

REPORT
Statewide/Capital/General Government
Subcommittee

September 21, 2004

Chairman: Representative Thomas Wright

Requests to Increase Fees per S.L. 2001-427, Section 8(a):
Department of Cultural Resources

Jeffery J. Crow
Deputy Secretary

Committee Findings: In the 2003 Session the General Assembly authorized the NC Historical Commission to establish a tax credit application review fee per G.S. 105-129.36A(b). The department consulted with the subcommittee in regards to the fee that "may not exceed one percent (1%) of the completed qualifying rehabilitation expenditures". The statute earmarked the revenue generated from the fee to Cultural Resources for the purpose of hiring additional staff and equipment in order to improve the timeliness of reviews and to respond more efficiently to the public. The review fee follows a schedule that has been developed in accordance with the amount of the project. The review fee has a range from \$250 for expenditures of \$25,000-\$49,999 at the low end, and \$7,750 for expenditures of \$5 million or more at the high end.

Board of Examiners for Speech and Language Pathologists and Audiologists

John Randall
Board Counsel

Committee Findings: The North Carolina Board of Examiners for Speech and Language Pathologists and Audiologists proposes to increase its initial license and renewal fees from \$40 to \$60. For the past year, the Board has collected approximately \$12,000 in initial license fees and approximately \$141,105.00 in renewal fees. The Board estimates that the additional amount requested will increase the operating funds by approximately \$75,000.00 per year. The last time these fees were increased was in 1987. The increases are needed as the Board has been operating in a deficit for the past two fiscal years. There are currently 4117

licensees and there is a need to increase the office space and staff as well as add an additional part-time counsel to the Board.

Additionally, the subcommittee asked the Board to consider further review of the fee for initial licenses, as it is the same as that for renewals. If the Board finds further increase warranted, two options are available: 1) consult again with Gov Ops, or 2) pursue legislation in the 2005, if the increase exceeds the current allowance prescribed in statute.

Required Reports

Department of Administration

Request to Establish Receipt-Supported Positions (S.L. 2001-424, Section 32.19A)

Barbara Williams
Classification Analyst

Committee Findings: The Department consulted on the establishment of the following three positions: 1 Real Property Agent II (effective 9/01/04) for the Ecosystem Enhancement Project administered by the Department of Environment and Natural Resources (DENR); 1 Real Property Agent II (effective 10/01/04) to handle the increase in volume of state property acquisitions associated with DENR's Parks & Recreation Division, and 1 Applications Analyst Programmer II (effective 10/01/04) to assist with the design and implementation of a new system for Motor Fleet Management. The Committee accepted the report.

Review of Land Transactions Exceeding \$25,000 in Value (G.S. 143-341(4) g; 146-22, -27, -29.1, -30, -74)

Joe Henderson
State Property Officer

Item # 26 - Our Children's Place, Inc. (Handout)

Senator Ellie Kinnard

Committee Findings: The Department consulted on 2 allocations, 22 acquisitions by deed, 2 dispositions by lease, and 2 other matters. The full report will be presented to the Full Commission. Mr. Henderson advised the Committee that a fact sheet on Our Children's Place, Inc. was included in their notebooks. This information relates to Item # 26 (a disposition by deed to Our Children's Place) of the agenda items for real property matters. Senator Kinnard was not present.

Housing Finance Agency (HFA)
Semi-Annual Report on Agency Activities (G.S. 122A-16)

A. Robert Kucab
Executive Director

Committee Findings: In its semi-annual report, the Agency presented its 12-month cumulative activity for the period of July 1, 2003 to June 30, 2004. During this time period, the Agency provided a total of \$350.89 million in financing and tax credits to support real estate development and served as the fiscal agency for \$112.69 million in federal rental assistance. The Agency shared actual examples of recently completed affordable and adaptable housing units created with non-profit, private developer, and state government agency partnerships for low-income persons, first-time homebuyers, elderly homeowners, and low-income persons with special needs. The Agency also reported that it continues to provide rental assistance to 175 households in eastern North Carolina affected by Hurricane Isabel in 2003 and is actively monitoring housing needs in the western part of the state due to tropical storms Frances and Ivan. The Agency, a self-supporting entity, reported an actual 12-month cumulative expense of \$8.17 million for its 105 authorized staff and operations.

Department of Insurance

Request to Establish Receipt-Supported Positions (S.L. 2001-424, Section 32.19A)

Barbara M. Burke
Senior Deputy Commissioner

Committee Findings: Ms. Carla O'Biol presented the Department's consultation on the establishment of a part-time Insurance Communication Specialist position to be funded from a federal grant. This position will assist with handling the increased number of calls to the Senior's Health Insurance Information Program's consumer line. The Committee accepted the report.

