation Army. Provides \$100,000 to Wilmington Areas Rebuilding Ministry, Inc. Provides \$34,000 to Resource Connection Gateway, Inc. Provides \$25,000 to Family Abuse Services of Alamance County, Inc.
<p>Smart Start</p>	<ul style="list-style-type: none"> Requires 19% matching funds for local Smart Starts. Limits administrative costs (statewide) for partnerships for children to 9% of total funding. This is an increase from the 8% limit that had been included in the budget for the past decade.
<p>NC Pre-K</p>	<ul style="list-style-type: none"> Provides \$5 million in recurring funds for a 5% rate increase for NC Pre-K providers.
<p>Child care providers</p>	<ul style="list-style-type: none"> Requires that child care providers undergo criminal background checks prior to employment and every five years thereafter. This reduces the frequency with which child care providers must undergo background checks by 2 years.
<p>Program of All-Inclusive Care for the Elderly (PACE)</p>	<ul style="list-style-type: none"> Provides \$19.8 million in recurring funds for rate increases for PACE providers.
<p>Federally qualified health centers (FQHCs)</p>	<ul style="list-style-type: none"> Provides \$15 million in one-time funding for FQHCs.
<p>Pregnancy care nonprofits</p>	<ul style="list-style-type: none"> Provides \$3.085 million to 11 pregnancy centers.

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Community action agencies	<ul style="list-style-type: none"> Increases funding by \$3.62 million.
Child advocacy centers	<ul style="list-style-type: none"> Provides \$3 million in one-time funding.
Arts, cultural, and science nonprofits	<ul style="list-style-type: none"> Converts \$1 million one-time funding for grassroots arts programs to recurring funding. Provides \$1.2 million per year in additional recurring funding to the NC Symphony. Provides \$150,000 in funding for the Arts Council of Wilmington and New Hanover County. Provides \$150,000 to Fair Bluff Historical Society.
Criminal justice nonprofits	<ul style="list-style-type: none"> Provides \$25,000 in one-time funding to Forsyth Jail and Prison Ministries. Provides \$300,000 in one-time funding for Leading Into New Communities.
Grants to educational nonprofits	<ul style="list-style-type: none"> Provides \$250,000 to Muddy Sneakers. Provides \$500,000 to Campbell University. Provides \$25,000 to HBCU Bound Athletics, Inc.
Commerce, economic development, and workforce development nonprofits	<ul style="list-style-type: none"> Provides \$1.5 million to the North Carolina Home Builders Educational Foundation. Provides \$1.25 million to the Economic Development Partnership of North Carolina (\$250,000 of which is recurring funding). Provides \$1.5 million to the NC Biotechnology Center (\$500,000 of which is recurring funding). Provides \$125,000 to the Countywide Community Development Corporation. Provides \$1.2 million to Moore County Partners in Progress.
Agricultural and environmental nonprofits	<ul style="list-style-type: none"> Provides \$6.5 million to the NC Coastal Federation. Provides \$200,000 to the Juneberry Ridge Educational Foundation. Provides \$5 million to Reinvestment Partners. Provides \$1.5 million to the North Carolina Foundation for Soil and Water Conservation.
Volunteer fire departments and rescue squads	<ul style="list-style-type: none"> Provides \$1.835 million to seven volunteer fire and rescue squads. Provides \$36.565 million for a \$35,000 grant to every volunteer fire and rescue squad in the state. Provides \$1.5 million for additional \$10,000 grants to volunteer fire and rescue squads that didn't receive base allocation grants in FY2021-22.
Various nonprofit grants (through the NC Office of State Budget and Management)	<ul style="list-style-type: none"> Provides \$25,000 to AWOL Outreach, Inc. Provides 132,300 to the Blue Jay Recreation Center. Provides \$500,000 to the Boys & Girls Club of Greater Onslow County. Provides \$50,000 to Called to Peace Ministries, Inc. Provides \$500,000 to Cleveland County ALWS Baseball, Inc. Provides \$100,000 to Community Foundation of NC East, Inc. Provides \$1 million to Cumberland County Community Foundation, Inc. Provides \$250,000 to Cumberland County Veterans Council, Inc. Provides \$200,000 to Gaston Business Association, Inc. Provides \$100,000 to Gray's Creek Woman's Club. Provides \$150,000 to High Point Arts Council, Inc. Provides \$50,000 to Moravian Church in America, Southern Province. Provides \$250,000 to myFutureNC, Inc.

