

1997

**HOUSE
APPROPRIATIONS –
GENERAL
GOVERNMENT**

MINUTES

**HOUSE APPROPRIATIONS SUBCOMMITTEE
GENERAL GOVERNMENT**

1997 Session

Committee Cochairmen

Representative William M. Ives
Representative Eugene McCombs
Representative Wilma M. Sherrill

Fiscal Staff

Michele Nelson
Evan Rodewald
Bill Spencer

Committee Clerks

Jayne Walton
Suzanne Erskine
Rosa Kelly

HOUSE APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT

CHAIRMAN

William (Bill) Ives

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Bill and Sue



CHAIRMAN

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Gene and Jean



CHAIRMAN

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Wilma and Jerry



RANKING MINORITY MEMBER

Bill Culpepper

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Bill and Ginny



MEMBERS

Jerry Braswell

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Jerry



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Mike and Marlene



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Sam and Cindy



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Maggie and Ted



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William



HOUSE APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT

1997 - 1998 Membership

Rep. William M. Ives	Room 633	3-5784	Jayne Walton
Rep. Eugene McCombs	Room 514	3-5881	Suzanne Erskine
Rep. Wilma Sherrill	Room 2215	3-5601	Rosa Kelley
Rep. Jerry Braswell	Room 604	3-5809	Dianna Gilmore
Rep. Bill Culpepper	Room 611	3-5802	Dot Crocker
Rep. Michael Decker	Room 2121	3-7208	Cindy Keen
Rep. Sam Ellis	Room 1303	3-5821	Susan Everett
Rep. Margaret Jeffus	Room 1013	3-5191	Mary Lee Robinson
Rep. William Wainwright	Room 614	3-5898	Denise Smith

ATTENDANCE

Appropriations Subcommittee On General Government

(Name of Committee)

[illegible]

ATTENDANCE

Appropriations Subcommittee On General Government[illegible]

ATTENDANCE

Appropriations Subcommittee On General Government[illegible]

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Appropriations Subcommittee On General Government[illegible]

**JOINT MEETINGS OF THE APPROPRIATIONS SUBCOMMITTEE ON
GENERAL GOVERNMENT - 1997**

**February 13, 1997
February 17, 1997
February 18, 1997 AM
February 18, 1997 PM
February 19, 1997
February 20, 1997
February 24, 1997
February 25, 1997
February 26, 1997
February 27, 1997
March 4, 1997
March 5, 1997
March 6, 1997
March 11, 1997
March 12, 1997 AM
March 12, 1997 PM
March 13, 1997
March 18, 1997
March 19, 1997
March 20, 1997
March 25, 1997**

**Record of these meetings can be found in the notebooks of the Joint Meetings of the
House and Senate Appropriations Subcommittees on General Government for 1997.**

House APPROPRIATIONS/General Government Meeting

May 6, 1997

8:30 AM

The House APPROPRIATIONS Subcommittee on General Government met on Tuesday, May 6, 1997 at 8:30 AM in Room 425 of the Legislative Office Building. Members attending were: Representatives Culpepper, Ellis, Wainwright, Jeffus, McCombs (Cochair), Sherrill (Cochair) and Esposito (APPROPRIATIONS Cochair) with Representative Ives (Cochair) presiding. See the attached Visitor's Sheet for visitors present.

Representative Ives called the meeting to order at 8:40 AM. Representative Ives asked Bill Spencer to go over the Report on the Continuation, Expansion and Capital Budget (see attachment #1). Mr. Spencer gave an explanation of the Senate cuts on page B1, Office of the Governor. Representative Ives asked if the Governor's Office took a cut over last year? Mr. Spencer replied that it did take a cut of \$6 million. Representative Sherrill asked to see where these cuts were taken. Representative Ives requested information for the next meeting on where these cuts were taken. Representative Sherrill asked about item #2 on page B1 and why the position is not recurring. Mr. Spencer replied that it was a permanent position and he would have to find out for the committee why it is not recurring. Representative Sherrill also wanted to know if this position had anything to do with Smart Start. Mr. Spencer answered that he did not know, but he would find out. Representative McCombs asked if item #2 was more than a regular Secretary makes? Mr. Spencer replied that it was not and that all the benefits were combined into that figure. Mr. Spencer then moved on to page B2 and Representative Ives asked why the Reserve for State Flags, item 9 was not listed under the General Assembly since the purpose of the fund is for providing free flags for members to send out to schools and organizations when they are requested. Mr. Spencer replied that it comes under the General Fund and is operated through the Office of State Budget and Management. Mr. Spencer gave an explanation of Page B4 and no questions were asked. The Lt. Governor's Office took a .5% cut because the Office is so tightly budgeted Mr. Spencer said. Representative Ives asked how much of a cut the Lt. Governor took over the previous year? Mr. Spencer answered he asked for a \$2000 increase. Representative Ives asked if this was for personnel costs and Mr. Spencer replied that it was. Representative Ives asked if there are any vacancies at the Lt. Governor's Office and Mr. Spencer replied that it was not identified by a line item and he would get that information for him.

Mr. Evan Rodewald explained Page B6 (see attachment #1), item #14 New Computer System. Representative Ellis asked if the Boxing Commission was included in this budget and Representative Ives replied that it is included in the Governor's Budget and that they are only looking at changes to that budget. Representative Ellis asked if there is any money expand the Boxing Commission to include some amateur sports that are not presently included. Mr. Rodewald said he would look for the Senate Bill regarding this. Mr. Rodewald went on with the overview of the changes in the Governor's Budget to the Office of the Auditor (page B7). Representative Ives asked if there were no cuts in the Governor's Budget these are all in addition and the Senate made no cuts. Mr. Rodewald responded that this is correct. Mr. Rodewald went on with the overview of the State Treasurer's Office (page B8) and that the increases or cuts have no impact on the General Fund.

Mr. Bill Spencer gave an overview of the Recommended Budget for the Department of Insurance (see Page B9). Representative Culpepper asked what the Governor's recommended policy change was regarding item #28. Mr. Spencer replied that the Governor originally thought that this program would be self-supporting without this amount of money and discovered later that it was not sufficient to run the program. Representative Culpepper asked how large the fund needs to be to become self-supporting. Mr. Spencer replied he would get that information for him. Representative Culpepper asked the Chair to flag item #28 and thought more information was in order. Representative Ives asked if in item #26, was the regulatory surcharge going to pay for the two people? Mr. Spencer replied that it was. Mr. Spencer continued the overview and Representative Culpepper asked if item #27 was still at the same level as it was in 1983 and was it basically a grant to volunteer fire departments. Mr. Spencer replied that the grants are given to the counties for the volunteer fire departments. Representative Wainwright asked why the grant was moved from the Department of Insurance to the Office of State Budget and Management? Mr. Spencer replied that the Senate decided that the Fire Protection Grant Program does not serve a regulatory function, so it should not be supported by insurers. Representative Wainwright followed up by asking how long the Department of Insurance had overseen this and Mr. Spencer answered since 1983. Representative McCombs asked for an explanation of item 26 and Mr. John Alford of the Insurance Department responded that the positions were transferred.

Evan Rodewald of Fiscal Research gave an overview of the Department of Administration. He brought the committee's attention to p. B10 where 13 positions would be eliminated. Representative Sherrill asked what happened to the 10 employees? Ms. Martha Glass of the Department of Administration responded that she would get that information for Representative Sherrill. Mr. Rodewald went over items 30-32. In item 32, Mr. Rodewald explained that the State Health Plan Alliance would be cutting one position and they would like to take the cut in some other way. Representative Ives directed Mr. Rodewald to have them address the committee at another meeting. Mr. Rodewald continued to explain items 34 and 35.

Ms. Michele Nelson gave an overview of items 35 and 36 and Mr. Evan Rodewald covered items 37 and 38 (attachment #1). Representative Ives asked if Mr. Rodewald thought the cuts were justifiable and Mr. Rodewald replied that they were. Representative Ives asked about the Old Education Building and when it would be on line and Mr. Rodewald answered that it would be back on line at the end of this year or the first of next year. Mr. Rodewald went through items 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, and 50 noting that technical changes would be necessary for the cut in item 39. Representative Culpepper stated that in item 43 the increase was not enough and it should be increased to encourage young people to want to take part in government administration and requested that the committee flag item 43. Mr. Rodewald responded that no allowance is involved for living expenses and the total number of interns is 100. Representative Wainwright asked about item 44 and were the cemeteries reimbursed by the Federal Government and Mr. Rodewald replied that he did not have the specifics but believed that they are. Representative Wainwright followed up by asking for an approximate amount of the receipts and Mr. Rodewald replied that he would get that information for him. Representative Jeffus asked if this included the Rape Crisis Programs and Mr. Rodewald replied that it did not and that this includes domestic violence programs only. Representative Ives asked how many programs there are now and Mr. Rodewald answered there are 73 at present time and will be expanded to 74 next year. Representative Ives asked for the amount of the current budget and Mr. Rodewald replied that it has grants amounting to 3 million and that all programs are funded equally. Representative Wainwright asked what the extra money was going to be used for and Ms. Roz Savitt of the NC Coalition Against Domestic Violence responded that the money could be used for capital improvements. Representative Ives asked if there is a legislative restriction on how the funds are used and Mr. Rodewald responded that there is not. Representative Ives asked how many people are employed at the Commission of Indian Affairs and Mr. Rodewald replied that there are seven.

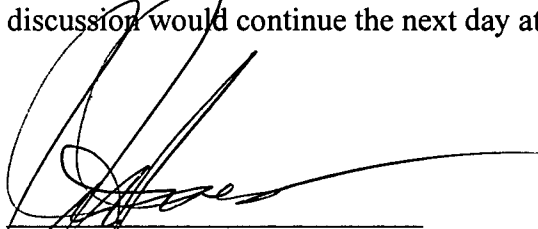
Ms. Michele Nelson gave an overview of the Office of the State Controller's recommended budget items 51, 52, 53 and 54. Representative Wainwright asked if the money in line item 52 was sufficient to complete the conversion? Ms. Nelson answered that it is not and that more information will be forthcoming. Representative Wainwright followed up by asking if this amount would get the Department started and Ms. Nelson replied that the conversion has already started and this is a continuation. Ms. Nelson also pointed out that item #54 is accompanied by a special provision.

Ms. Nelson then gave an overview of the Department of Revenue's recommended budget including items 55, 56, 57, 58, 59 and 60. Representative Wainwright asked if the positions being eliminated are vacant? Mr. Keith McCombs of the Department of Revenue responded that the positions are vacant. Representative Wainwright inquired about item 56 and if there are sufficient funds to keep the buildings in good repair. Ms. Nelson replied that it is a reasonable cut and Representative Wainwright asked for more

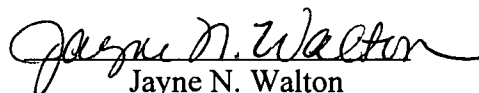
information from the Department of Revenue especially concerning keeping the computer equipment up to date. A representative from the Department of Revenue responded that it was not an easy decision to make the cuts, but they were requested to make the reductions and this was where they felt they could take them. Representative Wainwright asked staff to get the entire budget information on line item 56 (532310 and 534522) for his review. Representative Culpepper asked to be informed as to where the reduction on the Governor's Recommended Budget (2.6 million) on page 78 is included in the Senate Report. Ms. Nelson responded that she would clarify that information for him and get the information to him.

Ms. Nelson gave an overview of the Cultural Resources recommendations included in the Senate Report. Reductions include items 61, 68, 71, 72 and are reductions recommended by the Governor or amounts recommended by the Governor. The Senate made a substitution of \$66,000 and the agency came back with reductions in items 67,68 and 71. Representative Wainwright asked if the 22 positions being cut are justified and Ms. Nelson replied yes, however, the figure has changed to 21 (see attachment #2). Representative Wainwright asked if the position at Tryon Palace is vacant and Ms. Nelson replied that it is. Ms. Renee' Vance of Cultural Resources addressed the committee indicating the position will be available the second year and it is only a postponement. The position will become available July 1, 1998. Representative asked for an explanation and Ms. Vance said she would be glad to get the information to him.

Representative Ives thanked everyone for attending the meeting and announced that the discussion would continue the next day at 8:30 AM. The meeting adjourned at 9:52 AM.



Representative William M. Ives
CoChairman

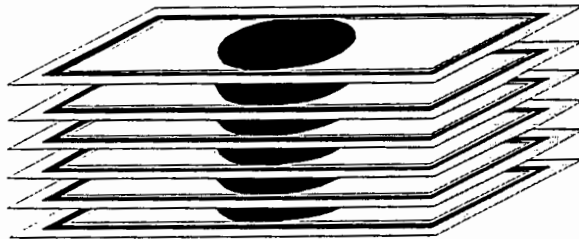


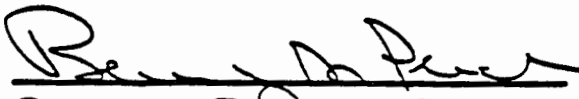
Jayne N. Walton
Committee Clerk

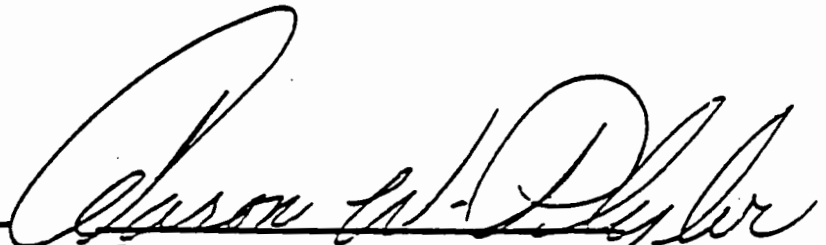
SENATE APPROPRIATIONS COMMITTEE

REPORT ON THE CONTINUATION, EXPANSION AND CAPITAL BUDGET

APRIL 23, 1997




Senator Beverly Perdue
Co-Chairman


Senator Aaron Plyler
Co-Chairman


Senator Fountain Odom
Co-Chairman

Governor

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$5,286,620		\$5,302,348	
Legislative Changes				
(0000) Departmentwide				
1 Purchased Contractual Services	(\$22,367)	R	(\$22,367)	R
(1110) Administration				
2 Senior Advisor for Children and Families				
Provides funding in the Governor's Office for the position of Senior Advisor for Children and Families.	\$105,597	NR		
	1.00			
(1130) Office of Intergovernmental Relations				
3 Eliminate Military Liaison Position	(\$25,220)	R	(\$25,220)	R
Eliminate the position and associated benefits for Military Liaison. This position has been vacant since 10-01-94.	-1.00		-1.00	
(1631) Raleigh Executive Residence				
4 Transfer to CC & PS	(\$6,099)	R	(\$6,099)	R
This transfer repays Crime Control & Public Safety (CC & PS) the costs of supplying the Governor's guards. \$6,099 was the amount of the requested increase from last year. The money will be saved by using guards with the same salaries as the current guards are earning.				
Total Legislative Changes	(\$53,686)	R	(\$53,686)	R
	\$105,597	NR		
Position Changes	0.00		-1.00	
Revised Budget	\$5,338,531		\$5,248,662	

State Budget and Management

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$3,855,400		\$3,938,220	
Legislative Changes				
(1022) 1997 Special Appropriations				
5 St Mark's Capital Funds				
Appropriates to St. Mark's, Incorporated, a nonprofit corporation, a grant for building a new preschool facility to serve children with developmental disabilities.	\$1,700,000	NR		
6 Women's Memorial Funds				
This is a State Donation to the Women in Military Service for America Memorial Foundation, Inc., for the purpose of creating a memorial to women veterans of the armed services.	\$50,000	NR		
7 NC Humanities Council				
Provides a grant to the North Carolina Humanities Council, a not-for-profit organization.	\$100,000	NR		
8 Fire Protection Grant Funds	\$3,080,000	R	\$3,080,000	R
Creates the State Fire Protection Grant Fund, to compensate local fire districts and political subdivisions for providing fire protection to State-owned buildings. Requires the Office of State Budget and Management to develop a statewide method for distributing these funds to the State's local fire districts and political subdivisions.				
9 Reserve for Purchase of State Flags				
	\$50,000	NR		
(1310) Office of State Budget and Manageme				
10 Reduce Employee Costs	(\$5,010)	R	(\$5,010)	R
Reduce objects Employee Benefit Cost and Supplement to Regular Wage. Department plans that this money will not be needed due to savings accrued while vacancies exist.				
11 Property, Plant & Equipment	(\$32,372)	R	(\$32,372)	R
Department will save money by deferring purchase of new items of equipment.				

Total Legislative Changes	\$3,042,618	R	\$3,042,618	R
	\$1,900,000	NR		
Position Changes				
Revised Budget	\$8,798,018		\$6,980,838	

Office of State Planning

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$1,820,279		\$1,833,679	
Legislative Changes				
(1412) Geodetic Survey				
12 Make One-Half Position Receipt-Supported	(\$17,829)	R	(\$17,829)	R
Office of State Planning has one position which receives one-half of its funding from the General Fund. This position will become entirely receipt-supported.	-0.50		-0.50	
Total Legislative Changes	(\$17,829)	R	(\$17,829)	R
Position Changes	-0.50		-0.50	
Revised Budget	\$1,802,450		\$1,815,850	

Lieutenant Governor

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$612,176		\$612,336	
Legislative Changes				
(1110) Administration				
13 Miscellaneous Expenses, Equipment, and Services	(\$2,946)	R	(\$2,946)	R
Reductions in Registration Fees, Other Employee Educational Expenses, Maintenance Agreement-Equipment, DP Equipment, Repairs-Computer Equipment, General Office Expenses, Cellular Phone Service, Postage, and Telephone Service.				
Total Legislative Changes	(\$2,946)	R	(\$2,946)	R
Position Changes				
Revised Budget	\$609,230		\$609,390	

Secretary of State

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$5,243,012		\$5,230,680	
Legislative Changes				
(0000) Departmentwide				
14 New Computer System	\$80,000	R	\$80,000	R
Replaces old computer equipment with new local area network, new imaging system, new relational database software. Funds include money for a project manager and for computer consultants.	\$1,230,000	NR	\$0	NR
	1.00		1.00	
Total Legislative Changes	\$80,000	R	\$80,000	R
	\$1,230,000	NR	\$0	NR
Position Changes	1.00		1.00	
Revised Budget	\$6,553,012		\$5,310,680	

Auditor

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$9,495,886		\$9,504,085	
Legislative Changes				
(1120) Support Services				
15 Maintenance on Printing Equipment	\$38,600	R	\$38,600	R
Provides funds to maintain printing and duplicating equipment. Recommended by the Governor.				
(1210) Field Audit Division				
16 Equipment Replacement Reserve	\$175,000	R	\$175,000	R
Recurring funds would allow the Auditor to replace computers every three years. Recommended by the Governor.				
17 Audit Software	\$0	R	\$15,000	R
	\$159,000	NR	\$0	NR
18 EDP Audit Positions	\$136,586	R	\$191,899	R
Additional electronic data processing auditors.				
	2.00		3.00	
19 Additional Audit Positions	\$179,792	R	\$282,647	R
Additional performance and financial auditors				
	3.00		5.00	
Total Legislative Changes	\$529,978	R	\$703,146	R
	\$159,000	NR	\$0	NR
Position Changes	5.00		8.00	
Revised Budget	\$10,184,864		\$10,207,231	

Treasurer

GENERAL FUND

FY 97-98

FY 98-99

Recommended Budget

\$18,432,034

\$18,434,193

Legislative Changes

(1110) General Administration

20 Strengthen Personnel Function

\$0 R

\$0 R

Funds a Personnel Officer I position in the department. Recommended by the Governor. Expenditures of \$44,558 in 1997-98 and \$42,127 in 1998-99 would be covered by increased receipts.

1.00

1.00

(1150) Information Systems

21 Maintenance of Automated Programs

\$0 R

\$0 R

Increased staffing to maintain automation in the department. Recommended by the Governor. Expenditures of \$240,968 in 1997-98 and \$230,264 in 1998-99 will be covered by increased receipts.

5.00

5.00

(1210) Investment Management

22 Strengthen Investment Administration

\$74,889 R

\$56,065 R

Additional Portfolio Manager to handle increased volumes of investments. Recommended by the Governor. These appropriations from the General Fund would be offset by increases in non-tax revenues.

1.00

1.00

(1310) Local Government Operations

23 Improve Ability to Manage Debt Approval

\$101,901 R

\$101,023 R

Additional staff to respond to increased demands for technical assistance. Recommended by the Governor. These appropriations from the General Fund would be offset by increases in non-tax revenues.

2.00

2.00

Total Legislative Changes

\$176,790 R

\$157,088 R

Position Changes

9.00

9.00

Revised Budget

\$18,608,824

\$18,591,281

Insurance

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$19,880,965		\$19,909,612	
Legislative Changes				
(1300) Technical Services				
24 Additional Market Practices Examiners	\$313,314	R	\$333,174	R
Adds two three-person teams to monitor market practices. One of the teams will monitor Life and Health Insurance companies; the other will monitor the practices of Health Maintenance Organizations (HMOs).	6.00		6.00	
(1500) Safety Services				
25 Upgrade and Increase Fire and Rescue Services	\$96,000	R	\$96,000	R
Computer software for counties to submit Fire Incident Reports and implement Rescue Reporting Program.				
(1900) Reserves and Transfers				
26 Pay for Revenue Workers	\$0	R	\$0	R
Transfers \$99,270 in FY 1997-98 and \$99,270 in FY 1998-99 to pay the Department of Revenue for collecting the gross premiums tax and the Regulatory Charge which supports the Department of Insurance.				
27 Transfer Fire Protection Grant Program	(\$1,450,000)	R	(\$1,450,000)	R
The Fire Protection Grant Program is transferred to the Office of State Budget and Management. The Department of Insurance will not need an appropriation to fund this program.				
✓ 28 Fire and Rescue Workers' Comp	\$4,500,000	R	\$4,500,000	R
Provides a recurring grant to the Fire and Rescue Workers' Comp Fund. Intent is for the State to contribute to the Fund until its reserves (projected time: about 8 years) are sufficient to let it be self-supporting.				
Total Legislative Changes	\$3,459,314	R	\$3,479,174	R
Position Changes	6.00		6.00	
Revised Budget	\$23,340,279		\$23,388,786	

Administration

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$59,567,213		\$60,961,819	
Legislative Changes				
(0000) All Divisions				
29 Personnel Reductions	(\$527,405)	R	(\$527,405)	R
Reductions recommended by the Governor, including one painter supervisor, nine painters, one vacant office assistant position in Facilities Management, a vacant position in the Council for Person's with Disabilities, and an office assistant position in the Board of Science and Technology. Reduction also includes \$105,014 in salary reserve money.	-13.00		-13.00	
(1121) Fiscal Management				
30 Reduced Data Processing Services	(\$7,000)	R	(\$7,000)	R
(1225) State Health Plan Purchasing Alliance				
31 Reversions From Previous Operating Budgets	\$0	R	\$0	R
Under the statutory language creating the State Health Plan Purchasing Alliance Fund, left over balances from the Board's operating budget have not been reverting to the General Fund. These past balances and the interest earned on them should be transferred from the State Health Plan Purchasing Alliance Fund to the General Fund at the end of 1996-97. This transfer will increase funds available for 1997-98 by \$648,718.				
32 Eliminate Vacant Position	(\$46,517)	R	(\$46,517)	R
Eliminates vacant policy development analyst position. Position vacant since January, 1997.	-1.00		-1.00	
(1241) Management Information Systems				
33 Reductions in Operating Expenses	(\$3,463)	R	(\$3,463)	R
Reductions in data processing maintenance and office furniture and equipment				
(1264) Agency for Public Telecommunication				
34 Reductions in contractual services and travel	(\$8,920)	R	(\$8,920)	R

(1311) Office of State Personnel**35 Staff for Personnel Mgmt Information System (PMIS)**

\$137,934 R \$137,934 R

The Governor recommends funding to provide two (2) computer analyst programmers and a support position to enable the Office to respond to increased mainframe data collection and analytical needs, and to continue to efficiently respond to PMIS users.

\$15,000 NR
3.00

3.00

36 Operating Budget Reductions

Reduce funds in the following line items in FY 97-98:

(\$70,406) NR

(531572) Unemp Comp Payments to ES (\$ 7,016)
(531625) St Disability Payment (15,000)
(532199) Misc Contractual Svs (26,000)
(532850) Printing (2,390)
(532942) Other Emp Educational Ex (10,000)
(536905) Employer OJT Incentive (5,000)
(537102) Res Emp Survey (5,000)

(1421) Facility Management**37 Delays in Operating New Buildings**

Reductions recommended by the Governor due to delays in the opening of the new SBI Laboratory, the Old Revenue Building and the Natural Science Museum.

(\$678,000) NR (\$370,000) NR

38 Additional Delays in Operating New Buildings

Additional reductions beyond those recommended by the Governor due to additional delays in the opening of the new SBI Laboratory, the Old Revenue Building and the Natural Science Museum.

(\$215,773) NR (\$371,920) NR

39 Increase Rental Receipts

(\$1,156,250) R (\$1,156,250) R

Increases receipts to the Department of Administration by charging rent to the State Treasurer and to the Department of Insurance. The rent paid by these agencies is offset by increases in the receipts they collect and in the non-tax revenues their operations generate. The Treasurer will be charged \$645,025. Insurance will be charged \$511,225.

40 Reduce Operating Budget for New Buildings

(\$496,440) R (\$518,437) R

Reduces amount budgeted for indirect costs in operating new buildings.

(1623) State Capitol Police**41 Eliminate Two Vacant Property Guard Positions**

(\$42,524) R (\$42,524) R

-2.00

-2.00

(1741) Human Relations Council**42 Reduction in Miscellaneous Line Items**

(\$11,938) R (\$11,938)

Senate Subcommittee on General Government

(1761) Youth Involvement Office

43 Increase Wages for Interns

\$77,616 R \$77,616 R

Increases hourly wage for interns from \$5.00 to \$6.75 per hour. Increase is recommended by the Governor.

(1771) Veteran Affairs

44 Reductions in Expenses

(\$65,124) R (\$65,124) R

Two veterans cemetery maintenance positions will be converted to receipts-supported positions, and motor vehicle replacements will be reduced.

(1781) Domestic Violence Program

45 Additional Position

\$50,000 R \$50,000 R

Administrative assistant position to monitor batterers treatment programs. Recommended by Governor.

1.00 1.00

46 Funds for Local Domestic Violence Programs

\$1,100,000 NR \$0 NR

Provides additional one-time funding to local domestic violence programs.

(1811) Advocacy for Disabled

47 Reduced Operating Expenses

(\$8,600) R (\$8,600) R

Reductions in contractual services, and board member travel and subsistence

(1861) Commission of Indian Affairs

48 Delete Match for Title XX

(\$15,000) R (\$15,000) R

Title XX federal funds for Indian Day Care have been discontinued. Therefore, matching funds are no longer needed.

(1862) Low-Level Radioactive Waste

49 Reductions in Communication Expense and Travel

(\$11,018) R (\$11,018) R

(1871) Board of Science and Technology

50 Reduction in Communications Expense

(\$13,110) R (\$13,110) R

Total Legislative Changes	(\$2,147,759)	R	(\$2,169,756)	R
	\$150,821	NR	(\$741,920)	NR
Position Changes	-12.00		-12.00	
Revised Budget	\$57,570,275		\$58,050,143	

State Controller

GENERAL FUND

	FY 97-98		FY 98-99
Recommended Budget	\$16,053,306		\$16,056,630
Legislative Changes			
(1000) Divisionwide			
51 Additional Operating Budget Reductions			
Reduce the following line items in FY 97-98:	(\$147,433)	NR	
(532821) Data Processing Services (\$94,055)			
(5369AA) NCIH (53,378)			
52 Year 2000 Computer Conversion			
Nonrecurring funding is recommended by the Governor to assist state government departments and agencies in the conversion of computer applications to accommodate year 2000 requirements:	\$5,000,000	NR	
53 532700 Travel/Subsistence			
Reduce the following line items each fiscal year:	(\$13,100)	R	(\$13,100) R
(532714) In-State transportation (\$10,000)			
(532724) In-State meals (\$ 3,100)			
54 5369AA Information Highway			
Provide non-recurring support in FY 97-98 for 101 existing sites - 52 high schools; 30 Community Colleges, including 1 data only site; two (2) campuses in the University System; and 17 State and local agencies. Additionally, appropriates to the Office of State Controller funds for long distance services and Data Hubs.	(\$5,337,824)	R	(\$5,337,824) R
Funding for FY 98-99 to be considered in the 1998 Session.	\$5,337,824	NR	
Total Legislative Changes	(\$5,350,924)	R	(\$5,350,924) R
	\$10,190,391	NR	
Position Changes			
Revised Budget	\$20,892,773		\$10,705,706

Revenue

GENERAL FUND

	FY 97-98		FY 98-99
Recommended Budget	\$68,045,123		\$68,862,535
Legislative Changes			
(0000) Departmentwide			
55 Salary Reductions/Span of Control	(\$592,976)	R	(\$592,976) R
Reduce positions in the department as a result of the study authorized per Section 10.1, Chapter 324, 1995 Session Laws. The approach for the Department is three-fold with the elimination of nine (9) positions; reduction of salary reserve created by lowering the budgeted level of fifteen (15) revenue officer and revenue tax auditor trainee positions to the first step; and reduction of operating line items.	-9.00		-9.00
(1600) Administration			
56 Administrative Program Reductions	(\$200,000)	R	(\$200,000) R
Reduce funds for data processing equipment and for repairs to buildings each year of the biennium:			
FY 97-98			
(532310) Repairs - Buildings (\$100,000)			
(534522) Equipment - Computers (\$100,000)			
FY 98-99			
(534522) Equipment - Computers (\$200,000)			
(1620) Tax Administration			
57 Assist New Audit Positions	\$31,305	R	\$62,609 R
Add an Administrative Officer III, as recommended by the Governor, to offset increased workload resulting from the new audit positions, effective January 1, 1998.	\$8,500	NR	
	1.00		1.00
(1640) Tax Compliance			
58 Premiums Tax Positions	(\$99,270)	R	(\$99,270) R
Funds transferred from the Department of Insurance regulatory charge to provide continued support for the two (2) positions that are responsible for collection of the gross premiums tax. For the Department of Revenue the transfer of funds increases receipts, reducing the General Fund appropriation.	-2.00		-2.00

Senate Subcommittee on General Government

(1660) Field Operations

59 Additional Interstate Audit Personnel

Appropriate funds for seven (7) new auditor positions and two (2) Tax Technicians in the Interstate Audit Division per the recommendation of the Governor. Positions are effective January 1, 1998.

\$298,192	R	\$629,977	R
\$94,000	NR		
9.00		9.00	

(1680) Legal and Administrative Services

60 Reductions to Postage and Printing

Adjust appropriations for the following line items each fiscal year:

(532840) Postage	(\$251,800)
(532850) Printing	(\$ 12,000)

(\$263,800)	R	(\$263,800)	R

Total Legislative Changes

(\$826,549)	R	(\$463,460)	R
\$102,500	NR		

Position Changes

-1.00	-1.00

Revised Budget

\$67,321,074	\$68,399,075

Cultural Resources

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$52,608,363		\$52,922,221	
Legislative Changes				
(0000) Departmentwide				
61 Salary Reductions/Span of Control	(\$610,262)	R	(\$610,262)	R
Reduce positions in the department as a result of the study authorized per Section 10.1, Chapter 324, 1995 Session Laws. The Department will eliminate 22 positions, including four (4) supervisory positions; and reduce Reserve Funds for the Museum of History and Home Creek Farm.	-22.00		-22.00	
(1110) Office of the Secretary				
62 Grants to Local Organizations				
Provide funds to local arts, cultural, and historical organizations; and local museums as grants-in-aid.	\$8,000,000	NR		
(1210) Division of Archives and History -Adm				
63 Maritime Museum	\$792,227	R	\$786,713	R
Transfer funds and personnel from the Department of Agriculture to the Department of Cultural Resources, Division of Archives and History (Fund 1210) for the Maritime Museum.	17.25		17.25	
(1241) State Historic Sites				
64 State Civil War Sites				
Funding is authorized to preserve, improve, and promote the State's Civil War era sites.	\$1,000,000	NR		
65 Town Creek Indian Mound				
Appropriate funds for an archaeological curation and education facility at the site.	\$50,000	NR		
66 Somerset Place				
Provide funds for construction and contracted personal services.	\$250,000	NR		
67 Reductions in Travel and Equipment			(\$30,000)	R
Reduce the following line items in FY 98-99:				
FY 98-99:				
(532714) In-State transportation (\$15,000)				
(534549) Other Motorized Vehicles (\$15,000)				

Senate Subcommittee on General Government

(1410) State Library Services

68 Library and Learning Resources

((\$6,000)) R

Reduce funds in line item 534630 in FY 98-99.

(1480) Statewide Programs & Grants

69 6960 Aid to Counties

\$3,000,000 R \$3,000,000 R

Increase funds for grants to public libraries in accordance with the formula for State-Aid to libraries.

70 NC LIVE - Statewide Electronic Library

\$200,000 R \$200,000 R

Funding to support NC-Live (North Carolina Libraries and Virtual Education), a collaborative effort among the State Library and public libraries statewide in partnership with libraries in the University of North Carolina system and the Community College system recommended by the Governor to expand access to library and information resources. Initial funds will support statewide licensing of on-line reference and research materials.

(1500) Museum of History

71 Equipment

((\$30,000)) R

Reduce funds in line item 534522 in FY 98-99.

(1992) Continuation Reserves

72 Reduce Funds in Operating Reserves

(\$100,000) R (\$34,000) R

Reduce funds in the reserves both years of the biennium as follows:

FY 97-98

(537102) Museum of History

2 Hist Mus Specs, Gr. 65, eff. 9/97	(\$39,720)
1 Pub Info Asst III, Gr. 57, eff 9/97	(14,490)
Social Security	(4,022)
Retirement	(5,694)
Med Ins	(1,560)
In-State Trans	(3,000)
In-State Subsistence	(2,200)
Training and Registration	(1,000)
Printing, Binding, etc.	(1,000)
Other Mat & Supplies	(483)
Office Furniture	(1,000)

(537110) Tryon Palace

1 Painter	(\$20,336)
Social Security	(1,556)
Retirement	(2,203)
Med Ins	(1,736)

FY 98-99

Senate Subcommittee on General Government

(537103) Historic Sites

Hist Halifax Tap Room	
Misc Contractual Services	(\$ 5,000)
Enrg Ser - Electrical	(3,000)
Enrg - Water & Sewer	(200)
Repairs - Other	(3,500)
In-State Trans	(200)
In-State Lodging	(100)
In-State Subsistence	(100)
Telephone Service	(550)
Postage, etc.	(200)
Print, Binding, etc.	(6,250)
Other Emp Educ Exp	(100)
Other Mat & Supplies	(800)
Equip - Other	(9,000)
Art & Artifacts	(5,000)

Total Legislative Changes	\$3,281,965	R	\$3,276,451	R
	\$9,300,000	NR		
Position Changes	-4.75		-4.75	
Revised Budget	\$65,190,328		\$56,198,672	

State Board of Elections

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$1,052,787		\$1,046,381	
Legislative Changes				
(0000) Departmentwide				
73 Computerized Voter Registration System	\$500,000	R	\$1,089,000	R
Funding to supplement the \$5.0 million computer reserves appropriated to design and implement the statewide voter registration system. Additional funds may be required to maintain the voter registration system in later years.				
Total Legislative Changes	\$500,000	R	\$1,089,000	R
Position Changes				
Revised Budget	\$1,552,787		\$2,135,381	

Office of Administrative Hearings

GENERAL FUND

	FY 97-98		FY 98-99
Recommended Budget	\$2,217,486		\$2,217,486
Legislative Changes			
(1100) Administration and Operations			
74 LAN Administrator	\$47,387	R	\$47,387 R
Provides funds to hire one person to administer local-area-network (LAN) system. Not included in Governor's recommendations.	1.00		1.00
75 Administrative Law Judge Salaries	\$103,206	R	\$103,206 R
Sets salaries for Administrative Law Judges at 90% of the salary of the Chief Administrative Law Judge, and establishes that Administrative Law Judges shall receive longevity pay.			
76 Reduce Services and Equipment	(\$10,690)	R	(\$10,690) R
Reductions in Maintenance Agreements, Data Processing Services, Furniture & Equipment, and Printing.			
Total Legislative Changes	\$139,903	R	\$139,903
Position Changes	1.00		1.00
Revised Budget	\$2,357,389		\$2,357,389

Rules Review Commission

GENERAL FUND

	FY 97-98	FY 98-99
Recommended Budget	\$281,892	\$273,441
Legislative Changes		
(1100) Administration		
77 Other Expenses		
Appropriate funds to support legal expenses resulting from the lawsuit.	\$240,000	NR
Total Legislative Changes	\$240,000	NR
Position Changes		
Revised Budget	\$521,892	\$273,441



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Legislative Services Office**

Jaime Walton
5-6-97 att #2

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May 5, 1997

MEMORANDUM

To: Representatives Bill Ives, Gene McCombs, and Wilma Sherrill, Co-chairs
and Members of the House Appropriations Subcommittee on General
Government

From: Michele T. Nelson *Michele Nelson*
Fiscal Research Division

Subject: Span of Control Information

In compliance with the study authorized in Chapter 324, Section 10.1, 1995 Session Laws the Office of State Budget and Management submitted to the General Assembly proposed changes in personnel and operating expenses for the Departments of Cultural Resources and Revenue.

Cultural Resources

A total of \$610,262 is the recommended reduction for each year of the biennium in the Department's budget to meet the requirements of the Span of Control. The initial information provided on April 4, 1997, indicated the department would experience a reduction of twenty-two (22) positions, including 4 supervisory positions, that reaches across all divisions and the Roanoke Island Commission. Additionally, adjustments were made in the Reserve Fund for the Museum of History and Home Creek Farm. As revised on May 2, 1997, the reductions now entail the elimination of twenty-one (21) positions, including 3 supervisory positions, and allow the department to retain a Librarian II position. Since the total dollar amount of reduction has not been altered, the operating budget will not only include adjustments in the Reserve Fund for the Museum of History and Home Creek Farm, but also reductions in operating funds for Archives and Records, Historic Sites, and the State Library. The details of the recommended changes are presented in ATTACHMENT 1, pages 1-4.

Members

House Appropriations Subcommittee on General Government

May 5, 1997

Page 2

Revenue

To achieve the required reduction in the Department's budget, \$592,976 will be deducted each fiscal year. The impact is a three-fold approach of eliminating nine (9) positions, reducing salary reserve created by lowering the budgeted level of fifteen (15) revenue officer and revenue tax auditor trainee positions to the first step, and reducing operating line items. Details of the reductions are identified in ATTACHMENT 2, pages 1 and 2. For your information *Salary Reserve* is defined as *unobligated funds generated by positions being filled at a salary less than the budgeted salary authorized by the General Assembly*.

It is the understanding of staff in the Fiscal Research Division that changes in the items are allowable, but the total dollar reduction will need to remain at the given amount.

If there are questions, please let me know.

