THE JOINT LEGISLATIVE COMMISSION ON GOVERNMENTAL OPERATIONS

2007-2008 GUIDELINES

COMMISSION PURPOSE AND PROCEDURES

- **Purpose:** The Joint Legislative Commission on Governmental Operations (Governmental Operations) was created in 1975 (G.S. 120-71 through 120-79) as a means to provide ongoing legislative examination and review of public policies, expenditures and reorganization implementation during the interim between legislative sessions. Governmental Operations' oversight function includes, but is not limited to, evaluation of program costs and benefits, management effectiveness issues, internal control issues, and compliance issues. Various general statutes and session laws also require State agencies and other entities to consult with Governmental Operations before taking action on a particular issue or to submit reports for its review.

- **Meeting Dates and Times:** During the interim between the legislative sessions, Governmental Operations meets on a periodic basis. These meetings are typically held on a Tuesday and Wednesday of designated months. Subcommittee meetings are held on Tuesdays at 1 pm and the full Commission meets on Wednesdays at 9 am. Meetings will be held during the legislative session as needed. Please check the General Assembly's interim calendar to confirm meeting dates, times and locations.

- **Agenda:** Every effort will be made to publish the agendas of the full Commission and its subcommittees on the General Assembly's website no later than the Thursday preceding the meeting. After the agenda has been posted, items can be added or deleted only with the approval of the Office of the Speaker and the Office of the President Pro-Tempore. Agenda items must first be considered by the appropriate subcommittee prior to being brought before the full Commission.

- **Commission Staff:** The Fiscal Research Division serves as staff to Governmental Operations. The Joint Budget Development Team serves as lead staff to the full Commission. Subcommittees are staffed by the respective fiscal analysts responsible for the subject matter covered by the subcommittee.

GUIDELINES FOR REPORTING AND CONSULTING ENTITIES

General Procedures

- **Responsibilities for Reports and Consultations:** The Fiscal Research Division staff is familiar with reporting and consultation requirements set out in statutes, appropriations acts, and session laws, and will attempt to enforce those requirements as applicable. However, State agencies, institutions, boards, commissions and other entities are solely responsible for complying with all reporting and consultation requirements mandated by State law.

- **Submission of Reports and Consultation Documents:** All reports and consultation documents must be submitted electronically to the Governmental Operations email address (govops@ncleg.net) by the required date or within the appropriate timeframe set out in statutes and session laws. If you are unsure of the required due date, please contact the Fiscal Research Division. If you do not have the capability to submit a document electronically, please contact Kathy Davis, Commission Assistant, at (919) 733-5850 or the Fiscal Research Division at (919) 733-4910 for further instructions.

- **Notice of Receipt of Consultation Requests:** All consultation requests submitted to the Commission e-mail address will receive a written response acknowledging receipt of the report. When necessary, this response can be shared with the Codifier of the Rules to acknowledge compliance with the law.
- **Communication with Fiscal Research Staff:** The Governmental Operations email is for confirmation of receipt purposes only. Please do not reply to this email for any purpose. If you have questions or require assistance, please contact a member of the Joint Budget Development Team of the Fiscal Research Division at (919) 733-4910.

- **Distribution of Submitted Documents:** Reports and consultation documents submitted to the Governmental Operations e-mail address will be distributed to the chairs of the Commission (i.e. Speaker of the House and President Pro Tempore of the Senate), the Commission Assistant, the Fiscal Research Division and, in the case of a fee/charge consultation, to all members of Governmental Operations.

- **Deadline for Agenda Development:** State agencies and other entities that wish to have items considered for an agenda must submit their requests and all necessary documents to the Governmental Operations email address no later than 5:00 p.m. on the Tuesday one-week prior to a scheduled meeting. Fiscal Research staff will notify state agencies and other entities scheduled to appear before Governmental Operations.

- **Copies for Meetings:** Commission assistants will be responsible for making copies of reports and consultation documents for their respective subcommittee and full Commission meetings. However, based on the type and length of the report, a reporting or consulting entity may be required to submit hard copies for distribution. In these instances, reporting or consulting entities will be notified of the number of copies required and the deadline for submission. Otherwise, it is not necessary to submit hard copies.

