

Follow-up Items

March 24th, 2011

Department of Agriculture & Consumer Service
Department of Environment & Natural Resources

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DACS Follow Up Questions

1) Department Fees

A report on fees charged by all State Agencies is available on the Office of State Budget and Management's website. The report includes the fee name, fee amount, number and frequency of fee collections, total revenue collected, the date the fee was last changed, and the statutory / regulatory authority for the fee. The file is over 550 pages. There is 26 pages of summary information before page 1 of the report. I have provided the report page and the PDF page (26 pages different) to facilitate your review of this document.

Department	Report Page	PDF Page
Department of Agriculture	13	39
Commerce	39	65
DENR	57	83
Wildlife Resources	83	109
Labor	136	162

The link to the FY 2009-10 Fee Study report is:

http://www.osbm.state.nc.us/files/pdf_files/2010FeeReport.pdf

2) Meat & Poultry Briefing (see attached)

3) Supervisors

First, Fiscal Research staff would like to note that in the request for information on staffing levels, the various categories were not given specific definitions; each agency interpreted the categories as they deemed appropriate for their Department. However, across the board, all Departments have indicated that they have very few employees who *just* supervise. Most supervisors are also chemists, veterinarians, accountants, microbiologists, landscapers, electricians and the like, who are responsible for program work in addition to their managerial responsibilities.

Regarding the question about the number of supervisors in DACS, the Department operates:

- 12 research stations,
- 5 farmers markets,
- 3 ag centers, and
- Over 10 separate laboratory facilities.

In the laboratories alone, there are multiple, complex operations that require supervision and oversight. While a person may be designated as a lab supervisor, that person is expected to conduct laboratory work while also being required to monitor and approve employee time and perform employee evaluations. Hence they are designated a supervisor, but many are our most skilled and experienced professionals.

The same is especially true on the Research Stations where it is critical that DACS has staff to oversee the various steps involved in a research project. The department employees inmates, summer help, and other temporary workers who perform tasks detailed in a research project. It takes someone with technical and managerial skills to ensure the work is done correctly or risk losing of thousands of dollars in important research. During the busy season, some of the stations operate seven days per week and those with dairy operations may require workers on site up to 24 hours per day. The Research Stations have 32 supervisors, which is more than half of all supervisors in the department.

DACS Follow Up Questions

4) Voice only versus Voice & Data cell phones:

Voice Plans: 363 (73.1%)
Voice & Data Plans: 133 (26.8%)
Total Phones: 496

5) Soil Testing Samples Data

	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>
Total Samples:	353,848	366,839	332,599
Unique Samples:	22,458	26,462	22,803

FY 2009-10

<u>Range of Samples</u>	<u>Unique Growers</u>
1	7004
2-5	10582
6-10	2403
11-25	1308
26-50	525
51-100	362
101-200	284
201-300	117
301-400	69
401-500	42
501-1000	78
1001-2000	24
2001-3000	5