Attachments

Department of Cultural Resources
Span of Control

Revised Span of Control Cuts		5/2/97			
Department of Cultural Resources					
CONTINUATION RESERVES-POSITIONS					
MUSEUM OF HISTORY-RALEIGH					
Fund 1992-537102	1997-98	1998-99			
1 Curator (70)	\$ 14,724	\$ 29,449	Supervisor		
1 Museum Tech.(63)	\$ 11,007	\$ 22,015			
1 Museum Tech.(63)	\$ 11,007	\$ 22,015			
1 Media Tech (63)	\$ 11,007	\$ 22,015			
1 Security Officer (60)	\$ 9,757	\$ 19,515			
1 Security Officer (60)	\$ 9,757	\$ 19,515			
Total Salaries	\$ 67,259	\$ 134,524			
Social Security	\$ 5,145	\$ 10,291			
Retirement	\$ 7,284	\$ 14,569			
Insurance	\$ 5,208	\$ 10,416			
Total Salary& Fringes	\$ 84,896	\$ 169,800			
MUSEUM OF THE CAPE FEAR					
Fund 1992-537102					
<i>(Reserve total is \$362,900, with 9 positions, including 2 PIO Asst.'s and 4 Hist. Mus.Specs.)</i>					
1 PIO Asst. III (57)	\$ 11,585	\$ 17,378			
1 Hist. Mus. Spec.(65)	\$ 17,874	\$ 23,831			
Total Salaries	\$ 29,459	\$ 41,209			
Social Security	\$ 2,254	\$ 3,152			
Retirement	\$ 3,190	\$ 4,463			
Insurance	\$ 2,459	\$ 3,472			
Total Salary& Fringes	\$ 37,362	\$ 52,296			
HISTORIC HALIFAX					
Fund 1992-537103					
1 Hist. Int. I (58)		\$ 18,037			
Social Security		\$ 1,380			
Retirement		\$ 1,953			
Insurance		\$ 1,736			
Total Salary & Fringes		\$ 23,106			

CONTINUATION RESERVES-POSITIONS, cont.					
NORTH CAROLINA TRANSPORTATION MUSEUM					
Fund 1992-537103	1997-98	1998-99			
1 Gen. Ut. Wrkr. (53)	\$ 15,724	\$ 15,724			
1 Hist. Int. II (60)	\$ 19,515	\$ 19,515			
1 Proc. Asst. (61)	\$ 20,336	\$ 20,336			
Total Salaries	\$ 55,575	\$ 55,575			
Social Security	\$ 4,251	\$ 4,251			
Retirement	\$ 6,019	\$ 6,019			
Insurance	\$ 5,208	\$ 5,208			
Total Salary & Fringes	\$ 71,053	\$ 71,053			
TRYON PALACE					
Fund 1992-537110					
1 Housekeeper (50)	\$ 15,600	\$ 15,600			
1 Security Guard (55)	\$ 16,087	\$ 16,087			
Total Salaries	\$ 31,687	\$ 31,687			
Social Security	\$ 2,425	\$ 2,424			
Retirement	\$ 3,432	\$ 3,432			
Insurance	\$ 3,472	\$ 3,472			
Total Salary & Fringes	\$ 41,016	\$ 41,015			
Total Positions from Reserves	\$ 234,327	\$ 357,270			

DEPARTMENT-WIDE VACANT POSITIONS						
		1997-98	1998-99			
OUTER BANKS HISTORY CENTER (Fund 1210)						
1 Adm. Asst. I (65) #2047	\$ 24,328	\$ 24,328				
Social Security	\$ 1,861	\$ 1,861				
Retirement	\$ 2,635	\$ 2,635				
Insurance	\$ 1,736	\$ 1,736				
Total Salary&Fringes	\$ 30,560	\$ 30,560				
ARCHIVES & RECORDS (Fund 1230)						
1 Stat. Assistant V (61) # 2217 *	\$ 12,735	\$ 25,470	*sick leave exhausted 12/97			
Social Security	\$ 974	\$ 1,948				
Retirement	\$ 1,379	\$ 2,758				
Insurance	\$ 868	\$ 1,736				
Total Salary&Fringes	\$ 15,956	\$ 31,913				
<i>The other vacancy in Archives & Records is a supervisory position, Records Management Analyst II (68) #2202, which advises County Clerks of Court and Registers of Deeds on records retention, preservation issues and microfilming.</i>						
TRYON PALACE (Fund 1242)						
1 Housekeep.Sup.I (54) #2534	\$ 17,900	\$ 17,900	Supervisor			
Social Security	\$ 1,369	\$ 1,369				
Retirement	\$ 1,939	\$ 1,939				
Insurance	\$ 1,736	\$ 1,736				
Total Salary&Fringes	\$ 22,944	\$ 22,944				
MUSEUM OF ART (Fund 1320)						
1 Security Guard (55) # 3284	\$ 16,401	\$ 16,401				
Social Security	\$ 1,255	\$ 1,255				
Retirement	\$ 1,776	\$ 1,776				
Insurance	\$ 1,736	\$ 1,736				
Total Salary& Fringes	\$ 21,168	\$ 21,168				
STATE LIBRARY (Fund 1410)						
1 Library Clerk III (57) #4448	\$ 19,724	\$ 19,724				
Social Security	\$ 1,509	\$ 1,509				
Retirement	\$ 2,136	\$ 2,136				
Insurance	\$ 1,736	\$ 1,736				
Total Salary&Fringes	\$ 25,105	\$ 25,105				
Total Vacancies	\$ 115,733	\$ 131,689				
TOTAL-POSITIONS IN RESERVES AND VACANCIES	\$ 350,060	\$ 488,960				

Reserve-Roanoke Island Commission					
Fund 1992-537120	1997-98	1998-99			
1 Sales Manager II(58)	\$ 13,528	\$ 18,037	Supervisor		
1 Sales Clerk II (53)	\$ 11,793	\$ 15,724			
Total Salaries	\$ 25,321	\$ 33,761			
Social Security	\$ 1,937	\$ 2,583			
Retirement	\$ 2,742	\$ 3,656			
Insurance	\$ 3,472	\$ 3,472			
Total Salary&Fringes	\$ 33,472	\$ 43,472			
Roanoke Island Comm.					
<i>(OSBM previously recommended that these two positions be receipts-funded.)</i>					
TOTAL POSITIONS FROM					
RESERVES, VACANCIES AND	\$ 383,532	\$ 532,432			
ROANOKE ISLAND COMMISSION					
RESERVES-OPERATING FUNDS					
NC Trans.Hist. Museum Reserve					
Fund 1992-537103--Contr. Services	\$ 68,000	\$ 28,000			
Home Creek Farm Reserve					
Fund 1992-57103	\$ 126,276	\$ 17,376			
(total 97-98: \$145,215)					
(total 98-99: \$90,215)					
OTHER OPERATING FUNDS					
ARCHIVES & RECORDS (Fund 1230)					
532185 Contr. Services	\$ 10,000	\$ 10,000			
HISTORIC SITES (Fund 1241)					
534511 Office Furniture	\$ 10,000	\$ 10,000			
STATE LIBRARY (Fund 1410)					
534630 Lib.& Learning Res. Coll.	\$ 12,454	\$ 12,454			
TOTAL RESERVE POSITIONS,					
VACANCIES, ROANOKE ISLAND	\$ 610,262	\$ 610,262			
COMISSION, RESERVES OPERATING					
FUNDS AND OTHER OPERATING					
FUNDS					
This represents a total cut of 21 positions and 3 supervisors.					

Department of Revenue
Span of Control

Span of Control Budget Reductions

Center/RCC	Account	Description	Reduction
160005	532140	System Imple/Integ Serv	\$ 70,000
160081	532199	Misc Contractual Services	30,000
TOTAL			\$ 100,000

160005	532942	Other Emp Educational Ex	\$ 10,000
160005	532722	Lodging-Out-of-State	5,000
160005	533120	Data Processing Supplies	10,000
1660	532714	Transp-Grnd - In State	3,103
168081	533110	General Office Supplies	10,000
168081	532811	Telephone Services	10,000
TOTAL			\$ 48,103 ■

■ All reductions relate to the loss of positions detailed on Attachment A

Weekly Span Of Control Report

Department	Revenue
Budget Code	14700

Week Ending March 27, 1997

Elimination of Positions

Fund	Division	Title	Check if Supervisor	Budgeted Gen Fd Salary	Total Salary and Benefits Reduction
1600	PDT	Computing Consultant II	N/A	33,000	40,834
1620	Ad Valorem	Office Assistant III	N/A	20,220	25,693
1640	Office Examination	Processing Assistant III	N/A	19,271	24,568
1640	Office Services	Processing Assistant III	N/A	19,697	25,073
1660	Field Operations	Revenue Field Auditor I	N/A	52,726	67,018
1660	Field Operations	Revenue Officer I	N/A	46,014	58,706
1670	Controlled Substance	Control Subs Tax Enf. Off	N/A	34,873	43,054
1680	Accounting	Processing Assistant III	N/A	18,588	23,759
1680	Returns Processing	Data Entry Specialist	N/A	19,992	25,423
TOTAL					\$334,128

Salary Reduction

[illegible]

General Government

5/6/97

NAME

AGENCY

Rathie Austin PADGETT

OSPL

Jim Maxwell

OSBM

John McLeod

DoL

Tia Meadows

DoL

Steve Albright

State Treasurer

Danell Arnold

SEANC

Kenne Van Curen

DCR

Carl Stodum

OSP

Alonna Resifield

DCR

Al Cullen

Friends of Martin Luther + Cuts 12

Tom Doman

OSPL

MINUTES

HOUSE APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT

May 7, 1997

The House Appropriations Subcommittee on General Government met on May 7, 1997 at 8:30 a.m. in Room 425 of the Legislative Office Building. Representative McCombs presided and the following members were present: Representative Ives, Cochair; Representative Sherrill, Cochair; Representatives Braswell, Culpepper, Decker, Ellis, Jeffus and Wainwright. Also present were fiscal research staff advisors Evan Rodewald, Michele Nelson and Bill Spencer. For visitors in attendance, see the attached Visitors Sheet.

Representative McCombs called the meeting to order and introduced pages Alexis Brooke and Sarah Locklear, both from Robeson County. He then asked staff advisor Michele Nelson to continue with the review of the Senate Appropriations Committee Report on the Continuation, Expansion and Capital Budget (Attachment 1), that had been started at yesterday's meeting, with the Cultural Resources section beginning on page B17. At the completion of this review and related discussions by members, staff advisor Evan Rodewald presented a review of the State Board of Elections section on page B20 (Attachment 1). Staff advisor Bill Spencer then presented a review of the Office of Administrative Hearings section on page B21 (Attachment 1). After some discussion by subcommittee members, Michele Nelson presented a review of the Rules Review Commission on page B22 (Attachment 1).

The subcommittee then took up consideration of Senate Bill 352, Third Edition (Attachment 2), with the assistance of staff advisors Nelson, Rodewald and Spencer. Rep. Culpepper requested that Section 20.1, page 190, line 32, be flagged. Rep. Sherrill requested that Section 24.2, page 194, line 35, be flagged. Rep. Sherrill also requested that Section 25., page 195, line 25 be flagged.

Rep. McCombs adjourned the meeting at 9:50 a.m., the subcommittee to reconvene 15 minutes after session.

The afternoon meeting was called to order by Chairman McCombs at 3:50 p.m. with the following members present: Rep. Ives, Cochair; Rep. Sherrill, Cochair; Representatives

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May 7, 1997

Culpepper, Decker, Jeffus and Wainwright.

The subcommittee continued its discussion of Senate Bill 352, Third Edition (Attachment 2). Rep. Sherrill requested that Section 26.2, page 197, line 12 be flagged, and also asked to hear from the Secretary, Department of Revenue. Rep. Culpepper requested that Section 27.4, page 204, line 34 be flagged. Chairman McCombs requested that Section 27.5, page 204, line 42 be flagged.

Having completed the review of the Senate Bill 352, Third Edition, the subcommittee proceeded to go back over the cut items that had been flagged by the subcommittee for further discussion (see Attachment 1, Senate Appropriations Committee Report on the Continuation, Expansion and Capital Budget). Mr. David McCoy, Chief Deputy Secretary, Department of Administration spoke on plans to privatize the paint shop (item 29, page B10, attachment 1), explaining that it is anticipated this will save between \$150-\$200,000 a year in paint costs. Evan Rodewald stated that representatives of the State Health Plan Purchasing Alliance were not present to speak on item 32, page B10 (attachment 1), but would be brought before the subcommittee tomorrow. He reminded members that they would like to substitute other reductions for the personnel reduction in the report. The next flagged item, number 44 under Veteran Affairs on page B12 (attachment 1), had a question regarding the federal receipts that would be replacing the appropriations and supporting these positions. Evan Rodewald explained that the federal funds come from the interments. When the new cemetery opens, the funds from interments will increase by \$15-\$20,000. Michele Nelson then discussed the next flagged item, number 56 under Administration on page B15 (attachment 1). Michele made a correction on this item to reflect FY 98-99 reductions of \$100,000 for Repairs-Buildings and \$100,00 for Equipment-Computers, the same as for FY 97-98. This would zero out the line item for Repairs and Renovations. For the Computer line item, in the first year \$314,446 would be left and in the second year \$614,446. The next flagged item was under Cultural Resources, item 72 on page B18, dealing with the reduction of the operating reserves for Tryon Palace in regard to the painter. The department has provided a substitute (Attachment 3), which was distributed to members. Rep. Sherrill made a motion to leave this item as the Senate has it. Rep. Wainwright made a substitute motion to restore the \$25,831 cut to Cultural Resources. The substitute motion failed for lack of a majority and the report remains as is.

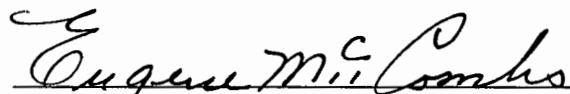
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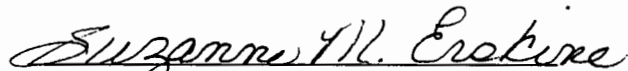
Michele Nelson then provided subcommittee members with a handout (Attachment 4) of a requested list of personnel for the Roanoke Island Commission. Some discussion by subcommittee members followed.

The subcommittee then agreed that, at this time, they are satisfied with the Senate cuts.

The meeting was adjourned at 4:50 p.m.

Respectfully submitted,


Representative Eugene McCombs
Presiding Cochair

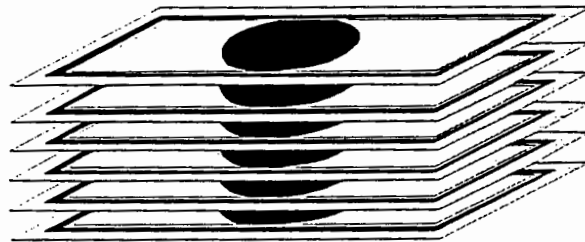

Suzanne M. Erskine
Committee Clerk

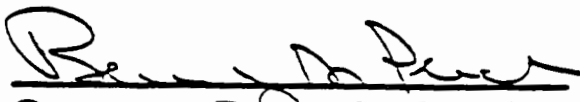
*Attachment 1
General Government
May 7, 1997*

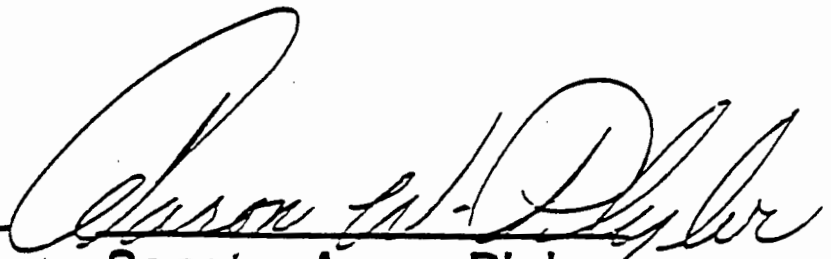
**SENATE APPROPRIATIONS
COMMITTEE**

**REPORT ON THE CONTINUATION,
EXPANSION AND CAPITAL BUDGET**

APRIL 23, 1997




Senator Beverly Perdue
Co-Chairman


Senator Aaron Plyler
Co-Chairman


Senator Fountain Odom
Co-Chairman

Governor

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$5,286,620		\$5,302,348	
Legislative Changes				
(0000) Departmentwide				
1 Purchased Contractual Services	(\$22,367)	R	(\$22,367)	R
(1110) Administration				
2 Senior Advisor for Children and Families				
Provides funding in the Governor's Office for the position of Senior Advisor for Children and Families.	\$105,597	NR		
	1.00			
(1130) Office of Intergovernmental Relations				
3 Eliminate Military Liaison Position	(\$25,220)	R	(\$25,220)	R
Eliminate the position and associated benefits for Military Liaison. This position has been vacant since 10-01-94.	-1.00		-1.00	
(1631) Raleigh Executive Residence				
4 Transfer to CC & PS	(\$6,099)	R	(\$6,099)	R
This transfer repays Crime Control & Public Safety (CC & PS) the costs of supplying the Governor's guards. \$6,099 was the amount of the requested increase from last year. The money will be saved by using guards with the same salaries as the current guards are earning.				
Total Legislative Changes	(\$53,686)	R	(\$53,686)	R
	\$105,597	NR		
Position Changes	0.00		-1.00	
Revised Budget	\$5,338,531		\$5,248,662	

State Budget and Management

GENERAL FUND

	FY 97-98	FY 98-99
Recommended Budget	\$3,855,400	\$3,938,220

Legislative Changes

(1022) 1997 Special Appropriations

5 St Mark's Capital Funds

Appropriates to St. Mark's, Incorporated, a nonprofit corporation, a grant for building a new preschool facility to serve children with developmental disabilities.

\$1,700,000 NR

6 Women's Memorial Funds

This is a State Donation to the Women in Military Service for America Memorial Foundation, Inc., for the purpose of creating a memorial to women veterans of the armed services.

\$50,000 NR

7 NC Humanities Council

Provides a grant to the North Carolina Humanities Council, a not-for-profit organization.

\$100,000 NR

8 Fire Protection Grant Funds

Creates the State Fire Protection Grant Fund, to compensate local fire districts and political subdivisions for providing fire protection to State-owned buildings. Requires the Office of State Budget and Management to develop a statewide method for distributing these funds to the State's local fire districts and political subdivisions.

\$3,080,000 R \$3,080,000 R

9 Reserve for Purchase of State Flags

\$50,000 NR

(1310) Office of State Budget and Management

10 Reduce Employee Costs

Reduce objects Employee Benefit Cost and Supplement to Regular Wage. Department plans that this money will not be needed due to savings accrued while vacancies exist.

(\$5,010) R (\$5,010) R

11 Property, Plant & Equipment

Department will save money by deferring purchase of new items of equipment.

(\$32,372) R (\$32,372) R

Total Legislative Changes	\$3,042,618	R	\$3,042,618	R
	\$1,900,000	NR		
Position Changes				
Revised Budget	\$8,798,018		\$6,980,838	

Office of State Planning

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$1,820,279		\$1,833,679	
Legislative Changes				
(1412) Geodetic Survey				
12 Make One-Half Position Receipt-Supported	(\$17,829)	R	(\$17,829)	R
Office of State Planning has one position which receives one-half of its funding from the General Fund. This position will become entirely receipt-supported.	-0.50		-0.50	
Total Legislative Changes	(\$17,829)	R	(\$17,829)	R
Position Changes	-0.50		-0.50	
Revised Budget	\$1,802,450		\$1,815,850	

Lieutenant Governor

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$612,176		\$612,336	
Legislative Changes				
(1110) Administration				
13 Miscellaneous Expenses, Equipment, and Services	(\$2,946)	R	(\$2,946)	R
Reductions in Registration Fees, Other Employee Educational Expenses, Maintenance Agreement-Equipment, DP Equipment, Repairs-Computer Equipment, General Office Expenses, Cellular Phone Service, Postage, and Telephone Service.				
Total Legislative Changes	(\$2,946)	R	(\$2,946)	R
Position Changes				
Revised Budget	\$609,230		\$609,390	

Secretary of State

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$5,243,012		\$5,230,680	
Legislative Changes				
(0000) Departmentwide				
14 New Computer System	\$80,000	R	\$80,000	R
Replaces old computer equipment with new local area network, new imaging system, new relational database software. Funds include money for a project manager and for computer consultants.	\$1,230,000	NR	\$0	NR
	1.00		1.00	
Total Legislative Changes	\$80,000	R	\$80,000	R
	\$1,230,000	NR	\$0	NR
Position Changes	1.00		1.00	
Revised Budget	\$6,553,012		\$5,310,680	

Auditor

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$9,495,886		\$9,504,085	
Legislative Changes				
(1120) Support Services				
15 Maintenance on Printing Equipment	\$38,600	R	\$38,600	R
Provides funds to maintain printing and duplicating equipment. Recommended by the Governor.				
(1210) Field Audit Division				
16 Equipment Replacement Reserve	\$175,000	R	\$175,000	R
Recurring funds would allow the Auditor to replace computers every three years. Recommended by the Governor.				
17 Audit Software	\$0	R	\$15,000	R
	\$159,000	NR	\$0	NR
18 EDP Audit Positions	\$136,586	R	\$191,890	R
Additional electronic data processing auditors.				
	2.00		3.00	
19 Additional Audit Positions	\$179,792	R	\$282,647	R
Additional performance and financial auditors				
	3.00		5.00	
Total Legislative Changes	\$529,978	R	\$703,146	R
	\$159,000	NR	\$0	NR
Position Changes	5.00		8.00	
Revised Budget	\$10,184,864		\$10,207,231	

Treasurer

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$18,432,034		\$18,434,193	
Legislative Changes				
(1110) General Administration				
20 Strengthen Personnel Function	\$0	R	\$0	R
Funds a Personnel Officer I position in the department. Recommended by the Governor. Expenditures of \$44,558 in 1997-98 and \$42,127 in 1998-99 would be covered by increased receipts.	1.00		1.00	
(1150) Information Systems				
21 Maintenance of Automated Programs	\$0	R	\$0	R
Increased staffing to maintain automation in the department. Recommended by the Governor. Expenditures of \$240,968 in 1997-98 and \$230,264 in 1998-99 will be covered by increased receipts.	5.00		5.00	
(1210) Investment Management				
22 Strengthen Investment Administration	\$74,889	R	\$56,065	R
Additional Portfolio Manager to handle increased volumes of investments. Recommended by the Governor. These appropriations from the General Fund would be offset by increases in non-tax revenues.	1.00		1.00	
(1310) Local Government Operations				
23 Improve Ability to Manage Debt Approval	\$101,901	R	\$101,023	R
Additional staff to respond to increased demands for technical assistance. Recommended by the Governor. These appropriations from the General Fund would be offset by increases in non-tax revenues.	2.00		2.00	
Total Legislative Changes	\$176,790	R	\$157,088	R
Position Changes	9.00		9.00	
Revised Budget	\$18,608,824		\$18,591,281	

Insurance

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$19,880,965		\$19,909,612	
Legislative Changes				
(1300) Technical Services				
24 Additional Market Practices Examiners	\$313,314	R	\$333,174	R
Adds two three-person teams to monitor market practices. One of the teams will monitor Life and Health Insurance companies; the other will monitor the practices of Health Maintenance Organizations (HMOs).	6.00		6.00	
(1500) Safety Services				
25 Upgrade and Increase Fire and Rescue Services	\$96,000	R	\$96,000	R
Computer software for counties to submit Fire Incident Reports and implement Rescue Reporting Program.				
(1900) Reserves and Transfers				
26 Pay for Revenue Workers	\$0	R	\$0	R
Transfers \$99,270 in FY 1997-98 and \$99,270 in FY 1998-99 to pay the Department of Revenue for collecting the gross premiums tax and the Regulatory Charge which supports the Department of Insurance.				
27 Transfer Fire Protection Grant Program	(\$1,450,000)	R	(\$1,450,000)	R
The Fire Protection Grant Program is transferred to the Office of State Budget and Management. The Department of Insurance will not need an appropriation to fund this program.				
28 Fire and Rescue Workers' Comp	\$4,500,000	R	\$4,500,000	R
Provides a recurring grant to the Fire and Rescue Workers' Comp Fund. Intent is for the State to contribute to the Fund until its reserves (projected time: about 8 years) are sufficient to let it be self-supporting.				
Total Legislative Changes	\$3,459,314	R	\$3,479,174	R
Position Changes	6.00		6.00	
Revised Budget	\$23,340,279		\$23,388,786	

Administration

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$59,567,213		\$60,961,819	

Legislative Changes

(0000) All Divisions

✓ 29 Personnel Reductions

(\$527,405)	R	(\$527,405)	R

Reductions recommended by the Governor, including one painter supervisor, nine painters, one vacant office assistant position in Facilities Management, a vacant position in the Council for Person's with Disabilities, and an office assistant position in the Board of Science and Technology. Reduction also includes \$105,014 in salary reserve money.

-13.00

-13.00

(1121) Fiscal Management

30 Reduced Data Processing Services

(\$7,000)	R	(\$7,000)	R

(1225) State Health Plan Purchasing Alliance

31 Reversions From Previous Operating Budgets

\$0	R	\$0	R

Under the statutory language creating the State Health Plan Purchasing Alliance Fund, left over balances from the Board's operating budget have not been reverting to the General Fund. These past balances and the interest earned on them should be transferred from the State Health Plan Purchasing Alliance Fund to the General Fund at the end of 1996-97. This transfer will increase funds available for 1997-98 by \$648,718.

✓ 32 Eliminate Vacant Position

(\$46,517)	R	(\$46,517)	R

Eliminates vacant policy development analyst position. Position vacant since January, 1997.

-1.00

-1.00

(1241) Management Information Systems

33 Reductions in Operating Expenses

(\$3,463)	R	(\$3,463)	R

Reductions in data processing maintenance and office furniture and equipment

(1264) Agency for Public Telecommunication

34 Reductions in contractual services and travel

(\$8,920)	R	(\$8,920)	R

(1311) Office of State Personnel**35 Staff for Personnel Mgmt Information System (PMIS)**

The Governor recommends funding to provide two (2) computer analyst programmers and a support position to enable the Office to respond to increased mainframe data collection and analytical needs, and to continue to efficiently respond to PMIS users.

\$137,934	R	\$137,934	R
\$15,000	NR		
3.00		3.00	

36 Operating Budget Reductions

Reduce funds in the following line items in FY 97-98:

(\$70,406)	NR

(531572) Unemp Comp Payments to ES	(\$ 7,016)
(531625) St Disability Payment	(15,000)
(532199) Misc Contractual Svs	(26,000)
(532850) Printing	(2,390)
(532942) Other Emp Educational Ex	(10,000)
(536905) Employer OJT Incentive	(5,000)
(537102) Res Emp Survey	(5,000)

(1421) Facility Management**37 Delays in Operating New Buildings**

Reductions recommended by the Governor due to delays in the opening of the new SBI Laboratory, the Old Revenue Building and the Natural Science Museum.

(\$678,000)	NR	(\$370,000)	NR

38 Additional Delays in Operating New Buildings

Additional reductions beyond those recommended by the Governor due to additional delays in the opening of the new SBI Laboratory, the Old Revenue Building and the Natural Science Museum.

(\$215,773)	NR	(\$371,920)	NR

39 Increase Rental Receipts

Increases receipts to the Department of Administration by charging rent to the State Treasurer and to the Department of Insurance. The rent paid by these agencies is offset by increases in the receipts they collect and in the non-tax revenues their operations generate. The Treasurer will be charged \$645,025. Insurance will be charged \$511,225.

(\$1,156,250)	R	(\$1,156,250)	R

40 Reduce Operating Budget for New Buildings

Reduces amount budgeted for indirect costs in operating new buildings.

(\$496,440)	R	(\$518,437)	R

(1623) State Capitol Police**41 Eliminate Two Vacant Property Guard Positions**

(\$42,524)	R	(\$42,524)	R
-2.00		-2.00	

(1741) Human Relations Council**42 Reduction in Miscellaneous Line Items**

(\$11,938)	R	(\$11,938)	

Senate Subcommittee on General Government

(1761) Youth Involvement Office

43 Increase Wages for Interns

\$77,616 R \$77,616 R

Increases hourly wage for interns from \$5.00 to \$6.75 per hour. Increase is recommended by the Governor.

(1771) Veteran Affairs

✓44 Reductions in Expenses

(\$65,124) R (\$65,124) R

Two veterans cemetery maintenance positions will be converted to receipts-supported positions, and motor vehicle replacements will be reduced.

(1781) Domestic Violence Program

45 Additional Position

\$50,000 R \$50,000 R

Administrative assistant position to monitor batterers treatment programs. Recommended by Governor.

1.00

1.00

46 Funds for Local Domestic Violence Programs

Provides additional one-time funding to local domestic violence programs.

\$1,100,000 NR \$0 NR

(1811) Advocacy for Disabled

47 Reduced Operating Expenses

(\$8,600) R (\$8,600) R

Reductions in contractual services, and board member travel and subsistence

(1861) Commission of Indian Affairs

48 Delete Match for Title XX

(\$15,000) R (\$15,000) R

Title XX federal funds for Indian Day Care have been discontinued. Therefore, matching funds are no longer needed.

(1862) Low-Level Radioactive Waste

49 Reductions in Communication Expense and Travel

(\$11,018) R (\$11,018) R

(1871) Board of Science and Technology

50 Reduction in Communications Expense

(\$13,110) R (\$13,110) R

Total Legislative Changes	(\$2,147,759)	R	(\$2,169,756)	R
	\$150,821	NR	(\$741,920)	NR
Position Changes	-12.00		-12.00	
Revised Budget	\$57,570,275		\$58,050,143	

State Controller

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$16,053,306		\$16,056,630	
Legislative Changes				
(1000) Divisionwide				
51 Additional Operating Budget Reductions				
Reduce the following line items in FY 97-98:	(\$147,433)	NR		
(532821) Data Processing Services	(\$94,055)			
(5369AA) NCIH	(53,378)			
52 Year 2000 Computer Conversion				
Nonrecurring funding is recommended by the Governor to assist state government departments and agencies in the conversion of computer applications to accommodate year 2000 requirements.	\$5,000,000	NR		
53 532700 Travel/Subsistence	(\$13,100)	R	(\$13,100)	R
Reduce the following line items each fiscal year:				
(532714) In-State transportation	(\$10,000)			
(532724) In-State meals	(\$ 3,100)			
54 5369AA Information Highway	(\$5,337,824)	R	(\$5,337,824)	R
Provide non-recurring support in FY 97-98 for 101 existing sites - 52 high schools; 30 Community Colleges, including 1 data only site; two (2) campuses in the University System; and 17 State and local agencies. Additionally, appropriates to the Office of State Controller funds for long distance services and Data Hubs.	\$5,337,824	NR		
Funding for FY 98-99 to be considered in the 1998 Session.				
Total Legislative Changes	(\$5,350,924)	R	(\$5,350,924)	R
	\$10,190,391	NR		
Position Changes				
Revised Budget	\$20,892,773		\$10,705,706	

Revenue

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$68,045,123		\$68,862,535	
Legislative Changes				
(0000) Departmentwide				
55 Salary Reductions/Span of Control	(\$592,976)	R	(\$592,976)	R
Reduce positions in the department as a result of the study authorized per Section 10.1, Chapter 324, 1995 Session Laws. The approach for the Department is three-fold with the elimination of nine (9) positions; reduction of salary reserve created by lowering the budgeted level of fifteen (15) revenue officer and revenue tax auditor trainee positions to the first step; and reduction of operating line items.	-9.00		-9.00	
(1600) Administration				
56 Administrative Program Reductions	(\$200,000)	R	(\$200,000)	R
Reduce funds for data processing equipment and for repairs to buildings each year of the biennium:				
FY 97-98				
(532310) Repairs - Buildings (\$100,000)				
(534522) Equipment - Computers (\$100,000)				
FY 98-99				
(534522) Equipment - Computers (\$200,000)				
(1620) Tax Administration				
57 Assist New Audit Positions	\$31,305	R	\$62,609	R
Add an Administrative Officer III, as recommended by the Governor, to offset increased workload resulting from the new audit positions, effective January 1, 1998.	\$8,500	NR		
	1.00		1.00	
(1640) Tax Compliance				
58 Premiums Tax Positions	(\$99,270)	R	(\$99,270)	R
Funds transferred from the Department of Insurance regulatory charge to provide continued support for the two (2) positions that are responsible for collection of the gross premiums tax. For the Department of Revenue the transfer of funds increases receipts, reducing the General Fund appropriation.	-2.00		-2.00	

Senate Subcommittee on General Government

(1660) Field Operations

59 Additional Interstate Audit Personnel

Appropriate funds for seven (7) new auditor positions and two (2) Tax Technicians in the Interstate Audit Division per the recommendation of the Governor. Positions are effective January 1, 1998.

\$298,192	R	\$629,977	R
\$94,000	NR		
9.00		9.00	

(1680) Legal and Administrative Services

60 Reductions to Postage and Printing

Adjust appropriations for the following line items each fiscal year:

(532840) Postage	(\$251,800)
(532850) Printing	(\$ 12,000)

(\$263,800)	R	(\$263,800)	R

Total Legislative Changes

(\$826,549)	R	(\$463,460)	R
\$102,500	NR		

Position Changes

-1.00	-1.00

Revised Budget

\$67,321,074	\$68,399,075

Cultural Resources

GENERAL FUND

	FY 97-98	FY 98-99
Recommended Budget	\$52,608,363	\$52,922,221

Legislative Changes

(0000) Departmentwide

61 Salary Reductions/Span of Control	(\$610,262)	R	(\$610,262)	R
Reduce positions in the department as a result of the study authorized per Section 10.1, Chapter 324, 1995 Session Laws. The Department will eliminate 22 positions, including four (4) supervisory positions; and reduce Reserve Funds for the Museum of History and Home Creek Farm.	-22.00		-22.00	

(1110) Office of the Secretary

62 Grants to Local Organizations	\$8,000,000	NR
Provide funds to local arts, cultural, and historical organizations; and local museums as grants-in-aid.		

(1210) Division of Archives and History -Adm

63 Maritime Museum	\$792,227	R	\$786,713	R
Transfer funds and personnel from the Department of Agriculture to the Department of Cultural Resources, Division of Archives and History (Fund 1210) for the Maritime Museum.	17.25		17.25	

(1241) State Historic Sites

64 State Civil War Sites	\$1,000,000	NR		
Funding is authorized to preserve, improve, and promote the State's Civil War era sites.				
65 Town Creek Indian Mound	\$50,000	NR		
Appropriate funds for an archaeological curation and education facility at the site.				
66 Somerset Place	\$250,000	NR		
Provide funds for construction and contracted personal services.				
67 Reductions in Travel and Equipment			(\$30,000)	R
Reduce the following line items in FY 98-99:				
FY 98-99:				
(532714) In-State transportation (\$15,000)				
(534549) Other Motorized Vehicles (\$15,000)				

Senate Subcommittee on General Government

(1410) State Library Services

68 Library and Learning Resources

(\$6,000) R

Reduce funds in line item 534630 in FY 98-99.

(1480) Statewide Programs & Grants

69 6960 Aid to Counties

\$3,000,000 R \$3,000,000 R

Increase funds for grants to public libraries in accordance with the formula for State-Aid to libraries.

70 NC LIVE - Statewide Electronic Library

\$200,000 R \$200,000 R

Funding to support NC-Live (North Carolina Libraries and Virtual Education), a collaborative effort among the State Library and public libraries statewide in partnership with libraries in the University of North Carolina system and the Community College system recommended by the Governor to expand access to library and information resources. Initial funds will support statewide licensing of on-line reference and research materials.

(1500) Museum of History

71 Equipment

(\$30,000) R

Reduce funds in line item 534522 in FY 98-99.

(1992) Continuation Reserves

✓ 72 Reduce Funds in Operating Reserves

(\$100,000) R (\$34,000) R

Reduce funds in the reserves both years of the biennium as follows:

FY 97-98

(537102) Museum of History

2 Hist Mus Specs, Gr. 65, eff. 9/97	(\$39,720)
1 Pub Info Asst III, Gr. 57, eff 9/97	(14,490)
Social Security	(4,022)
Retirement	(5,694)
Med Ins	(1,560)
In-State Trans	(3,000)
In-State Subsistence	(2,200)
Training and Registration	(1,000)
Printing, Binding, etc.	(1,000)
Other Mat & Supplies	(483)
Office Furniture	(1,000)

(537110) Tryon Palace

✓ Painter	(\$20,336)
Social Security	(1,556)
Retirement	(2,203)
Med Ins	(1,736)

FY 98-99

Cultural Resources

Senate Subcommittee on General Government

(537103) Historic Sites

Hist Halifax Tap Room	
Misc Contractual Services	(\$ 5,000)
Enrg Ser - Electrical	(3,000)
Enrg - Water & Sewer	(200)
Repairs - Other	(3,500)
In-State Trans	(200)
In-State Lodging	(100)
In-State Subsistence	(100)
Telephone Service	(550)
Postage, etc.	(200)
Print, Binding, etc.	(6,250)
Other Emp Educ Exp	(100)
Other Mat & Supplies	(800)
Equip - Other	(9,000)
Art & Artifacts	(5,000)

Total Legislative Changes	\$3,281,965	R	\$3,276,451	R
	\$9,300,000	NR		
Position Changes	-4.75		-4.75	
Revised Budget	\$65,190,328		\$56,198,672	

State Board of Elections

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$1,052,787		\$1,046,381	
Legislative Changes				
(0000) Departmentwide				
73 Computerized Voter Registration System	\$500,000	R	\$1,089,000	R
Funding to supplement the \$5.0 million computer reserves appropriated to design and implement the statewide voter registration system. Additional funds may be required to maintain the voter registration system in later years.				
Total Legislative Changes	\$500,000	R	\$1,089,000	R
Position Changes				
Revised Budget	\$1,552,787		\$2,135,381	

Office of Administrative Hearings

GENERAL FUND

	FY 97-98		FY 98-99
Recommended Budget	\$2,217,486		\$2,217,486
Legislative Changes			
(1100) Administration and Operations			
74 LAN Administrator	\$47,387	R	\$47,387 R
Provides funds to hire one person to administer local-area-network (LAN) system. Not included in Governor's recommendations.	1.00		1.00
75 Administrative Law Judge Salaries	\$103,206	R	\$103,206 R
Sets salaries for Administrative Law Judges at 90% of the salary of the Chief Administrative Law Judge, and establishes that Administrative Law Judges shall receive longevity pay.			
76 Reduce Services and Equipment	(\$10,690)	R	(\$10,690) R
Reductions in Maintenance Agreements, Data Processing Services, Furniture & Equipment, and Printing.			
Total Legislative Changes	\$139,903	R	\$139,903
Position Changes	1.00		1.00
Revised Budget	\$2,357,389		\$2,357,389

Rules Review Commission

GENERAL FUND

	FY 97-98	FY 98-99
Recommended Budget	\$281,892	\$273,441
Legislative Changes		
(1100) Administration		
77 Other Expenses		
Appropriate funds to support legal expenses resulting from the lawsuit.	\$240,000	NR
Total Legislative Changes	\$240,000	NR
Position Changes		
Revised Budget	\$521,892	\$273,441

*Attachment 2
General Government
May 7, 1997*

1997 Session

**Senate Bill 352
Special Provisions
(General Government and Related)**

**Fiscal Research Division
May 6, 1997**

1 of the Senate and House Appropriations Subcommittees on Justice and Public Safety,
2 and the Fiscal Research Division of the General Assembly by December 31 each year
3 on the North Carolina Crime Victims Compensation Fund. The report shall include
4 a statement regarding:

- 5 (1) The administrative expenses of the Fund for the prior fiscal year
6 and the current fiscal year on the date of the report;
- 7 (2) The current unencumbered balance of the Fund;
- 8 (3) The amount of funds carried over from the prior fiscal year;
- 9 (4) The amount of funds received in the prior fiscal year from the
10 Department of Correction and from the compensation fund
11 established pursuant to the Victims Crime Act of 1984, 42 U.S.C. §
12 10601, et seq.;
- 13 (5) The amount of funds expected to be received in the current fiscal
14 year, as well as the amount actually received in the current fiscal
15 year on the date of the report, from the Department of Correction
16 and from the compensation fund established pursuant to the
17 Victims Crime Act of 1984, 42 U.S.C. § 10601, et seq.; and
- 18 (6) The total amount of funds paid to victims in the prior fiscal year
19 and in the current fiscal year on the date of the report.