Department of Revenue (4 reports)

Cumulative Reports on Project Compliance (S.L. 2003-284, Section 23.4)
(Report date April 30, 2004 for period July 1, 2003-March 31, 2004 and Report date August 1, 2004 for period July 1, 2003-June 30, 2004)

Committee Findings: The report for Project Compliance was cumulative for FY 2003-04. This project was authorized in the 2003 Session, and at the time an additional \$40 million in revenue collections from audit assessments was anticipated. Information from the department for FY 03-04 indicates \$63.2 million

has been assessed, and an increase in total net assessments for the fiscal year of over \$230 million. Therefore, according to the department's data collections exceeded the target by \$23.2 million.

Quarterly Reports on Collection of Tax Debt in Compliance with G.S. 105-241.3(f)
(Report date April 30, 2004 for period January 1, 2004-March 31, 2004 and Report date July 28, 2004 for period April 1, 2004-June 30, 2004)

Committee Findings: The department presented third and fourth quarter reports for FY 2003-04. Data for the project was summarized in the fourth quarter report for FY 2003-04 and for the past three (3), specifically since the project began July 1, 2001. For FY 2003-04 total collection was \$190 million and for the three (3) year period (July 1, 2001- June 30, 2004) collection was \$377 million. The department was directed to collect \$100 million in FY 03-04.

Quarterly Report on the Taxpayer Assistance and Collection Center (TACC)
(S.L. 2003-284, Sec. 23.1)

Committee Findings: As of February 2004 the Center, located in Rocky Mount, is now fully operational. Project implementation has been completed for an initial investment of \$1.2 million, which is \$22,654 less than the original budget. The Center operates with a comprehensive telephone system; call agent resource management, Interactive Voice Response (IVR) unit, computer telephony integration (CTI) "screen pop" to agents, and high-speed telecommunications.

Quarterly Report on Local Tax Administration Expenses in Compliance with
G.S. 105-256

Committee Findings: During the fourth quarter of FY 2003-04 the department realized \$404,588 in receipt-supported operations. For FY 2003-04 the total of receipt-supported operations was \$997,019.

E. Norris Tolson
Secretary

Office of State Budget and Management (5 reports)

Report on Repairs and Renovations Allocated from the 2003 Reserve (S.L. 2003-284, Sec. 31.5)

Committee Findings: State Budget consulted on one requested allocation from the 2003 Reserve for Repairs and Renovations and reported on two allocations that had been approved with prior consultation. The full report will be presented to the Full Commission.

Report on Repairs and Renovations Authorized in the State Capital Facilities Finance Act for University and Non-University Projects (G.S. 142-84(h) and G.S. 143-15.3A(c))

Committee Findings: State Budget reported on requested changes to the projects that had been selected for funding from the special indebtedness, which the 2003 General Assembly authorized for the repair and renovation of State facilities. The full report will be presented to the Full Commission.

Consultation Prior to the Establishment of Capital Improvement Projects Funded from Non-General Fund Sources (G.S. 120-76(8)(e))

Committee Findings: State Budget consulted on five capital improvement projects that will be funded from Non-General Fund sources. The total of the five projects is \$4.3 million. The full report will be presented to the Full Commission.

Consultation Prior to Allocation of Funds From the Contingency and Emergency Fund (G.S. 120-76(8)a and G.S. 143-12(b))

Committee Findings: State Budget consulted on three requested allocations from the Contingency and Emergency Account and reported on two allocations for which there had been prior consultation. The full report will be presented to the Full Commission.

Report on Budget Revisions to UNC Projects (S.L. 2000-3, Sec. 2(b))

Committee Findings: State Budget provided a list of requested revisions to the UNC Bond Projects. The full report will be presented to the Full Commission.

Adam Brueggemann
Budget Analyst

Office of State Controller (OSC)

Request to Establish Receipt-Supported Position (S.L. 2001-424, Section 32.19A)

Gwen Canady
Deputy State Controller

Committee Findings: OSC consulted on the establishment of an Information Technology Project Manager IV to oversee the RFP and other responsibilities of implementing the Business Infrastructure Study.

Office of State Personnel (OSP)

Semi-Annual Report from the Equal Opportunity Institute (G.S. 143-345.249(c))

Bobbi Wardlaw-Brown
Human Resources Partner

Committee Findings: This report provided an overview of the level of participation by all state agencies, departments, and universities for the period January-June 2003. Candidates for the Institute are selected by using monthly hire and promotion of permanent full-time SPA employees of each agency, department, and university. During this period 905 employees were selected. However, not all agencies sent participants, and Table 5 of the report addresses this occurrence.

The Institute began its 13th year during this period and continues to be successful in providing a unique experience for new and experienced managers and supervisors.