

Office of State Budget and Management
Establish New, Receipt-Supported Positions
(G.S. 143-34.1)

Agency: Department of Health and Human Services (DHHS)

Division: Division of Facility Services (DFS)

Budget Code: 14470

Center Title: Medical Care Commission Facility Finance Act

Center Number: 1111-1120-04

***** Position Information *****

Proposed Classification: Accountant II **Proposed Salary Grade:** 75

Salary Range: \$39,516 - \$62,441 **Proposed Effective Date:** 05 / 01/ 04

Number of Positions: one

	<u>Center Authorized Budget</u>	<u>Current Request</u>
Total Budget	\$478,996	\$69,025
Receipts	<u>478,996</u>	<u>69,025</u>
Appropriation	\$ 0	\$ 0

Funding Source(s): Health Care Facility Finance Act Fees (100% Receipts)

Justification for Position (including description of duties and responsibilities):

The position is needed due to the increased scope of work required to carry out the tax exempt financing program for healthcare facilities by the Medical Care Commission. The increased scope of work resulting from additional operational, reporting and compliance requirements of the Securities and Exchange Commission, the Internal Revenue Service and other regulatory bodies imposed on the tax exempt bond program and market has resulted in the Advisor position having to expand its scope of work to encompass significant extra responsibilities and has diluted the amount of time, effort and expertise available to be devoted solely to the examination function for which the original auditor position was established. The position will assist in the performance of the audit function and insure the continued thorough and timely examination of facilities and the projects funded thereby. The number of debt issues and projects has increased from 24 issues and \$258 million in 1983 when the original auditor/accountant position was established to the current \$4+ billion at 12/31/03 with an accompanying increase in both the number and scope of rules and regulations related to tax exempt debt and to

healthcare facilities. The position will be supervised and directed by the Advisor and constitute an extension of the services necessary to the operation of the Health Care Facilities Finance Act Program. The position will be funded by Healthcare Facilities Finance Act Program fees and will not utilize any State or Federal funds. As of 12/31/03 the North Carolina Medical Care Commission has issued \$8,281,997,802 in tax exempt debt for a total of 263 debt issues with \$4,931,602,592 currently outstanding. The program results in an historical interest rate savings of 2% for healthcare facilities that utilize the program and an annual savings of approximately \$90 million.

Expenses for the position will include the following:

Salary and fringe benefits	\$59,025
Equipment and travel	10,000
Total	\$69,025

The position will be a permanent receipt supported position with the fund source assured for the life of the bond issues and is funded by a .0002% assessment fee on the outstanding balance of the Medical Care Commission debt of the facilities borrowing through the Healthcare Facilities Finance Act Program as of June 30 of each year.

Statutory Reference for Request G.S. 131A

Christopher B. Taylor, CPA

Presentation to be made by

Auditor and Advisor

Title

Robert Fitzgerald

Agency Head Signature

State Budget Officer Signature