Information about the Meat and Poultry Inspection Division

- The Meat and Poultry Inspection Division (MPID) of the N.C. Department of Agriculture and Consumer Services fosters commerce without compromising safety. It conducts daily inspections of 172 establishments. Of the 27 states that have inspection programs, North Carolina ranks eighth nationally in terms of plants inspected. It is the No. 1 state in the Talmadge-Aiken program, which allows states to conduct federal inspections of plants that sell their products out of state. Nine states participate in this program.
- Establishments regulated by the MPID employ more than 3,000 workers and generate about \$6 billion a year. There is no data on the national ranking of North Carolina's meat processing industry, but the state ranks second in hog and turkey production, fifth in broiler production and 35th in the number of cattle on farms.
- The MPID does not inspect poultry slaughter plants in North Carolina. The U.S. Department of Agriculture has always inspected these plants because of their size and staffing needs. In some cases, the state would need as many as 50 inspectors for a single poultry slaughter plant.
- The MPID does inspect plants that further process poultry, as well as farmers that operate under the poultry exemption. The exemption allows producers to slaughter and market up to 20,000 birds per year without daily inspection, provided they meet certain conditions. Because of MPID outreach efforts, more than 60 small farmers are now operating under the poultry exemption.
- The MPID staff is responsive, providing meat processing businesses with more hands-on attention and greater accessibility than they would have under USDA oversight.
- Without a state meat inspection program, processing plants would have to spend more on overtime pay for federal inspectors (\$68 per hour for USDA inspection versus \$19/hour for state). This would occur because USDA's overtime pay standards are higher than the state's.
- The Meat and Poultry Inspection Division is the only resource for industry training courses. USDA does not provide them. These include a free course in food safety and other workshops offered in cooperation with N.C. State University.
- Farmer and public education consists of developing printed and online materials in cooperation with N.C. Cooperative Extension. Staff members also give presentations at industry association meetings. The MPID staff provides assistance by telephone on labeling, inspection requirements and other aspects of operating a meat processing plant. Georgia, Kentucky and Tennessee have contacted MPID wanting to know about its outreach efforts.
- With five compliance officers on staff, the Meat and Poultry Inspection Division is better equipped than USDA to quickly investigate and address issues such as illegal or inhumane slaughter. The USDA Food Safety and Inspection Service has only one compliance officer for North Carolina and South Carolina.
- In 2010, MPID employees condemned 22 tons of further processed products as unsafe. They also condemned more than 4,825 animals not fit for human consumption. The staff also conducted more than 500 investigations into illegal slaughter and processing operations and detained more than a ton of misbranded or adulterated meat products.
- Most plants inspected by the MPID are small or very small businesses. Unlike large, factory-style slaughterhouses, the plants under state inspection accept orders from small farmers that bring just a few animals at a time. These animals do not have to be uniform in size or weight as those processed by the large USDA-inspected slaughterhouses. Furthermore, the small slaughterhouses

Information about the Meat and Poultry Inspection Division

provide product for rural, independent grocery stores and restaurants. A lot of small plants do not survive under federal inspection.

- In the past 10 years, the number of registered meat handlers has grown tremendously. Today, there are more than 640 registered meat handlers in the state. This number includes more than 430 farmers, who take a few animals to slaughter at a time and sell the meat at local farmers markets. In comparison, there was only one farmer registered as a meat handler in 2002. Farmers interested in becoming meat handlers can expect an on-site visit with an MPID staff member to explain all provisions and also give handouts. Under USDA, they would just fill out a form online, never seeing or talking to a USDA employee about the registration.
- There is no hard data on the business impacts in states that have transferred their meat inspection programs to USDA, but there are examples of reductions in the number of businesses – particularly smaller plants – in those states.

DENR Follow Up Questions

1. Division Employees

See **Page 8** for a list of employees by Division and funding source.

2. Civil Penalties

Civil penalties across the Department of Environment and Natural Resources are transferred to the Civil Penalties Fund, the proceeds of which are used for Education. DENR is allowed to keep a 20% of the revenue collected for administrative purposes associated with collecting these penalties. The table below provides total transfers to the Civil Penalties fund and the amount allowed for administration for FY 2009-10 and FY 2010-11 through December 31, 2010 for the entire Department.

	FY 2009-10 Actual	FY 2010-11 Year to Date 12/31/2010
Allowed Administrative Cost	\$ 553,625.38	\$ 314,532.28
Transfer to Civil Penalties Fund	\$ 2,214,501.43	\$ 1,258,129.13
	\$ 2,768,126.81	\$ 1,572,661.41

3. Museum of Forestry Visitation

The Museum of Forestry is housed in a 17,226 sq. ft. former bank building on 1.9 acres of land in downtown Whiteville, NC. It is currently closed for renovations but is normally open Monday through Saturday 9 am to 5 pm and 12 pm to 5 pm on Sundays. Admission to the Museum is free.

Annual Attendance

2009	11,612
2008	19,779
2007	15,628

4. Aquariums Questions

Why do the Aquariums have the number of Motor Fleet Management vehicles they currently have?

Each Aquarium has a minimum of three vehicles that meet three different specific needs. A large 15-passenger van allows each of the Aquariums to conduct field trip programs that originate at the Aquariums. Participants pay to participate in these educational programs, with program subjects such as marsh walks, snorkeling in sound waters, kayaking trips to specific destinations, etc. A ¾ ton pickup truck is also required at each Aquarium to tow and use the rather large, heavy 26' collecting vessels. These vessels are used to collect live animals (fish, invertebrates, etc.) which are then displayed at the Aquariums. The trucks also carry transportation tanks in their rear beds to relay the collected specimens from the vessel to the Aquarium. A minivan is also heavily used at each Aquarium to efficiently transport staff to meetings, school presentations, to retrieve required fish food, and hardware from local vendors. A large customized cargo truck/van is also used at each Aquarium for outreach programs to schools, civic organizations, clubs, etc., across North Carolina. These vehicles are equipped with tanks to transport live animals for hands-on programs. These outreach educational programs generate significant revenues for each Aquarium.