Procedures for Consultation Requirements

- **Consultation Requirements (Except Fees and Charges):** The consulting entity must submit a detailed report to the chairs of the Commission, the Commission Assistant and the Fiscal Research Division. If Governmental Operations does not hold a meeting to hear the consultation within 90 days of its receiving the detailed report and the appropriate fiscal analyst determining that it is complete, then the consultation requirement is deemed satisfied. If Governmental Operations does hold a meeting within 90 days of its receiving the detailed report, the consulting entity will be notified by Fiscal Research staff and will be scheduled to appear before the appropriate subcommittee and/or before the full Commission.

- **Consultations Regarding Fees and Charges:** Except for those fees authorized or anticipated as part of S.L. 2007-323, Current Operations and Capital Improvements Appropriations Act of 2007, the consulting entity that adopts a rule to establish or increase a fee or charge must submit a request for consultation to all members of Governmental Operations, the Commission Assistant, and the Fiscal Research Division on <u>*the same date the notice of the text of the rule is published.*</u> This request must contain a written report stating 1) the amount of the current fee or charge, if applicable, 2) the amount of the proposed new or increased fee or charge, 3) the statutory authority for the fee or charge, and 4) a detailed explanation of the need for the establishment or increase of the fee or charge. If the Commission does not hold a meeting to hear the consultation within 90 days after the text of the rule has been published and the consultation request has been submitted and determined to be complete by the appropriate fiscal analyst, the consultation requirement is deemed satisfied. If Governmental Operations does hold a meeting within 90 days after the text of the rule has been published and the consultation request has been submitted, the consulting entity will be notified and will be scheduled to appear before the appropriate subcommittee and/or before the full Commission. Please note that Section 6.5 of S.L. 2007-323 provides that an agency is not required to consult with Governmental Operations prior to establishing or increasing a fee as authorized or anticipated in S.L. 2007-323.

State Budget Act Changes

In 2006, the General Assembly ratified House Bill 914, State Budget Act, which was signed into law as S.L. 2006-323. HB 914 repealed the Executive Budget Act (G.S. 143, Article 1) and recodified many of its provisions and the State Capital Planning Improvement Act (G.S. 143, Article 1B) into the State Budget Act (G.S. 143C). HB 914 changed the prior consultation requirements for budget deviations, allocations from the Contingency and Emergency Fund, and establishment of receipt-supported positions.

- **Budget Deviations:** G.S. 143C-6-4 of the State Budget Act sets forth the limited circumstances under which an agency is allowed to spend more than was authorized in the certified budget for a purpose or program. Prior consultation is no longer triggered by deviation thresholds for each fund. Rather, prior consultation with Governmental Operations is required when the overexpenditure results in the total requirements for the ***agency*** exceeding the ***agency's*** certified budget for the fiscal year by more than three percent (3%). The Director of the Budget must report all other overexpenditures allowed under G.S. 143C-6-4 to Governmental Operations quarterly beginning October 31, 2007.

- **Receipt-Supported Positions:** S.L. 2006-323 (HB 914) repealed G.S. 143-34.1(a1) of the Executive Budget Act which required prior consultation for the establishment of new receipt-supported positions. This provision of the Executive Budget Act was not recodified into the State Budget Act. Thus, the State Budget Act does not require prior consultation for establishing new receipt-supported positions.

- **Contingency and Emergency Allocations:** G.S. 143C-4-4 of the State Budget Act requires the Director of the Budget to report to Governmental Operations on allocations from the Contingency and Emergency Fund that have been approved by the Council of State.

CONTACTS

Governmental Operations Email Address:

govops@ncleg.net
-This website is only for the submission of reports and consultation documents. Please direct your inquiries/comments to the Fiscal Research staff or the Commission Assistant using the contact information noted below.

Governmental Operations Website:

www.ncleg.net
-Click on "Committees" under "Site Navigation" on the left hand side of home page
-Click on "Available Committee & Commission Websites" under "Publications" bullet
-Click on "Joint Legislative Commission on Governmental Operations"

Full Commission Committee Assistant:

Kathy Davis, (919) 733-5850
Room 1102, Legislative Building
huntnla@ncleg.net

Fiscal Research Division:

(919) 733-4910
Room 619, Legislative Office Building