21 PART XIX. GENERAL ASSEMBLY

22
23 Requested by: Senators Plyler, Perdue, Odom

24 ANALYSIS OF STATE BUDGET DURING THE INTERIM

25 Section 19. (a) The President Pro Tempore of the Senate shall authorize
26 the standing Appropriations Committees and standing Appropriations Subcommittees
27 of the Senate and the Speaker of the House of Representatives shall authorize the
28 standing Appropriations Committees and standing Appropriations Subcommittees of
29 the House of Representatives to meet separately or jointly during the interim between
30 the Regular 1997 and 1998 Sessions of the General Assembly to review matters
31 related to the State budget, the organization of State government, and any other
32 matter as they deem appropriate. The review shall include, but not be limited to, an
33 analysis of the budget of each agency to determine:

- 34 (1) The cost savings that could be realized from improvements in
35 administrative structure, practices, and procedures in State
36 agencies;
- 37 (2) Ways to increase efficiency in budgeting and use of resources; and
- 38 (3) Instances in which functions of agencies are duplicative,
39 overlapping, obsolete, incomplete in scope or coverage, or fail to
40 accomplish legislative objectives, and should be abolished,
41 transferred, or modified to accomplish cost savings.

42 (b) The President Pro Tempore of the Senate shall appoint an oversight
43 committee comprised of the Senate Appropriations Committee Chairs and one
44 member of each Senate Appropriations Subcommittee and the Speaker of the House
45 of Representatives shall appoint an oversight committee comprised of the House
46 Appropriations Committee Chairs and one member of each House Appropriations
47 Subcommittee to meet separately or jointly to oversee the work of the Appropriations
48 Committees and Subcommittees during the interim.

49
50 Requested by: Senator Perdue

51 HEALTH CARE OVERSIGHT COMMITTEE

52 Section 19.1. (a) Of the funds appropriated in this act to the General
53 Assembly, the sum of fifty thousand dollars (\$50,000) for the 1997-98 fiscal year and

1 the sum of fifty thousand dollars (\$50,000) for the 1998-99 fiscal year shall be
2 allocated by the Legislative Services Commission for the Joint Legislative Health
3 Care Oversight Committee established under subsection (b) of this section.

4 (b) Chapter 120 of the General Statutes is amended by adding the
5 following new Article to read:

6 **"ARTICLE 12K.**

7 **"Joint Legislative Health Care Oversight Committee.**

8 **"§ 120-70.96. Creation and membership of Joint Legislative Health Care Oversight**
9 **Committee.**

10 There is established the Joint Legislative Health Care Oversight Committee. The
11 Committee consists of 14 members as follows:

12 (1) Seven members of the Senate appointed by the President Pro
13 Tempore of the Senate, at least three of whom are members of the
14 minority party; and

15 (2) Seven members of the House of Representatives appointed by the
16 Speaker of the House of Representatives, at least three of whom
17 are members of the minority party.

18 Terms on the Committee are for two years and begin on the convening of the
19 General Assembly in each odd-numbered year, except the terms of the initial
20 members, which begin on appointment. Members may complete a term of service on
21 the Committee even if they do not seek reelection or are not reelected to the General
22 Assembly, but resignation or removal from service in the General Assembly
23 constitutes resignation or removal from service on the Committee.

24 A member continues to serve until the member's successor is appointed. A
25 vacancy shall be filled within 30 days by the officer who made the original
26 appointment.

27 **"§ 120-70.97. Purpose and powers of Committee.**

28 (a) The Joint Legislative Health Care Oversight Committee shall review, on a
29 continuing basis, the provision of health care and health care coverage to the citizens
30 of this State, in order to make ongoing recommendations to the General Assembly on
31 ways to improve health care for North Carolinians. To this end, the Committee shall
32 study the delivery, availability, and cost of health care in North Carolina. The
33 Committee may also study other matters related to health care and health care
34 coverage in this State.

35 (b) The Committee may make interim reports to the General Assembly on matters
36 for which it may report to a regular session of the General Assembly. A report to the
37 General Assembly may contain any legislation needed to implement a
38 recommendation of the Committee.

39 **"§ 120-70.98. Organization of Committee.**

40 (a) The President Pro Tempore of the Senate and the Speaker of the House of
41 Representatives shall each designate a cochair of the Joint Legislative Health Care
42 Oversight Committee. The Committee shall meet at least once a quarter and may
43 meet at other times upon the joint call of the cochairs.

44 (b) A quorum of the Committee is eight members. No action may be taken except
45 by a majority vote at a meeting at which a quorum is present. While in the discharge
46 of its official duties, the Committee has the powers of a joint committee under G.S.
47 120-19 and G.S. 120-19.1 through G.S. 120-19.4.

48 (c) Members of the Committee receive subsistence and travel expenses as
49 provided in G.S. 120-3.1. The Committee may contract for consultants or hire
50 employees in accordance with G.S. 120-32.02. The Legislative Services Commission,
51 through the Legislative Services Officer, shall assign professional staff to assist the
52 Committee in its work. Upon the direction of the Legislative Services Commission,
53 the Supervisors of Clerks of the Senate and of the House of Representatives shall

1 assign clerical staff to the Committee. The expenses for clerical employees shall be
2 borne by the Committee."

3
4 **PART XX. OFFICE OF THE GOVERNOR**

5
6 Requested by: Senator Martin of Pitt

7 **HOME PROGRAM MATCHING FUNDS**

8 Section 20. (a) Funds appropriated in this act to the Housing Finance
9 Agency for the federal HOME Program shall be used to match federal funds
10 appropriated for the HOME Program. In allocating State funds appropriated to
11 match federal HOME Program funds, the Agency shall give priority to HOME
12 Program projects, as follows:

13 (1) First priority to projects that are located in counties designated as
14 severely distressed counties under G.S. 105-130.40(c) or G.S. 105-
15 151.17(c); and

16 (2) Second priority to projects that benefit persons and families whose
17 incomes are fifty percent (50%) or less of the median family
18 income for the local area, with adjustments for family size,
19 according to the latest figures available from the U.S. Department
20 of Housing and Urban Development.

21 The Housing Finance Agency shall report to the Joint Legislative
22 Commission on Governmental Operations by April 1 of each year concerning the
23 status of the HOME Program and shall include in the report information on priorities
24 met, types of activities funded, and types of activities not funded.

25 (b) If the United States Congress changes the HOME Program such that
26 matching funds are not required for a given program year, then the Agency shall not
27 spend the matching funds appropriated under this act for that program year.

28 (c) Funds appropriated in this act to match federal HOME Program
29 funds shall not revert to the General Fund on June 30, 1998, or on June 30, 1999.

30
31 Requested by: Senators Odom, Perdue, Plyler, Conder, Jordan

32 **FIRE PROTECTION GRANT FUNDS**

33 Section 20.1. (a) Chapter 58 of the General Statutes is amended by
34 adding a new Article to read:

35 "ARTICLE 85A.

36 "State Fire Protection Grant Fund.

37 "§ 58-85A-1. Creation of Fund; allocation to local fire districts and political
38 subdivisions of the State.

39 (a) There is created in the Office of State Budget and Management the State Fire
40 Protection Grant Fund. The purpose of the Fund is to compensate local fire districts
41 and political subdivisions of the State for providing local fire protection to State-
42 owned buildings and their contents.

43 (b) The Office of State Budget and Management shall develop and implement an
44 equitable and uniform statewide method for distributing any funds to the State's local
45 fire districts and political subdivisions.

46 Upon the request of the Director of the Budget, the Department of Insurance shall
47 provide the Office of State Budget and Management all information necessary to
48 develop and implement the formula.

49 (c) It is the intent of the General Assembly to appropriate annually to the State
50 Fire Protection Grant Fund at least three million eighty thousand dollars (\$3,080,000)
51 from the General Fund, one hundred fifty thousand dollars (\$150,000) from the
52 Highway Fund, and nine hundred seventy thousand dollars (\$970,000) from
53 University of North Carolina receipts to the State Fire Protection Fund. Funds

1 received from the General Fund shall be allocated only for providing local fire
2 protection for State-owned property supported by the General Fund; funds received
3 from the Highway Fund shall be allocated only for providing local fire protection for
4 State-owned property supported by the Highway Fund; and funds received from
5 University of North Carolina receipts shall be allocated only for providing local fire
6 protection for State-owned property supported by University of North Carolina
7 receipts."

18 (b) G.S. 143-3.7 is repealed.

9 (c) Of the funds appropriated from the General Fund to the Office of
10 State Budget and Management, the sum of three million eighty thousand dollars
11 (\$3,080,000) for the 1997-98 fiscal year and the sum of three million eighty thousand
12 dollars (\$3,080,000) for the 1998-99 fiscal year shall be used for the State Fire
13 Protection Grant Fund.

14 (d) Of the funds appropriated from the Highway Fund to the Office of
15 State Budget and Management, the sum of one hundred fifty thousand dollars
16 (\$150,000) for the 1997-98 fiscal year and the sum of one hundred fifty thousand
17 dollars (\$150,000) for the 1998-99 fiscal year shall be used for the State Fire
18 Protection Grant Fund.

19 (e) Of the funds available to The University of North Carolina from
20 federal receipts, the sum of nine hundred seventy thousand dollars (\$970,000) for the
21 1997-98 fiscal year and the sum of nine hundred seventy thousand dollars (\$970,000)
22 for the 1998-99 fiscal year shall be transferred to the State Fire Protection Grant
23 Fund for the State Fire Protection Grant Fund.

25 PART XXI. DEPARTMENT OF SECRETARY OF STATE

27 Requested by: Senator Warren

28 INFORMATION RESOURCES MANAGEMENT COMMISSION

29 Section 21. (a) Effective July 1, 1997, G.S. 143B-426.21(a) reads as
30 rewritten:

31 "(a) Creation; Membership. -- The Information Resource Management
32 Commission is created in the Office of the State Controller. The Commission consists
33 of the following members:

- 34 (1) Four members of the Council of State, appointed by the Governor.
- 35 (1a) The Secretary of State.
- 36 (2) The Secretary of Administration.
- 37 (3) The State Budget Officer.
- 38 (4) Two members of the Governor's cabinet, appointed by the
39 Governor.
- 40 (5) One citizen of the State of North Carolina with a background in
41 and familiarity with information systems or telecommunications,
42 appointed by the General Assembly upon the recommendation of
43 the President Pro Tempore of the Senate in accordance with G.S.
44 120-121.
- 45 (6) One citizen of the State of North Carolina with a background in
46 and familiarity with information systems or telecommunications,
47 appointed by the General Assembly upon the recommendation of
48 the Speaker of the House of Representatives in accordance with
49 G.S. 120-121.
- 50 (7) The Chair of the Governor's Committee on Data Processing and
51 Information Systems.
- 52 (8) The Chair of the State Information Processing Services Advisory
53 Board.

(9) The Chair of the Criminal Justice Information Network Governing Board.

Members of the Commission shall not be employed by or serve on the board of directors or other corporate governing body of any information systems, computer hardware, computer software, or telecommunications vendor of goods and services to the State of North Carolina.

The two initial cabinet members appointed by the Governor and the two initial citizen members appointed by the General Assembly shall each serve a term beginning September 1, 1992, and expiring on June 30, 1995. Thereafter, their successors shall be appointed for four-year terms, commencing July 1. Members of the Governor's cabinet shall be disqualified from completing a term of service of the Commission if they are no longer cabinet members.

The appointees by the Governor from the Council of State shall each serve a term beginning on September 1, 1992, and expiring on June 30, 1993. Thereafter, their successors shall be appointed for four-year terms, commencing July 1. Members of the Council of State shall be disqualified from completing a term of service on the Commission if they are no longer members of the Council of State.

Vacancies in the two legislative appointments shall be filled as provided in G.S. 120-122.

The Commission chair shall be elected in the first meeting of each calendar year from among the appointees of the Governor from the Council of State and shall serve a term of one year. The Secretary of Administration shall be secretary to the Commission.

No member of the Information Resource Management Commission shall vote on an action affecting solely his or her own State agency."

(b) This section expires June 30, 2001.

PART XXII. DEPARTMENT OF STATE AUDITOR

Requested by: Senators Plyler, Perdue, Odom

ADVICE OF GOVERNMENTAL OPERATIONS ON PRIORITIZING REQUESTS FOR ASSISTANCE

Section 22. G.S. 147-64.5(b) reads as rewritten:

"(b) Requests for Auditor Assistance. -- Committees of the General Assembly, the Governor, and other State officials may make written requests that the Auditor undertake, to the extent deemed practicable and within the resources provided, a specific audit or investigation; provide technical assistance and advice; and provide recommendations on management systems, finance, accounting, auditing, and other areas of management interest. The Auditor may request the advice of the Joint Legislative Commission on Governmental Operations in prioritizing these requests and in determining whether the requests are practicable and can be undertaken within the resources provided."

Requested by: Senators Plyler, Perdue, Odom

PERFORMANCE AUDIT OF SIPS

Section 22.1. The State Auditor shall conduct a performance audit of State Information Processing Services (SIPS). In conducting the audit, the State Auditor shall consider the growth in the number of SIPS employees, the distribution of work within SIPS, increases in employees' salaries, use of SIPS receipts, and all other indicators of cost of services in relation to service delivery. The State Auditor shall report the results of this audit to the Joint Legislative Commission on Governmental Operations prior to April 15, 1998.

1 PART XXIII. DEPARTMENT OF INSURANCE**2**
3 Requested by: Senator Warren**4 CONSTRUCTION CODE RECEIPTS**

5 Section 23. Departmental receipts realized by the Department of
6 Insurance in excess of amounts approved for expenditure by the General Assembly,
7 as adjusted by the Office of State Budget and Management to reflect the distribution
8 of statewide reserves, shall revert to the General Fund at the end of each fiscal year.
9 This section shall not apply to receipts realized by the Department from the sale of
10 copies of the State construction code if the receipts are used for the purchase of
11 copies of the code for sale to the public, except that unspent construction code
12 receipts shall revert to the General Fund at the end of each fiscal year.
13

14 Requested by: Senator Warren**15 EXPAND USE OF INSURANCE REGULATORY FUND****16** Section 23.1. G.S. 58-6-25(d) reads as rewritten:

17 "(d) Use of Proceeds. -- The Insurance Regulatory Fund is created in the State
18 treasury, under the control of the Office of State Budget and Management. The
19 proceeds of the charge levied in this section and all fees collected under Articles 69
20 through 71 of this Chapter and under Articles 9 and 9C of Chapter 143 of the
21 General Statutes shall be credited to the Fund. The Fund shall be placed in an
22 interest-bearing account and any interest or other income derived from the Fund
23 shall be credited to the Fund. Moneys in the Fund may be spent only pursuant to
24 appropriation by the General Assembly and in accordance with the line item budget
25 enacted by the General Assembly. The Fund is subject to the provisions of the
26 Executive Budget Act, except that no unexpended surplus of the Fund shall revert to
27 the General Fund. All money credited to the Fund shall be used to reimburse the
28 General Fund for the following:

- 29** (1) Money appropriated to the Department of Insurance to pay its
30 expenses incurred in regulating the insurance industry and other
31 industries in this State.
32 (2) Money appropriated to State agencies to pay the expenses incurred
33 in regulating the insurance industry, in certifying statewide data
34 processors under Article 11A of Chapter 131E of the General
35 Statutes, and in purchasing reports of patient data from statewide
36 data processors certified under that Article.
37 (3) Money appropriated to the Department of Revenue to pay the
38 expenses incurred in collecting and administering the taxes on
39 insurance companies levied in Article 8B of Chapter 105 of the
40 General Statutes."
41

42 PART XXIV. DEPARTMENT OF ADMINISTRATION**43**
44 Requested by: Senators Perdue, Plyler, Odom**45 COMBINE PROGRAMS TO HELP WOMEN AND CHILDREN**

46 Section 24. The Office of State Budget and Management shall study the
47 feasibility of consolidating the budgets and services and the administration of federal
48 and State grants for domestic violence programs and rape crisis programs in the
49 State, including those programs currently administered by the Council for Women,
50 Department of Administration, the Governor's Crime Commission, Department of
51 Crime Control and Public Safety, and the Division of Social Services, Department of
52 Human Resources. This study shall include an analysis of the feasibility of combining
53 budgets and services of the NC Council for Women (Fund 1731), the Domestic

1 Violence Program (Fund 1781), the Domestic Violence Center (Fund 1782), the
2 Displaced Homemakers Program (Fund 1732), and the Rape Crisis Program (Fund
3 1734) and an analysis of ways to promote more efficient and effective coordination of
4 resources and services at the State and local levels. The Office of State Budget and
5 Management shall report the findings and recommendations of the study to the House
6 and Senate Appropriations Subcommittees on General Government and the Fiscal
7 Research Division by March 31, 1998.

8
9 Requested by: Senator Warren

10 **PROCUREMENT CARD PILOT PROGRAM**

11 Section 24.1. (a) Except as provided by this section, no State agency,
12 community college, constituent institution of The University of North Carolina, or
13 local school administrative unit shall use procurement cards for the purchase of
14 equipment or supplies prior to July 1, 1998.

15 (b) The Secretary of Administration shall designate not more than 15
16 governmental entities to participate in a pilot program on the purchase of supplies
17 and equipment by procurement card. Those designated shall represent a cross-
18 section of governmental entities and shall include at least one State agency, one
19 community college, two constituent institutions of The University of North Carolina,
20 and one local school administrative unit.

21 (c) The Division of Purchase and Contract and the State Controller shall
22 report to the Joint Legislative Commission on Governmental Operations on March 1,
23 1998, on this pilot program. The report shall include estimates from the pilot
24 program of how many purchasing and accounts payable personnel hours could be
25 saved or redirected or both as a result of the procurement card, and the impact of the
26 procurement card on accounting and budgeting records and on purchasing history
27 records. The report shall also include a discussion of the effect of the procurement
28 card on the State's ability to track both out-of-state sales taxes and North Carolina
29 State and local sales tax payments by county. Finally, the report shall include a
30 discussion of any other costs and benefits of the procurement card.

31 (d) This section does not affect contracts for procurement cards entered
32 into prior to March 31, 1997.

33
34 Requested by: Senator Warren

35 **STATE HEALTH PLAN PURCHASING ALLIANCE BOARD OPERATING FUNDS**
36 **REVERT**

37 Section 24.2. (a) G.S. 143-635(c) reads as rewritten:

38 "~~(c) Moneys appropriated by the General Assembly shall be deposited in the Fund~~
39 ~~and shall become part of the continuation budget of the Department of~~
40 ~~Administration. for operations of the State Health Plan Purchasing Alliance Board~~
41 ~~shall not be part of the State Health Plan Purchasing Alliance Fund."~~

42 (b) The sum of six hundred forty-eight thousand seven hundred eighteen
43 dollars (\$648,718) for the 1996-97 fiscal year shall be transferred from the State
44 Health Plan Purchasing Alliance Fund to the General Fund.

45 (c) All monies for operations of the State Health Plan Purchasing
46 Alliance Board unexpended at the end of the 1996-97 fiscal year shall revert to the
47 General Fund.

48 (d) This section becomes effective June 30, 1997.

49
50 Requested by: Senator Warren

51 **GOVERNOR'S ADVOCACY COUNCIL FOR PERSONS WITH DISABILITIES**

52 Section 24.3. The Department of Human Resources shall continue to
53 provide the current office space for the four regional offices of the Governor's

1 Advocacy Council for Persons with Disabilities or office space that is comparable to
2 that now used by the Council.

3
4 Requested by: Senator Warren

5 **FEES FOR USE OF STATE-OWNED OFFICE SPACE**

6 Section 24.4. G.S. 143-342.1 reads as rewritten:

7 "**§ 143-342.1. State-owned office space; fees for use by self-supporting agencies.**

8 The Department shall determine equitable fees for the use of State owned and
9 operated office space, and it shall assess the Department of State Treasurer, the
10 Department of Insurance, and all self-supporting agencies using any of this office
11 space for payment of these fees. For the purposes of this section, self-supporting
12 agencies are those agencies designated by the Director of the Budget as being
13 primarily funded from sources other than State appropriations. Fees assessed under
14 this section shall be paid to the General Fund."

15
16 Requested by: Senator Warren

17 **PARKING REVENUES**

18 Section 24.5. The Secretary of Administration may use funds from
19 parking revenues that are in excess of parking system expense requirements to fund
20 the fifteen dollar (\$15.00) per month subsidies for vanpools and transit passes.

21
22 **PART XXV. OFFICE OF STATE CONTROLLER**

23
24 Requested by: Senator Warren

25 **NORTH CAROLINA INFORMATION HIGHWAY**

26 Section 25. (a) The funds appropriated in this act to the Office of State
27 Controller for the operation of the North Carolina Information Highway shall be used
28 only for costs incurred by the Office of State Controller related to the operations and
29 support of the North Carolina Information Highway. No funds appropriated in this
30 act shall be expended to pay Minimum Monthly usage charges for North Carolina
31 Information Highway Services.

32 (b) Of the funds appropriated to the Office of State Controller for the
33 North Carolina Information Highway (NCIH), an amount not to exceed five hundred
34 thousand dollars (\$500,000) for fiscal year 1997-98 shall be used to support long
35 distance capacity and provide for the establishment of regional hubs in each of the
36 seven Local Access Transport Areas (LATAs) in North Carolina. The remaining
37 funds shall be used to help defray the costs of existing NCIH sites except those
38 located at university sites other than East Carolina University academic affairs
39 campus. Any savings accrued shall be placed in reserve in the Office of State
40 Controller for consideration by the 1997 General Assembly at its session in 1998.

41 (c) In the interim, the Office of State Controller is encouraged to
42 consider new technologies and capabilities as a means of providing NCIH users access
43 to information and resources. The Office of State Controller shall report to the
44 General Assembly in 1998 before the reconvening of the Regular Session on its
45 findings.

46 (d) The State Controller shall report quarterly to the Joint Legislative
47 Commission on Governmental Operations regarding the costs incurred by the Office
48 of State Controller related to the operations and support of the North Carolina
49 Information Highway and the savings placed in reserve in the Office of State
50 Controller.

51
52 Requested by: Senators Rand, Plyler, Perdue, Odom

53 **FUNDS FOR YEAR 2000 CONVERSION OF THE STATE'S COMPUTER SYSTEM**

1 Section 25.1. (a) The Office of State Controller shall include in its
2 charges for data processing services costs of converting computer applications to
3 operate properly at the turn of the century. The State Controller shall develop
4 procedures for managing the year 2000 conversion.

5 (b) The State Controller shall analyze the needs of State agencies for
6 funds to convert their systems. In the course of the analysis, the State Controller shall
7 consider an agency's need for each system it wishes to convert and the most cost-
8 effective manner in which to manage conversion. The State Controller shall certify
9 to the Office of State Budget and Management the cost of each State agency for the
10 year 2000 conversion.

11 (c) The Director of the Budget may use up to twenty million dollars
12 (\$20,000,000 of projected 1997-98 General Fund reversions to cover the cost of the
13 year 2000 conversion in General Fund agencies during the 1997-98 fiscal year.

14 (d) Beginning October 1, 1997, and quarterly thereafter, the Office of
15 State Controller shall report to the Joint Legislative Commission on Governmental
16 Operations on the status of the conversion and cost projections.

17 18 PART XXVI. DEPARTMENT OF REVENUE

19
20 Requested by: Senator Warren

21 STUDY REVENUE'S STAFF REQUIREMENTS

22 Section 26. The Office of State Budget and Management, Management
23 and Productivity Unit, shall continue work on the assessment of the Department of
24 Revenue's staff requirements initiated pursuant to Section 15.6 of Chapter 18 of the
25 Session Laws, Second Extra Session 1996. In the final phase of the study, the Office
26 of State Budget and Management shall review workload requirements and make
27 specific recommendations about staffing for the Department. The Office of State
28 Budget and Management shall make a final report to the House and Senate
29 Appropriations Subcommittees on General Government and the Fiscal Research
30 Division of the General Assembly by March 31, 1998, on the results. Prior to March
31 31, 1998, the Department of Revenue shall report to the Joint Legislative Commission
32 on Governmental Operations before creating any new personnel positions.

33
34 Requested by: Senator Warren

35 EXTEND AND MODIFY PORTS TAX CREDIT

36 Section 26.1. (a) Section 4 of Chapter 977 of the 1991 Session Laws, as
37 amended by Section 3 of Chapter 495 of the 1995 Session Laws, reads as rewritten:

38 "Sec. 4. This act is effective for taxable years beginning on or after March 1, 1992,
39 and ending on or before February 28, ~~1998~~. 2001."

40 (b) Section 4 of Chapter 681 of the 1993 Session Laws, as amended by
41 Section 17 of Chapter 17 of the 1995 Session Laws and by Section 4 of Chapter 495
42 of the 1995 Session Laws, reads as rewritten:

43 "Sec. 4. This act is effective for taxable years beginning on or after January 1,
44 1994, and ending on or before February 28, ~~1998~~. 2001."

45 (c) G.S. 105-130.41(b) reads as rewritten:

46 "(b) Limitations. -- This credit may not exceed fifty percent (50%) of the amount
47 of tax imposed by this Division for the taxable year reduced by the sum of all credits
48 allowable, except tax payments made by or on behalf of the corporation. Any unused
49 portion of the credit may be carried forward for the succeeding five years. The
50 maximum cumulative credit that may be claimed by a corporation under this section
51 is ~~one two~~ million dollars (~~\$1,000,000~~). (\$2,000,000)."

52 (d) G.S. 105-151.22(b) reads as rewritten:

"(b) Limitations. -- This credit may not exceed fifty percent (50%) of the amount of tax imposed by this Division for the taxable year reduced by the sum of all credits allowable, except tax payments made by or on behalf of the taxpayer. Any unused portion of the credit may be carried forward for the succeeding five years. The maximum cumulative credit that may be claimed by a taxpayer under this section is ~~one two~~ million dollars ~~(\$1,000,000) (\$2,000,000).~~"

(e) Subsections (c) and (d) of this section are effective for taxable years beginning on or after January 1, 1998. The remainder of this section is effective for taxable years beginning on or after January 1, 1997.

Requested by: Senators Plyler, Perdue, Odom

ALLOW CORPORATE ANNUAL REPORTS TO BE FILED WITH DEPARTMENT OF REVENUE AND TO EXTEND TIME FOR REINSTATEMENT AFTER ADMINISTRATIVE DISSOLUTION

Section 26.2. (a) G.S. 55-14-22(a) reads as rewritten:

"(a) A corporation administratively dissolved under G.S. 55-14-21 may apply to the Secretary of State for reinstatement ~~within two years~~ not later than five years after the effective date of dissolution. The application must:

(1) Recite the name of the corporation and the effective date of its administrative dissolution; and

(2) State that the ground or grounds for dissolution either did not exist or have been eliminated.

(3) Reserved.

(4) Repealed by Session Laws 1995, c. 539, s. 6."

(b) G.S. 55A-14-22(a) reads as rewritten:

"(a) A corporation administratively dissolved under G.S. 55A-14-21 may apply to the Secretary of State for reinstatement ~~within two years~~ not later than five years after the effective date of dissolution. The application shall:

(1) Recite the name of the corporation and the effective date of its administrative dissolution; and

(2) State that the ground or grounds for dissolution either did not exist or have been eliminated."

(c) G.S. 57C-6-03(c) reads as rewritten:

"(c) A limited liability company administratively dissolved under this section may apply to the Secretary of State for reinstatement ~~within two years~~ not later than five years after the effective date of the administrative dissolution. The procedures for reinstatement and for the appeal of any denial of the limited liability company's application for reinstatement shall be the same procedures applicable to business corporations under G.S. 55-14-22, 55-14-23, and 55-14-24."

(d) G.S. 55-16-22 reads as rewritten:

"§ 55-16-22. Annual report for Secretary of State report.

(a) ~~Each~~ Except as provided in subsections (a1) and (a2) of this section, each domestic corporation ~~except those governed by Chapter 55B, and each foreign corporation authorized to transact business in this State, State shall deliver to the Secretary of State for filing an annual report that sets forth: an annual report to the Secretary of Revenue.~~

(a1) Each insurance company subject to the provisions of Chapter 58 of the General Statutes shall deliver an annual report to the Secretary of State.

(a2) A domestic corporation governed by Chapter 55B of the General Statutes is exempt from this section.

(a3) The annual report required by this section shall be in a form jointly prescribed by the Secretary of Revenue and the Secretary of State. The Secretary of

1 Revenue shall provide the form needed to file an annual report. The annual report
2 shall set forth all of the following:

- 3 (1) The name of the corporation and the state or country under whose
4 law it is ~~incorporated~~; incorporated.
- 5 (2) The street address, and the mailing address if different from the
6 street address, of the registered office, the county in which its
7 registered office is located, and the name of its registered agent at
8 that office in this State, and a statement of any change of such
9 registered office or registered agent, or ~~both~~; both.
- 10 (3) The address and telephone number of its principal ~~office~~; office.
- 11 (4) The names, titles, and business addresses of its principal ~~officers~~;
12 officers.
- 13 (4a) ~~The names and business addresses of its directors; and~~
- 14 (5) A brief description of the nature of its business.

15 If the information contained in the most recently filed annual report has not changed,
16 a certification to that effect may be made instead of setting forth the information
17 required by subdivisions (2) through (5) of this subsection.

18 (b) Information in the annual report must be current as of the date the annual
19 report is executed on behalf of the corporation.

20 (c) ~~The annual report shall be delivered to the Secretary of State each year within~~
21 ~~60 days immediately following the last day of the month in which the domestic~~
22 ~~corporation was incorporated or the foreign corporation received a certificate of~~
23 ~~authority in this State. Forms required for the filing of the annual report shall be~~
24 ~~mailed by the Secretary of State to the domestic or foreign corporation at its~~
25 ~~registered office for the first annual report, then to its principal office for subsequent~~
26 ~~annual reports. An annual report required to be delivered to the Secretary of~~
27 ~~Revenue is due by the due date for filing the corporation's income and franchise tax~~
28 ~~returns. An extension of time to file a return is an extension of time to file an annual~~
29 ~~report. An annual report required to be delivered to the Secretary of State is due by~~
30 ~~the fifteenth day of the third month following the close of the corporation's fiscal~~
31 ~~year.~~

32 (d) If an annual report does not contain the information required by this section,
33 the Secretary of State shall promptly notify the reporting domestic or foreign
34 corporation in writing and return the report to it for correction. If the report is
35 corrected to contain the information required by this section and delivered to the
36 Secretary of State within 30 days after the effective date of notice, it is deemed to be
37 timely filed.

38 (e) Amendments to any previously filed annual report may be filed with the
39 Secretary of State at any time for the purpose of correcting, updating, or augmenting
40 the information contained in ~~such~~ the annual report.

41 (f) Expired.

42 (g) When a statement of change of registered office or registered agent is filed in
43 the annual report, the change shall become effective when the statement is received
44 by the Secretary of State.

45 (h) If the Secretary of State does not receive an annual report within 120 days of
46 the date the return is due, the Secretary of State may presume that the annual report
47 is delinquent. This presumption may be rebutted by receipt of the annual report
48 from the Secretary of Revenue or by evidence of delivery presented by the filing
49 corporation."

50 (e) G.S. 55-1-21(a) reads as rewritten:

51 "(a) The Secretary of State may promulgate and furnish on request forms ~~for~~ for
52 the following:

- 53 (1) An application for a certificate of ~~existence~~; existence.

- 1 (2) A foreign corporation's application for a certificate of authority to
2 transact business in this State; State.
- 3 (3) A foreign corporation's application for a certificate of ~~withdrawal;~~
4 and withdrawal.
- 5 (4) ~~The annual report.~~
- 6 If the Secretary of State so requires, use of these forms is mandatory."
- 7 (f) G.S. 55-1-28(b)(4) reads as rewritten:
- 8 "(4) That its most recent annual report required by G.S. 55-16-22 has
9 either been delivered to the Secretary of ~~State;~~ State or is not
10 delinquent;"
- 11 (g) G.S. 55-14-20(2) reads as rewritten:
- 12 "(2) The corporation ~~does not deliver its annual report to the Secretary~~
13 ~~of State within 60 days after it is due; is delinquent in delivering its~~
14 annual report;"
- 15 (h) G.S. 55-15-30(a)(1) reads as rewritten:
- 16 "(1) The foreign corporation ~~does not deliver its annual report to the~~
17 ~~Secretary of State within 60 days after it is due; is delinquent in~~
18 delivering its annual report;"
- 19 (i) G.S. 55-16-01(e)(7) reads as rewritten:
- 20 "(7) Its most recent annual report delivered ~~to the Secretary of State~~
21 under as required by G.S. 55-16-22."
- 22 (j) G.S. 57C-2-23 reads as rewritten:
- 23 "§ 57C-2-23. Annual report for Secretary of State.
- 24 (a) Each domestic limited liability company and each foreign limited liability
25 company authorized to transact business in this State; shall deliver to the Secretary of
26 State for filing an annual ~~report~~ report, in a form jointly prescribed by the Secretary
27 of Revenue and Secretary of State, that sets forth: forth all of the following:
- 28 (1) The name of the limited liability or foreign limited liability
29 company and the state or country under whose law it is ~~organized;~~
30 organized.
- 31 (2) The street address, and the mailing address if different from the
32 street address, of the registered office, the county in which the
33 registered office is located, and the name of its registered agent at
34 that office in this State, and a statement of any change of the
35 registered office or registered agent, or ~~both;~~ both.
- 36 (3) The address and telephone number of its principal ~~office;~~ office.
- 37 (4) The names and business addresses of its ~~managers; and~~ managers.
- 38 (5) A brief description of the nature of its business.
- 39 If the information contained in the most recently filed annual report has not changed,
40 a certification to that effect may be made instead of setting forth the information
41 required by subdivisions (2) through (5) of this subsection. The Secretary of State
42 shall make available the form required to file an annual report.
- 43 (b) Information in the annual report must be current as of the date the annual
44 report is executed on behalf of the limited liability company or the foreign limited
45 liability company.
- 46 (c) The annual report shall be delivered to the Secretary of State ~~each year within~~
47 ~~60 days immediately following the last day of the month in which the domestic~~
48 ~~limited liability company was organized or the foreign limited liability company~~
49 ~~received a certificate of authority in this State. Forms required for the filing of the~~
50 ~~annual report shall be mailed by the Secretary of State to the domestic or foreign~~
51 ~~limited liability company at its registered office for the first annual report, and then~~
52 ~~to its principal office for subsequent annual reports. by the fifteenth day of the fourth~~
53 month following the close of the limited liability company's fiscal year.

(d) If an annual report does not contain the information required by this section, the Secretary of State shall promptly notify the reporting domestic or foreign limited liability company in writing and return the report to it for correction. If the report is corrected to contain the information required by this section and delivered to the Secretary of State within 30 days after the effective date of notice, it is deemed to be timely filed.

(e) Amendments to any previously filed annual report may be filed with the Secretary of State at any time for the purpose of correcting, updating, or augmenting the information contained in the annual report."

(k) G.S. 57C-3-25(a) reads as rewritten:

"(a) Any person dealing with a limited liability company or a foreign limited liability company may rely conclusively upon its most recent annual report and any ~~amendments thereto filed with~~ to it on file with the Secretary of State ~~pursuant to G.S. 57C-2-23~~ as to the identity of its managers, except to the extent the person has actual knowledge that a person identified therein as a manager is not a manager."

(l) G.S. 105-259 reads as rewritten:

"§ 105-259. Secrecy required of officials; penalty for violation.

(a) Definitions. -- The following definitions apply in this section:

(1) Employee or officer. -- The term includes a former employee, a former officer, and a current or former member of a State board or commission.

(2) Tax information. -- Any information from any source concerning the liability of a taxpayer for a tax, as defined in G.S. 105-228.90. The term includes the following:

- a. Information contained on a tax return, a tax report, or an application for a license for which a tax is imposed.
- b. Information obtained through an audit of a taxpayer or by correspondence with a taxpayer.
- c. Information on whether a taxpayer has filed a tax return or a tax report.
- d. A list or other compilation of the names, addresses, social security numbers, or similar information concerning taxpayers.

The term does not include (i) statistics classified so that information about specific taxpayers cannot be identified or (ii) identified, (ii) an annual report required to be filed under G.S. 55-16-22 or (iii) information submitted to the Business License Information Office of the Department of Secretary of State on a master application form for various business licenses.

(b) Disclosure Prohibited. -- An officer, an employee, or an agent of the State who has access to tax information in the course of service to or employment by the State may not disclose the information to any other person unless the disclosure is made for one of the following purposes:

- (1) To comply with a court order or a law.
- (2) Review by the Attorney General or a representative of the Attorney General.
- (3) Review by a tax official of another state or the Internal Revenue Commissioner of the United States to aid the state or the Commissioner in collecting a tax imposed by this State, the other state, or the United States if the laws of the other state or the United States allow the state or the United States to provide similar tax information to a representative of this State.

- 1 (4) To provide a governmental agency or an officer of an organized
2 association of taxpayers with a list of taxpayers who have paid a
3 privilege license tax under Article 2 of this Chapter.
- 4 (5) To furnish to the chair of a board of county commissioners
5 information on the county sales and use tax.
- 6 (6) To sort, process, or deliver tax information on behalf of the
7 Department of Revenue.
- 8 (6a) To furnish the chair of a board of county commissioners a list of
9 claimants that have received a refund of the county sales or use tax
10 to the extent authorized in G.S. 105- 164.14(f).
- 11 (7) To exchange information with the Division of Motor Vehicles of
12 the Department of Transportation when the information is needed
13 to fulfill a duty imposed on the Department of Revenue or the
14 Division of Motor Vehicles.
- 15 (8) To furnish to the Department of State Treasurer, upon request, the
16 name, address, and account and identification numbers of a
17 taxpayer who may be entitled to property held in the Escheat
18 Fund.
- 19 (9) To furnish to the Employment Security Commission the name,
20 address, and account and identification numbers of a taxpayer
21 when the information is requested by the Commission in order to
22 fulfill a duty imposed under Article 2 of Chapter 96 of the General
23 Statutes.
- 24 (10) Review by the State Auditor to the extent authorized in G.S. 147-
25 64.7.
- 26 (11) To give a spouse who elects to file a joint tax return a copy of the
27 return or information contained on the return.
- 28 (11a) To provide a copy of a return to the taxpayer who filed the
29 return.
- 30 (11b) In the case of a return filed by a corporation, a partnership, a
31 trust, or an estate, to provide a copy of the return or information
32 on the return to a person who has a material interest in the
33 return if, under the circumstances, section 6103(e)(1) of the Code
34 would require disclosure to that person of any corresponding
35 federal return or information.
- 36 (11c) In the case of a return of an individual who is legally incompetent
37 or deceased, to provide a copy of the return to the legal
38 representative of the estate of the incompetent individual or
39 decedent.
- 40 (12) To contract with a financial institution for the receipt of withheld
41 income tax payments under G.S. 105-163.6 or for the transmittal
42 of payments by electronic funds transfer.
- 43 (13) To furnish the Fiscal Research Division of the General Assembly,
44 upon request, a sample, suitable in character, composition, and
45 size for statistical analyses, of tax returns or other tax information
46 from which taxpayers' names and identification numbers have
47 been removed.
- 48 (14) To exchange information concerning a tax imposed by
49 Subchapter V of this Chapter with the Standards Division of the
50 Department of Agriculture when the information is needed to
51 administer the Gasoline and Oil Inspection Act, Article 3 of
52 Chapter 119 of the General Statutes.