Why do the Aquariums have the number of supervisors they currently have?

The Aquariums have several departments which require specialized training and certification. These departments function almost independently, to collectively present the Aquarium visitor with a great visitor experience. Each department requires a manager or supervisor familiar with and qualified to oversee their respective operations. Husbandry, exhibits, education, admissions, security all require experience and skills unique to their areas. Supervisors of these areas have to be knowledgeable and experienced in their respective skills. Also, the Aquariums are open 7 days a week year-round, closing only on Thanksgiving Day, Christmas Day and New Years Day. Staff and departments must be supervised each day to ensure the visitors' experience

meets or exceeds their expectations. Also, supervisors carry full work loads within their respective areas, in addition to managing and supervising responsibilities.

5. Educational State Forest Attendance

Forest	2009	2008	2007
Clemmons Educational State Forest	53,605	47,813	42,020
Holmes Educational State Forest	17,051	34,193	37,797
Jordan Lake Educational State Forest	32,967	35,007	49,931
Mountain Island Educational State Forest	567	304	137
Rendezvous Educational State Forest	6,146	13,378	16,639
Turnbull Creek Educational State Forest	6,154	10,242	10,028
Tuttle Educational State Forest	22,713	24,808	22,195

6. Travel Reimbursement by Division

The table below shows the amount that the Department reimbursed to employees who used their own cars for travel instead of a MFM or department-owned vehicle. The table provides total spending

	Ground Transportation			Total
	In-State	Out of State		
Administration	\$ 5,449	\$ 325	\$	5,774
Aquariums	\$ 371	\$ 322	\$	692
Conservation Planning & Community Affairs	\$ 17,571	\$ 75	\$	17,646
Air Quality	\$ -	\$ 20,067	\$	20,067
Coastal Management	\$ 6,425	\$ 202	\$	6,627
Environmental Assistance & Outreach	\$ 674	\$ 3,877	\$	4,551
Environmental Education	\$ 324	\$ 6	\$	330
Ecosystem Enhancement	\$ -	\$ 4,362	\$	4,362
Environmental Health	\$ 19,640	\$ 29,344	\$	48,983
Forest Resources	\$ 7,329	\$ 1,035	\$	8,364
Land Resources	\$ 12,804	\$ 1,591	\$	14,395
Marine Fisheries	\$ 82,572	\$ 37,545	\$	120,117
Museum of Natural Sciences	\$ -	\$ 1,220	\$	1,220
Parks & Recreation	\$ 2,701	\$ 332	\$	3,034
Waste Management	\$ 45,803	\$ 21,799	\$	67,602
Water Quality	\$ 7,856	\$ 1,734	\$	9,591
Water Resources	\$ 441	\$ -	\$	441
Regional Offices	\$ 37	\$ -	\$	37
Soil & Water Conservation	\$ 2,395	\$ 124	\$	2,519
Zoo	\$ 1,354	\$ 66	\$	1,420
Total Reimbursement	\$ 213,746	\$ 124,024	\$	337,770

7. Eliminated Positions FY 2009-11

<u>General Assembly Actions: July, 1, 2008 - present</u>	
Appropriation Supported Positions Eliminated	154.75
Number that are fund shifted to receipts	<u>52.43</u>
Net Appropriation Positions Eliminated	102.32
(26 filled and 75.23 vacant)	
 <u>Department Actions: (July 1, 2008 - present)¹</u>	
Receipt Supported Positions Eliminated	87.68
Number that are fund shifted to receipts	<u>n/a</u>
Net Receipt Positions Eliminated	87.68
(21 filled and 66.68 vacant)	
 TOTAL POSITIONS ELIMINATED	 190.00
TOTAL Filled Positions Eliminated	47.00

8. Administration of Nonprofit Programs

Nonprofit	Annual Time Spent Administering	Est. Cost (Salary & Fringe)
Grassroots Science Museum Collaborative	226 hours	\$8,511
Partnership for the Sounds	7 hours	\$203
FFA Foundation *	1 hours	\$35
Ag in the Classroom*	1 hours	\$35