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	<ul style="list-style-type: none"> • Provides \$2.2 million to the National Institute of Minority Economic Development. • Provides \$250,000 to the North Carolina’s Eastern Alliance Corporation. • Provides \$100,000 to the North Carolina Folk Festival • Provides \$100,000 to the Retired Military Association of North Carolina, Inc. • Provides \$1.15 million to The Halton School. • Provides \$200,000 to the United Way of Lincoln County. • Provides \$500,000 to the United Way of Rockingham County. • Provides \$1.2 million to the University of Mount Olive. • Provides \$10 million to the Wake Forest Institute for Regenerative Medicine. • Provides \$250,000 to the Wayne County Historical Association. • Provides \$50,000 to the Eastern Carolina YMCA. • Provides \$100,000 to the YMCA of the Triangle.
<p>Economic incentives to nonprofits</p>	<ul style="list-style-type: none"> • Provides \$15 million to the Atlantic Coast Conference (which is a 501(c)(3) nonprofit) to incentivize it to remain in North Carolina.
<p>Building programs at nonprofits</p>	<ul style="list-style-type: none"> • Provides \$3 million to Cape Fear Valley Memorial Hospital. • Provides \$4.825 million to Northern Regional Hospital. • Provides \$19,500 to Hoyle Historic Homestead, Inc. • Provides \$200,000 to the Catawba County Historical Association, Inc. • Provides \$250,000 to Friends of the Valdese. • Provides \$600,000 to the Blue Ridge Conservancy (in two separate appropriations). • Provides \$100,000 to the New River Conservancy. • Provides \$6,000 to Absher Flowers VFW Post 9337. • Provides \$250,000 to Aces for Autism. • Provides \$50,000 to Alarka Community Center. • Provides \$250,000 to the American Home Furnishings Hall of Fame, Inc. • Provides \$500,000 to American Legion Post 440. • Provides \$500,000 to AMOREM. • Provides \$100,000 to the Aurora Fossil Museum. • Provides \$200,000 to the Catawba County Historical Association. • Provides \$50,000 to the Belfast Volunteer Fire Department. • Provides \$150,000 to Benson Health. • Provides \$100,000 to the Blounts Creek Fire Department, Inc. • Provides \$755,000 to the Bolivia Volunteer Fire Department. • Provides \$2,500 to the Brevard Station Museum. • Provides \$500,000 to Gardner-Webb University. • Provides \$50,000 to Camp Centurion. • Provides \$496,000 to Carolina Land and Lakes Resource Conservation and Development. • Provides \$10 million to the Carolinas Aviation Museum. • Provides \$75,000 to the Cherry Lane Volunteer Fire Department.

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	<ul style="list-style-type: none"> • Provides \$75,000 to Civietown Fire & Rescue, Inc. • Provides \$12.3 million to the I-95/I-40 Crossroads of America Economic Development Alliance, Inc. • Provides \$1.47 million to the Denver Volunteer Fire Department. • Provides \$43,000 to the Duplin County Veterans Memorial Museum for two projects. • Provides \$300,000 to the Eagle Springs Volunteer Fire Department. • Provides \$100,000 to the Eastwood Volunteer Fire Department. • Provides \$500,000 to Edneyville Volunteer Fire & Rescue. • Provides \$100,000 to the Fremont Historical Museum. • Provides \$275,000 to Gamewell Optimist Club, Inc. • Provides \$220,000 to Gaston Aquatics. • Provides \$2 million to Gaston County Family YMCA. • Provides \$50,000 to Gratham Volunteer Fire Department. • Provides \$200,000 to Hart Square Foundation. • Provides \$500,000 to Haynes-Taylor Memorial YMCA. • Provides \$1.16 million to Howard’s Creek Volunteer Fire Department. • Provides \$1 million to the International Civil Rights Center and Museum. • Provides \$125,000 to the J. Smith Young YMCA. • Provides \$250,000 to the Jackson Volunteer Fire Department. • Provides \$50,000 to James B. Crump VFW Post 2423. • Provides \$40,000 to the Jonas Ridge Volunteer Fire Department. • Provides \$250,000 to the Korner’s Folly Foundation. • Provides \$250,000 to the Lawndale Volunteer Fire Department. • Provides \$50,000 to the Little River Volunteer Fire Department. • Provides \$250,000 to Lumberton Rescue. • Provides \$500,000 to Lydia’s Place. • Provides \$450,000 to Macclesfield Rural Volunteer Fire Department. • Provides \$50,000 to Madison County Rescue Squad, Inc. • Provides \$50,000 to the Merry Hill – Midway Volunteer Fire Department. • Provides \$200,000 to the Midland Volunteer Fire and Rescue. • Provides \$4 million to the Mountain Area Health Education Center. • Provides \$500,000 to Myrover-Reese Fellowship Homes, Inc. • Provides \$19 million to the North Carolina Troopers Association. • Provides \$50,000 to the North Carolina Veterans Memorial, Inc. • Provides \$385,000 to Number Seven Volunteer Fire Department. • Provides \$250,000 to the Foothills Conservancy. • Provides \$50,000 to the Oakland Volunteer Fire Department. • Provides \$2.15 million to the Ore Bank Pumpkin Center Volunteer Fire Department. • Provides \$1.5 million to Friends of the Pamlico County Library. • Provides \$50,000 to the Patetown Volunteer Fire Department. • Provides \$50,000 to the Pikesville-Pleasant Grove Volunteer Fire Department.

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	<ul style="list-style-type: none"> • Provides \$25,000 to Pleasant Garden Fire Department, Inc. • Provides \$50,000 to Plymouth Volunteer Fire Department. • Provides \$50,000 to Princeton Volunteer Fire Department. • Provides \$100,000 to Pungo River Fire Department, Inc. • Provides \$50,000 to Reidsville Rescue Squad. • Provides \$100,000 to Mirakal Loves for Live, Inc. • Provides \$75,000 to Senior Resources of Guilford. • Provides \$500,000 to Shanghai Volunteer Fire Department. • Provides \$100,000 to South Fork Volunteer Fire Department. • Provides \$250,000 to South Robeson Rescue Unit, Inc. • Provides \$50,000 to the Stokes Historical Society. • Provides \$75,000 to Sunset Harbor and Zion Hill Fire Department, Inc. • Provides \$10,000 to the Cramerton Historical Society. • Provides \$1.2 million to Union Volunteer Fire Department, Inc. • Provides \$500,000 to Waco Volunteer Fire Department, Inc. • Provides \$677,770 to Williams YMCA of Avery County. • Provides \$100,000 to the Piedmont Triad Charitable Foundation. • Provides \$500,000 to the Alamance County YMCA. • Provides \$500,000 to the YMCA of the Triangle. • Provides \$125,000 to the YMCA of Thomasville. • Provides \$300,000 to the Randolph-Asheboro YMCA.

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