- (15) To exchange information concerning a tax imposed by Articles 2A, 2B, 2C, or 2D of this Chapter with one of the following agencies when the information is needed to fulfill a duty imposed on the agency:
- The North Carolina Alcoholic Beverage Control Commission.
 - The Division of Alcohol Law Enforcement of the Department of Crime Control and Public Safety.
 - The Bureau of Alcohol, Tobacco, and Firearms of the United States Treasury Department.
- (16) To furnish to the Department of Secretary of State the name, address, tax year end, and account and identification numbers of a corporation liable for corporate income or franchise taxes or of a limited liability company liable for a corporate or a partnership tax return to enable the Secretary of State to notify the corporation or the limited liability company of the annual report filing requirement or that its articles of incorporation or articles of organization or its certificate of authority has been suspended.
- (17) To inform the Business License Information Office of the Department of Secretary of State of the status of an application for a license for which a tax is imposed and of any information needed to process the application.
- (18) To furnish to the Office of the State Controller the name, address, and account and identification numbers of a taxpayer upon request to enable the State Controller to verify statewide vendor files or track debtors of the State.
- (19) To furnish to the North Carolina Industrial Commission information concerning workers' compensation reported to the Secretary under G.S. 105-163.7.

(c) Punishment. -- A person who violates this section is guilty of a Class 1 misdemeanor. If the person committing the violation is an officer or employee, that person shall be dismissed from public office or public employment and may not hold any public office or public employment in this State for five years after the violation."

(m) Subsections (a), (b), (c) and (l) of this section become effective July 1, 1997. The remainder of this section becomes effective January 1, 1998, and applies to tax years ending on or after December 31, 1997, in the case of corporations required to file annual reports with the Secretary of Revenue and to fiscal years ending on or after December 31, 1997, in the case of corporations and limited liability companies required to file annual reports with the Secretary of State.

Annual reports delivered to either the Secretary of State or the Secretary of Revenue after December 31, 1997, but before January 1999, shall nevertheless be deemed filed with the correct State agency. The Secretary of State shall notify the Secretary of Revenue of reports erroneously filed with the Secretary of State, and the Secretary of Revenue shall notify the Secretary of State of reports erroneously filed with the Secretary of Revenue.

PART XXVII. DEPARTMENT OF CULTURAL RESOURCES

Requested by: Senator Warren

DEPARTMENT OF CULTURAL RESOURCES RETAIN HISTORICAL PUBLICATIONS RECEIPTS

Section 27. The Historical Publications Section, Division of Archives and History, Department of Cultural Resources, may retain the receipts, including

1 over-realized receipts, from the sale of its publications during each year of the 1997-
2 99 biennium. The receipts from the sale of those publications retained by the
3 Historical Publications Section shall not revert, but shall be used to reprint the
4 publications.

5
6 Requested by: Senator Warren

7 **MODIFY THE AREAS OF RESPONSIBILITY OF THE ROANOKE ISLAND**
8 **COMMISSION**

9 Section 27.1. G.S. 143B-131.2(b)(1) reads as rewritten:

10 "(1) To advise the Secretary of Transportation and adopt rules on
11 matters pertaining to, affecting, and encouraging restoration,
12 preservation, and enhancement of the appearance, maintenance,
13 and aesthetic quality of U.S. Highway 64/264 and the U.S. 64/264
14 Bypass and N.C. 400 travel corridors on Roanoke Island and the
15 grounds on ~~Ice Plant Island~~ Roanoke Island Festival Park."

16
17 Requested by: Senator Warren

18 **TRANSFER FIRST FLIGHT CENTENNIAL COMMISSION TO DOT**

19 Section 27.2. (a) The First Flight Centennial Commission, described in
20 Article 67 of Chapter 143 of the General Statutes, is transferred from the Department
21 of Cultural Resources to the Department of Transportation, Division of Aviation.
22 This transfer shall have all of the elements of a Type II transfer, as that term is
23 defined in G.S. 143-6(b).

24 (b) G.S. 143-640 reads as rewritten:

25 "(a) Establishment. -- There is established the First Flight Centennial Commission.
26 The Commission shall be located within the Department of ~~Cultural Resources~~
27 Transportation for organizational, budgetary, and administrative purposes."

28 (c) G.S. 143-640(c) reads as rewritten:

29 "(c) Membership. -- The Commission shall consist of ~~26~~ 27 members, as follows:

- 30 (1) Four persons appointed by the Governor.
31 (2) Four persons appointed by the President Pro Tempore of the
32 Senate.
33 (3) Four persons appointed by the Speaker of the House of
34 Representatives.
35 (4) The following persons or their designees, ex officio:
36 a. The Governor.
37 b. The President Pro Tempore of the Senate.
38 c. The Speaker of the House of Representatives.
39 d. The United States Senators from this State.
40 e. The member of the United States House of Representatives
41 for the Third Congressional District.
42 f. The Governor of the State of Ohio.
43 g. The Secretary of the Department of Cultural Resources.
44 h. The Superintendent of the Cape Hatteras National Seashore
45 of the United States National Park Service.
46 i. The chair of the Centennial of Flight Commemoration
47 Commission.
48 j. The President of the First Flight Society.
49 k. The chair of the Dare County Board of Commissioners.
50 l. The Mayor of the Town of Kill Devil Hills.
51 m. The chair of the Dare County Tourism Board.
52 n. The Secretary of the Department of Transportation.

1 The members appointed to the First Flight Centennial Commission shall be chosen
2 from among individuals who have the ability and commitment to promote and fulfill
3 the purposes of the Commission, including individuals who have demonstrated
4 expertise in the fields of aeronautics, aerospace science, or history, who have
5 contributed to the development of the fields of aeronautics or aerospace science, or
6 who have demonstrated a commitment to serving the public."

7 (d) G.S. 143-641(c) reads as rewritten:

8 "(c) Contract Authority. -- The Commission may procure supplies, services, and
9 property as appropriate, and may enter into contracts, leases, or other legal
10 agreements to carry out the purposes of this Article. All contracts, leases, or legal
11 agreements entered into by the Commission shall terminate on the date of
12 termination of the Commission. Termination shall not affect any disputes or causes of
13 action of the Commission that arise before the date of termination, and the
14 Department of ~~Cultural Resources~~ Transportation may prosecute or defend any
15 causes of action arising before the date of termination. All property acquired by the
16 Commission that remains in the possession of the Commission on the date of
17 termination shall become the property of the Department of ~~Cultural Resources~~.
18 Transportation."

19 (e) G.S. 143-642(b) reads as rewritten:

20 "(b) Office Space. -- The Department of ~~Cultural Resources~~ Transportation shall
21 provide office space in Raleigh for use as offices by the First Flight Centennial
22 Commission, and the Department of ~~Cultural Resources~~ Transportation shall receive
23 no reimbursement from the Commission for the use of the property during the life of
24 the Commission."

25
26 Requested by: Senator Warren

27 **MUSEUM OF HISTORY RESTAURANT**

28 Section 27.3. Within the funds available, the Secretary of Cultural
29 Resources may contract with any person, firm, or corporation to provide restaurant
30 services in the North Carolina Museum of History, as provided in subdivisions (16)
31 and (17) of G.S. 121-4.

32
33 Requested by: Senator Warren

34 **FUNDS FOR MUSEUM OF THE ALBEMARLE**

35 Section 27.4. The Office of State Budget and Management is authorized
36 to transfer the sum of forty-seven thousand eight hundred eighty-seven dollars
37 (\$47,887) from Fund 1110 (Code 536930) to Fund 1500 (Code 534160) to replace
38 funds that were reallocated in the 1996-97 fiscal year to support Newbold-White
39 House.

40
41 Requested by: Senators Plyler, Perdue, Odom

42 **PROCEDURE FOR AWARD OF CULTURAL RESOURCES GRANTS**

43 Section 27.5. Of the funds appropriated to the Department of Cultural
44 Resources, the sum of eight million dollars (\$8,000,000) for the 1997-98 fiscal year
45 shall be used for grants to nonprofit organizations or local governmental entities
46 throughout the State for cultural, historical, or artistic organizations, for cultural,
47 historical, or artistic projects, and for museums. The Secretary of the Department of
48 Cultural Resources shall establish a process for the review, evaluation, and
49 consideration of applications for these grants.

50 In awarding grants, the Secretary shall consider the merits of the project,
51 the cultural, historical, or artistic significance of the project, the benefit to the State
52 and local communities of the project, and the cost of the project. Prior to awarding
53 grants, the Secretary shall consult with the Joint Legislative Commission on

1 Governmental Operations. These grants are not subject to review by the Historical
2 Commission.

3
4 **PART XXVIII. STATE BOARD OF ELECTIONS**

5
6 Requested by: Senator Warren

7 **STATEWIDE DATA ELECTIONS MANAGEMENT SYSTEM**

8 Section 28. (a) The State Board of Elections shall adopt rules for a
9 statewide data elections management system. Those rules shall include data format
10 standards, data communication standards, and data content standards. The State
11 Board of Elections shall adopt those rules, including the standards, no later than
12 November 1, 1997. Counties shall adhere to the rules and standards no later than
13 August 31, 1998.

14 (b) Of the funds appropriated in this act to the State Board of Elections
15 for a statewide data elections management system, the sum of one hundred fifty
16 thousand dollars (\$150,000) may be used by the State Board of Elections to hire a
17 project manager, to research and determine the needs of the local boards of election
18 in each county, and to develop a needs assessment report.

19 (c) The remainder of the funds appropriated in Section 13.2 of Chapter
20 597 of the 1995 Session Laws shall be used to develop, implement, and operate a
21 statewide data elections management system, which will include voter registration,
22 campaign reporting, and election night returns. These funds shall be used only after
23 the State Board of Elections and the Information Resource Management Commission
24 have jointly approved and submitted a written, detailed implementation plan for
25 statewide data elections management to the Joint Legislative Commission on
26 Governmental Operations. That implementation plan shall include:

- 27 (1) A description of the system being implemented;
28 (2) A description of the system's capabilities, including user-
29 friendliness;
30 (3) An itemized estimate of the costs of the system, with a
31 justification for each item, including a plan for implementing the
32 system within the funds appropriated;
33 (4) A list of the counties to be brought into the system during the
34 fiscal year; and
35 (5) A proposed project management plan.

36 After their initial joint report, the State Board of Elections and the Information
37 Resource Management Commission shall make written quarterly joint reports to the
38 Joint Legislative Commission on Governmental Operations, describing the status of
39 the project, listing the counties that have been brought into the system and that are
40 planned to be brought into the system, and the costs.

41 (d) To the extent that this section conflicts with G.S. 163-82.11 through
42 G.S. 163-82.13, with Section 16 of Chapter 769 of the 1993 Session Laws, or with
43 Section 13.2 of Chapter 507 of the 1995 Session Laws, this section prevails to the
44 extent of the conflict. Except to the extent of the conflict, Section 16 of Chapter 769
45 of the 1993 Session Laws remains in effect.

46
47 **PART XXIX. DEPARTMENT OF TRANSPORTATION**

48
49 Requested by: Senator Jordan

50 ~~**GLOBAL TRANSPARK AUTHORITY TO REIMBURSE HIGHWAY FUND FROM**~~
51 ~~**FEDERAL SOURCES**~~

52 Section 29. When funds are provided from the Highway Fund to the
53 Global TransPark Authority for environmental impact statements or assessments and

1 G.S. 120-76(8), each special responsibility constituent institution may expend monies
2 from the overhead receipts special fund budget code and the General Fund monies so
3 appropriated to it in the manner deemed by the Chancellor to be calculated to
4 maintain and advance the programs and services of the institutions, consistent with
5 the directives and policies of the Board of Governors. The preparation, presentation,
6 and review of General Fund budget requests of special responsibility constituent
7 institutions shall be conducted in the same manner as are requests of other
8 constituent institutions. The quarterly allotment procedure established pursuant to
9 G.S. 143-17 shall apply to the General Fund appropriations made for the current
10 operations of each special responsibility constituent institution. All General Fund
11 monies so appropriated to each special responsibility constituent institution shall be
12 recorded, reported, and audited in the same manner as are General Fund
13 appropriations to other constituent institutions."

14
15 Requested by: Senators Lee, Winner
16 **UNC ASSISTANCE TO PUBLIC SCHOOLS**

17 Section 10.8. Funding in this act is provided to the Board of Governors
18 of The University of North Carolina for several initiatives to work cooperatively with
19 the public schools to improve public education in North Carolina. The Board of
20 Governors shall redirect the funding provided for educational consortia at eight
21 constituent institutions to these initiatives requested for the 1997-99 biennium. The
22 Board of Governors shall redirect at least one-third of the consortia appropriations
23 during the 1997-98 fiscal year and the balance for the 1998-99 fiscal year toward these
24 efforts. The Board of Governors shall also reallocate sufficient funds from other
25 resources to fully fund these initiatives for the 1997-98 fiscal year.

26 Upon request of a constituent institution with a current consortium program, the
27 Board of Governors may direct continual funding to that program.

28
29 Requested by: Senators Lee, Winner, Hartsell
30 **AREA HEALTH EDUCATION CENTERS FUNDING**

31 Section 10.9. Of the funds appropriated in this act to the Board of
32 Governors of The University of North Carolina, the sum of two million seven
33 hundred fifty thousand dollars (\$2,750,000) for the 1997-98 fiscal year and the sum of
34 two million seven hundred fifty thousand dollars (\$2,750,000) for the 1998-99 fiscal
35 year shall be allocated to the Area Health Education Centers programs for
36 continuation of the restructuring of educational programs for health care
37 professionals. Of these funds, sufficient funds shall be allocated to the Cabarrus
38 Family Medicine Residency Program to provide assistance comparable to other family
39 medicine residency slots for 16 residencies. The Cabarrus Family Medicine
40 Residency Program shall provide all information required by The University of North
41 Carolina Board of Governors to comply with the reporting requirements of G.S. 143-
42 613.

43
44 Requested by: Senators Lee, Winner
45 **UNC LIBRARIES FUNDING**

46 Section 10.10. Of the funds appropriated to the Board of Governors of
47 The University of North Carolina in this act, the sum of four million dollars
48 (\$4,000,000) shall be allocated each year of the biennium for enhancement of
49 libraries for the constituent institutions. Of this amount, at least one million two
50 hundred thousand dollars (\$1,200,000) each year shall be used for the development of
51 the NC-LIVE project, a cooperative effort of The University of North Carolina, the
52 Department of Community Colleges, and the State Library of North Carolina

1 designed to improve access to information resources across the State and to reduce
2 the duplication of expenditures for library resources.

3
4 Requested by: Senators Lee, Winner

5 **COOPERATIVE EXTENSION SERVICES**

6 Section 10.11. (a) The Joint Legislative Education Oversight Committee
7 and the Board of Governors of The University of North Carolina shall undertake a
8 joint review and study of the role, funding, personnel resources, programs, and other
9 aspects of the Cooperative Extension Services of The University of North Carolina
10 given the changing nature of the agricultural base of the State.

11 (b) The study shall consider all of the following:

12 (1) The role of cooperative extension services in the environmental
13 aspects of agricultural activities and other activities.

14 (2) The reduced or increased needs for various current extension
15 services due to changes in the State's agricultural base.

16 (3) The top priority agricultural needs of the State and whether or
17 not current cooperative extension services are aligned with those
18 needs.

19 (4) The duplication, if any, of cooperative extension services with
20 services offered by other entities.

21 (c) The Joint Legislative Education Oversight Committee and the Board
22 of Governors may appoint a subcommittee to work cooperatively on this study. The
23 Chairs of the Joint Legislative Education Oversight Committee shall designate one
24 member of the Subcommittee to serve as a cochair and the Chair of the Board of
25 Governors shall designate one member of the Subcommittee to serve as a cochair.

26 (d) The Subcommittee shall meet at such times and places as the
27 Subcommittee cochairs designate. The facilities of the State Legislative Building and
28 the Legislative Office Building shall be available to the Subcommittee subject to the
29 approval of the Legislative Services Commission. The facilities of the university
30 system shall also be available to the Subcommittee.

31 (e) Subject to the approval of the Legislative Services Commission, the
32 staff resources of the Legislative Services Commission shall be available to the
33 Subcommittee without cost except for travel, subsistence, supplies, and materials.
34 Subject to the approval of the Board of Governors, the staff resources of the Board of
35 Governors shall also be available to the Subcommittee without cost except for travel,
36 subsistence, supplies, and materials which shall be the expense of the Board of
37 Governors.

38 (f) The Joint Legislative Education Oversight Committee and the Board
39 of Governors shall report their findings to the General Assembly by May 1, 1998.

40
41 Requested by: Senators Lee, Winner, Perdue

42 **REVIEW OF LAND-USE REGULATION**

43 Section 10.12. Of the funds appropriated in this act to the Board of
44 Governors of The University of North Carolina, the sum of seventy-five thousand
45 dollars (\$75,000) shall be allocated for the 1997-98 fiscal year to the University of
46 North Carolina at Chapel Hill for the Center for Urban and Regional Studies to
47 conduct an analysis of the impact of State infrastructure programs, including funding
48 and funding methods, on local governments. The analysis shall also consider the
49 ability of local governments to develop and implement plans for sustainable
50 development and to fully utilize their planning and regulatory authorities to guide
51 development and balanced growth and how these authorities are impacted by State
52 infrastructure decisions. The Departments of Transportation, Commerce, and
53 Environment, Health, and Natural Resources and other State agencies shall provide

~~1 funds received from the sale of timber that are deposited with the State Treasurer in
2 a capital improvement account pursuant to G.S. 146-30. The Director of the Budget
3 is authorized to transfer up to one hundred thousand dollars (\$100,000) from the
4 capital improvement account to the Reserve for Forestry Management in the
5 Department of Agriculture's operating budget and to prepare succeeding
6 continuation budget documents to include one hundred thousand dollars (\$100,000)
7 in the Reserve for Forestry Management.~~

8
9 Requested by: Senator Martin of Pitt

10 **TRANSFER MARITIME MUSEUM TO CULTURAL RESOURCES**

11 Section 12.2. The 17.25 positions, support, and equipment in the North
12 Carolina Maritime Museum, Department of Agriculture, shall be transferred to the
13 Department of Cultural Resources.

14
15 Requested by: Senator Martin of Pitt

16 **WESTERN NORTH CAROLINA DEVELOPMENT ASSOCIATION**

17 Section 12.3. The Western North Carolina Development Association
18 shall:

- 19 (1) By January 15, 1998, and more frequently as requested, report to
20 the Joint Legislative Commission on Governmental Operations and
21 the Fiscal Research Division the following information:
22 a. State fiscal year 1996-97 program activities, objectives, and
23 accomplishments;
24 b. State fiscal year 1996-97 itemized expenditures and fund
25 sources;
26 c. State fiscal year 1997-98 planned activities, objectives, and
27 accomplishments, including actual results through December
28 31, 1997; and
29 d. State fiscal year 1997-98 estimated itemized expenditures
30 and fund sources, including actual expenditures and fund
31 sources through December 31, 1997.
- 32 (2) By January 15, 1999, and more frequently as requested, report to
33 the Joint Legislative Commission on Governmental Operations and
34 the Fiscal Research Division the following information:
35 a. State fiscal year 1997-98 program activities, objectives, and
36 accomplishments;
37 b. State fiscal year 1997-98 itemized expenditures and fund
38 sources;
39 c. State fiscal year 1998-99 planned activities, objectives, and
40 accomplishments, including actual results through December
41 31, 1998; and
42 d. State fiscal year 1998-99 estimated itemized expenditures
43 and fund sources, including actual expenditures and fund
44 sources through December 31, 1998.
- 45 (3) Provide a copy of the Association's annual audited financial
46 statement to the Fiscal Research Division within 30 days of
47 issuance of the statement.

48
49 Requested by: Senator Martin of Pitt, Kerr

50 **INCREASE GRAPE GROWERS FUNDS**

51 Section 12.4. G.S. 105-113.81A reads as rewritten:

52 "§ 105-113.81A. Distribution of part of wine taxes attributable to North Carolina
53 wine.

~~1 of the Teachers' and State Employees' Retirement System, to the extent that funds
2 are available.~~

3
4 Requested by: Senators Perdue, Plyler, Odom

**5 RETIREMENT SYSTEM ADMINISTRATIVE EXPENSES TO COMPLY WITH
6 SUPREME COURT DECISIONS**

7 Section 30.20. The Board of Trustees of the Teachers' and State
8 Employees' Retirement System may expend an aggregate total of not more than five
9 hundred thousand dollars (\$500,000) for fiscal year 1997-98 and an aggregate total of
10 not more than two hundred thousand dollars (\$200,000) for fiscal year 1998-99 from
11 assets of the Teachers' and State Employees' Retirement System and the Local
12 Governmental Employees Retirement System to meet administrative expenses to
13 comply with Supreme Court decisions.

14
15 Requested by: Senators Perdue, Plyler, Odom, Wellons

16 EXTEND SUNSET ON FICA SAVINGS USE

17 Section 30.21. (a) Section 14(i) of Chapter 1044 of the 1991 Session
18 Laws, as amended by Section 42 of Chapter 561 of the 1993 Session Laws and
19 Section 7.28A of Chapter 769 of the 1993 Session Laws, reads as rewritten:

20 "(i) Subsections (a) through (d) of this section are effective January 1, 1990.
21 Subsections (e) through (h) of this section are effective January 1, 1991. Subsections
22 (a) through (h) of this section shall expire ~~December 31, 1997.~~ December 31, 1999."

23 (b) This section is effective when it becomes law.

25 PART XXXI. GENERAL CAPITAL APPROPRIATIONS/PROVISIONS

27 INTRODUCTION

28 Section 31. The appropriations made by the 1997 General Assembly for
29 capital improvements are for constructing, repairing, or renovating State buildings,
30 utilities, and other capital facilities, for acquiring sites for them where necessary, and
31 acquiring buildings and land for State government purposes.

33 CAPITAL APPROPRIATIONS/GENERAL FUND

34
35 Section 31.1. Appropriations are made from the General Fund of the
36 State for the 1997-99 biennium for use by the State departments, institutions, and
37 agencies to provide for capital improvement projects according to the following
38 schedule:

40 Capital Improvements - General Fund

	<u>1997-98</u>
43 University Board of Governors (Total)	\$ 59,518,175
44 1. UNC - Chapel Hill -	
45 a. Addition to the Institute of Government	
46 Knapp Building	4,000,000
47 b. Addition to Beard Hall - School	
48 of Pharmacy	8,824,600
49 c. North Carolina Botanical Garden - Planning	350,000
50 d. Expansion of the Carolina Living	

Attachment 3
General Government
May 7, 1997



North Carolina Department of Cultural Resources
Office of the Secretary

James B. Hunt, Jr., Governor

Betty Ray McCain, Secretary

MEMORANDUM

To: Michele T. Nelson

From: Renné Vance *Renne Vance*
Business Officer

Subject: Substitution

Date: May 7, 1997

At the request of the House Appropriations Subcommittee on General Government, the following is the Department of Cultural Resources' proposed substitution for the one-year delay in filling the new Painter position at Tryon Palace. The budgeted salary and fringes for the painter is \$25,831. It is our understanding that this substitution will also be a one-time cut, for FY 97-98 only.

Budget code: 14802

Fund 1992 Reserve-Roanoke Island Commission

537120 Roanoke Island Commission	
detail: 531312 <i>Temporary Salaries</i>	\$24,000
531512 <i>Social Security</i>	<u>1,831</u>
	\$25,831

cc: Secretary Betty Ray McCain
Deputy Secretary Betsy Buford

Attachment 4
General Government
May 7, 1997

Department of Cultural Resources
1997-99 Operating Reserves

Continuation Budget
2584 Roanoke Island Commission
(24802)
Reserve for Operations of the Roanoke Island Commission
C.I. Code 49414-4402

Roanoke Island Commission

Budget:

<u>Subhead</u>	<u>Description</u>	<u>Prorata Cost</u> <u>1997-98</u>	<u>Annual Cost</u> <u>1998-99</u>
4602-531112-2584	EPA Regular Salaries		
	Historic Sites Specialist III (G70)	29,449	29,449
	Historic Sites Specialist III (G70)	29,449	29,449
	Office Assistant IV (G59)	18,763	18,763
	Office Assistant III (G57)	13,034	17,378
	Sales Manager II (G58)	13,528	18,037
	Sales Clerk II (G53)	11,793	15,724
	Sales Clerk II (G53)	0	15,724
	Maintenance Mechanic IV (G64)	17,177	22,903
	Maintenance Mechanic II (G60)	14,636	19,515
	Maintenance Mechanic I (G58)	13,528	18,037
	Maintenance Mechanic I (G58)	18,037	18,037
	Grounds Supervisor II (G65)	17,873	23,831
	Grounds Worker (G56)	12,549	16,732
	Grounds Worker (G56)	12,549	16,732
	Housekeeping Supervisor (G60)	14,636	19,515
	General Utility Worker (G53)	11,793	15,724
	General Utility Worker (G53)	11,793	15,724
	General Utility Worker (G53)	11,793	15,724
	General Utility Worker (G53)	11,793	15,724
	Processing Assistant V (G61)	15,252	20,336
	Processing Assistant II (G54)	11,825	15,767
	Museum Technician (G63)	16,511	22,015
	Museum Technician (G63)	16,511	22,015
	Museum Technician (G63)	16,511	22,015
	Museum Technician (G63)	16,511	22,015
	Historic Sites Specialist I (G66)	18,629	24,838
	Historic Interpreter III (G62)	21,142	21,142
	Historic Interpreter II (G60)	9,758	19,515
	Historic Interpreter II (G60)	9,758	19,515
	Historic Interpreter I (G58)	18,037	18,037
4602-531212-2584	EPA Regular Salaries		
	Maintenance Facility Supervisor III (G70)	29,449	29,449
	Historic Sites Specialist III (G70)	29,449	29,449
Total Salaries		513,516	648,830

<u>Subhead</u>	<u>Description</u>	<u>Prorata Cost</u> <u>1997-98</u>	<u>Annual Cost</u> <u>1998-99</u>
4602-531311-2584	Temporary Salaries	332,600	467,920
4602-531422-2584	Holiday Pay	3,000	3,000
4602-531511-2584	Social Security Contribution	64,957	85,661
4602-531521-2584	Retirement Contribution	55,939	70,593
4602-531561-2584	Medical Insurance Contribution	43,065	55,680
4602-532199-2584	Misc Contractual Services	86,000	56,000
4602-532210-2584	Energy Service - Electrical	35,800	51,000
4602-532230-2584	Energy Service - Water and Sewage	4,500	5,400
4605-532390-2584	Repairs - Other	6,000	12,000
4602-532490-2584	Maintenance Agreement - Other	14,000	15,000
4602-532714-2584	Transportation - Ground - In-State	3,900	7,800
4602-532715-2584	Transportation - Ground - Out-State	200	250
4602-532721-2584	Lodging - In State	950	1,900
4602-532722-2584	Lodging - Out State	300	450
4602-532724-2584	Meals In State	950	1,100
4602-532725-2584	Meals - Out of State	200	250
4602-532727-2584	Misc - In State	6,100	6,100
4602-532728-2584	Misc - Out State	200	250
4602-532731-2584	BD/Non-Employee Transportation	850	1,700
4602-532732-2584	BD/Non-Employee Subsis	850	1,700
4602-532811-2584	Telephone Service	6,720	8,000
4602-532840-2584	Postage, Freight, and Delivery	2,000	2,000
4602-532850-2584	Print, Bind, and Duplicate	7,000	3,300
4602-532860-2584	Advertising	11,500	8,000
4602-532911-2584	Property Insurance	3,000	4,500
4602-532942-2584	Other Employee Educational Exp	1,100	2,800
4602-533110-2584	General Office Supplies	1,200	1,000
4602-533310-2584	Gasoline	1,500	2,500
4602-533320-2584	Diesel Fuel	250	250
4602-533900-2584	Other Materials and Supplies	46,000	31,000
4602-534511-2584	Furniture-Office	4,450	3,400
4602-534522-2584	Equipment-Computers	14,000	
4602-534539-2584	Other Equipment	48,500	5,000
4602-534710-2584	Computer Software	3,000	1,100
4602-535830-2584	Membership Dues and Subscriptions	<u>2,850</u>	<u>2,850</u>
	Total-Reserve for Roanoke Island Commission	1,326,947	1,568,284

VISITOR REGISTRATION SHEET

AMGeneral Government 5/7/97VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY
1. Martha Glass	DOA
2. Robert Powee	OSBM
3. MARVIN DERNAN	OSBM
4. George Morris	OSL
5. Carl Goodwin	DJA
6. Jim Nowell	OSBM
7. Kathie Austin Padgett	OSPL
8. Heather Cail	OSA
9. Keith McCone	DOR
10. James Brown	DOI
11. Natchez Brown	NCDOI
22. John Alford	NCDOF
23. Starla McKenny	DOI
24. JOE DELUCA	RRL
25. Betty Buford	DCR
26. Romer Vance	DCR
27. Donna Rosefield	DCR
28. Barbara Allen	SOS
29. Becki Sturt	PRAB
30. Julian Mann	OA H
31. Jim Scarsella	OA H

HOUSE APPROPRIATIONS SUBCOMMITTEE
ON
GENERAL GOVERNMENT

May 8, 1997
Room 425 - 8:30 A.M.

The House Appropriations Subcommittee on General Government met on May 5, 1997 in Room 425 of the Legislative Office Building at 8:30 A.M.

The following members were present: Representative Sherrill, Representative Ives, Representative McCombs, Representative Ellis, Representative Deck, Representative Culpepper, Representative Jeffus, Representative Braswell and Representative Wainwright.

The meeting was called to order by Representative Sherrill who introduced Elaine Marshall, Secretary of State. Ms. Marshall presented her recommendations for the Expansion Budget for the Secretary of State's office. (Page B6 of Sen. Budget) Following her remarks, she introduced Mr. Gerald Roach, Attorney with the North Carolina Bar Association who made some remarks in support of the Senate's allocation to the Secretary of State's office and also Joe Smith, Senior Counsel with Centurian Bank in Rocky Mount who also made some remarks.

Representative Ellis asked if the business community would have a problem with filing fees as mentioned in Attachment A. Mr. Roach replied that they would not if all the rules and guidelines were followed as set forth.

Representative Braswell also asked about filing fees for the community and Elaine Marshall responded by stating that the filing fees would be from \$100 to \$125. The application for reinstatement would go from \$25.00 to \$100.00. That would bring in approximately \$243,000 annually. The fee for certificate of authority for out-of-state corporations would go from \$200 to \$250. That would bring in \$235,600 in revenue.

Representative Decker moved that we appropriate \$645,000 non-recurring funds for this office. MOTION CARRIED.

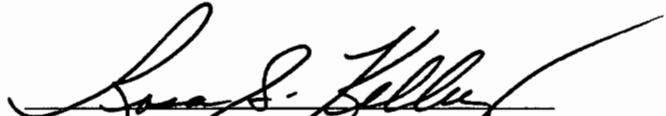
Representative Sherrill introduced Mr. Harper of the Department of Insurance who made a presentation on the needs of the Department of Insurance as set out in Attachment B,

page B9 of the Senate Budget. Representatives Ives moved that a special provision as requested be granted the Department of Insurance. MOTION CARRIED.

Mr. Harper then continued his presentation relative to the Department of Insurance asking for an increase of \$1,394,000. Representative Ives moved to support the Senate's budget for the Department of Insurance. MOTION CARRIED. The total revised budget is \$23,388.786 which is proposed by the Senate budget. Representative Braswell moved to approve the request. (No. 4) MOTION CARRIED.

The meeting adjourned at 9:40 A.M.


Representative Wilma Sherrill, Cochair


Rosa S. Kelley, Committee Clerk

Att. B

DEPARTMENT OF INSURANCE
EXPANSION BUDGET REQUEST
May 7, 1997

Priority COMPANY SERVICES GROUP

11 Company Admissions (licensing)

- backlog of 130 license requests		
- 2nd worse turnaround time in the country	\$ 57,815	\$ 61,976
	(1)	(1)

13 Financial Monitoring

- need financial analysts with HMO expertise to handle mergers and acquisitions	103,555	111,104
	(2)	(2)

9 Actuarial Services

- need another life and health actuary	79,408	87,489
	(1)	(1)

7 Information Systems

- computer replacement on a four-year life cycle	<u>283,800</u>	<u>283,800</u>
Total Appropriation	\$ 524,578	\$ 544,369
No. of Positions	(4)	(4)

TECHNICAL SERVICES GROUP

3 Market Practices Examinations

- only have one team (3 employees) to monitor 27 HMO's	(3)	
- only have one team (3 employees) monitoring 550 life and health companies	(3)	
	\$ 330,915	\$ 351,796
	(6)	(6)

4 Seniors' Health Insurance Information Program (SHIIP)

- telephone call volume more than doubled in 1996		
- over 65 population will increase 50% in next 15 years		
- field employees having to handle phone calls in Raleigh	<u>32,311</u>	<u>31,357</u>
	(1)	(1)
Total Appropriation	\$ 363,226	\$ 383,153
No. of Positions	(7)	(7)

PUBLIC SERVICES GROUP

6	<u>Special Services</u>		
	- growth in bail bond industry and legislated continued education	\$ 26,194 (1)	\$ 25,432 (1)
10	<u>Investigations</u>		
	- no means to track repeat offenders of insurance laws and criminal history of licensees	31,068 (1)	37,280 (1)
8	<u>Agent Services (Continuing Education Program)</u>		
	- additional clerical positions to comply with recommendation of State Auditor		
	- self supporting program/receipts available	<u>52,801</u> (2)	<u>49,680</u> (2)
	Total Requirements	\$ 110,063	\$ 112,392
	Total Receipts	<u>52,801</u>	<u>49,680</u>
	Total Appropriation	57,262	62,712
	No. of Positions	(4)	(4)

SAFETY SERVICES GROUP

5	<u>Engineering Services</u>		
	- additional resources needed so plan review can keep pace with construction and not slow down the economy	\$ 101,679 (1)	\$ 92,411 (1)
2	<u>Fire and Rescue Services</u>		
	- computer software for reporting fires in all counties or our fire reporting system becomes useless (97,000)		
	- need injury prevention specialist for our child injury prevention programs (Learn Not to Burn, Buckle Up Kids, Safe Kids)		
	- authorization to produce and sell fire and rescue publications (55,000)	166,357	166,357 (1)

12

Manufactured Building

- phenomenal growth in manufactured housing and building industry
- NC leads the nation in manufactured home production
- additional resources need to meet industry demands for assistance
- industry supports request receipts available

	<u>237,622</u>	<u>217,972</u>
	(3)	(3)
Total Requirements	\$ 505,658	\$ 476,740
Total Receipts	<u>292,622</u>	<u>272,972</u>
Total Appropriation	213,036	203,768
No. of Positions	(4)	(5)

1

Consumer Protection Fund

- replenishment in excess of the \$250,000 for outside contracted services needed.
- three auto rate filings ongoing; appeals anticipated
- homeowner rate filing anticipated
- currently in excess of \$400 million in auto premium refunds and increases at stake.

	\$ 200,000	\$ 200,000

Total requirements	\$1,703,525	\$1,716,654
Total Receipts	<u>345,423</u>	<u>322,652</u>
Total Appropriation	\$1,358,102	\$1,394,002
No. of Positions	(19)	(20)

Budget Statement of Elaine F. Marshall, North Carolina Secretary of State to the Joint Committee on Appropriations and General Government

March 20, 1997

I want to thank the members of the committee for allowing me to make this brief presentation today. As you know, I have been North Carolina's Secretary of State for about two months. I think it is safe to say that those two months have been both extremely busy and extremely productive ones for the department.

The Secretary of State's department administers laws regarding corporations, limited partnerships, lobbyists, securities, trademarks, uniform commercial code, and real estate records. We collect, protect, and maintain hundreds of thousands of key business records. We assist business owners in finding all the licenses and permits they need to conduct their operations legally. We are where our state's business entities are legally created. We are where the paperwork to create financial capital is checked and regulated. In many important ways, we are the agency that keeps our business community operating on a fair and level playing field.

I am delighted and honored to report to you today that a new management team consisting of some of North Carolina government's finest career employees is now in place to help me administer the department's vital and varied duties. I can tell you these are people who understand modern business practices. These are people who know how to manage employees and build departmental morale. These are people who have committed themselves to making the Secretary of State's office the finest department in state government.

I would like to take just a moment and introduce some of these outstanding public servants to you . **(Introduce those staff members in attendance.)**

These administrators and I run a very lean agency. In fact, our people are doing more work without increased funding every day. Allow me to share with you just a few key 1995-1996 statistics from our Corporations section:

- There were more than 48,000 corporate filings last year, up 12 percent over 1995.
- There were more than 17,500 new businesses incorporated; a nine percent increase.
- There were about 4,000 "foreign" corporations authorized to do business in North Carolina; an 18 percent rise.

And that does not count handling the thousands upon thousands of annual reports the Corporations division maintains. These numbers show a dramatic increase in our workload. Every month, every week, every day, those numbers continue to rise and our hard-working employees continue to meet the challenge. You and I can be very proud of this agency's 119 employees who take so much pride in getting the job done even as the workload grows.

Today, there are three main points I would like to make about our 1997-1999 continuation budget as you look at the material before you. First, please note that \$300,000 in one-time expenditures from our last budget are now gone. If I don't do anything else today, perhaps I can bring a smile to your face by showing you a proposed budget that is actually smaller than its predecessor.

On a serious note, I hope this request shows just how sincere we are about running this department in an open and by-the-book manner. I know that the members of this committee are aware of the tremendous need for modernization in the Secretary of State's office. Senator Lucas and Representative Ives have both toured our offices recently. I think they will agree with me that we operate in Spartan conditions, at best.

I am sure you know that I plan to come back soon and ask for the funding we need to bring the department up to the 1990s business standard of service. Presently, much of our department is dependent on "computer" equipment dating back to the 1980s. Other office equipment dates back to the 1970s. Several supervisors take work home on a routine basis so that they can use their personal home computers to get their work done. We could have chosen to try to "sneak" a few bits and pieces of our expansion budget proposal into this continuation budget. But that is not how I want to start doing business with you and the other members of the General Assembly. The truth is that this continuation budget reflects the funding it takes to run the department as is, on a day to day basis. So this is the amount I am asking you to fund.