*Based on average salary with fringe for a DACS employee

9. Clean Water Management Trust Fund 2008 Projects outstanding

See Page 9 for the list of projects outstanding from the 2008 funding cycle. Three of these projects are now encumbered using funds reverted from other projects that were delivered under budget. This list was developed following a survey of 2008 grantee that asked about the ability to postpone the land acquisition. All projects that ended up on the delayed list were able to delay the purchase without losing matching funds or

DENR Positions by Division/Funding Source

Division	Appropriated Positions	Federal Positions	Receipted Positions	Total Positions
Air Quality	0.00	31.35	232.65	264.00
Aquariums	118.50	0.00	17.25	135.75
Coastal Management	19.75	28.75	13.50	62.00
Conservation, Planning & Community Affairs	5.00	4.00	17.50	26.50
CWMTF	0.00	0.00	17.00	17.00
Ecosystem Enhancement Program	0.00	0.00	53.00	53.00
Environmental Assistance & Outreach	15.26	2.05	19.69	37.00
Environmental Health	105.60	94.20	86.70	286.50
Forest Resources	461.96	40.45	171.59	674.00
Land Resources	69.48	5.05	52.47	127.00
Marine Fisheries	168.85	35.00	44.15	248.00
Museum of Natural Sciences	109.64	0.00	0.36	110.00
Parks & Recreation	446.50	0.00	32.00	478.50
Regional Offices	52.75		12.00	64.75
Soil & Water Conservation	53.75	0.00	4.25	58.00
Waste Management	50.75	88.10	150.15	289.00
Water Quality	169.29	149.71	141.50	460.50
Water Resources	36.00	1.00	0.00	37.00
Zoo	221.07	0.00	46.18	267.25
Budget, Planning & Analysis	9.00	0.00	0.00	9.00
Controller's Office	26.00	0.00	3.00	29.00
Human Resources	11.61	0.00	3.14	14.75
Info Tech Services	50.88	24.00	45.12	120.00
Purchase & Services	11.50	0.00	2.00	13.50
Secretary's Office *	33.00	1.00	2.50	36.50
Total DENR Positions	2,246.14	504.66	1,167.70	3,918.50

* Includes staff in offices of the Secretary,
General Counsel, Environmental Education &
Public Affairs, Legislative Affairs, etc

Positions Current as of 3/8/2011

CWMTF 2008 Outstanding/Unfunded Projects

Proj. No.	Grant Recipient/Project Name	Amt to Fund In 2011	County
2008-063	Sandhills Area Land Trust - Acq/ Matthews Tract, Drowning Creek	\$661,000	Moore
2008-001	Andrews, Town of - Acq/ Water Supply Watershed, Beaver Creek	\$1,627,000	Cherokee
2007-058	Trust for Public Land - Acq/ Creedmoor Tract, Beaverdam Creek	\$1,684,000	Wake
2008-004	Carolina Mountain Land Conservancy - Acq/ Redden Tract, Mills River	\$2,908,700	Henderson
2008-082	Wake County - Acq/ Walnut Hill Tract, Marks Creek	\$745,000	Wake
2008-080	Wake County - Acq/ Futrell Tract, Swift Creek	\$300,000	Wake
2008-805	Troy, Town of - Plan/Acq/ Suck Creek Greenway Plan	\$24,000	Montgomery
2008-806	Walnut Cove, Town of - Plan/Acq/ Town Fork Creek Greenway Plan	\$24,000	Stokes
2008G-007	Candor, Town of - Mini/ Greenway Planning/ Little River	\$34,000	Montgomery

Total \$8,007,700

* now encumbered with reverted grant funds

Division of Land Resources –Land Quality Section
EROSION AND SEDIMENT PROGRAM

Mission: To allow development within our State while preventing pollution by sedimentation.

Sedimentation Fee: Developers pay a one-time fee of \$65/disturbed acre. Fees are assessed and collected when an erosion and sedimentation control plan is submitted.

- **Statutory Authority:** G.S. 113A-54.2
- **Purpose:** Funds for issuance of plan approvals under the Sedimentation Pollution Control Act of 1971 and for inspection of construction sites for erosion and sedimentation control compliance.