A second point I want to make is that our continuation proposal agrees with the amount proposed by Governor Hunt in his recommended budget for our department. I hope everyone who looks at this budget will agree that it is truly "low in fat," as all the commercials like to say. As a side-note, I will point out that this agency put more than \$14 million into the General Fund last year. This means our proposed continuation budget request is for about one third of the amount of revenue we generate for the State. Managing this income requires a great deal of staff work as most fees we charge are very small. We receive and deposit 1,600 checks on an average business day.

The third point I need to make today is a somewhat awkward one. The budget and departmental structure submitted to you for consideration was actually authored by my predecessor. Some things in the department have changed, and I believe improved, during the past two months. Those changes that may not be adequately reflected in your material include:

- The Department now has a true Chief Deputy Secretary. The old structure had, I believe, three deputies of equal standing. I have found that such arrangements can lead to bureaucratic inertia. The department now has a clearer chain of command.
- The North Carolina Boxing Commission's professional staff is now funded, in place, and actively regulating professional boxing in our State.
- The Department's new Information Technology Strategy plan has received the approval of the State's Information Resources Management Commission. You may recall that my predecessor's plan did not receive the Commission's approval. One important reason for this success is the position of Deputy Secretary of State for Information Technology which has been created and staffed in the past month.
- We continue to address the problems that the State Auditor found in the department some time ago. For example, starting in December, we began phasing in a centralized cash management system for all the monies we receive through fee collection and selling publications.
- Our Internet homepage is now fully functional and getting a great public response. We continue to add data to that Internet site so that the public can get the information they need without leaving their homes or offices. We are averaging 135 visits a day on the site.

We have shifted the structure of some the divisions within the department. These moves were made to group units more efficiently and to link similar duties together. The packet we handed out today contains both an old organizational chart and the new one that we now use. As you can see, the changes were limited. Please allow me to take a moment to walk you through our main organizational units:

The Administration Unit – supports the agency's internal operations. The Secretary of State, her deputy secretaries, legislative liaison, communications director, and the department's personnel, payroll, cash management, and budgetary staff members are also organized under this section.

The Lobbyist Registration Unit – administers the State Lobbying Act, which includes registering and reporting duties regarding legislative lobbyists and their principals. When alleged violations of the Lobbying Act are reported, this unit cooperates with the Attorney General's office regarding the investigation and resolution of those allegations.

The one employee in this unit, who also maintains other State records including certified acts of the General Assembly and administers North Carolina's Electoral College, maintains a database involving approximately 660 lobbyists. This person also produces a

periodic publication listing registered lobbyist information. During fiscal year 1995-1996 this program generated \$20,705 in General Fund revenues.

The Trademarks Unit – assists the public and business community in the registration of trademarks and service marks. Its two employees issue and renew approximately 2,000 marks per year. When our department receives allegations of counterfeit trademarks, these employees assist our Securities division in the investigation and resolution of those allegations.

This unit also authenticates documentation for various purposes. One of the major user groups are North Carolina couples seeking to adopt children from foreign countries. It handles approximately 3,750 such requests a year. This unit is one of the Secretary of State programs that is now managed through the Certification and Filing division instead of the General Administration unit.

The Corporations Unit – assists North Carolina in maintaining a positive business climate by providing for the prompt filing of corporate documents, and by providing information and technical assistance to the public. The Corporations unit's responsibilities include the review of corporate filings for compliance with statutory requirements and the custody of information which is part of the public record. Through annual reports, this unit keeps the North Carolina corporations database as current as possible. Upon request, this section provides information on corporations, limited liability companies, and limited partnerships and their registered agents' identities and addresses.

The Secretary of State is a substitute agent for service of process when a company fails to maintain a registered agent.

Some key statistics from calendar year 1996 include:

- Eleven document examiners filed 49,552 corporate documents.
- Five employees processed 145,237 annual corporate reports.
- The Corporations unit processed 27,989 orders for documents; over 18,000 of which involved more than one document.
- There were 1,306 same-day and 3,802 24-hour expedited filings processed.
- In March 1996 alone, 14,368 annual reports were processed by 5 employees.
- During the past 45 working days, the aging WANG data management system used in the section has been down a total of 24 hours and 45 minutes – a total of 3 standard working days.

The Securities Unit – registers and regulates securities dealers and salesmen, investment advisors and their representatives, and athlete agents and their representatives. The unit also regulates commodities activities not overseen by the Federal government. This section registers securities offerings made in North Carolina and examines the

documentary materials associated with those offerings. The Securities division conducts educational activities aimed at informing the investment public about securities offerings and their inherent risks.

The unit presently has 20 positions divided into registration, enforcement, and administrative sub-groups. During the most recent fiscal year, the Securities enforcement section prosecuted and convicted six persons of securities fraud and returned in excess of \$331,000 to the investing public. The Securities unit generated revenue of \$6,620,929 to the General Fund, based on the most recent figures.

The Business License Information Office (BLIO) Unit – is responsible for administering an accessible one-stop system that assists the business community to identify, acquire, and maintain state licenses and permits necessary to conduct business in North Carolina.

BLIO assists new and existing businesses by:

- Identifying licenses and permits needed for specific business proposals.
- Operating a clearinghouse for regulating and license information.
- Administering an automated master application system for data and fees.
- Making recommendations to the General Assembly for simplifying and automating licensure procedures.
- Publishing the *Directory of North Carolina State Business Licenses and Permits*.

Some of you may recall when this division was created in the 1980s. Has it been successful? In its first full year, 1989-1990, the group handled 11,394 inquiries. In fiscal year 1995-1996, that number stood at 23,121 consultations. I think that's a wonderful commentary on this group's usefulness.

The Uniform Commercial Code (UCC) Unit – assists the business and financial communities to make lending decisions by serving as the repository for information regarding security interests held against commercial and agricultural properties, and federal tax liens against corporations and partnerships. This unit performs research regarding these security interests and liens, based upon public requests for this information. The 12 UCC employees receive approximately 500 filings every business day, and perform approximately 20,000 research requests every year. This program also generates revenues, most recently in the amount of \$935,679 for the 1995-1996 fiscal year.

The Notary Unit – administers the State Notary Public Act, which includes commissioning notaries, training the approximately 150 Community College instructors who teach notary public classes, investigating complaints alleging violations of the Act, and responding to public information requests regarding the law and the program.

Notary Publics serve to acknowledge and verify documents, administer oaths, and help maintain a positive business climate in North Carolina. There are approximately 170,000 commissioned notaries in our State. This four-person unit currently processes more than 35,000 commissions, renewals, and amendments a year. This program also generates revenues, about \$839,106 for fiscal year 1995-1996.

The Publications Unit – maintains certified elections data and reports, publishes and distributes the *North Carolina Manual*, the *Directory of the State and County Officials of North Carolina*, the *Constitution of North Carolina*, and other vital State publications.

Three people do all the work to ready these important, and massive, books for printing. Our most recent *North Carolina Manual* ran almost 1,200 pages. The amount of telephone calls made and letters written by this staff to get the information that goes into these books is staggering.

Our two-person mailroom staff is also attached to this section.

The Land Records Management Unit – assists local governments to implement modern, state-wide standards for indexing land records. Our two employees provide technical consultation and assistance regarding land records management to local Register of Deeds offices and mapping offices across the State, responding to over 1,200 such requests from 75 counties in the last fiscal year.

We estimate that this unit will provide training to approximately 150 Register of Deeds employees this year, and certify over 200 property mappers.

The Boxing Unit – the department's newest division, provides staff support to the North Carolina Boxing Commission. This three-person group administers laws and administrative rules governing the state-wide program of the Boxing Commission. In 1996, the boxing unit staff licensed over 600 individuals and regulated 70 event nights. Staff members must travel to these events, held around the State, to see that all pertinent rules are followed.

North Carolina allows three types of professional fighting: kick boxing, "toughman" contests, and standard professional boxing. My personal observance is that this spectator sport is growing rapidly in North Carolina. I doubt many lawmakers thought there would be 70 nights of prize fights in this State in the first year after this act was passed.

I urge the Committee Members to note the graph in their packets showing how the business functions of many of these sections have grown over the past five years.

The Secretary of State's office participates in the performance program budget (PPB) process. The pie chart included in our packet to you shows that our budget supports policy objectives in two program areas: economic development/commerce and general

government. Out of a total budget of \$5.22 million, \$4.80 million goes toward Economic Development and Commerce; approximately \$440,000 goes to support General Government objectives.

We assist Economic Development and Commerce by licensing and registering businesses and corporations, by implementing the Notaries Act, and by administering the laws and rules governing the state-wide program of the Boxing Commission. Most of our work is in licensing and registering businesses and corporations.

The \$440,000 in General Government goes primarily toward maintaining and publishing public information, and providing county computerized mapping services. You may also know that the Secretary of State's office is responsible for maintaining certified elections data and reports from boards and commissions.

My hope is that this department is meeting its PPB obligations and responsibilities to the fullest extent possible. However, I realize this administration is young. Please let me know if the Secretary of State's office is not meeting your expectations in any regard concerning the PPB.

You will also find information in your packets regarding fiscal data on our continuation budget request, our mission statement and goals, publications, and a graph showing just how little the staffing for our department has grown in recent years.

Again, thank you for this opportunity to appear before you today. I hope you agree with me that the Secretary of State's office is operating in a fiscally responsible manner, that its services have never been more needed by the businesses and people of North Carolina, and that our requested budget deserves to be fully funded.

My staff and I will be very happy to answer any questions.

MISSION STATEMENT

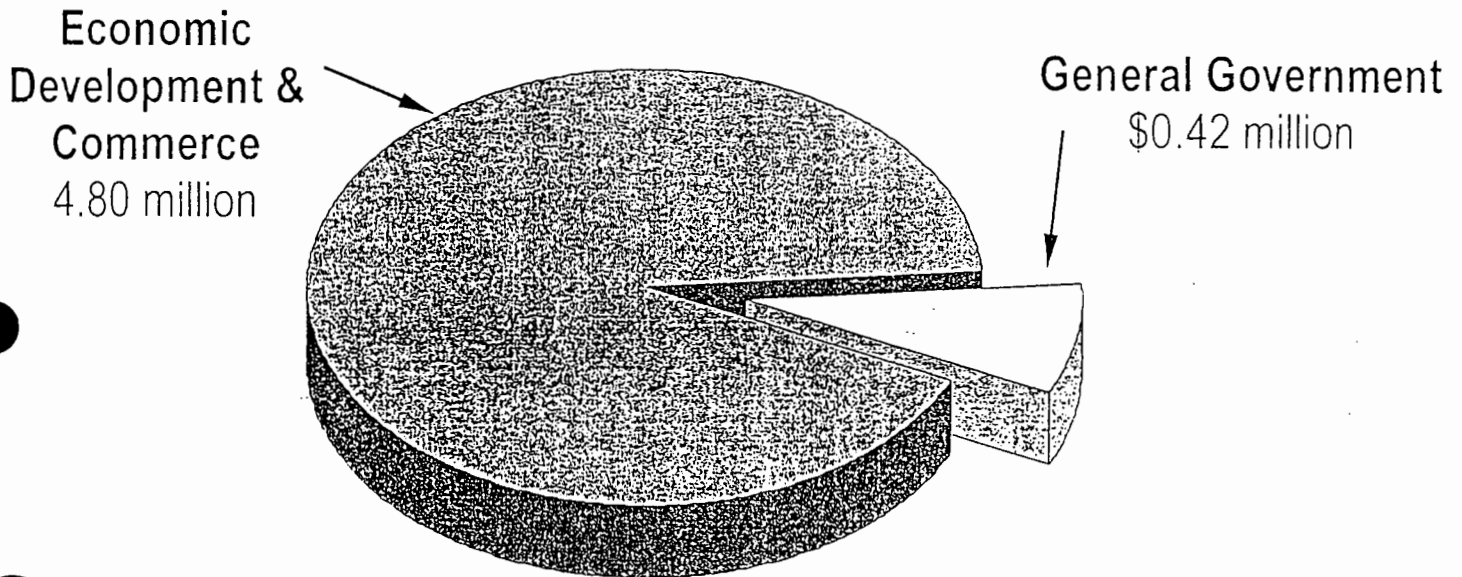
The mission of the Department of the Secretary of State is to serve and protect citizens, the business community and governmental agencies by facilitating business activities, by providing accurate and timely information, and by preserving documents and records.

PRIMARY GOALS

- ◇ To provide the business community and the public with easy access to accurate and timely information.
- ◇ To assist the business community with accurate and timely filing of necessary documents.
- ◇ To update, create and distribute major publications to better serve the citizens and educational facilities of North Carolina.
- ◇ To provide technical assistance to local governments and implement statewide standards for indexing land records.
- ◇ To investigate all complaints concerning notaries public, lobbyists, securities fraud, trademark counterfeiting.
- ◇ To promote public awareness regarding securities fraud.
- ◇ To promote the public confidence and trust in the regulatory process.
- ◇ To facilitate growth and development of the state's economy.

Department of the Secretary of State

1997-98 Recommended Total Requirements by Program Area \$5.22 million



Objectives

Economic Development and Commerce Program Area

Licensing and
registration of
businesses and
corporations
(PIPB 6910)

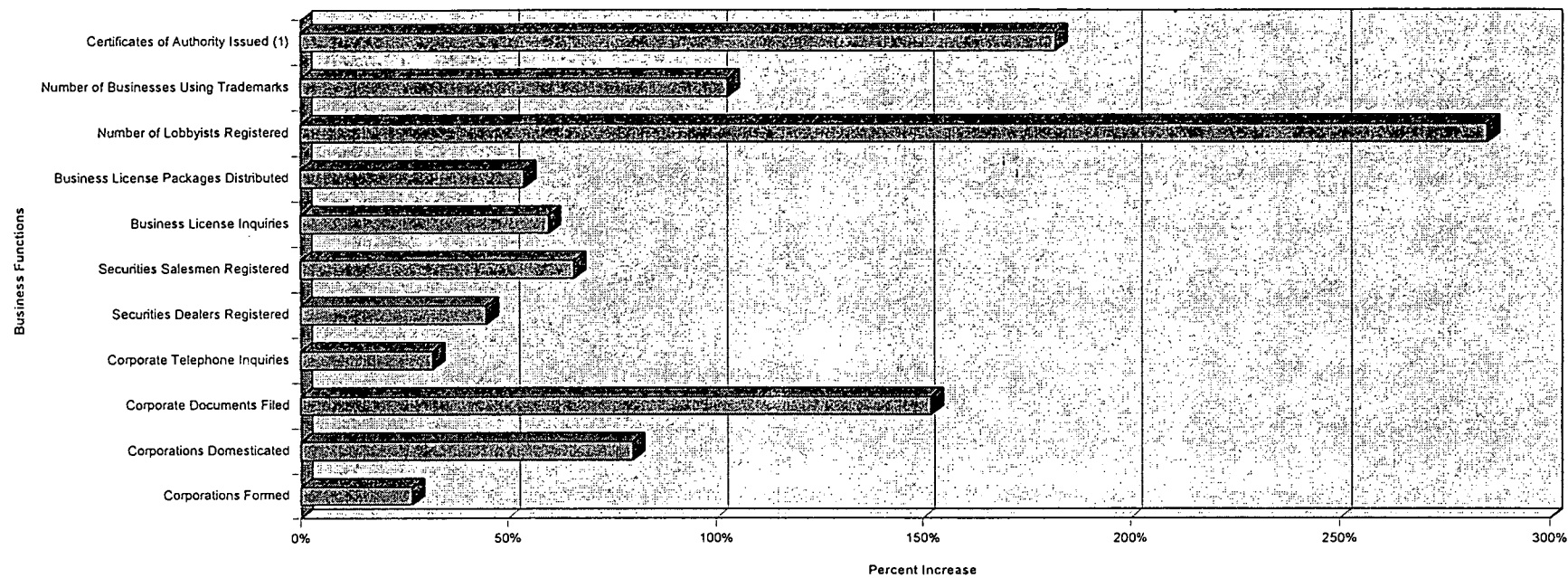
- Reduce complaints from the business community related to services administered by the Corporations Division.
- Maintain current turnaround time to obtain information and complete transactions.
- Reduce public complaints regarding Uniform Commercial Code filings.
- Reduce turnaround time spent in obtaining information and completing transactions related to Uniform Commercial Code services.
- Maintain current average time required for Notary appointments, reappointments and changes.
- Respond to all notary complaints within 24 hours.
- Bring all boxing activity into compliance in North Carolina.
- Increase the percentage of satisfied business License Information Office clients.
- Decrease the number of complaints regarding the licensing and permitting process administered by the Business License Office.
- Assist the public in making educated security decisions.

General Government Program Area

Data
Management
(PIPB 0650)

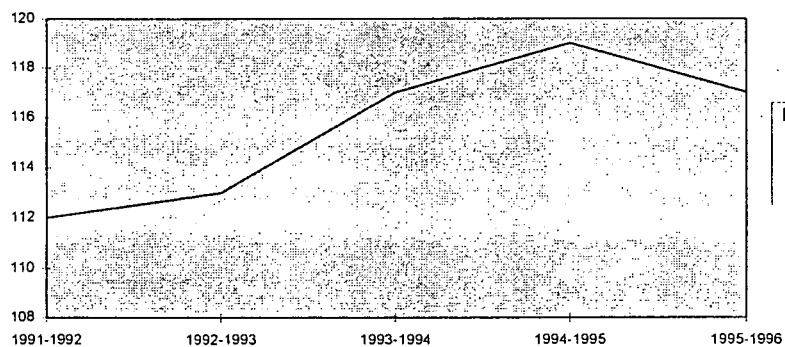
- Increase usage of county computerized mapping service to 100% within six years.
- Create, update, and distribute major publications.

Department of the Secretary of State
Increase in Workload
From Fiscal Year 1992 to Fiscal Year 1996



(1) Statistics for Certificates of Authority compare Fiscal Year 1994 to 1996; other comparative information is not available

Number of Positions per Fiscal Year

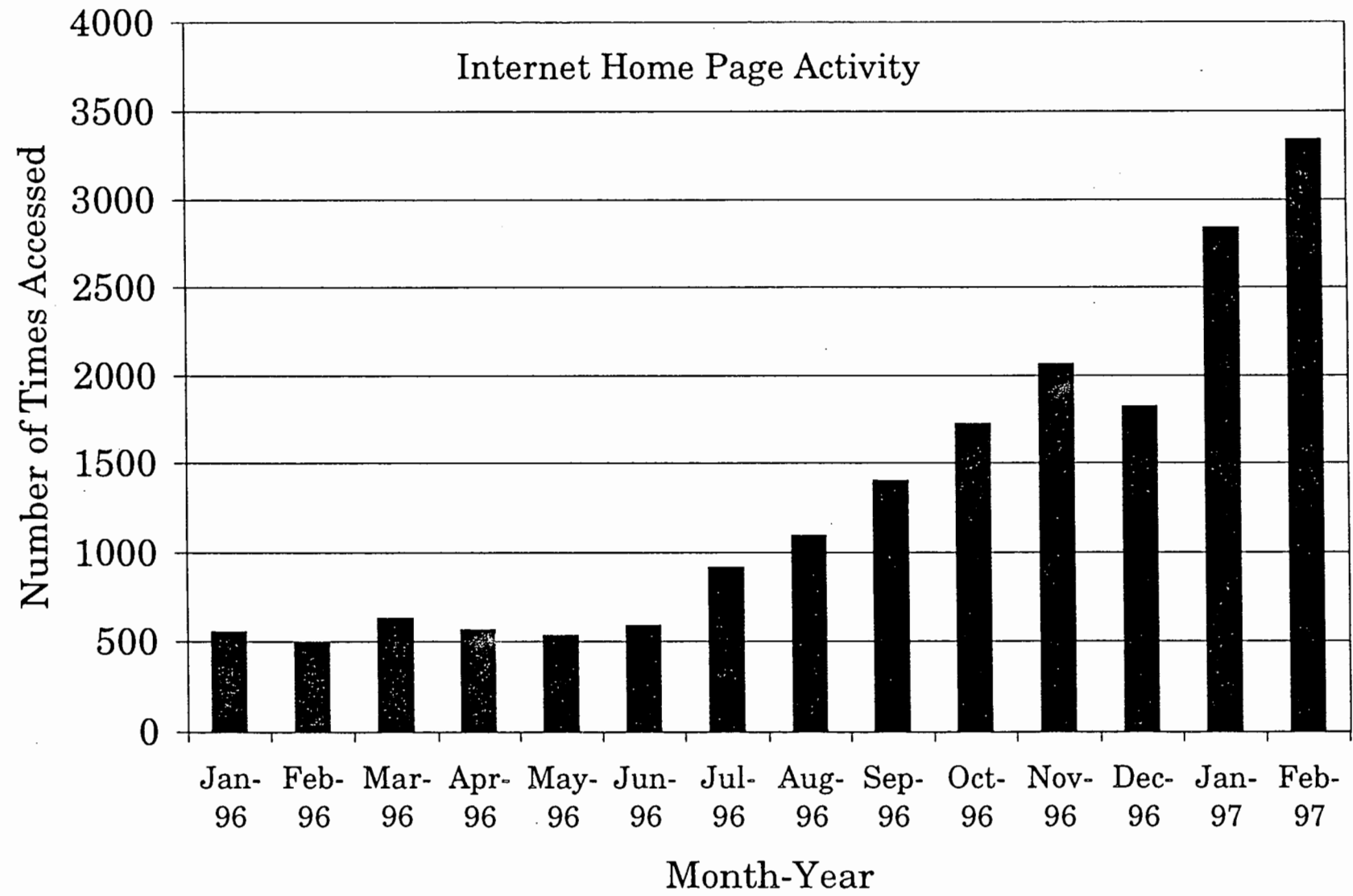


Based upon Office of
State Personnel
Actual Employee
Counts.

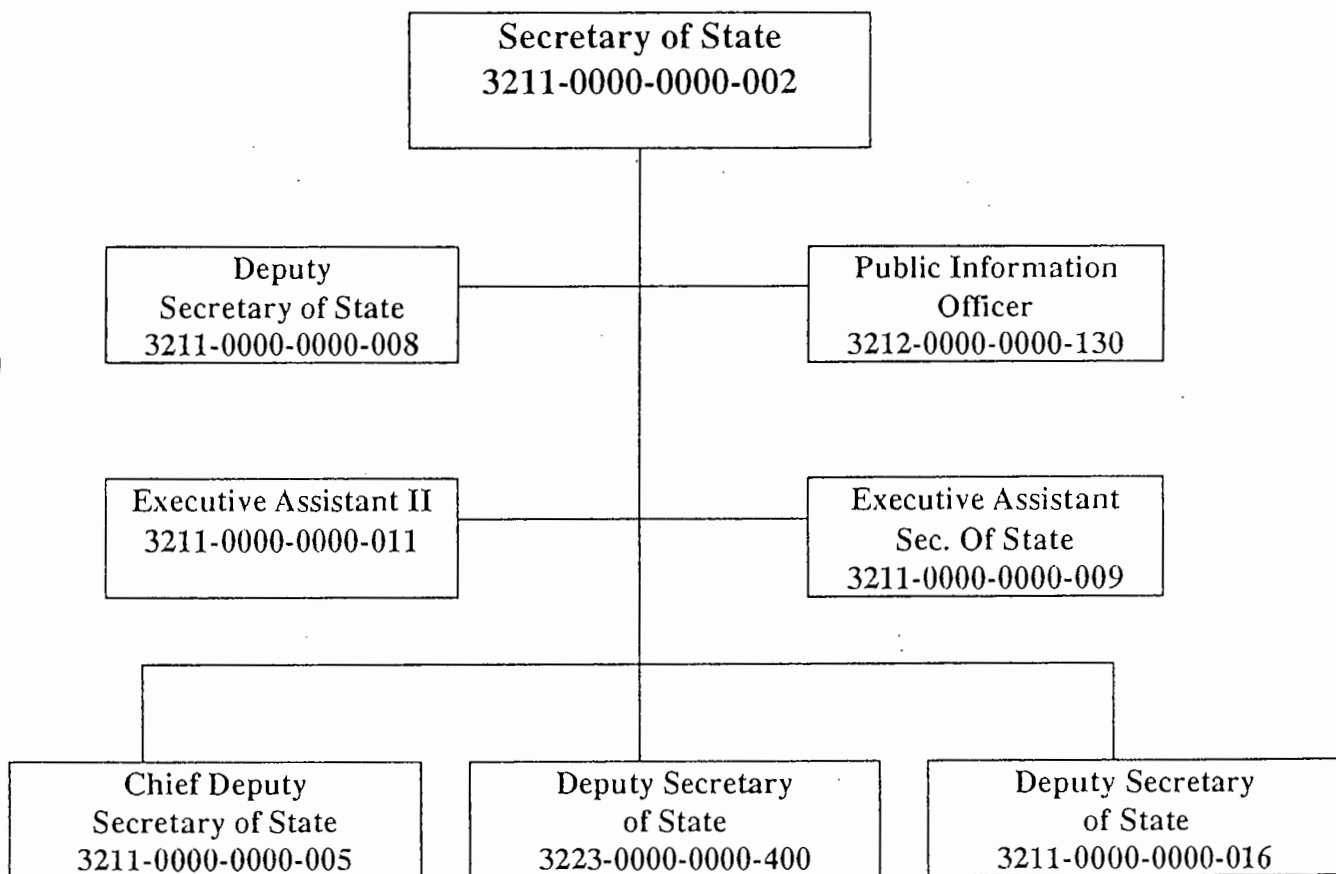
Percent Increase in Number of Positions
Fiscal Year 1992 through Fiscal Year 1996

	30-Jun-92	30-Jun-96	Number Change	Percent Change
Number of Positions	112	117	5	4.46%

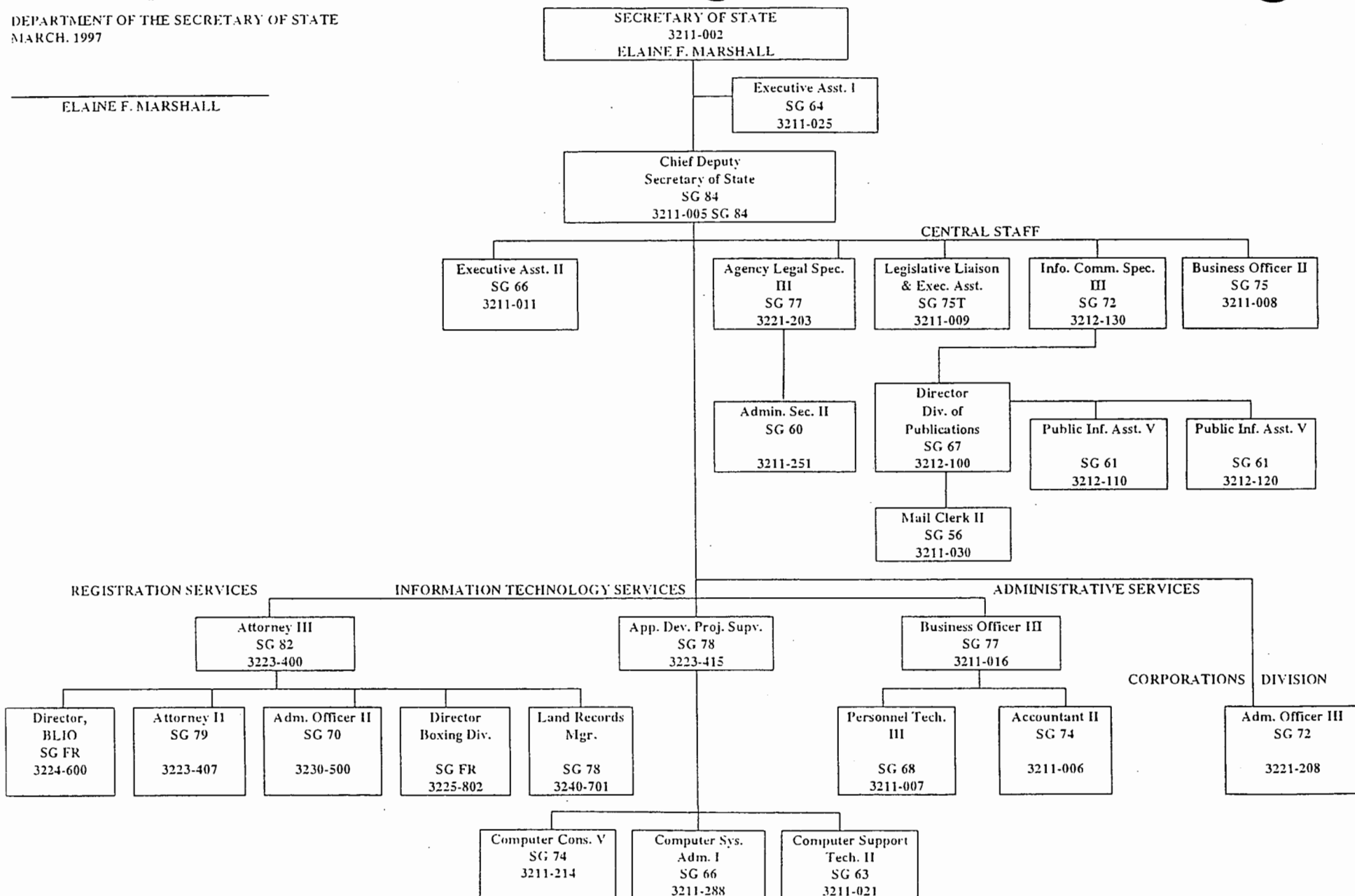
Department of the Secretary of State



Department of the Secretary of State (1996)



ELAINE F. MARSHALL



CORPORATIONS DIVISION

Adm. Officer III
SG 72
3221-208

Personnel Tech.
III
SG 68
3211-007

Accountant II
SG 74
3211-006

Computer Cons. V
SG 74
3211-214

Computer Sys.
Adm. I
SG 66
3211-288

Computer Support
Tech. II
SG 63
3211-021

Land Records
Mgr.
SG 78
3240-701

Director
Boxing Div.
SG FR
3225-802

Adm. Officer II
SG 70
3230-500

Attorney II
SG 79
3223-407

Director,
BLIO
SG FR
3224-600

505-13

**FISCAL DATA
DEPARTMENT OF THE SECRETARY OF STATE
CONTINUATION BUDGET**

SUMMARY OF GENERAL FUND - 13200

<u>DESCRIPTIONS</u>	<u>1995-96 ACTUAL</u>	<u>1996-97 AUTHORIZED</u>	<u>1997-98 RECOMMENDED</u>	<u>1998-99 RECOMMENDED</u>
TOTAL REQUIREMENTS	\$4,989,193	\$5,501,667	\$5,237,801	\$5,225,469
RECEIPTS	\$263,598	\$152,950	\$152,950	\$152,950
APPROPRIATION	\$4,725,595	\$5,348,717	\$5,084,851	\$5,072,519
NUMBER OF POSITIONS	117.75	118.75	118.75	118.75

SUMMARY OF TRUST FUND (63200)

<u>DESCRIPTIONS</u>	<u>1995-96 ACTUAL</u>	<u>1996-97 AUTHORIZED</u>	<u>1997-98 RECOMMENDED</u>	<u>1998-99 RECOMMENDED</u>
TOTAL REQUIREMENTS	\$63,177	\$0,000	\$0,000	\$0,000
RECEIPTS	\$156,104	\$6,000	\$6,000	\$6,000
ENDING CASH BALANCE	\$236,082	\$242,082	\$242,082	\$242,082
CHANGE IN CASH BALANCE	\$92,927	\$6,000	\$6,000	\$6,000
NUMBER OF POSITIONS	0	0	0	0

NC STATE BUDGET REFERENCE PAGE NUMBER: O-1; O-21

508-74

FISCAL DATA
DEPARTMENT OF THE SECRETARY OF STATE
CONTINUATION BUDGET

SUMMARY OF GENERAL ADMINISTRATION
GENERAL FUND - 13200

<u>DESCRIPTIONS</u>	<u>1995-96 ACTUAL</u>	<u>1996-97 AUTHORIZED</u>	<u>1997-98 RECOMMENDED</u>	<u>1998-99 RECOMMENDED</u>
TOTAL REQUIREMENTS	\$817,828	\$884,508	\$883,132	\$883,948
RECEIPTS	\$945	\$1,000	\$1,000	\$1,000
GENERAL FUND APPROPRIATION	\$816,883	\$883,508	\$882,132	\$882,948
NUMBER OF POSTIONS	16	17	17	17

NC STATE BUDGET REFERENCE PAGE NUMBER: O-4- O-5

**FISCAL DATA
DEPARTMENT OF THE SECRETARY OF STATE
CONTINUATION BUDGET**

**SUMMARY OF PUBLICATIONS DIVISION
GENERAL FUND - 13200**

<u>DESCRIPTIONS</u>	<u>1995-96 ACTUAL</u>	<u>1996-97 AUTHORIZED</u>	<u>1997-98 RECOMMENDED</u>	<u>1998-99 RECOMMENDED</u>
TOTAL REQUIREMENTS	\$224,360	\$299,811	\$299,348	\$281,348
RECEIPTS	\$17,634	\$21,700	\$21,700	\$21,700
GENERAL FUND APPROPRIATION	\$206,726	\$278,111	\$277,648	\$259,648
NUMBER OF POSTIONS	4	4	4	4

NC STATE BUDGET REFERENCE PAGE NUMBER: O-6 O-7

2005-116

FISCAL DATA
DEPARTMENT OF THE SECRETARY OF STATE
CONTINUATION BUDGET

SUMMARY OF CORPORATIONS DIVISION
GENERAL FUND - 13200

<u>DESCRIPTIONS</u>	<u>1995-96 ACTUAL</u>	<u>1996-97 AUTHORIZED</u>	<u>1997-98 RECOMMENDED</u>	<u>1998-99 RECOMMENDED</u>
TOTAL REQUIREMENTS	\$1,589,502	\$1,870,264	\$1,727,954	\$1,728,767
RECEIPTS	\$28,683	\$37,000	\$37,000	\$37,000
GENERAL FUND APPROPRIATION	\$1,560,819	\$1,833,264	\$1,690,954	\$1,691,767
NUMBER OF POSTIONS	42.75	42.75	42.75	42.75

NC STATE BUDGET REFERENCE PAGE NUMBER: O-7 - O-9

2005-17

FISCAL DATA
DEPARTMENT OF THE SECRETARY OF STATE
CONTINUATION BUDGET

SUMMARY OF UNIFORM COMMERCIAL CODE
GENERAL FUND - 13200

<u>DESCRIPTIONS</u>	<u>1995-96 ACTUAL</u>	<u>1996-97 AUTHORIZED</u>	<u>1997-98 RECOMMENDED</u>	<u>1998-99 RECOMMENDED</u>
TOTAL REQUIREMENTS	\$389,323	\$501,485	\$410,421	\$411,347
RECEIPTS	\$81,183	\$74,000	\$74,000	\$74,000
GENERAL FUND APPROPRIATION	\$308,140	\$427,485	\$336,421	\$337,347
NUMBER OF POSTIONS	12	12	12	12

NC STATE BUDGET REFERENCE PAGE NUMBER: O-9- O-11

31-505

FISCAL DATA
DEPARTMENT OF THE SECRETARY OF STATE
CONTINUATION BUDGET

SUMMARY OF SECURITIES DIVISION
GENERAL FUND - 13200

<u>DESCRIPTIONS</u>	<u>1995-96 ACTUAL</u>	<u>1996-97 AUTHORIZED</u>	<u>1997-98 RECOMMENDED</u>	<u>1998-99 RECOMMENDED</u>
TOTAL REQUIREMENTS	\$979,520	\$861,337	\$853,698	\$856,089
RECEIPTS	\$75,901	\$50	\$2,050	\$2,050
GENERAL FUND APPROPRIATION	\$903,619	\$861,287	\$851,648	\$854,039
NUMBER OF POSTIONS	23	20	20	20

NC STATE BUDGET REFERENCE PAGE NUMBER: O-11 - O-13

61-505

FISCAL DATA
DEPARTMENT OF THE SECRETARY OF STATE
CONTINUATION BUDGET

SUMMARY OF BUSINESS LICENSE INFORMATION OFFICE
GENERAL FUND - 13200

<u>DESCRIPTIONS</u>	<u>1995-96 ACTUAL</u>	<u>1996-97 AUTHORIZED</u>	<u>1997-98 RECOMMENDED</u>	<u>1998-99 RECOMMENDED</u>
TOTAL REQUIREMENTS	\$563,751	\$579,598	\$560,075	\$560,797
RECEIPTS	\$57	\$100	\$100	\$100
GENERAL FUND APPROPRIATION	\$563,694	\$579,498	\$559,975	\$560,697
NUMBER OF POSTIONS	13	13	13	13

NC STATE BUDGET REFERENCE PAGE NUMBER: O-13- O-15

FISCAL DATA
DEPARTMENT OF THE SECRETARY OF STATE
CONTINUATION BUDGET

SUMMARY OF NOTARY PUBLIC COMMISSION
GENERAL FUND - 13200

<u>DESCRIPTIONS</u>	<u>1995-96 ACTUAL</u>	<u>1996-97 AUTHORIZED</u>	<u>1997-98 RECOMMENDED</u>	<u>1998-99 RECOMMENDED</u>
TOTAL REQUIREMENTS	\$176,003	\$181,148	\$176,357	\$176,357
RECEIPTS	\$3,025	\$2,000	\$0	\$0
GENERAL FUND APPROPRIATION	\$172,978	\$179,148	\$176,357	\$176,357
NUMBER OF POSTIONS	5	5	5	5

NC STATE BUDGET REFERENCE PAGE NUMBER: O-15- O-17

000001

**FISCAL DATA
DEPARTMENT OF THE SECRETARY OF STATE
CONTINUATION BUDGET**

**SUMMARY OF LAND RECORDS MANAGEMENT DIVISION
GENERAL FUND - 13200**

<u>DESCRIPTIONS</u>	<u>1995-96 ACTUAL</u>	<u>1996-97 AUTHORIZED</u>	<u>1997-98 RECOMMENDED</u>	<u>1998-99 RECOMMENDED</u>
TOTAL REQUIREMENTS	\$248,906	\$137,803	\$141,266	\$141,266
RECEIPTS	\$56,170	\$0	\$0	\$0
GENERAL FUND APPROPRIATION	\$192,736	\$137,803	\$141,266	\$141,266
NUMBER OF POSTIONS	2	2	2	2

NC STATE BUDGET REFERENCE PAGE NUMBER: O-17 - O-18

000-1-1

**FISCAL DATA
DEPARTMENT OF THE SECRETARY OF STATE
CONTINUATION BUDGET**

**SUMMARY OF BOXING COMMISSION
GENERAL FUND - 13200**

<u>DESCRIPTIONS</u>	<u>1995-96 ACTUAL</u>	<u>1996-97 AUTHORIZED</u>	<u>1997-98 RECOMMENDED</u>	<u>1998-99 RECOMMENDED</u>
TOTAL REQUIREMENTS	\$0,000	\$185,713	\$185,550	\$185,550
RECEIPTS	\$0,000	\$17,100	\$17,100	\$17,100
GENERAL FUND APPROPRIATION	\$0,000	\$168,613	\$168,450	\$168,450
NUMBER OF POSTIONS	0	3	3	3

NC STATE BUDGET REFERENCE PAGE NUMBER: O-19 - O-20

Catalog of Publications

Following is a list of publications available from the Secretary of State Publications Division:

◆ 1996 Directory of State and County Officials

\$10.43 (in-state) mailed out

\$9.94 (out-of-state) mailed out

\$8.69 picked up

◆ 1997 *Directory of State and County Officials*

Available Summer of 1997

◆ 1993-94 *North Carolina Manual*

\$3.24 mailed out (limited number of editions available)

◆ 1995-96 *North Carolina Manual*

\$17.80 (in-state) mailed out

\$16.98 (out-of-state) mailed out

\$14.56 picked up

◆ 1997-98 *North Carolina Manual*

Available Summer of 1998

◆ 1996 *Directory of Boards and Commissions*

\$1.74 mailed out

◆ *Women of the General Assembly -- Leadership with a New Perspective*

\$1.01 mailed out

◆ 1995 *North Carolina Session Laws*

\$28.12 per two-volume set (in-state) mailed out

\$26.74 per two-volume set (out-of-state) mailed out

\$24.38 picked up

Rosa

1997 Session

**Senate Bill 352
Special Provisions
(General Government and Related)**

**Fiscal Research Division
May 6, 1997**

1 of the Senate and House Appropriations Subcommittees on Justice and Public Safety,
2 and the Fiscal Research Division of the General Assembly by December 31 each year
3 on the North Carolina Crime Victims Compensation Fund. The report shall include
4 a statement regarding:

- 5 (1) The administrative expenses of the Fund for the prior fiscal year
6 and the current fiscal year on the date of the report;
- 7 (2) The current unencumbered balance of the Fund;
- 8 (3) The amount of funds carried over from the prior fiscal year;
- 9 (4) The amount of funds received in the prior fiscal year from the
10 Department of Correction and from the compensation fund
11 established pursuant to the Victims Crime Act of 1984, 42 U.S.C. §
12 10601, et seq.;
- 13 (5) The amount of funds expected to be received in the current fiscal
14 year, as well as the amount actually received in the current fiscal
15 year on the date of the report, from the Department of Correction
16 and from the compensation fund established pursuant to the
17 Victims Crime Act of 1984, 42 U.S.C. § 10601, et seq.; and
- 18 (6) The total amount of funds paid to victims in the prior fiscal year
19 and in the current fiscal year on the date of the report.

20 21 **PART XIX. GENERAL ASSEMBLY**

22
23 Requested by: Senators Plyler, Perdue, Odom

24 **ANALYSIS OF STATE BUDGET DURING THE INTERIM**

25 Section 19. (a) The President Pro Tempore of the Senate shall authorize
26 the standing Appropriations Committees and standing Appropriations Subcommittees
27 of the Senate and the Speaker of the House of Representatives shall authorize the
28 standing Appropriations Committees and standing Appropriations Subcommittees of
29 the House of Representatives to meet separately or jointly during the interim between
30 the Regular 1997 and 1998 Sessions of the General Assembly to review matters
31 related to the State budget, the organization of State government, and any other
32 matter as they deem appropriate. The review shall include, but not be limited to, an
33 analysis of the budget of each agency to determine:

- 34 (1) The cost savings that could be realized from improvements in
35 administrative structure, practices, and procedures in State
36 agencies;
- 37 (2) Ways to increase efficiency in budgeting and use of resources; and
- 38 (3) Instances in which functions of agencies are duplicative,
39 overlapping, obsolete, incomplete in scope or coverage, or fail to
40 accomplish legislative objectives, and should be abolished,
41 transferred, or modified to accomplish cost savings.

42 (b) The President Pro Tempore of the Senate shall appoint an oversight
43 committee comprised of the Senate Appropriations Committee Chairs and one
44 member of each Senate Appropriations Subcommittee and the Speaker of the House
45 of Representatives shall appoint an oversight committee comprised of the House
46 Appropriations Committee Chairs and one member of each House Appropriations
47 Subcommittee to meet separately or jointly to oversee the work of the Appropriations
48 Committees and Subcommittees during the interim.

49
50 Requested by: Senator Perdue

51 **HEALTH CARE OVERSIGHT COMMITTEE**

52 Section 19.1. (a) Of the funds appropriated in this act to the General
53 Assembly, the sum of fifty thousand dollars (\$50,000) for the 1997-98 fiscal year and

1 the sum of fifty thousand dollars (\$50,000) for the 1998-99 fiscal year shall be
2 allocated by the Legislative Services Commission for the Joint Legislative Health
3 Care Oversight Committee established under subsection (b) of this section.

4 (b) Chapter 120 of the General Statutes is amended by adding the
5 following new Article to read:

6 "ARTICLE 12K.

7 "Joint Legislative Health Care Oversight Committee.

8 "§ 120-70.96. Creation and membership of Joint Legislative Health Care Oversight
9 Committee.

10 There is established the Joint Legislative Health Care Oversight Committee. The
11 Committee consists of 14 members as follows:

12 (1) Seven members of the Senate appointed by the President Pro
13 Tempore of the Senate, at least three of whom are members of the
14 minority party; and

15 (2) Seven members of the House of Representatives appointed by the
16 Speaker of the House of Representatives, at least three of whom
17 are members of the minority party.

18 Terms on the Committee are for two years and begin on the convening of the
19 General Assembly in each odd-numbered year, except the terms of the initial
20 members, which begin on appointment. Members may complete a term of service on
21 the Committee even if they do not seek reelection or are not reelected to the General
22 Assembly, but resignation or removal from service in the General Assembly
23 constitutes resignation or removal from service on the Committee.

24 A member continues to serve until the member's successor is appointed. A
25 vacancy shall be filled within 30 days by the officer who made the original
26 appointment.

27 "§ 120-70.97. Purpose and powers of Committee.

28 (a) The Joint Legislative Health Care Oversight Committee shall review, on a
29 continuing basis, the provision of health care and health care coverage to the citizens
30 of this State, in order to make ongoing recommendations to the General Assembly on
31 ways to improve health care for North Carolinians. To this end, the Committee shall
32 study the delivery, availability, and cost of health care in North Carolina. The
33 Committee may also study other matters related to health care and health care
34 coverage in this State.

35 (b) The Committee may make interim reports to the General Assembly on matters
36 for which it may report to a regular session of the General Assembly. A report to the
37 General Assembly may contain any legislation needed to implement a
38 recommendation of the Committee.

39 "§ 120-70.98. Organization of Committee.

40 (a) The President Pro Tempore of the Senate and the Speaker of the House of
41 Representatives shall each designate a cochair of the Joint Legislative Health Care
42 Oversight Committee. The Committee shall meet at least once a quarter and may
43 meet at other times upon the joint call of the cochairs.

44 (b) A quorum of the Committee is eight members. No action may be taken except
45 by a majority vote at a meeting at which a quorum is present. While in the discharge
46 of its official duties, the Committee has the powers of a joint committee under G.S.
47 120-19 and G.S. 120-19.1 through G.S. 120-19.4.

48 (c) Members of the Committee receive subsistence and travel expenses as
49 provided in G.S. 120-3.1. The Committee may contract for consultants or hire
50 employees in accordance with G.S. 120-32.02. The Legislative Services Commission,
51 through the Legislative Services Officer, shall assign professional staff to assist the
52 Committee in its work. Upon the direction of the Legislative Services Commission,
53 the Supervisors of Clerks of the Senate and of the House of Representatives shall

1 assign clerical staff to the Committee. The expenses for clerical employees shall be
2 borne by the Committee."

3
4 **PART XX. OFFICE OF THE GOVERNOR**

5
6 Requested by: Senator Martin of Pitt

7 **HOME PROGRAM MATCHING FUNDS**

8 Section 20. (a) Funds appropriated in this act to the Housing Finance
9 Agency for the federal HOME Program shall be used to match federal funds
10 appropriated for the HOME Program. In allocating State funds appropriated to
11 match federal HOME Program funds, the Agency shall give priority to HOME
12 Program projects, as follows:

- 13 (1) First priority to projects that are located in counties designated as
14 severely distressed counties under G.S. 105-130.40(c) or G.S. 105-
15 151.17(c); and
16 (2) Second priority to projects that benefit persons and families whose
17 incomes are fifty percent (50%) or less of the median family
18 income for the local area, with adjustments for family size,
19 according to the latest figures available from the U.S. Department
20 of Housing and Urban Development.

21 The Housing Finance Agency shall report to the Joint Legislative
22 Commission on Governmental Operations by April 1 of each year concerning the
23 status of the HOME Program and shall include in the report information on priorities
24 met, types of activities funded, and types of activities not funded.

25 (b) If the United States Congress changes the HOME Program such that
26 matching funds are not required for a given program year, then the Agency shall not
27 spend the matching funds appropriated under this act for that program year.

28 (c) Funds appropriated in this act to match federal HOME Program
29 funds shall not revert to the General Fund on June 30, 1998, or on June 30, 1999.

30
31 Requested by: Senators Odom, Perdue, Plyler, Conder, Jordan

32 **FIRE PROTECTION GRANT FUNDS**

33 Section 20.1. (a) Chapter 58 of the General Statutes is amended by
34 adding a new Article to read:

35 **"ARTICLE 85A.**

36 **"State Fire Protection Grant Fund.**

37 **"§ 58-85A-1. Creation of Fund; allocation to local fire districts and political**
38 **subdivisions of the State.**

39 (a) There is created in the Office of State Budget and Management the State Fire
40 Protection Grant Fund. The purpose of the Fund is to compensate local fire districts
41 and political subdivisions of the State for providing local fire protection to State-
42 owned buildings and their contents.

43 (b) The Office of State Budget and Management shall develop and implement an
44 equitable and uniform statewide method for distributing any funds to the State's local
45 fire districts and political subdivisions.

46 Upon the request of the Director of the Budget, the Department of Insurance shall
47 provide the Office of State Budget and Management all information necessary to
48 develop and implement the formula.

49 (c) It is the intent of the General Assembly to appropriate annually to the State
50 Fire Protection Grant Fund at least three million eighty thousand dollars (\$3,080,000)
51 from the General Fund, one hundred fifty thousand dollars (\$150,000) from the
52 Highway Fund, and nine hundred seventy thousand dollars (\$970,000) from
53 University of North Carolina receipts to the State Fire Protection Fund. Funds

1 received from the General Fund shall be allocated only for providing local fire
2 protection for State-owned property supported by the General Fund; funds received
3 from the Highway Fund shall be allocated only for providing local fire protection for
4 State-owned property supported by the Highway Fund; and funds received from
5 University of North Carolina receipts shall be allocated only for providing local fire
6 protection for State-owned property supported by University of North Carolina
7 receipts."

8 (b) G.S. 143-3.7 is repealed.

9 (c) Of the funds appropriated from the General Fund to the Office of
10 State Budget and Management, the sum of three million eighty thousand dollars
11 (\$3,080,000) for the 1997-98 fiscal year and the sum of three million eighty thousand
12 dollars (\$3,080,000) for the 1998-99 fiscal year shall be used for the State Fire
13 Protection Grant Fund.

14 (d) Of the funds appropriated from the Highway Fund to the Office of
15 State Budget and Management, the sum of one hundred fifty thousand dollars
16 (\$150,000) for the 1997-98 fiscal year and the sum of one hundred fifty thousand
17 dollars (\$150,000) for the 1998-99 fiscal year shall be used for the State Fire
18 Protection Grant Fund.

19 (e) Of the funds available to The University of North Carolina from
20 federal receipts, the sum of nine hundred seventy thousand dollars (\$970,000) for the
21 1997-98 fiscal year and the sum of nine hundred seventy thousand dollars (\$970,000)
22 for the 1998-99 fiscal year shall be transferred to the State Fire Protection Grant
23 Fund for the State Fire Protection Grant Fund.

24 25 **PART XXI. DEPARTMENT OF SECRETARY OF STATE**

26
27 Requested by: Senator Warren

28 **INFORMATION RESOURCES MANAGEMENT COMMISSION**

29 Section 21. (a) Effective July 1, 1997, G.S. 143B-426.21(a) reads as
30 rewritten:

31 "(a) Creation; Membership. -- The Information Resource Management
32 Commission is created in the Office of the State Controller. The Commission consists
33 of the following members:

- 34 (1) Four members of the Council of State, appointed by the Governor.
- 35 (1a) The Secretary of State.
- 36 (2) The Secretary of Administration.
- 37 (3) The State Budget Officer.
- 38 (4) Two members of the Governor's cabinet, appointed by the
39 Governor.
- 40 (5) One citizen of the State of North Carolina with a background in
41 and familiarity with information systems or telecommunications,
42 appointed by the General Assembly upon the recommendation of
43 the President Pro Tempore of the Senate in accordance with G.S.
44 120-121.
- 45 (6) One citizen of the State of North Carolina with a background in
46 and familiarity with information systems or telecommunications,
47 appointed by the General Assembly upon the recommendation of
48 the Speaker of the House of Representatives in accordance with
49 G.S. 120-121.
- 50 (7) The Chair of the Governor's Committee on Data Processing and
51 Information Systems.
- 52 (8) The Chair of the State Information Processing Services Advisory
53 Board.

(9) The Chair of the Criminal Justice Information Network Governing Board.

Members of the Commission shall not be employed by or serve on the board of directors or other corporate governing body of any information systems, computer hardware, computer software, or telecommunications vendor of goods and services to the State of North Carolina.

The two initial cabinet members appointed by the Governor and the two initial citizen members appointed by the General Assembly shall each serve a term beginning September 1, 1992, and expiring on June 30, 1995. Thereafter, their successors shall be appointed for four-year terms, commencing July 1. Members of the Governor's cabinet shall be disqualified from completing a term of service of the Commission if they are no longer cabinet members.

The appointees by the Governor from the Council of State shall each serve a term beginning on September 1, 1992, and expiring on June 30, 1993. Thereafter, their successors shall be appointed for four-year terms, commencing July 1. Members of the Council of State shall be disqualified from completing a term of service on the Commission if they are no longer members of the Council of State.

Vacancies in the two legislative appointments shall be filled as provided in G.S. 120-122.

The Commission chair shall be elected in the first meeting of each calendar year from among the appointees of the Governor from the Council of State and shall serve a term of one year. The Secretary of Administration shall be secretary to the Commission.

No member of the Information Resource Management Commission shall vote on an action affecting solely his or her own State agency."

(b) This section expires June 30, 2001.

PART XXII. DEPARTMENT OF STATE AUDITOR

Requested by: Senators Plyler, Perdue, Odom

ADVICE OF GOVERNMENTAL OPERATIONS ON PRIORITIZING REQUESTS FOR ASSISTANCE

Section 22. G.S. 147-64.5(b) reads as rewritten:

"(b) Requests for Auditor Assistance. -- Committees of the General Assembly, the Governor, and other State officials may make written requests that the Auditor undertake, to the extent deemed practicable and within the resources provided, a specific audit or investigation; provide technical assistance and advice; and provide recommendations on management systems, finance, accounting, auditing, and other areas of management interest. The Auditor may request the advice of the Joint Legislative Commission on Governmental Operations in prioritizing these requests and in determining whether the requests are practicable and can be undertaken within the resources provided."

Requested by: Senators Plyler, Perdue, Odom

PERFORMANCE AUDIT OF SIPS

Section 22.1. The State Auditor shall conduct a performance audit of State Information Processing Services (SIPS). In conducting the audit, the State Auditor shall consider the growth in the number of SIPS employees, the distribution of work within SIPS, increases in employees' salaries, use of SIPS receipts, and all other indicators of cost of services in relation to service delivery. The State Auditor shall report the results of this audit to the Joint Legislative Commission on Governmental Operations prior to April 15, 1998.

1 **PART XXIII. DEPARTMENT OF INSURANCE**

2
3 Requested by: Senator Warren

4 **CONSTRUCTION CODE RECEIPTS**

5 Section 23. Departmental receipts realized by the Department of
6 Insurance in excess of amounts approved for expenditure by the General Assembly,
7 as adjusted by the Office of State Budget and Management to reflect the distribution
8 of statewide reserves, shall revert to the General Fund at the end of each fiscal year.
9 This section shall not apply to receipts realized by the Department from the sale of
10 copies of the State construction code if the receipts are used for the purchase of
11 copies of the code for sale to the public, except that unspent construction code
12 receipts shall revert to the General Fund at the end of each fiscal year.
13

14 Requested by: Senator Warren

15 **EXPAND USE OF INSURANCE REGULATORY FUND**

16 Section 23.1. G.S. 58-6-25(d) reads as rewritten:

17 "(d) Use of Proceeds. -- The Insurance Regulatory Fund is created in the State
18 treasury, under the control of the Office of State Budget and Management. The
19 proceeds of the charge levied in this section and all fees collected under Articles 69
20 through 71 of this Chapter and under Articles 9 and 9C of Chapter 143 of the
21 General Statutes shall be credited to the Fund. The Fund shall be placed in an
22 interest-bearing account and any interest or other income derived from the Fund
23 shall be credited to the Fund. Moneys in the Fund may be spent only pursuant to
24 appropriation by the General Assembly and in accordance with the line item budget
25 enacted by the General Assembly. The Fund is subject to the provisions of the
26 Executive Budget Act, except that no unexpended surplus of the Fund shall revert to
27 the General Fund. All money credited to the Fund shall be used to reimburse the
28 General Fund for the following:

- 29 (1) Money appropriated to the Department of Insurance to pay its
30 expenses incurred in regulating the insurance industry and other
31 industries in this State.
32 (2) Money appropriated to State agencies to pay the expenses incurred
33 in regulating the insurance industry, in certifying statewide data
34 processors under Article 11A of Chapter 131E of the General
35 Statutes, and in purchasing reports of patient data from statewide
36 data processors certified under that Article.
37 (3) Money appropriated to the Department of Revenue to pay the
38 expenses incurred in collecting and administering the taxes on
39 insurance companies levied in Article 8B of Chapter 105 of the
40 General Statutes."
41

42 **PART XXIV. DEPARTMENT OF ADMINISTRATION**

43
44 Requested by: Senators Perdue, Plyler, Odom

45 **COMBINE PROGRAMS TO HELP WOMEN AND CHILDREN**

46 Section 24. The Office of State Budget and Management shall study the
47 feasibility of consolidating the budgets and services and the administration of federal
48 and State grants for domestic violence programs and rape crisis programs in the
49 State, including those programs currently administered by the Council for Women,
50 Department of Administration, the Governor's Crime Commission, Department of
51 Crime Control and Public Safety, and the Division of Social Services, Department of
52 Human Resources. This study shall include an analysis of the feasibility of combining
53 budgets and services of the NC Council for Women (Fund 1731), the Domestic

1 Violence Program (Fund 1781), the Domestic Violence Center (Fund 1782), the
2 Displaced Homemakers Program (Fund 1732), and the Rape Crisis Program (Fund
3 1734) and an analysis of ways to promote more efficient and effective coordination of
4 resources and services at the State and local levels. The Office of State Budget and
5 Management shall report the findings and recommendations of the study to the House
6 and Senate Appropriations Subcommittees on General Government and the Fiscal
7 Research Division by March 31, 1998.

8
9 Requested by: Senator Warren

10 **PROCUREMENT CARD PILOT PROGRAM**

11 Section 24.1. (a) Except as provided by this section, no State agency,
12 community college, constituent institution of The University of North Carolina, or
13 local school administrative unit shall use procurement cards for the purchase of
14 equipment or supplies prior to July 1, 1998.

15 (b) The Secretary of Administration shall designate not more than 15
16 governmental entities to participate in a pilot program on the purchase of supplies
17 and equipment by procurement card. Those designated shall represent a cross-
18 section of governmental entities and shall include at least one State agency, one
19 community college, two constituent institutions of The University of North Carolina,
20 and one local school administrative unit.

21 (c) The Division of Purchase and Contract and the State Controller shall
22 report to the Joint Legislative Commission on Governmental Operations on March 1,
23 1998, on this pilot program. The report shall include estimates from the pilot
24 program of how many purchasing and accounts payable personnel hours could be
25 saved or redirected or both as a result of the procurement card, and the impact of the
26 procurement card on accounting and budgeting records and on purchasing history
27 records. The report shall also include a discussion of the effect of the procurement
28 card on the State's ability to track both out-of-state sales taxes and North Carolina
29 State and local sales tax payments by county. Finally, the report shall include a
30 discussion of any other costs and benefits of the procurement card.

31 (d) This section does not affect contracts for procurement cards entered
32 into prior to March 31, 1997.

33
34 Requested by: Senator Warren

35 **STATE HEALTH PLAN PURCHASING ALLIANCE BOARD OPERATING FUNDS**
36 **REVERT**

37 Section 24.2. (a) G.S. 143-635(c) reads as rewritten:

38 "~~(c) Moneys appropriated by the General Assembly shall be deposited in the Fund~~
39 ~~and shall become part of the continuation budget of the Department of~~
40 ~~Administration for operations of the State Health Plan Purchasing Alliance Board~~
41 ~~shall not be part of the State Health Plan Purchasing Alliance Fund."~~

42 (b) The sum of six hundred forty-eight thousand seven hundred eighteen
43 dollars (\$648,718) for the 1996-97 fiscal year shall be transferred from the State
44 Health Plan Purchasing Alliance Fund to the General Fund.

45 (c) All monies for operations of the State Health Plan Purchasing
46 Alliance Board unexpended at the end of the 1996-97 fiscal year shall revert to the
47 General Fund.

48 (d) This section becomes effective June 30, 1997.

49
50 Requested by: Senator Warren

51 **GOVERNOR'S ADVOCACY COUNCIL FOR PERSONS WITH DISABILITIES**

52 Section 24.3. The Department of Human Resources shall continue to
53 provide the current office space for the four regional offices of the Governor's

1 Advocacy Council for Persons with Disabilities or office space that is comparable to
2 that now used by the Council.

3

4 Requested by: Senator Warren

5 **FEEES FOR USE OF STATE-OWNED OFFICE SPACE**

6 Section 24.4. G.S. 143-342.1 reads as rewritten:

7 "**§ 143-342.1. State-owned office space; fees for use by self-supporting agencies.**

8 The Department shall determine equitable fees for the use of State owned and
9 operated office space, and it shall assess the Department of State Treasurer, the
10 Department of Insurance, and all self-supporting agencies using any of this office
11 space for payment of these fees. For the purposes of this section, self-supporting
12 agencies are those agencies designated by the Director of the Budget as being
13 primarily funded from sources other than State appropriations. Fees assessed under
14 this section shall be paid to the General Fund."

15

16 Requested by: Senator Warren

17 **PARKING REVENUES**

18 Section 24.5. The Secretary of Administration may use funds from
19 parking revenues that are in excess of parking system expense requirements to fund
20 the fifteen dollar (\$15.00) per month subsidies for vanpools and transit passes.

21

22 **PART XXV. OFFICE OF STATE CONTROLLER**

23

24 Requested by: Senator Warren

25 **NORTH CAROLINA INFORMATION HIGHWAY**

26 Section 25. (a) The funds appropriated in this act to the Office of State
27 Controller for the operation of the North Carolina Information Highway shall be used
28 only for costs incurred by the Office of State Controller related to the operations and
29 support of the North Carolina Information Highway. No funds appropriated in this
30 act shall be expended to pay Minimum Monthly usage charges for North Carolina
31 Information Highway Services.

32 (b) Of the funds appropriated to the Office of State Controller for the
33 North Carolina Information Highway (NCIH), an amount not to exceed five hundred
34 thousand dollars (\$500,000) for fiscal year 1997-98 shall be used to support long
35 distance capacity and provide for the establishment of regional hubs in each of the
36 seven Local Access Transport Areas (LATAs) in North Carolina. The remaining
37 funds shall be used to help defray the costs of existing NCIH sites except those
38 located at university sites other than East Carolina University academic affairs
39 campus. Any savings accrued shall be placed in reserve in the Office of State
40 Controller for consideration by the 1997 General Assembly at its session in 1998.

41 (c) In the interim, the Office of State Controller is encouraged to
42 consider new technologies and capabilities as a means of providing NCIH users access
43 to information and resources. The Office of State Controller shall report to the
44 General Assembly in 1998 before the reconvening of the Regular Session on its
45 findings.

46 (d) The State Controller shall report quarterly to the Joint Legislative
47 Commission on Governmental Operations regarding the costs incurred by the Office
48 of State Controller related to the operations and support of the North Carolina
49 Information Highway and the savings placed in reserve in the Office of State
50 Controller.

51

52 Requested by: Senators Rand, Plyler, Perdue, Odom

53 **FUNDS FOR YEAR 2000 CONVERSION OF THE STATE'S COMPUTER SYSTEM**

1 Section 25.1. (a) The Office of State Controller shall include in its
2 charges for data processing services costs of converting computer applications to
3 operate properly at the turn of the century. The State Controller shall develop
4 procedures for managing the year 2000 conversion.

5 (b) The State Controller shall analyze the needs of State agencies for
6 funds to convert their systems. In the course of the analysis, the State Controller shall
7 consider an agency's need for each system it wishes to convert and the most cost-
8 effective manner in which to manage conversion. The State Controller shall certify
9 to the Office of State Budget and Management the cost of each State agency for the
10 year 2000 conversion.

11 (c) The Director of the Budget may use up to twenty million dollars
12 (\$20,000,000 of projected 1997-98 General Fund reversions to cover the cost of the
13 year 2000 conversion in General Fund agencies during the 1997-98 fiscal year.

14 (d) Beginning October 1, 1997, and quarterly thereafter, the Office of
15 State Controller shall report to the Joint Legislative Commission on Governmental
16 Operations on the status of the conversion and cost projections.

18 PART XXVI. DEPARTMENT OF REVENUE

20 Requested by: Senator Warren

21 STUDY REVENUE'S STAFF REQUIREMENTS

22 Section 26. The Office of State Budget and Management, Management
23 and Productivity Unit, shall continue work on the assessment of the Department of
24 Revenue's staff requirements initiated pursuant to Section 15.6 of Chapter 18 of the
25 Session Laws, Second Extra Session 1996. In the final phase of the study, the Office
26 of State Budget and Management shall review workload requirements and make
27 specific recommendations about staffing for the Department. The Office of State
28 Budget and Management shall make a final report to the House and Senate
29 Appropriations Subcommittees on General Government and the Fiscal Research
30 Division of the General Assembly by March 31, 1998, on the results. Prior to March
31 31, 1998, the Department of Revenue shall report to the Joint Legislative Commission
32 on Governmental Operations before creating any new personnel positions.

34 Requested by: Senator Warren

35 EXTEND AND MODIFY PORTS TAX CREDIT

36 Section 26.1. (a) Section 4 of Chapter 977 of the 1991 Session Laws, as
37 amended by Section 3 of Chapter 495 of the 1995 Session Laws, reads as rewritten:

38 "Sec. 4. This act is effective for taxable years beginning on or after March 1, 1992,
39 and ending on or before February 28, ~~1998~~. 2001."

40 (b) Section 4 of Chapter 681 of the 1993 Session Laws, as amended by
41 Section 17 of Chapter 17 of the 1995 Session Laws and by Section 4 of Chapter 495
42 of the 1995 Session Laws, reads as rewritten:

43 "Sec. 4. This act is effective for taxable years beginning on or after January 1,
44 1994, and ending on or before February 28, ~~1998~~. 2001."

45 (c) G.S. 105-130.41(b) reads as rewritten:

46 "(b) Limitations. -- This credit may not exceed fifty percent (50%) of the amount
47 of tax imposed by this Division for the taxable year reduced by the sum of all credits
48 allowable, except tax payments made by or on behalf of the corporation. Any unused
49 portion of the credit may be carried forward for the succeeding five years. The
50 maximum cumulative credit that may be claimed by a corporation under this section
51 is ~~one two~~ million dollars (~~\$1,000,000~~). (\$2,000,000)."

52 (d) G.S. 105-151.22(b) reads as rewritten:

"(b) Limitations. -- This credit may not exceed fifty percent (50%) of the amount of tax imposed by this Division for the taxable year reduced by the sum of all credits allowable, except tax payments made by or on behalf of the taxpayer. Any unused portion of the credit may be carried forward for the succeeding five years. The maximum cumulative credit that may be claimed by a taxpayer under this section is ~~one two~~ million dollars ~~(\$1,000,000)- (\$2,000,000).~~"

(e) Subsections (c) and (d) of this section are effective for taxable years beginning on or after January 1, 1998. The remainder of this section is effective for taxable years beginning on or after January 1, 1997.

Requested by: Senators Plyler, Perdue, Odom

ALLOW CORPORATE ANNUAL REPORTS TO BE FILED WITH DEPARTMENT OF REVENUE AND TO EXTEND TIME FOR REINSTATEMENT AFTER ADMINISTRATIVE DISSOLUTION

Section 26.2. (a) G.S. 55-14-22(a) reads as rewritten:

"(a) A corporation administratively dissolved under G.S. 55-14-21 may apply to the Secretary of State for reinstatement ~~within two years~~ not later than five years after the effective date of dissolution. The application must:

(1) Recite the name of the corporation and the effective date of its administrative dissolution; and

(2) State that the ground or grounds for dissolution either did not exist or have been eliminated.

(3) Reserved.

(4) Repealed by Session Laws 1995, c. 539, s. 6."

(b) G.S. 55A-14-22(a) reads as rewritten:

"(a) A corporation administratively dissolved under G.S. 55A-14-21 may apply to the Secretary of State for reinstatement ~~within two years~~ not later than five years after the effective date of dissolution. The application shall:

(1) Recite the name of the corporation and the effective date of its administrative dissolution; and

(2) State that the ground or grounds for dissolution either did not exist or have been eliminated."

(c) G.S. 57C-6-03(c) reads as rewritten:

"(c) A limited liability company administratively dissolved under this section may apply to the Secretary of State for reinstatement ~~within two years~~ not later than five years after the effective date of the administrative dissolution. The procedures for reinstatement and for the appeal of any denial of the limited liability company's application for reinstatement shall be the same procedures applicable to business corporations under G.S. 55-14-22, 55-14-23, and 55-14-24."

(d) G.S. 55-16-22 reads as rewritten:

"§ 55-16-22. Annual report for Secretary of State report.

(a) ~~Each~~ Except as provided in subsections (a1) and (a2) of this section, each domestic corporation ~~except those governed by Chapter 55B, and each foreign corporation authorized to transact business in this State, State shall deliver to the Secretary of State for filing an annual report that sets forth: an annual report to the Secretary of Revenue.~~

(a1) Each insurance company subject to the provisions of Chapter 58 of the General Statutes shall deliver an annual report to the Secretary of State.

(a2) A domestic corporation governed by Chapter 55B of the General Statutes is exempt from this section.

(a3) The annual report required by this section shall be in a form jointly prescribed by the Secretary of Revenue and the Secretary of State. The Secretary of

1 Revenue shall provide the form needed to file an annual report. The annual report
2 shall set forth all of the following:

- 3 (1) The name of the corporation and the state or country under whose
4 law it is ~~incorporated~~; incorporated.
5 (2) The street address, and the mailing address if different from the
6 street address, of the registered office, the county in which its
7 registered office is located, and the name of its registered agent at
8 that office in this State, and a statement of any change of such
9 registered office or registered agent, or ~~both~~; both.
10 (3) The address and telephone number of its principal ~~office~~; office.
11 (4) The names, titles, and business addresses of its principal ~~officers~~;
12 officers.
13 (4a) ~~The names and business addresses of its directors; and~~
14 (5) A brief description of the nature of its business.

15 If the information contained in the most recently filed annual report has not changed,
16 a certification to that effect may be made instead of setting forth the information
17 required by subdivisions (2) through (5) of this subsection.

18 (b) Information in the annual report must be current as of the date the annual
19 report is executed on behalf of the corporation.

20 (c) ~~The annual report shall be delivered to the Secretary of State each year within~~
21 ~~60 days immediately following the last day of the month in which the domestic~~
22 ~~corporation was incorporated or the foreign corporation received a certificate of~~
23 ~~authority in this State. Forms required for the filing of the annual report shall be~~
24 ~~mailed by the Secretary of State to the domestic or foreign corporation at its~~
25 ~~registered office for the first annual report, then to its principal office for subsequent~~
26 ~~annual reports. An annual report required to be delivered to the Secretary of~~
27 Revenue is due by the due date for filing the corporation's income and franchise tax
28 returns. An extension of time to file a return is an extension of time to file an annual
29 report. An annual report required to be delivered to the Secretary of State is due by
30 the fifteenth day of the third month following the close of the corporation's fiscal
31 year.

32 (d) If an annual report does not contain the information required by this section,
33 the Secretary of State shall promptly notify the reporting domestic or foreign
34 corporation in writing and return the report to it for correction. If the report is
35 corrected to contain the information required by this section and delivered to the
36 Secretary of State within 30 days after the effective date of notice, it is deemed to be
37 timely filed.

38 (e) Amendments to any previously filed annual report may be filed with the
39 Secretary of State at any time for the purpose of correcting, updating, or augmenting
40 the information contained in ~~such~~ the annual report.

41 (f) Expired.

42 (g) When a statement of change of registered office or registered agent is filed in
43 the annual report, the change shall become effective when the statement is received
44 by the Secretary of State.

45 (h) If the Secretary of State does not receive an annual report within 120 days of
46 the date the return is due, the Secretary of State may presume that the annual report
47 is delinquent. This presumption may be rebutted by receipt of the annual report
48 from the Secretary of Revenue or by evidence of delivery presented by the filing
49 corporation."

50 (e) G.S. 55-1-21(a) reads as rewritten:

51 "(a) The Secretary of State may promulgate and furnish on request forms ~~for~~ for
52 the following:

- 53 (1) An application for a certificate of ~~existence~~; existence.

- 1 (2) A foreign corporation's application for a certificate of authority to
2 transact business in this ~~State;~~ State.
- 3 (3) A foreign corporation's application for a certificate of ~~withdrawal;~~
4 ~~and withdrawal.~~
- 5 (4) ~~The annual report.~~
- 6 If the Secretary of State so requires, use of these forms is mandatory."
- 7 (f) G.S. 55-1-28(b)(4) reads as rewritten:
- 8 "(4) That its most recent annual report required by G.S. 55-16-22 has
9 either been delivered to the Secretary of State; State or is not
10 delinquent."
- 11 (g) G.S. 55-14-20(2) reads as rewritten:
- 12 "(2) The corporation ~~does not deliver its annual report to the Secretary~~
13 ~~of State within 60 days after it is due; is delinquent in delivering its~~
14 annual report."
- 15 (h) G.S. 55-15-30(a)(1) reads as rewritten:
- 16 "(1) The foreign corporation ~~does not deliver its annual report to the~~
17 ~~Secretary of State within 60 days after it is due; is delinquent in~~
18 delivering its annual report."
- 19 (i) G.S. 55-16-01(e)(7) reads as rewritten:
- 20 "(7) Its most recent annual report delivered ~~to the Secretary of State~~
21 under as required by G.S. 55-16-22."
- 22 (j) G.S. 57C-2-23 reads as rewritten:
- 23 "**§ 57C-2-23. Annual report for Secretary of State.**
- 24 (a) Each domestic limited liability company and each foreign limited liability
25 company authorized to transact business in this State; shall deliver to the Secretary of
26 State for filing an annual report report, in a form jointly prescribed by the Secretary
27 of Revenue and Secretary of State, that sets forth: forth all of the following:
- 28 (1) The name of the limited liability or foreign limited liability
29 company and the state or country under whose law it is ~~organized;~~
30 organized.
- 31 (2) The street address, and the mailing address if different from the
32 street address, of the registered office, the county in which the
33 registered office is located, and the name of its registered agent at
34 that office in this State, and a statement of any change of the
35 registered office or registered agent, or ~~both; both.~~
- 36 (3) The address and telephone number of its principal ~~office; office.~~
- 37 (4) The names and business addresses of its ~~managers; and managers.~~
- 38 (5) A brief description of the nature of its business.
- 39 If the information contained in the most recently filed annual report has not changed,
40 a certification to that effect may be made instead of setting forth the information
41 required by subdivisions (2) through (5) of this subsection. The Secretary of State
42 shall make available the form required to file an annual report.
- 43 (b) Information in the annual report must be current as of the date the annual
44 report is executed on behalf of the limited liability company or the foreign limited
45 liability company.
- 46 (c) The annual report shall be delivered to the Secretary of State ~~each year within~~
47 ~~60 days immediately following the last day of the month in which the domestic~~
48 ~~limited liability company was organized or the foreign limited liability company~~
49 ~~received a certificate of authority in this State. Forms required for the filing of the~~
50 ~~annual report shall be mailed by the Secretary of State to the domestic or foreign~~
51 ~~limited liability company at its registered office for the first annual report, and then~~
52 ~~to its principal office for subsequent annual reports. by the fifteenth day of the fourth~~
53 month following the close of the limited liability company's fiscal year.

(d) If an annual report does not contain the information required by this section, the Secretary of State shall promptly notify the reporting domestic or foreign limited liability company in writing and return the report to it for correction. If the report is corrected to contain the information required by this section and delivered to the Secretary of State within 30 days after the effective date of notice, it is deemed to be timely filed.

(e) Amendments to any previously filed annual report may be filed with the Secretary of State at any time for the purpose of correcting, updating, or augmenting the information contained in the annual report."

(k) G.S. 57C-3-25(a) reads as rewritten:

"(a) Any person dealing with a limited liability company or a foreign limited liability company may rely conclusively upon its most recent annual report and any ~~amendments thereto filed with~~ to it on file with the Secretary of State ~~pursuant to G.S. 57C-2-23~~ as to the identity of its managers, except to the extent the person has actual knowledge that a person identified therein as a manager is not a manager."

(l) G.S. 105-259 reads as rewritten:

"§ 105-259. Secrecy required of officials; penalty for violation.

(a) Definitions. -- The following definitions apply in this section:

(1) Employee or officer. -- The term includes a former employee, a former officer, and a current or former member of a State board or commission.

(2) Tax information. -- Any information from any source concerning the liability of a taxpayer for a tax, as defined in G.S. 105-228.90. The term includes the following:

- a. Information contained on a tax return, a tax report, or an application for a license for which a tax is imposed.
- b. Information obtained through an audit of a taxpayer or by correspondence with a taxpayer.
- c. Information on whether a taxpayer has filed a tax return or a tax report.
- d. A list or other compilation of the names, addresses, social security numbers, or similar information concerning taxpayers.

The term does not include (i) statistics classified so that information about specific taxpayers cannot be identified or (ii) identified, (ii) an annual report required to be filed under G.S. 55-16-22 or (iii) information submitted to the Business License Information Office of the Department of Secretary of State on a master application form for various business licenses.

(b) Disclosure Prohibited. -- An officer, an employee, or an agent of the State who has access to tax information in the course of service to or employment by the State may not disclose the information to any other person unless the disclosure is made for one of the following purposes:

- (1) To comply with a court order or a law.
- (2) Review by the Attorney General or a representative of the Attorney General.
- (3) Review by a tax official of another state or the Internal Revenue Commissioner of the United States to aid the state or the Commissioner in collecting a tax imposed by this State, the other state, or the United States if the laws of the other state or the United States allow the state or the United States to provide similar tax information to a representative of this State.