24300 2735: Sedimentation Fees Budget History

	2005-06 Actual	2006-07 Actual	2007-08 Actual	2008-09 Actual	2009-10 Actual
Expenditures	\$ 2,116,870	\$ 1,859,340	\$ 2,069,890	\$ 2,629,040	\$ 2,092,740
Receipts	\$ 2,030,818	\$ 1,966,989	\$ 2,092,868	\$ 1,565,633	\$ 1,632,158
Fund Balance	\$ 1,444,932	\$ 1,552,580	\$ 1,575,558	\$ 512,150	\$ 51,568

Local Programs:

The North Carolina Sedimentation Control Commission may delegate authority to implement the Sedimentation Pollution Control Act to cities and counties that adopt a qualifying local erosion and sediment control ordinance in compliance with State requirements. Local programs' staff perform plan reviews and enforce compliance with plans within their jurisdictions. Currently 52 jurisdictions have local programs.

Findings of the August 2010 report by the Conservation Council of North Carolina on administration of the SPCA (Sedimentation Pollution Control Act) included the following:

- Approximately 75% of the funding for North Carolina's sediment control program comes from fee collections.
- \$65 per acre fee is 1/4 average fee charged by local programs
- Local programs conduct more annual inspections per active site (approx.. once a month) than the Land Quality Section (approx.. once every four months)
- In 43 of the 52 Local Programs (83%), of local ordinances are stricter than the current State standards in at least one category analyzed.

Department of Environment and Natural Resources - Division of Water Resources
RIVER BASINS ADVISORY COMMISSIONS FY 2009-10

The commissions were established for two primary reasons:

1. To provide a forum for discussion of issues related to water and other natural resources in the basin and
2. To provide guidance and recommendations regarding the use, stewardship and enhancement of the natural resources in the basin for the purposes of integrated river basin management.

Catawba/Wateree River Basin Advisory Commission Session Law 2004-83

- 15 members:
 - 8 legislative representatives (NC & SC)
 - 7 members representing: Duke Energy Carolinas, SC water or sewer utility, bi-state Catawba River task force, N.C. marine commissions in the basin, a S.C. lake homeowners' association on the river, Carolina's Partnership Inc., and a N.C. nonprofit land conservation trust.
- 3 meetings in FY 2009-10:
 - No expenses incurred for meetings or per diem.
 - DENR's Division of Water Resources provides staffing and assistance to the commission
- <http://www.ncwater.org/basins/rbac/index.php?tabid=1>

In 2007, the S.C. Attorney General filed a request with the U.S. Supreme Court to determine an equitable apportionment of the Catawba River between the two states. In Feb. 2009, the N.C. Attorney General expressed support for the commission's proposal to discuss potential settlement options. Subsequently, at the Aug. 2010 meeting, representatives of the S.C. Attorney General's office expressed interest in discussing possible settlement options. The commission members present expressed their strong support for pursuing this possibility.

Roanoke River Basin Advisory Commission Session Law 2002-117

- 18 members:
 - 12 legislative representatives (NC & VA)
 - 3 non-legislative members from each state
 - Each state also has a supporting advisory committee made up of 21 members.
- 3 meetings in FY 2009-10:
 - DENR Division of Water Resources and the Kerr-Tar Council of Governments provide staffing and assistance to the commission and the committee
 - Total expenses, including meeting expenses and members' per diem = \$87.78 (grant support for all expenses)

This commission's major focus has been studying potential options the allocation of the water supply storage in the John H. Kerr Reservoir: http://www.ncwater.org/basins/RRBBC_Roanoke_Ad_Hoc_March_2010_Status_Report_revised_2010-03-30.pdf At the Aug. 2010 meeting, the Bi-State Commission directed the Water Allocation Ad Hoc Committee to develop a memorandum of agreement (MOA) between the U.S. Army Corps of Engineers, Virginia and North Carolina in order to draft an equitable framework for the allocation of the remaining 28,000 acre feet of water supply in the reservoir for future discussions and negotiations between the members of the Bi-State Commission.

Yadkin/Pee Dee River Basin Advisory Commission Session Law 2004-83

- 15 members :
 - 8 legislative representatives (NC & SC)
 - 7 representing: Progress Energy, Alcoa Power Generating Inc., Weyerhaeuser Inc., a N.C. & S.C. water or sewer utility, S.C. agricultural entity, and a land development industry that does business within the basin.
- This commission has never met. Neither state has appointed members, and there were no expenses for FY 2009-10.
- If this commission meets in the future, DENR's Division of Water Resources would provide staffing and assistance

River Basins Advisory Commissions