- 1 (4) To provide a governmental agency or an officer of an organized
2 association of taxpayers with a list of taxpayers who have paid a
3 privilege license tax under Article 2 of this Chapter.
- 4 (5) To furnish to the chair of a board of county commissioners
5 information on the county sales and use tax.
- 6 (6) To sort, process, or deliver tax information on behalf of the
7 Department of Revenue.
- 8 (6a) To furnish the chair of a board of county commissioners a list of
9 claimants that have received a refund of the county sales or use tax
10 to the extent authorized in G.S. 105- 164.14(f).
- 11 (7) To exchange information with the Division of Motor Vehicles of
12 the Department of Transportation when the information is needed
13 to fulfill a duty imposed on the Department of Revenue or the
14 Division of Motor Vehicles.
- 15 (8) To furnish to the Department of State Treasurer, upon request, the
16 name, address, and account and identification numbers of a
17 taxpayer who may be entitled to property held in the Escheat
18 Fund.
- 19 (9) To furnish to the Employment Security Commission the name,
20 address, and account and identification numbers of a taxpayer
21 when the information is requested by the Commission in order to
22 fulfill a duty imposed under Article 2 of Chapter 96 of the General
23 Statutes.
- 24 (10) Review by the State Auditor to the extent authorized in G.S. 147-
25 64.7.
- 26 (11) To give a spouse who elects to file a joint tax return a copy of the
27 return or information contained on the return.
- 28 (11a) To provide a copy of a return to the taxpayer who filed the
29 return.
- 30 (11b) In the case of a return filed by a corporation, a partnership, a
31 trust, or an estate, to provide a copy of the return or information
32 on the return to a person who has a material interest in the
33 return if, under the circumstances, section 6103(e)(1) of the Code
34 would require disclosure to that person of any corresponding
35 federal return or information.
- 36 (11c) In the case of a return of an individual who is legally incompetent
37 or deceased, to provide a copy of the return to the legal
38 representative of the estate of the incompetent individual or
39 decedent.
- 40 (12) To contract with a financial institution for the receipt of withheld
41 income tax payments under G.S. 105-163.6 or for the transmittal
42 of payments by electronic funds transfer.
- 43 (13) To furnish the Fiscal Research Division of the General Assembly,
44 upon request, a sample, suitable in character, composition, and
45 size for statistical analyses, of tax returns or other tax information
46 from which taxpayers' names and identification numbers have
47 been removed.
- 48 (14) To exchange information concerning a tax imposed by
49 Subchapter V of this Chapter with the Standards Division of the
50 Department of Agriculture when the information is needed to
51 administer the Gasoline and Oil Inspection Act, Article 3 of
52 Chapter 119 of the General Statutes.

- (15) To exchange information concerning a tax imposed by Articles 2A, 2B, 2C, or 2D of this Chapter with one of the following agencies when the information is needed to fulfill a duty imposed on the agency:
- The North Carolina Alcoholic Beverage Control Commission.
 - The Division of Alcohol Law Enforcement of the Department of Crime Control and Public Safety.
 - The Bureau of Alcohol, Tobacco, and Firearms of the United States Treasury Department.
- (16) To furnish to the Department of Secretary of State the name, address, tax year end, and account and identification numbers of a corporation liable for corporate income or franchise taxes or of a limited liability company liable for a corporate or a partnership tax return to enable the Secretary of State to notify the corporation or the limited liability company of the annual report filing requirement or that its articles of incorporation or articles of organization or its certificate of authority has been suspended.
- (17) To inform the Business License Information Office of the Department of Secretary of State of the status of an application for a license for which a tax is imposed and of any information needed to process the application.
- (18) To furnish to the Office of the State Controller the name, address, and account and identification numbers of a taxpayer upon request to enable the State Controller to verify statewide vendor files or track debtors of the State.
- (19) To furnish to the North Carolina Industrial Commission information concerning workers' compensation reported to the Secretary under G.S. 105-163.7.

(c) Punishment. -- A person who violates this section is guilty of a Class 1 misdemeanor. If the person committing the violation is an officer or employee, that person shall be dismissed from public office or public employment and may not hold any public office or public employment in this State for five years after the violation."

(m) Subsections (a), (b), (c) and (l) of this section become effective July 1, 1997. The remainder of this section becomes effective January 1, 1998, and applies to tax years ending on or after December 31, 1997, in the case of corporations required to file annual reports with the Secretary of Revenue and to fiscal years ending on or after December 31, 1997, in the case of corporations and limited liability companies required to file annual reports with the Secretary of State.

Annual reports delivered to either the Secretary of State or the Secretary of Revenue after December 31, 1997, but before January 1999, shall nevertheless be deemed filed with the correct State agency. The Secretary of State shall notify the Secretary of Revenue of reports erroneously filed with the Secretary of State, and the Secretary of Revenue shall notify the Secretary of State of reports erroneously filed with the Secretary of Revenue.

PART XXVII. DEPARTMENT OF CULTURAL RESOURCES

Requested by: Senator Warren

DEPARTMENT OF CULTURAL RESOURCES RETAIN HISTORICAL PUBLICATIONS RECEIPTS

Section 27. The Historical Publications Section, Division of Archives and History, Department of Cultural Resources, may retain the receipts, including

1 over-realized receipts, from the sale of its publications during each year of the 1997-
2 99 biennium. The receipts from the sale of those publications retained by the
3 Historical Publications Section shall not revert, but shall be used to reprint the
4 publications.

5
6 Requested by: Senator Warren

7 **MODIFY THE AREAS OF RESPONSIBILITY OF THE ROANOKE ISLAND**
8 **COMMISSION**

9 Section 27.1. G.S. 143B-131.2(b)(1) reads as rewritten:

10 "(1) To advise the Secretary of Transportation and adopt rules on
11 matters pertaining to, affecting, and encouraging restoration,
12 preservation, and enhancement of the appearance, maintenance,
13 and aesthetic quality of U.S. Highway 64/264 and the U.S. 64/264
14 Bypass and N.C. 400 travel corridors on Roanoke Island and the
15 grounds on ~~Ice Plant Island~~ Roanoke Island Festival Park."

16
17 Requested by: Senator Warren

18 **TRANSFER FIRST FLIGHT CENTENNIAL COMMISSION TO DOT**

19 Section 27.2. (a) The First Flight Centennial Commission, described in
20 Article 67 of Chapter 143 of the General Statutes, is transferred from the Department
21 of Cultural Resources to the Department of Transportation, Division of Aviation.
22 This transfer shall have all of the elements of a Type II transfer, as that term is
23 defined in G.S. 143-6(b).

24 (b) G.S. 143-640 reads as rewritten:

25 "(a) Establishment. -- There is established the First Flight Centennial Commission.
26 The Commission shall be located within the Department of ~~Cultural Resources~~
27 Transportation for organizational, budgetary, and administrative purposes."

28 (c) G.S. 143-640(c) reads as rewritten:

29 "(c) Membership. -- The Commission shall consist of ~~26~~ 27 members, as follows:

- 30 (1) Four persons appointed by the Governor.
- 31 (2) Four persons appointed by the President Pro Tempore of the
32 Senate.
- 33 (3) Four persons appointed by the Speaker of the House of
34 Representatives.
- 35 (4) The following persons or their designees, ex officio:
 - 36 a. The Governor.
 - 37 b. The President Pro Tempore of the Senate.
 - 38 c. The Speaker of the House of Representatives.
 - 39 d. The United States Senators from this State.
 - 40 e. The member of the United States House of Representatives
41 for the Third Congressional District.
 - 42 f. The Governor of the State of Ohio.
 - 43 g. The Secretary of the Department of Cultural Resources.
 - 44 h. The Superintendent of the Cape Hatteras National Seashore
45 of the United States National Park Service.
 - 46 i. The chair of the Centennial of Flight Commemoration
47 Commission.
 - 48 j. The President of the First Flight Society.
 - 49 k. The chair of the Dare County Board of Commissioners.
 - 50 l. The Mayor of the Town of Kill Devil Hills.
 - 51 m. The chair of the Dare County Tourism Board.
 - 52 n. The Secretary of the Department of Transportation.

1 The members appointed to the First Flight Centennial Commission shall be chosen
2 from among individuals who have the ability and commitment to promote and fulfill
3 the purposes of the Commission, including individuals who have demonstrated
4 expertise in the fields of aeronautics, aerospace science, or history, who have
5 contributed to the development of the fields of aeronautics or aerospace science, or
6 who have demonstrated a commitment to serving the public."

7 (d) G.S. 143-641(c) reads as rewritten:

8 "(c) Contract Authority. -- The Commission may procure supplies, services, and
9 property as appropriate, and may enter into contracts, leases, or other legal
10 agreements to carry out the purposes of this Article. All contracts, leases, or legal
11 agreements entered into by the Commission shall terminate on the date of
12 termination of the Commission. Termination shall not affect any disputes or causes of
13 action of the Commission that arise before the date of termination, and the
14 Department of ~~Cultural Resources~~ Transportation may prosecute or defend any
15 causes of action arising before the date of termination. All property acquired by the
16 Commission that remains in the possession of the Commission on the date of
17 termination shall become the property of the Department of ~~Cultural Resources~~.
18 Transportation."

19 (e) G.S. 143-642(b) reads as rewritten:

20 "(b) Office Space. -- The Department of ~~Cultural Resources~~ Transportation shall
21 provide office space in Raleigh for use as offices by the First Flight Centennial
22 Commission, and the Department of ~~Cultural Resources~~ Transportation shall receive
23 no reimbursement from the Commission for the use of the property during the life of
24 the Commission."

25
26 Requested by: Senator Warren

27 **MUSEUM OF HISTORY RESTAURANT**

28 Section 27.3. Within the funds available, the Secretary of Cultural
29 Resources may contract with any person, firm, or corporation to provide restaurant
30 services in the North Carolina Museum of History, as provided in subdivisions (16)
31 and (17) of G.S. 121-4.

32
33 Requested by: Senator Warren

34 **FUNDS FOR MUSEUM OF THE ALBEMARLE**

35 Section 27.4. The Office of State Budget and Management is authorized
36 to transfer the sum of forty-seven thousand eight hundred eighty-seven dollars
37 (\$47,887) from Fund 1110 (Code 536930) to Fund 1500 (Code 534160) to replace
38 funds that were reallocated in the 1996-97 fiscal year to support Newbold-White
39 House.

40
41 Requested by: Senators Plyler, Perdue, Odom

42 **PROCEDURE FOR AWARD OF CULTURAL RESOURCES GRANTS**

43 Section 27.5. Of the funds appropriated to the Department of Cultural
44 Resources, the sum of eight million dollars (\$8,000,000) for the 1997-98 fiscal year
45 shall be used for grants to nonprofit organizations or local governmental entities
46 throughout the State for cultural, historical, or artistic organizations, for cultural,
47 historical, or artistic projects, and for museums. The Secretary of the Department of
48 Cultural Resources shall establish a process for the review, evaluation, and
49 consideration of applications for these grants.

50 In awarding grants, the Secretary shall consider the merits of the project,
51 the cultural, historical, or artistic significance of the project, the benefit to the State
52 and local communities of the project, and the cost of the project. Prior to awarding
53 grants, the Secretary shall consult with the Joint Legislative Commission on

1 Governmental Operations. These grants are not subject to review by the Historical
2 Commission.

3
4 **PART XXVIII. STATE BOARD OF ELECTIONS**

5
6 Requested by: Senator Warren

7 **STATEWIDE DATA ELECTIONS MANAGEMENT SYSTEM**

8 Section 28. (a) The State Board of Elections shall adopt rules for a
9 statewide data elections management system. Those rules shall include data format
10 standards, data communication standards, and data content standards. The State
11 Board of Elections shall adopt those rules, including the standards, no later than
12 November 1, 1997. Counties shall adhere to the rules and standards no later than
13 August 31, 1998.

14 (b) Of the funds appropriated in this act to the State Board of Elections
15 for a statewide data elections management system, the sum of one hundred fifty
16 thousand dollars (\$150,000) may be used by the State Board of Elections to hire a
17 project manager, to research and determine the needs of the local boards of election
18 in each county, and to develop a needs assessment report.

19 (c) The remainder of the funds appropriated in Section 13.2 of Chapter
20 597 of the 1995 Session Laws shall be used to develop, implement, and operate a
21 statewide data elections management system, which will include voter registration,
22 campaign reporting, and election night returns. These funds shall be used only after
23 the State Board of Elections and the Information Resource Management Commission
24 have jointly approved and submitted a written, detailed implementation plan for
25 statewide data elections management to the Joint Legislative Commission on
26 Governmental Operations. That implementation plan shall include:

- 27 (1) A description of the system being implemented;
28 (2) A description of the system's capabilities, including user-
29 friendliness;
30 (3) An itemized estimate of the costs of the system, with a
31 justification for each item, including a plan for implementing the
32 system within the funds appropriated;
33 (4) A list of the counties to be brought into the system during the
34 fiscal year; and
35 (5) A proposed project management plan.

36 After their initial joint report, the State Board of Elections and the Information
37 Resource Management Commission shall make written quarterly joint reports to the
38 Joint Legislative Commission on Governmental Operations, describing the status of
39 the project, listing the counties that have been brought into the system and that are
40 planned to be brought into the system, and the costs.

41 (d) To the extent that this section conflicts with G.S. 163-82.11 through
42 G.S. 163-82.13, with Section 16 of Chapter 769 of the 1993 Session Laws, or with
43 Section 13.2 of Chapter 507 of the 1995 Session Laws, this section prevails to the
44 extent of the conflict. Except to the extent of the conflict, Section 16 of Chapter 769
45 of the 1993 Session Laws remains in effect.

46
47 **PART XXIX. DEPARTMENT OF TRANSPORTATION**

48
49 Requested by: Senator Jordan

50 ~~**GLOBAL TRANSPARK AUTHORITY TO REIMBURSE HIGHWAY FUND FROM**~~
51 ~~**FEDERAL SOURCES**~~

52 Section 29. When funds are provided from the Highway Fund to the
53 Global TransPark Authority for environmental impact statements or assessments and

1 G.S. 120-76(8), each special responsibility constituent institution may expend monies
2 from the overhead receipts special fund budget code and the General Fund monies so
3 appropriated to it in the manner deemed by the Chancellor to be calculated to
4 maintain and advance the programs and services of the institutions, consistent with
5 the directives and policies of the Board of Governors. The preparation, presentation,
6 and review of General Fund budget requests of special responsibility constituent
7 institutions shall be conducted in the same manner as are requests of other
8 constituent institutions. The quarterly allotment procedure established pursuant to
9 G.S. 143-17 shall apply to the General Fund appropriations made for the current
10 operations of each special responsibility constituent institution. All General Fund
11 monies so appropriated to each special responsibility constituent institution shall be
12 recorded, reported, and audited in the same manner as are General Fund
13 appropriations to other constituent institutions."

14
15 Requested by: Senators Lee, Winner
16 **UNC ASSISTANCE TO PUBLIC SCHOOLS**

17 Section 10.8. Funding in this act is provided to the Board of Governors
18 of The University of North Carolina for several initiatives to work cooperatively with
19 the public schools to improve public education in North Carolina. The Board of
20 Governors shall redirect the funding provided for educational consortia at eight
21 constituent institutions to these initiatives requested for the 1997-99 biennium. The
22 Board of Governors shall redirect at least one-third of the consortia appropriations
23 during the 1997-98 fiscal year and the balance for the 1998-99 fiscal year toward these
24 efforts. The Board of Governors shall also reallocate sufficient funds from other
25 resources to fully fund these initiatives for the 1997-98 fiscal year.

26 Upon request of a constituent institution with a current consortium program, the
27 Board of Governors may direct continual funding to that program.

28
29 Requested by: Senators Lee, Winner, Hartsell
30 **AREA HEALTH EDUCATION CENTERS FUNDING**

31 Section 10.9. Of the funds appropriated in this act to the Board of
32 Governors of The University of North Carolina, the sum of two million seven
33 hundred fifty thousand dollars (\$2,750,000) for the 1997-98 fiscal year and the sum of
34 two million seven hundred fifty thousand dollars (\$2,750,000) for the 1998-99 fiscal
35 year shall be allocated to the Area Health Education Centers programs for
36 continuation of the restructuring of educational programs for health care
37 professionals. Of these funds, sufficient funds shall be allocated to the Cabarrus
38 Family Medicine Residency Program to provide assistance comparable to other family
39 medicine residency slots for 16 residencies. The Cabarrus Family Medicine
40 Residency Program shall provide all information required by The University of North
41 Carolina Board of Governors to comply with the reporting requirements of G.S. 143-
42 613.

43
44 Requested by: Senators Lee, Winner
45 **UNC LIBRARIES FUNDING**

46 Section 10.10. Of the funds appropriated to the Board of Governors of
47 The University of North Carolina in this act, the sum of four million dollars
48 (\$4,000,000) shall be allocated each year of the biennium for enhancement of
49 libraries for the constituent institutions. Of this amount, at least one million two
50 hundred thousand dollars (\$1,200,000) each year shall be used for the development of
51 the NC-LIVE project, a cooperative effort of The University of North Carolina, the
52 Department of Community Colleges, and the State Library of North Carolina

1 designed to improve access to information resources across the State and to reduce
2 the duplication of expenditures for library resources.

3
4 Requested by: Senators Lee, Winner

5 **COOPERATIVE EXTENSION SERVICES**

6 Section 10.11. (a) The Joint Legislative Education Oversight Committee
7 and the Board of Governors of The University of North Carolina shall undertake a
8 joint review and study of the role, funding, personnel resources, programs, and other
9 aspects of the Cooperative Extension Services of The University of North Carolina
10 given the changing nature of the agricultural base of the State.

11 (b) The study shall consider all of the following:

12 (1) The role of cooperative extension services in the environmental
13 aspects of agricultural activities and other activities.

14 (2) The reduced or increased needs for various current extension
15 services due to changes in the State's agricultural base.

16 (3) The top priority agricultural needs of the State and whether or
17 not current cooperative extension services are aligned with those
18 needs.

19 (4) The duplication, if any, of cooperative extension services with
20 services offered by other entities.

21 (c) The Joint Legislative Education Oversight Committee and the Board
22 of Governors may appoint a subcommittee to work cooperatively on this study. The
23 Chairs of the Joint Legislative Education Oversight Committee shall designate one
24 member of the Subcommittee to serve as a cochair and the Chair of the Board of
25 Governors shall designate one member of the Subcommittee to serve as a cochair.

26 (d) The Subcommittee shall meet at such times and places as the
27 Subcommittee cochairs designate. The facilities of the State Legislative Building and
28 the Legislative Office Building shall be available to the Subcommittee subject to the
29 approval of the Legislative Services Commission. The facilities of the university
30 system shall also be available to the Subcommittee.

31 (e) Subject to the approval of the Legislative Services Commission, the
32 staff resources of the Legislative Services Commission shall be available to the
33 Subcommittee without cost except for travel, subsistence, supplies, and materials.
34 Subject to the approval of the Board of Governors, the staff resources of the Board of
35 Governors shall also be available to the Subcommittee without cost except for travel,
36 subsistence, supplies, and materials which shall be the expense of the Board of
37 Governors.

38 (f) The Joint Legislative Education Oversight Committee and the Board
39 of Governors shall report their findings to the General Assembly by May 1, 1998.

40
41 Requested by: Senators Lee, Winner, Perdue

42 **REVIEW OF LAND-USE REGULATION**

43 Section 10.12. Of the funds appropriated in this act to the Board of
44 Governors of The University of North Carolina, the sum of seventy-five thousand
45 dollars (\$75,000) shall be allocated for the 1997-98 fiscal year to the University of
46 North Carolina at Chapel Hill for the Center for Urban and Regional Studies to
47 conduct an analysis of the impact of State infrastructure programs, including funding
48 and funding methods, on local governments. The analysis shall also consider the
49 ability of local governments to develop and implement plans for sustainable
50 development and to fully utilize their planning and regulatory authorities to guide
51 development and balanced growth and how these authorities are impacted by State
52 infrastructure decisions. The Departments of Transportation, Commerce, and
53 Environment, Health, and Natural Resources and other State agencies shall provide

~~1 funds received from the sale of timber that are deposited with the State Treasurer in
2 a capital improvement account pursuant to G.S. 146-30. The Director of the Budget
3 is authorized to transfer up to one hundred thousand dollars (\$100,000) from the
4 capital improvement account to the Reserve for Forestry Management in the
5 Department of Agriculture's operating budget and to prepare succeeding
6 continuation budget documents to include one hundred thousand dollars (\$100,000)
7 in the Reserve for Forestry Management.~~

8
9 Requested by: Senator Martin of Pitt

10 **TRANSFER MARITIME MUSEUM TO CULTURAL RESOURCES**

11 Section 12.2. The 17.25 positions, support, and equipment in the North
12 Carolina Maritime Museum, Department of Agriculture, shall be transferred to the
13 Department of Cultural Resources.

14
15 Requested by: Senator Martin of Pitt

16 **WESTERN NORTH CAROLINA DEVELOPMENT ASSOCIATION**

17 Section 12.3. The Western North Carolina Development Association
18 shall:

- 19 (1) By January 15, 1998, and more frequently as requested, report to
20 the Joint Legislative Commission on Governmental Operations and
21 the Fiscal Research Division the following information:
22 a. State fiscal year 1996-97 program activities, objectives, and
23 accomplishments;
24 b. State fiscal year 1996-97 itemized expenditures and fund
25 sources;
26 c. State fiscal year 1997-98 planned activities, objectives, and
27 accomplishments, including actual results through December
28 31, 1997; and
29 d. State fiscal year 1997-98 estimated itemized expenditures
30 and fund sources, including actual expenditures and fund
31 sources through December 31, 1997.
32 (2) By January 15, 1999, and more frequently as requested, report to
33 the Joint Legislative Commission on Governmental Operations and
34 the Fiscal Research Division the following information:
35 a. State fiscal year 1997-98 program activities, objectives, and
36 accomplishments;
37 b. State fiscal year 1997-98 itemized expenditures and fund
38 sources;
39 c. State fiscal year 1998-99 planned activities, objectives, and
40 accomplishments, including actual results through December
41 31, 1998; and
42 d. State fiscal year 1998-99 estimated itemized expenditures
43 and fund sources, including actual expenditures and fund
44 sources through December 31, 1998.
45 (3) Provide a copy of the Association's annual audited financial
46 statement to the Fiscal Research Division within 30 days of
47 issuance of the statement.

48
49 Requested by: Senator Martin of Pitt, Kerr

50 **INCREASE GRAPE GROWERS FUNDS**

51 Section 12.4. G.S. 105-113.81A reads as rewritten:

52 "§ 105-113.81A. Distribution of part of wine taxes attributable to North Carolina
53 wine.

~~1 of the Teachers' and State Employees' Retirement System, to the extent that funds
2 are available.~~

3
4 Requested by: Senators Perdue, Plyler, Odom

**5 RETIREMENT SYSTEM ADMINISTRATIVE EXPENSES TO COMPLY WITH
6 SUPREME COURT DECISIONS**

7 Section 30.20. The Board of Trustees of the Teachers' and State
8 Employees' Retirement System may expend an aggregate total of not more than five
9 hundred thousand dollars (\$500,000) for fiscal year 1997-98 and an aggregate total of
10 not more than two hundred thousand dollars (\$200,000) for fiscal year 1998-99 from
11 assets of the Teachers' and State Employees' Retirement System and the Local
12 Governmental Employees Retirement System to meet administrative expenses to
13 comply with Supreme Court decisions.

14
15 Requested by: Senators Perdue, Plyler, Odom, Wellons

16 EXTEND SUNSET ON FICA SAVINGS USE

17 Section 30.21. (a) Section 14(i) of Chapter 1044 of the 1991 Session
18 Laws, as amended by Section 42 of Chapter 561 of the 1993 Session Laws and
19 Section 7.28A of Chapter 769 of the 1993 Session Laws, reads as rewritten.

20 "(i) Subsections (a) through (d) of this section are effective January 1, 1990.
21 Subsections (e) through (h) of this section are effective January 1, 1991. Subsections
22 (a) through (h) of this section shall expire ~~December 31, 1997.~~ December 31, 1999."

23 (b) This section is effective when it becomes law.

25 PART XXXI. GENERAL CAPITAL APPROPRIATIONS/PROVISIONS

27 INTRODUCTION

28 Section 31. The appropriations made by the 1997 General Assembly for
29 capital improvements are for constructing, repairing, or renovating State buildings,
30 utilities, and other capital facilities, for acquiring sites for them where necessary, and
31 acquiring buildings and land for State government purposes.

33 CAPITAL APPROPRIATIONS/GENERAL FUND

34
35 Section 31.1. Appropriations are made from the General Fund of the
36 State for the 1997-99 biennium for use by the State departments, institutions, and
37 agencies to provide for capital improvement projects according to the following
38 schedule:

39
40 Capital Improvements - General Fund

	<u>1997-98</u>
41	
42	
43 University Board of Governors (Total)	\$ 59,518,175
44 1. UNC - Chapel Hill -	
45 a. Addition to the Institute of Government	
46 Knapp Building	4,000,000
47 b. Addition to Beard Hall - School	
48 of Pharmacy	8,824,600
49 c. North Carolina Botanical Garden - Planning	350,000
50 d. Expansion of the Carolina Living	

House APPROPRIATIONS Subcommittee on General Government Meeting

May 13, 1997

8:30 AM

The House APPROPRIATIONS Subcommittee on General Government met on Tuesday, May 13, 1997 in Room 425 of the Legislative Office Building. Members attending were: Representatives McCombs (Cochair), Sherrill (Cochair), Braswell, Decker, Ellis, Jeffus with Representative Ives (Cochair) presiding. See attached Visitors Sheet for visitors in attendance.

Representative Ives called the meeting to order at 9:03 AM and introduced Dascheil Propes of the Department of Insurance to give an overview of their Expansion Budget Request (see attachment #1). A discussion ensued concerning the proposal to develop a regulatory surcharge on HMOs. Representative Decker asked how much revenue the surcharge would generate and Mr. Propes replied it would generate \$1 million. Representative Braswell asked how much the two positions needed to oversee the collection would require. Mr. Propes answered a little over \$100,000. Representative Braswell moved to develop a line item to structure a surcharge on HMOs with the cooperation of the Department of Insurance and the HMO industry. Mr. Harry Kaplan who represents Kaiser Permanente was recognized to speak. Mr. Kaplan said that the surcharge was reasonable and would like the opportunity to sit down with the Department of Insurance and work out the specifics on how to best handle it. Representative Decker asked if there are any other insurance carriers that do not pay a surcharge. Mr. Propes replied that this would bring everyone into the fold. The question was called and the motion carried. Mr. Propes continued with an overview of the Volunteer Fire and Rescue Worker's Compensation. Representative Ellis asked how many volunteer firemen are in the State. Mr. Propes said including rescue workers and firemen there are about 50,000 to 60,000. Representative Ellis asked how many firemen are currently not covered. Mr. Propes said this program covers 30,000 people currently. Representative Braswell asked if the dollar amounts will be flexible over the eight year period in reference to the number of enrollees. Mr. Propes replied that more people on the plan will increase the amount claimed; however, the Insurance Department can increase premiums as claims go up and it will be still be cheaper than what they can get on the street. Mr. Propes said the hope is that this program will be self-sustaining in eight years. Representative Ellis asked if the people not covered by this plan have other coverage and has the Insurance Department investigated the claims associated with other companies. Mr. Propes said he assumed that they are still enrolled in the assigned risk worker's compensation pool. Representative Ives asked what the injured firemen's compensation is based on? Mr. Propes replied that it is based on the volunteer firemen's daytime employment.

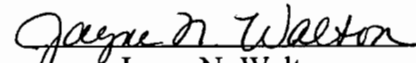
Representative Ives introduced Mr. Bob Joyce, Executive Director of the State Health Plan Purchasing Alliance Board who gave an overview of the progress of the agency (see attachment #2). Mr. Joyce said they had created purchasing co-ops for small businesses and explained how successful this has been. Representative Ives asked how price competitive the plan is and Mr. Joyce responded that they are competitive and especially in areas with Managed Care. Representative Ellis asked if money is being saved for the small business per employee. Mr. Joyce replied that a small business can still purchase a cheaper plan outside this plan until July 1, 1997 if all the employees are healthy. However, Mr. Joyce said this would change after July 1, 1997 because the entire market will be guaranteed issue. Representative Sherrill asked how the claims have been running and Mr. Joyce replied that so far they have been fine; however, the plan has only been up and running for 15 months and North Carolina has a 12 month pre-existing conditions period.

Representative Ives moved on to the next item on the agenda, NC Council of Women and Mr. Evan Rodewald gave an overview of the program. Representative Sherrill stated that the money should be recurring so that it would not give false hope to the programs when the money is cut off the next year.

Representative Ives then introduced Mr. Gary Bartlett of the Board of Elections who gave an overview of the Board of Elections and paper ballots (see attachment #3 and #4). Representative Ives asked about some of the small amounts of paper ballots requested by some of the counties and Ms. Johnnie McLean, also of the Board of Elections, responded that it is sometimes a small number to go into files for historical purposes and some are for overseas voters who are only eligible to vote in federal elections. Ms. McLean also answered Representative Ives question concerning separate ballots for statewide elections by saying that it is required by law to be on a separate ballot. Representative McCombs asked why some counties ordered so many ballots and used only a small amount of the order? Ms. McLean answered that the law requires a that a ballot be available in areas where electronic voting machines are used in case of a malfunction in the electronic equipment. Representative Sherrill asked what the cost is per ballot. Mr. Bartlett replied that he will get that information to her. Representative Braswell asked about the cost of voting machines and are they the machines that count the ballots? Mr. Bartlett replied that there are different kinds of voting machines in North Carolina and all do not count the ballots. Representative Braswell asked what voting machine is the Board of Elections proposing to buy? Mr. Bartlett responded that the Board has not addressed this issue and are still in the information gathering stage. Representative Braswell asked if the State should finish studying the voting machine question before buying anymore machines so that the same voting machine can be purchased for the whole State? When asked Mr. Bartlett also said that his personal opinion was that he does not like paper ballots and every county should have voting equipment. Representative Braswell expressed his desire to see a more updated, uniform system of equipment for voting across the State. Mr. Bartlett replied

that the current board would like to have the ability to decertify some voting equipment; however to do that the rules would have to be promulgated which would take two years unless there is a legislative solution and the current board would encourage consideration there. Representative Ellis asked if having an additional space for abstaining on the ballot would be possible to cut down on voter fraud? Mr. Bartlett said they could look into that for him. Representative Ives commented that it seems that the statutes need to be brought up to the current standards.

Representative Ives thanked the speakers and adjourned the meeting at 9:45 AM.


Representative William M. Ives
Cochairman
Jayne N. Walton
Committee Clerk

**DEPARTMENT OF INSURANCE
EXPANSION BUDGET REQUEST
April 8, 1997**

Priority	<u>COMPANY SERVICES GROUP</u>			
11	<u>Company Admissions (licensing)</u>			
	- backlog of 130 license requests			
	- 2nd worse turnaround time in the country	\$ 57,815	\$ 61,976	
		(1)	(1)	
13	<u>Financial Monitoring</u>			
	- need financial analysts with HMO expertise to handle mergers and acquisitions	103,555	111,104	
		(2)	(2)	
9	<u>Actuarial Services</u>			
	- need another life and health actuary	79,408	87,489	
		(1)	(1)	
7	<u>Information Systems</u>			
	- computer replacement on a four-year life cycle	<u>283,800</u>	<u>283,800</u>	
	Total Appropriation	\$ 524,578	\$ 544,369	
	No. of Positions	(4)	(4)	
 <u>TECHNICAL SERVICES GROUP</u>				
3	<u>Market Practices Examinations</u>			
	- only have one team (3 employees) to monitor 27 HMO's	(3)		
	- only have one team (3 employees) monitoring 550 life and health companies	(3)		
		\$ 330,915	\$ 351,796	
		(6)	(6)	
4	<u>Seniors' Health Insurance Information Program (SHIIP)</u>			
	- telephone call volume more than doubled in 1996			
	- over 65 population will increase 50% in next 15 years			
	- field employees having to handle phone calls in Raleigh	<u>32,311</u>	<u>31,357</u>	
		(1)	(1)	
	Total Appropriation	\$ 363,226	\$ 383,153	
	No. of Positions	(7)	(7)	

PUBLIC SERVICES GROUP

6	<u>Special Services</u>		
	- growth in bail bond industry and legislated continued education	\$ 26,194 (1)	\$ 25,432 (1)
10	<u>Investigations</u>		
	- no means to track repeat offenders of insurance laws and criminal history of licensees	31,068 (1)	37,280 (1)
8	<u>Agent Services (Continuing Education Program)</u>		
	- additional clerical positions to comply with recommendation of State Auditor		
	- self supporting program/receipts available	52,801 (2)	49,680 (2)
	Total Requirements	\$ 110,063	\$ 112,392
	Total Receipts	52,801	49,680
	Total Appropriation	57,262	62,712
	No. of Positions	(4)	(4)

SAFETY SERVICES GROUP

5	<u>Engineering Services</u>		
	- additional resources needed so plan review can keep pace with construction and not slow down the economy	\$ 101,679 (1)	\$ 92,411 (1)
2	<u>Fire and Rescue Services</u>		
	- computer software for reporting fires in all counties or our fire reporting system becomes useless (97,000)		
	- need injury prevention specialist for our child injury prevention programs (Learn Not to Burn, Buckle Up Kids, Safe Kids)		
	- authorization to produce and sell fire and rescue publications (55,000)	166,357	166,357 (1)

12

Manufactured Building

- phenomenal growth in manufactured housing and building industry
- NC leads the nation in manufactured home production
- additional resources need to meet industry demands for assistance
- industry supports request receipts available

	<u>237,622</u>	<u>217,972</u>
	(3)	(3)
Total Requirements	\$ 505,658	\$ 476,740
Total Receipts	<u>292,622</u>	<u>272,972</u>
Total Appropriation	213,036	203,768
No. of Positions	(4)	(5)

1

Consumer Protection Fund

- replenishment in excess of the \$250,000 for outside contracted services needed.
- three auto rate filings ongoing; appeals anticipated
- homeowner rate filing anticipated
- currently in excess of \$400 million in auto premium refunds and increases at stake.

	\$ 200,000	\$ 200,000

Total requirements	\$1,703,525	\$1,716,654
Total Receipts	<u>345,423</u>	<u>322,652</u>
Total Appropriation	\$1,358,102	\$1,394,002
No. of Positions	(19)	(20)

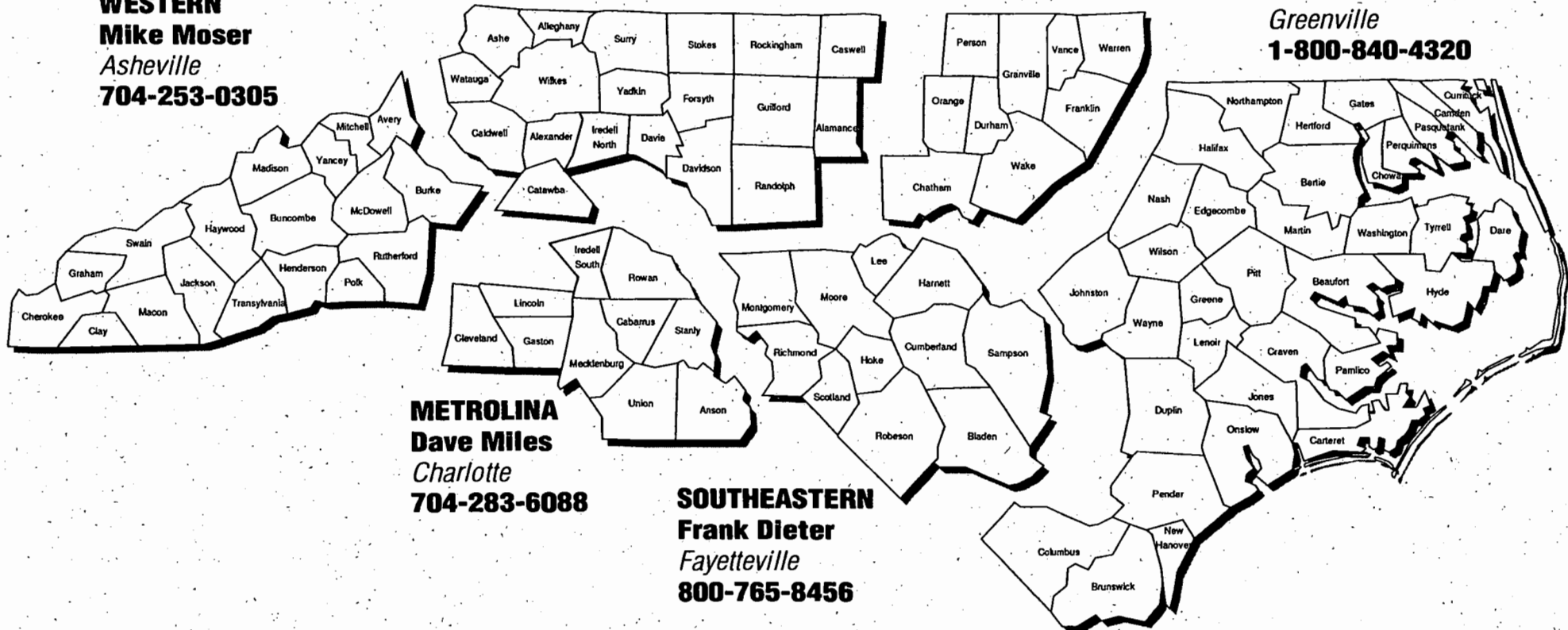
CAROLIANCE REGIONAL EXECUTIVE DIRECTORS

WESTERN
Mike Moser
Asheville
704-253-0305

NORTHWEST/TRIAD
Sandra Gambill
Wilkesboro
910-903-0003

TRIANGLE
Anita Holmes
Durham
919-956-8757

EASTERN
Rex Hammond
Greenville
1-800-840-4320



METROLINA
Dave Miles
Charlotte
704-283-6088

SOUTHEASTERN
Frank Dieter
Fayetteville
800-765-8456

CAROLIANCE
*Health Plan Choices
 for Small Business*

CAROLIANCE PRODUCTION

REGION	GROUPS	LIVES
West	200	880
Northwest/Triad	145	580
Metrolina	165	890
Southeast	55	220
Triangle	90	300
Eastern	105	335
Total	760	3205



Jennifer Sherwin and Alpheus Davis of Goodwork are all smiles now that their organization has affordable health coverage.

Caroliance Grows Healthier

The state-founded insurance buying co-op for small businesses gains new members because it 'allows us to act as a big company'

EVER since its idealistic beginnings in 1992, Goodwork has helped dozens of fledgling entrepreneurs secure the seed money, training and support they needed to grow their businesses. But the Durham-based non-profit recently encountered one of the same problems its clients inevitably faced: How to afford health insurance for a growing staff.

Goodwork's most recent employee, a part-time person, put off going to the doctor until he was really sick or unless the practice would accept installment payments. The three-person organization also needed an administrative assistant to help manage growing piles of paperwork,

BY SUZANNE M. WOOD

but it knew not offering health insurance would be an obstacle to finding a quality person.

When the organization's cash flow improved last year, the staff decided it was time to research health insurance policies. John Sip of Sip Malone Benefits Group told Goodwork development specialist Jennifer Sherwin about Caroliance, the four-year-old, state-founded health insurance purchasing co-op designed just for small businesses. Through Caroliance, Goodwork found an affordable policy

from Kaiser, one of the six carriers offering Caroliance-approved products.

"It allows us to act as a big company," says Sherwin.

Coverage for Goodwork's three full-time employees costs \$299 a month, less than they had budgeted for, allowing the group to use the windfall to buy dental and life insurance. Sherwin says morale has improved and she feels better about the compensation package Goodwork can offer prospective administrative assistants.

Goodwork is one of 550 small concerns that have joined Caroliance since last year, creating a buying pool of 2,000

covered lives. Since the alliance idea was first proposed in 1991 as a way to help small companies cope with rising health care costs, many business people and health policy experts have watched with interest as the alliance developed from concept into reality. Started with \$4 million in seed money from the state, the alliance is administered through six regional offices as a private, non-profit corporation owned and managed by its members, who must have between one and 49 employees.

"With any buying co-op, the more members you get, the more power you have," says Bob Joyce, executive director of the State Health Plan Purchasing Alliance Board, the Raleigh-based organization that oversees the regional alliances. "We hope to become more and more of a force in the outside market."

It was that market that prompted Lt. Gov. Dennis Wicker and other small-business advocates to champion the alliance concept six years ago. At the time, many small businesses were reeling from insurance rate hikes of 25 to 30 percent a year. Companies that couldn't afford to

keep up simply stopped offering insurance and began losing employees to bigger businesses that did. Today, of the approximately 1 million North Carolina adults who don't have health insurance, roughly one-third work for businesses with fewer than 50 employees, says Joyce.

When the owner of a mom-and-pop hardware store loses a veteran valuable employee to a Wal-Mart not because they pay better but because they provide health insurance, it's a blow to the spirit of enterprise and small businesses everywhere, Joyce says.

SO far, the alliance seems to be reaching its target audience: About 60 percent of the people signing up for Caroliance insurance previously had no coverage. Joyce and other alliance leaders find this statistic particularly significant. Not only does the ability to afford health insurance benefit small companies, their employees and the employees' families, but it also is a bonus for the economy because it lessens cost-shifting by providers reeling from treating the uninsured.

Prices vary with individual group cir-

cumstances, but officials say Caroliance products may be 3 to 5 percent cheaper than those available in the open market. But the real attraction is that rate increases should be subject to much less volatility due to the size of the group, and should really flatten out as alliance membership increases.

Another feature is that potential members can do an "apples to apples" comparison when considering Caroliance products. Caroliance designed three plans—basic, standard and select—and each participating carrier must offer identical versions of those plans, although they may offer different provider networks and quote different prices.

And an attractive selling point for many is the "guaranteed issue" provision, which means that no potential customer can be turned away from even the select plan due to a questionable health history. Of course, unhealthy members will pay more for a plan than healthy ones. This provision foresaw the national adoption of such a protective measure for people who often are turned away by insurers, regard-

continued page 16

less of their willingness to pay extra. A guaranteed issue mandate is a key part of the Kassebaum-Kennedy health care reform bill, which becomes law in July.

While noting that Caroliance may prove useful to a previously underserved sector of the state's economy, health policy expert Chris Conover isn't sure that preventing cost shifting will be one of its benefits. Given that the target population for alliance products is about 1.5 million employees and dependents, far more than 2,000 would have to sign up before the rolls of the uninsured would be reduced enough to meaningfully halt cost shifting, says Conover, an assistant research professor at the Center for Health Research and Education at Duke University.

However, Conover says a realistic benefit of the alliance concept is the variety of plans it offers, giving small business access to managed care plans in a way they wouldn't have in the larger market. "Marketing to small business is expensive," he says.

Eric Payne has run a successful small

business in Wilkesboro for 27 years. But he has only offered health insurance as a benefit for the last year. That's because Payne, owner of Payne Power Equipment Co., like many small businesses was forced to choose between financial solvency and a benefits package. And like so many business owners, Payne worried that he wouldn't be able to retain a quality staff without offering insurance.

When he read a newspaper article about Caroliance's Northwest/Triad office, he contacted insurance agent David Foster, who discussed the products most appropriate for the company's seven full-time employees. Remarkably, despite not offering health insurance, Payne's been able to engender employee loyalty: His service manager has worked for the company for 22 years and his manager for 17.

"Finally, after all these years, I can provide my employees with health insurance," says Payne. "I feel good about it and my employees are ecstatic. Now many of them don't have to rely on their spouse's insurance."

He says his Caroliance premiums are reasonable and the plans flexible, which his

employees appreciate. "Over the years I've heard from many small business owners who wanted to offer their employees health insurance but couldn't afford it," says Payne. "Now there's a viable option available through Caroliance."

Ironically, as the alliance was being formed and finalized, health care costs were stabilizing in many markets, which experts attribute to the influence of managed care both nationally and statewide. "Health care prices have definitely declined," says Conover. "In 1995, the consumer price index for health care rose only 3.9 percent, the smallest increase since 1972."

But costs should begin rising again. Nationally, spending is projected to go up 8 percent a year over the next decade. "The last few years have been an anomaly," concedes Conover. "Even so, 8 percent is nice compared with the double-digit increases of the 1980s."

The N.C. HMO Association reports that nationwide, health care coverage costs for 1995 were up only 1.6 percent over 1994. Costs for HMO coverage declined 11.4 percent over the same period. The percentage of businesses offering traditional indemnity coverage declined from 46 to 38 percent, while the percentage of businesses offering HMO products increased from 22 to 28 percent.

HMO penetration in the state now is 17.9 percent, still lagging behind states such as Massachusetts, Minnesota and California, where HMO penetration may be as high as 70 percent. The Raleigh-Durham market has the highest percentage of HMO enrollees, with 40.7 percent.

"The big question is," says Conover, "once you switch to managed care, do prices stabilize? As there's more head-to-head competition (among HMOs), it does look like managed care will give you a slight deceleration of rate."

IF that's true, where does that leave Carolinace, whose premise was built on helping companies avoid runaway costs? Alliance leaders are confident that the power of co-op leverage always will remain attractive, despite what else happens in the marketplace.

"I think even if we get to the point where Florida is, with 60 percent managed care penetration, there will still be a need for us," says Bob Joyce.

As real as health-care cost stabilization may be for some companies, for many of the smallest firms, premiums and other costs of health care never seem low enough. And as much as small businesses might like

to offer high-end plans or to consider a variety of plans, price is the driving factor 70 percent of the time when they're seeking quotes, notes Taylor Uzzell, president of Business and Estate Conservation, a Sanford insurance brokerage. This is especially true for companies of five or fewer employees, which tend to be less sophisticated than their larger counterparts, he says.

An owner of a bigger small business might be well-versed enough to know that buying a policy on price alone might prove a mistake if employees are dissatisfied with the quality of care or find many of their claims denied or benefits reduced under the "usual and customary" clause of many policies. Such an employer might be able to assign an employee to study the advantages of managed care vehicles such as preferred provider organizations (PPOs) and compare the quality of the different provider networks offered.

Employee benefits consultant Eric Coates of Coates Consulting in Charlotte agrees. "Smaller businesses say, 'Who can bring me the cheapest product today?' and they buy it (health insurance) like a commodity," Coates says. "I think that's wrong. There's often a lot of turmoil created to save

a few dollars" such as changing agents or having employees' relationships with their doctors disrupted. "Employers should know what they want in a plan before they go shopping for a plan."

But that's a luxury most entrepreneurs can't afford, counters insurance broker Adam Kaye, owner of LifePLAN Financial Services in Winston-Salem.

"The business owner is totally preoccupied in his own realm of reality," he says. "His main concern is survival — selling more, getting more profits. He doesn't have time to help keep costs lower. They rely on us. One of the reasons people move to HMOs is because of convenience. People don't have time to fill out claim forms — they procrastinate and let it go."

Affording any kind of insurance plan is particularly difficult for the self-employed professional and, even if rates rise at a relatively modest 5 percent a year, it could prove disastrous to a small concern's bottom line. A 45-year-old paying a \$400 monthly premium for 20 years at 5 percent increases each year will see his premium double within seven years, says Kaye. Then he might be forced to give up his coverage

continued

if his earnings don't keep pace. "And the consequences of not having insurance when you get older can be catastrophic," Kaye says.

For small business owner Mary Wells, the one thing she knew when it came to health insurance was that she wanted to cover all her employees, regardless of their health histories. Wells, owner of three One-Hour Koretizing dry cleaning shops in Rocky Mount and a member of the NCCBI Health Care Committee, has offered health insurance for most of the 15 years she's been in business. For three of those years, paying the premiums became a hardship because one of her workers had open heart surgery and then three subsequent operations. Switching to another carrier wouldn't have solved the problem, either.

"One insurance agent asked me why I just didn't drop her (from the plan), but you just can't do that," Wells says. "We're like a family."

Today, the premiums are a more-reasonable \$700 a month for her eight-employee business. The woman with heart problems eventually retired on disability. But the lesson was not lost on Wells.

"I try to make sure that everybody stays healthy and stress that people take care of themselves," she says.

As much as small businesses may try to encourage healthy lifestyles informally as a way of controlling health care costs, they lack the resources to mount the kind of full-scale prevention and wellness programs found at many large companies. Big companies often offer health assessments, screening, fitness facilities, incentives and smoke-free workplaces. About the only prevention program small businesses offer in significant numbers is smoke-free environments — about 75 percent of such companies nationwide do just that, according to Conover.

And that's a step in the right direction if the business world wants to manage health care costs. For employers, 50 to 70 percent of the health care costs they incur are related to employee health habits, says Conover.

"The single most potent factor (in lowering costs) is changing people's lifestyles," says Conover. "If you can improve their health, the payoff is not only in lower costs but in increased productivity."

The focus on prevention found in most of the plans offered by Caroliance is appealing to Barbara Dickens, owner of Spectrum Enterprises in Roanoke Rapids. She joined Caroliance because "the insurance I was with decided to give us one of those lovely rate hikes." To date, Dickens saved \$5,000 and made her employees happier at the same time. "My employees were thrilled with the fact that you can have your annual physical and the plan will pay for it," she says.

Dickens, who is one of the small business owners serving on the regional alliance boards — she's a member of the Eastern region — is convinced Caroliance is on the right track, both with its policy design and co-op leverage. "They're trying to get small business to the point where all small businesses can afford health insurance, even if you're just one person," says Dickens.

Using the leverage of a buying co-op and focusing on prevention are two features of another unique alliance. But this one is designed to help large employers manage health care costs.

Piedmont Health Coalition is a Burlington-based alliance of self-insured companies that band together to negotiate more favorable rates from a network of providers. By next month, the coalition will have six member companies and 12,000 covered lives. Its membership even includes a provider, Alamance Regional Medical Center, with 1,300 employees.

The first three members to join so far have saved a total of \$1.7 million in health care costs, says president Greg Walters. And the coalition has encouraged use of local health care providers. Before the coalition was formed last year, 48 percent of health care customers in Burlington and its environs left the area for care. But a survey of members shows that 97 percent of coalition members are using local health care providers.

"We try to 'incentivize' people to use the local delivery system," says Walters. "There's a 35 percent differential between network and out-of-network benefits."

"I think '97 will be a good year for us," Walters says. "Last year, companies were intrigued, but now we'll have some pretty compelling numbers to show potential members."

For Caroliance as well, the biggest challenge for the six regional offices is to boost membership. The Northwest/Triad office of Caroliance has the largest potential membership of any of the regions, says director Sandie Gambill. Currently, 60 small businesses are Caroliance mem-

bers through her office, covered by the two carriers that have signed up.

Until recently, she and her staff focused their attention on training 220 agents to represent the Caroliance products in the county region. Now they're turning attention to getting the word out to small business owners, most of whom have still not heard of Caroliance.

So Gambill and her marketing director have been placing inserts in chamber of commerce newsletters, speaking at chamber functions, doing co-op advertising with agents, attending civic functions and seeking media exposure. One part of her speech to business groups seems to make them sit up and take notice. "I tell them, 'If you don't have insurance, they're probably looking for another job.'"

And the effort has been working. One recent month her office logged 400 calls from businesses wanting more information about the alliance. Gambill hopes to have six carriers to offer potential members, and lower rates as a result of more members. "The more people we have on insurance, the better it is for everybody."

That's been the rallying cry of the alliance's first and biggest supporter, Lt.

Gov. Wicker, who heads the alliance's state board.

"The idea was much simpler than actual implementation, but I'm even more optimistic than before that it will succeed," he says. "Since it does take a small business approach and won't involve more taxes, small businesses across the state will step up and participate."

Given the importance of industrial recruitment to the state's economic development efforts, the Caroliance movement may help attract even the large businesses that wouldn't be eligible to participate.

"Small businesses are the supporting cast or infrastructure of our large companies, as suppliers or vendors," says Wicker. "I hope it (the state's creation of Caroliance) would send a signal that North Carolina is going to help keep its small business strong to help build the economy."

Where would he like to see Caroliance early next century? "In 10 years, I'd like to see the alliance self-sufficient, and I'd like to see the small business sector invite even larger businesses to come into the organization so this can be market driven," Wicker says. "I also would like to see the state board 'sunsetting.'"

NC

BUSINESS



Jan. 19, 1997

Caroliance links with area hospitals, physicians

By Tim Reid
STAFF WRITER

Western North Carolina's non-profit alliance to help small businesses obtain affordable health insurance received a major boost recently from what its director calls a unique partnership of local health care providers.

Caroliance is offering a new Preferred Provider Organization (PPO) product for small business-

es that director Mike Moser says was previously available only to large employers.

WNC physicians and hospitals have teamed up with Nationwide Insurance to craft a PPO plan that Moser says avoids some of the biggest drawbacks to managed care.

"We finally have a managed

care system for WNC whereby hospitals and physicians are giving discounts and seeing those dis-

WORKING TOGETHER

counts passed on in lower rates to customers," Moser said.

Both Memorial Mission and St. Joseph's Hospitals are participating in the new plan through their PPO, Western

Carolina Health Delivery Inc.

More than 95 percent of area doctors are participating through Mountain Health Care, the largest physician care organization in Western North Carolina with 375 primary and specialty care physicians in Buncombe and Madison counties.

The result is an insurance plan that is at least 10 percent cheaper than similar products and will likely become even more competi-

tive as time goes on, according to Moser.

The discounts offered by physicians and hospitals are only the beginning of the savings achieved through managed care, said Claudia Muse, Western Carolina Health Delivery's executive director.

Having a system whereby hospitals, physicians and other health

♦ See Caroliance on page C2

Caroliance

♦ Continued from page C1

professionals coordinate their efforts to provide quality care at reasonable cost will produce the greatest savings over the long run, she said. The best feature of the program is the degree of local control, according to Muse.

"There's no 1-800 number to call to ask someone in California if it's all right for you to go in the hospital," she said. "The medical management is done locally by M-View, Mountain Health Care's precertification, utilization management organization."

Nationwide made a real "leap of faith" in leaving care management authority on the local level, Moser said. The plan is available only in Buncombe and Madison counties initially, but he will be working to extend it to other counties.

"We've had managed care with limited success in the past because of limited participation by providers," Moser said. "This is going to give us more options, top quality products at more competitive prices.

Caroliance recently completed its first year of operation and is well on its way toward fulfilling its mission of providing affordable health insurance for small businesses, Moser said.

Caroliance Western Region is one of six regional organizations created by the N.C. General Assembly at the urging of Lt. Gov. Dennis Wicker to provide group purchasing power for small businesses to buy health insurance.

In its first year Caroliance has signed up more than 150 small businesses, covering more than 500 insured lives, according to Moser.

CAROLIANCE FACTS

Caroliance is a system of six regional alliances formed by the N.C. General Assembly to give small businesses group buying power to obtain health insurance.

Caroliance Western Region started offering its first insurance policies in November 1995. More than 150 small business groups have signed up so far, representing more than 500 covered lives.

Caroliance insurance policies are marketed by more than 170 insurance agents throughout the region. For further information or the names of participating agents call Caroliance at 253-0305.

The numbers may not sound impressive compared with enrolling one large factory that employs more than 500 people, but Caroliance exists to serve people who were effectively blocked from group health insurance coverage, Moser said.

"Any time you've got 20 or more employees, people want to compete for that business," he said. "Until now, groups below that num-

ber were more trouble than they were worth for insurance carriers and agents. We're concentrating on those real small businesses where there previously wasn't a market.

"Sixty-three percent of our customers are people who had no insurance previously," he said.

Business owners who have switched to Caroliance are enthusiastic about the savings.

Ron McKee of the Asheville Tourists baseball team said he was able to provide coverage for five employees at the same cost he was spending previously for only two employees.

Bretney Smith of Swannanoa Cleaners said he switched to Caroliance after facing a 40 percent increase in his traditional insurance plan.

"The partners in this new local agreement are committed to getting the rates offered to Caroliance small businesses as low as possible and have pledged to review the rates and the actual experience each quarter to further reduce the costs to our businesses if feasible," Moser said. "This is just the beginning."

NC Active Groups

Region Name	County	GroupID	GroupName	Gp Status
Eastern	Beaufort	00000478	Classic Auto Body, Inc	Active
Eastern	Beaufort	00000717	Jim Hudson Auction	Active
Eastern	Camden	00000892	Belcross Bake Shoppe	Active
Eastern	Carteret	00000066	Crystal Coast Landscaping	Active
Eastern	Carteret	00000121	Ernie's Gift World	Active
Eastern	Carteret	00000123	Taylor Boat Works	Active
Eastern	Carteret	00000160	Harbor Communications	Active
Eastern	Carteret	00000189	The General Store	Active
Eastern	Carteret	00000285	Crystal Palate	Active
Eastern	Carteret	00000436	David Sledge Real Estate	Active
Eastern	Carteret	00000447	Hinebaugh Associates	Active
Eastern	Carteret	00000448	Coastal Cablecasting Corporation, Inc.	Active
Eastern	Carteret	00000449	Mystery Tours, Inc.	Active
Eastern	Carteret	00000632	Homesield	Active
Eastern	Carteret	00000758	Steve Ballou Homes	Active
Eastern	Carteret	00000870	Shirley S. Rule	Active
Eastern	Chowan	00000579	White's Country Store	Active
Eastern	Chowan	00000766	Bonanza, Inc.	Active
Eastern	Craven	00000045	Porterfield & Company	Active
Eastern	Craven	00000084	Barry Littmann	Active
Eastern	Craven	00000469	Benjamin L. Eborn	Active
Eastern	Craven	00000806	Movie Madness, Inc.	Active
Eastern	Dare	00000166	Daniel E Fenyak Realtor	Active
Eastern	Dare	00000236	Baywatch	Active
Eastern	Dare	00000243	Sparrow Advertising	Active
Eastern	Dare	00000258	Sea Breeze Studio	Active
Eastern	Dare	00000414	Curtis Petry Construction	Active
Eastern	Dare	00000558	Dairy Mart	Active
Eastern	Dare	00000667	Just For the Beach Inc	Active
Eastern	Dare	00000688	William P. Snyder	Active
Eastern	Dare	00000849	Charles R. Snyder Floor Covering	Active
Eastern	Edgecomb	00000223	Tarboro Edgecombe Chamber of Commerce	Active
Eastern	Edgecomb	00000288	Innovative Design & Tooling, Inc	Active
Eastern	Edgecomb	00000310	Value Works, Inc.	Active
Eastern	Edgecomb	00000475	Beauti Control Cosmetics	Active
Eastern	Edgecomb	00000586	St. James Baptist Church	Active
Eastern	Edgecomb	00000740	Deluxe Cleaners	Active

NC Active Groups

Eastern	Halifax	00000211	M C Harris, Ins	Active
Eastern	Halifax	00000277	Spectrum Enterprises, Inc	Active
Eastern	Halifax	00000712	P & J Auto Sales & Service	Active
Eastern	Halifax	00000742	Scotfield Pro Shop	Active
Eastern	Hertford	00000905	Southeastern Cable Products, Inc.	Active
Eastern	Johnston	00000207	Royce Johnson Construction	Active
Eastern	Johnston	00000429	John M. Lee's Plumbing Service	Active
Eastern	Johnston	00000560	McLamb's Car Sales	Active
Eastern	Johnston	00000790	Complete Home Care	Active
Eastern	Johnston	00000853	Maron & Company	Active
Eastern	Martin	00000226	Harris Feed Company Co, Inc	Active
Eastern	Martin	00000829	Swain Realty Company	Active
Eastern	Nash	00000092	Positive Action For Christ, Inc.	Active
Eastern	Nash	00000139	Dunkin Donuts	Active
Eastern	Nash	00000155	Wholesale Paint Center, Inc	Active
Eastern	Nash	00000385	L J Brokers, Inc.	Active
Eastern	Nash	00000528	Waynes Used Cars, Inc.	Active
Eastern	Nash	00000583	Eugene W Rose	Active
Eastern	Nash	00000695	Whitaker Gin Co, Inc.	Active
Eastern	Nash	00000696	Interiors By Design	Active
Eastern	Nash	00000697	Pippin of Rocky Mt. Inc.	Active
Eastern	Nash	00000765	Lee's Auto Sales	Active
Eastern	Nash	00000810	Goodwin Trading Company	Active
Eastern	Nash	00000860	Quartermaster Co. of Rocky Mount	Active
Eastern	Nash	00000869	Dan Carpenter Co.	Active
Eastern	New Hano	00000187	Nautilus Wellness Center	Active
Eastern	New Hano	00000405	Miracle Ear-Sears	Active
Eastern	New Hano	00000492	Little Professor Book Center	Active
Eastern	New Hano	00000702	API Affemann Personnel Services International	Active
Eastern	Onslow	00000208	Ormond Insurance Agency, Inc	Active
Eastern	Onslow	00000365	Jarman's Tax Service	Active
Eastern	Onslow	00000584	Mark Younghans Painting	Active
Eastern	Onslow	00000887	Holly Ridge Church of God	Active
Eastern	Pasquotan	00000168	Ascencion Recordings Inc	Active
Eastern	Pasquotan	00000363	Headlights, Inc.	Active
Eastern	Pasquotan	00000604	William L. Jackson, Sr.	Active
Eastern	Pender	00000376	The Greater Topsail Area Chamber of Comm	Active
Eastern	Perquima	00000216	Neil DeNunzio, MD	Active

NC Active Groups

Eastern	Perquima	00000228	Michelle's Family Haircare	Active
Eastern	Perquima	00000701	Viking Silver Workers	Active
Eastern	Perquima	00000787	B & C Welding	Active
Eastern	Pitt	00000101	Caroliance Eastern Region	Active
Eastern	Pitt	00000136	Sascorp, Inc	Active
Eastern	Pitt	00000208	Kues Pharmacy	Active
Eastern	Pitt	00000307	Mediation Center of Eastern Carolina	Active
Eastern	Pitt	00000312	Johnson's Jewelers	Active
Eastern	Pitt	00000378	McCarthy Family Chiropractic	Active
Eastern	Pitt	00000381	His and Her Hair Salon	Active
Eastern	Pitt	00000396	J. Michael Howell, Inc	Active
Eastern	Pitt	00000413	T's Cakes	Active
Eastern	Pitt	00000468	Jackson's Upholstery	Active
Eastern	Pitt	00000573	Gawlik Violin Shop	Active
Eastern	Pitt	00000627	Southeastern Tours, Inc.	Active
Eastern	Pitt	00000736	Larry's Carpet One	Active
Eastern	Pitt	00000801	Christianna's Family Care Home	Active
Eastern	Pitt	00000855	Prime Printers, Inc.	Active
Eastern	Pitt	00000882	Habitat for Humanity of Greenville/Pitt Cnty	Active
Eastern	Pitt	00000903	Congregation Bay & Shalom	Active
Eastern	Tyrrell	00000176	Sunnyside Elevator Inc.	Active
Eastern	Tyrrell	00000194	Gibbs Motors	Active
Eastern	Washingto	00000749	Bell Grey Farms	Active
Eastern	Wayne	00000075	Ottis Penny	Active
Eastern	Wayne	00000428	Parker & Parker P.A.C	Active
Eastern	Wilson	00000190	Carol Creech Promotions	Active
Eastern	Wilson	00000201	Martha Rountree Center Day Care Ctr	Active
Eastern	Wilson	00000238	Walter Boykin Jewelry	Active
Eastern	Wilson	00000710	Phillip L. Batchelor	Active
Metrolina	Cabarrus	00000143	Golden Opportunities	Active
Metrolina	Cabarrus	00000193	Rite Lite Signs, Inc	Active
Metrolina	Cabarrus	00000250	Jiffy Quick	Active
Metrolina	Cabarrus	00000494	First In Sight Optometric Clinic, P.A.	Active
Metrolina	Cabarrus	00000499	Spectrum Sales Corp.	Active
Metrolina	Cabarrus	00000634	Conductive Metals, Inc.	Active
Metrolina	Cabarrus	00000646	Bentley's Construction Co.	Active
Metrolina	Cabarrus	00000739	Intech Fire & Security	Active
Metrolina	Cleveland	00000144	Field Studies Center of NC	Active

NC Active Groups

Metrolina	Gaston	00000220	Yancey Framing & Contracting	Active
Metrolina	Gaston	00000393	East Gaston Heating & Air Conditioning	Active
Metrolina	Gaston	00000443	Dotson's Fish Fry	Active
Metrolina	Gaston	00000559	Perrigo Heating and Air Conditioning, Inc.	Active
Metrolina	Gaston	00000616	Affordable Mortgage, Inc.	Active
Metrolina	Gaston	00000670	Jim Furr Realty	Active
Metrolina	Gaston	00000681	Carolinas Construction Co.	Active
Metrolina	Gaston	00000708	Baker Furniture Co, Inc.	Active
Metrolina	Gaston	00000730	Clippard's, Inc.	Active
Metrolina	Gaston	00000868	SDL Construction, Inc.	Active
Metrolina	Iredell - S	00000280	Southeast Chemical Sales	Active
Metrolina	Iredell - S	00000299	Independent Quality Engineering	Active
Metrolina	Iredell - S	00000575	Reflections Hair Salon	Active
Metrolina	Iredell - S	00000711	Stallings Electric	Active
Metrolina	Lincoln	00000242	The Glover House	Active
Metrolina	Lincoln	00000342	Queen's Trucking	Active
Metrolina	Lincoln	00000645	Air Comfort Systems, Inc.	Active
Metrolina	Lincoln	00000808	Denver Ornamental Iron	Active
Metrolina	Mecklenb	00000053	Plaza Road Baptist Church	Active
Metrolina	Mecklenb	00000161	Scampi Seafood Restaurant	Active
Metrolina	Mecklenb	00000213	Maleady Builders, Incorporated	Active
Metrolina	Mecklenb	00000222	Modern Haircutters	Active
Metrolina	Mecklenb	00000224	T K Brown Construction Co, Inc	Active
Metrolina	Mecklenb	00000227	Advertising & Marketing Services, Inc	Active
Metrolina	Mecklenb	00000229	The Roger D Dixon Co Inc	Active
Metrolina	Mecklenb	00000246	Moving Pictures	Active
Metrolina	Mecklenb	00000248	David M Thompson	Active
Metrolina	Mecklenb	00000254	Collision Body Shop	Active
Metrolina	Mecklenb	00000256	Mathur Agency	Active
Metrolina	Mecklenb	00000257	Signs Now	Active
Metrolina	Mecklenb	00000272	Jersey Mike's Subs	Active
Metrolina	Mecklenb	00000287	Asthma & Allergy Specialists, PA	Active
Metrolina	Mecklenb	00000320	Webber Real Estate	Active
Metrolina	Mecklenb	00000325	JM Enterprises	Active
Metrolina	Mecklenb	00000330	Kathy Gayle Queen	Active
Metrolina	Mecklenb	00000331	Fisher Sales, Inc.	Active
Metrolina	Mecklenb	00000341	Parks Distribution Co	Active
Metrolina	Mecklenb	00000345	Invisible Fencing of the Carolinas	Active

NC Active Groups

Metrolina	Mecklenb	00000355	Horizon Products, Inc.	Active
Metrolina	Mecklenb	00000371	George Brown Assoc	Active
Metrolina	Mecklenb	00000392	Strategic Solutions	Active
Metrolina	Mecklenb	00000399	The Ballet School of Charlotte	Active
Metrolina	Mecklenb	00000400	Dancewear & More!	Active
Metrolina	Mecklenb	00000401	Joanna Zweben	Active
Metrolina	Mecklenb	00000412	Custom Glass Works, Inc	Active
Metrolina	Mecklenb	00000416	Quality Products	Active
Metrolina	Mecklenb	00000417	Little Flower Asst. Living Residence	Active
Metrolina	Mecklenb	00000422	Queenstowne Realty of Charlotte, Inc.	Active
Metrolina	Mecklenb	00000424	World Stone Fabricators, Inc	Active
Metrolina	Mecklenb	00000426	Thrift Management	Active
Metrolina	Mecklenb	00000432	Maples Bookkeeping & Tax Service	Active
Metrolina	Mecklenb	00000437	Adams Distributing Co.	Active
Metrolina	Mecklenb	00000451	RE Consults	Active
Metrolina	Mecklenb	00000453	B & B Vending, Inc	Active
Metrolina	Mecklenb	00000474	Eagle Cleaners	Active
Metrolina	Mecklenb	00000476	Pressure Werks, Inc	Active
Metrolina	Mecklenb	00000490	Lee's Maintenance Services	Active
Metrolina	Mecklenb	00000525	Brown & Morrison	Active
Metrolina	Mecklenb	00000535	SMS Services	Active
Metrolina	Mecklenb	00000539	Bryant Communications, Inc	Active
Metrolina	Mecklenb	00000541	The Chapman Corporation	Active
Metrolina	Mecklenb	00000548	Preferred Printing Services, Inc.	Active
Metrolina	Mecklenb	00000578	Ed Means Ins. Agency	Active
Metrolina	Mecklenb	00000591	Hinson Investigations	Active
Metrolina	Mecklenb	00000596	Linda S Morgan	Active
Metrolina	Mecklenb	00000611	The Miramar Company	Active
Metrolina	Mecklenb	00000617	Reliable Music	Active
Metrolina	Mecklenb	00000629	Yellow Rose Cafe, Inc.	Active
Metrolina	Mecklenb	00000633	Matthews Holiday Haus	Active
Metrolina	Mecklenb	00000638	Altura Environmental, Inc.	Active
Metrolina	Mecklenb	00000684	Hal Tribble Architect	Active
Metrolina	Mecklenb	00000725	Charlotte Maternal-Fetal Medicine Center, PA	Active
Metrolina	Mecklenb	00000726	Burton Engineering Associates, PC	Active
Metrolina	Mecklenb	00000731	NCC Systems	Active
Metrolina	Mecklenb	00000746	Chief Executive Assistance, Inc	Active
Metrolina	Mecklenb	00000748	Gold Line Express	Active

NC Active Groups

Metrolina	Mecklenb	00000771	John S. Sullivan Insurance	Active
Metrolina	Mecklenb	00000804	Richard Friedman Associates, Inc.	Active
Metrolina	Mecklenb	00000843	Home Team Fans, LLC	Active
Metrolina	Mecklenb	00000846	Richard O. Deforeste	Active
Metrolina	Mecklenb	00000857	Southern Insurance Services Inc.	Active
Metrolina	Mecklenb	00000858	Central Carolina Ins Corp. Inc.	Active
Metrolina	Mecklenb	00000871	Action Resources Programs, Inc.	Active
Metrolina	Mecklenb	00000872	Thomas Printers	Active
Metrolina	Mecklenb	00000883	Designer Furnishings Mktplace, Inc	Active
Metrolina	Rowan	00000218	Dabbit Beach Bingo	Active
Metrolina	Rowan	00000275	The Trophy Center	Active
Metrolina	Rowan	00000540	Stock Car Steel & Aluminum	Active
Metrolina	Rowan	00000643	Van Lathem, Inc.	Active
Metrolina	Rowan	00000767	Foxfire Lanes	Active
Metrolina	Rowan	00000816	Protech Fabrication, Inc	Active
Metrolina	Rowan	00000845	P & J Tire & Diesel Service	Active
Metrolina	Stanly	00000041	Tommy L Beatty	Active
Metrolina	Stanly	00000100	Dot Calloway, Avon Distributor	Active
Metrolina	Stanly	00000114	Security Pest Control	Active
Metrolina	Stanly	00000126	Rushing Jewelers	Active
Metrolina	Stanly	00000130	Bulldog's Tractor Work	Active
Metrolina	Stanly	00000200	New Images Hair	Active
Metrolina	Stanly	00000239	Garmon Mechanical Service	Active
Metrolina	Stanly	00000301	Robert D. Lee Farm	Active
Metrolina	Stanly	00000510	Royal Chemical Company	Active
Metrolina	Stanly	00000554	Burris Trucking	Active
Metrolina	Stanly	00000861	Charley's Dairy Bar & Restaurant	Active
Metrolina	Union	00000022	Bess Farms	Active
Metrolina	Union	00000028	Triple T Farms	Active
Metrolina	Union	00000043	Harold Little Turkey Farm	Active
Metrolina	Union	00000049	Caroliance	Active
Metrolina	Union	00000080	Lanny Simpson Farms	Active
Metrolina	Union	00000090	G & M Home Improvement	Active
Metrolina	Union	00000106	David Plyler Farms	Active
Metrolina	Union	00000110	The Prudential Carolinas Realty	Active
Metrolina	Union	00000116	Unity Christian Fellowship, NC	Active
Metrolina	Union	00000137	Forbis Broome Woodworks, Inc	Active
Metrolina	Union	00000158	Carpenter Associates	Active

NC Active Groups

Metrolina	Union	00000159	Shirley Carpenter	Active
Metrolina	Union	00000165	Terry Connell Davis-Broker	Active
Metrolina	Union	00000171	Moorer and Associates, Inc.	Active
Metrolina	Union	00000183	Water Outlet, Inc.	Active
Metrolina	Union	00000212	Morgan Mill Road Baptist Church	Active
Metrolina	Union	00000230	Triple R Farms	Active
Metrolina	Union	00000328	D & A Trucking, Inc.	Active
Metrolina	Union	00000360	Smith Contracting	Active
Metrolina	Union	00000369	Big Blue Stump Removal	Active
Metrolina	Union	00000391	Union Plumbing Supply, Inc	Active
Metrolina	Union	00000403	Carolina Cylinder Head Service, Inc	Active
Metrolina	Union	00000415	Crystal	Active
Metrolina	Union	00000421	Sustar Electric	Active
Metrolina	Union	00000438	Williams Porta-Jon	Active
Metrolina	Union	00000439	RMG	Active
Metrolina	Union	00000441	Mangum's Used Cars and Parts	Active
Metrolina	Union	00000466	Smith Enterprises	Active
Metrolina	Union	00000493	Bennetts Drywall Inc	Active
Metrolina	Union	00000562	Mullis Welding & Hydraulic Repair	Active
Metrolina	Union	00000563	Law Office of S. Stephen Goodwin, Jr.	Active
Metrolina	Union	00000614	Metrolina Surgical Associates, P.A	Active
Metrolina	Union	00000640	Richard E. Brown	Active
Metrolina	Union	00000648	Tommy W. Norwood Jr., Construction	Active
Metrolina	Union	00000669	McCray Wholesale Grocery Co. Inc.	Active
Metrolina	Union	00000705	Steven R Patty, DDS	Active
Metrolina	Union	00000733	Monroe Chain Saw & Lawn Mower Co.	Active
Metrolina	Union	00000776	Solution Technology Inc.	Active
Metrolina	Union	00000798	Walter Pate	Active
Metrolina	Union	00000824	AllCar - Monroe- Insurance Agency	Active
Metrolina	Union	00000827	Cleaner Cars Unlimited LLC	Active
Metrolina	Union	00000834	Kevin Puckett Construction	Active
Northwest/Triad	Alamance	00000319	Patterson Ind., Inc.	Active
Northwest/Triad	Alamance	00000343	Isley Insurance	Active
Northwest/Triad	Alamance	00000464	All Pro Video	Active
Northwest/Triad	Alamance	00000651	Miss Nell's School	Active
Northwest/Triad	Alleghany	00000380	Alvin's Tobacco Farm	Active
Northwest/Triad	Ashe	00000260	Moore Solutions of NC, Inc	Active
Northwest/Triad	Ashe	00000406	Strategics, Inc.	Active

NC Active Groups

Northwest/Triad	Ashe	00000553	Steve Blind Construction	Active
Northwest/Triad	Ashe	00000569	North Fork Electric	Active
Northwest/Triad	Ashe	00000565	Shatley Springs Gift Shop	Active
Northwest/Triad	Ashe	00000590	Jon Marc Dept. Store	Active
Northwest/Triad	Ashe	00000658	Graham Electric Co., Inc.	Active
Northwest/Triad	Ashe	00000690	Rathay Communitions	Active
Northwest/Triad	Ashe	00000802	Cardinal Tree Farms	Active
Northwest/Triad	Ashe	00000807	Blue Ridge Medical Transport, Inc.	Active
Northwest/Triad	Caldwell	00000357	Dream Homes of Cat Valley	Active
Northwest/Triad	Caldwell	00000635	American Trade & Loan, Inc.	Active
Northwest/Triad	Caldwell	00000786	Kelley's Sports & Awards, LLC	Active
Northwest/Triad	Catawba	00000302	Sorencor Enterprises LTD	Active
Northwest/Triad	Catawba	00000423	Gregory Delivery Service	Active
Northwest/Triad	Catawba	00000512	Tom Hester Electric	Active
Northwest/Triad	Catawba	00000576	Avia Sports	Active
Northwest/Triad	Catawba	00000657	Formal Events	Active
Northwest/Triad	Catawba	00000709	Westover Development Corp.	Active
Northwest/Triad	Catawba	00000839	Hair Twist Beauty Salon	Active
Northwest/Triad	Davidson	00000641	Randy's Mart # 1, Inc.	Active
Northwest/Triad	Davidson	00000672	Simpson Mechanical	Active
Northwest/Triad	Davidson	00000716	Fisher Painting Service	Active
Northwest/Triad	Davidson	00000735	Michael J. Phillips, MD	Active
Northwest/Triad	Davidson	00000803	Coggins Memorial Baptist Church Child Devel	Active
Northwest/Triad	Davidson	00000818	Rodney Thrift Body & Paint	Active
Northwest/Triad	Davidson	00000820	Davidson Landscape Nursery	Active
Northwest/Triad	Davidson	00000840	Smith Bros Oil Co.	Active
Northwest/Triad	Davie	00000078	Harry Kinder Associates	Active
Northwest/Triad	Davie	00000138	Whittaker Motor Company	Active
Northwest/Triad	Davie	00000146	Miller Sheet Metal Shop	Active
Northwest/Triad	Forsyth	00000071	Green Horizons, Inc.	Active
Northwest/Triad	Forsyth	00000083	Willowtree Specialty Imprinting Co	Active
Northwest/Triad	Forsyth	00000093	Aubrey M. Banks	Active
Northwest/Triad	Forsyth	00000095	Business Systems Consulting	Active
Northwest/Triad	Forsyth	00000099	Carpet Associates, Inc.	Active
Northwest/Triad	Forsyth	00000108	Wicks (N) Sticks	Active
Northwest/Triad	Forsyth	00000112	McClearen Design	Active
Northwest/Triad	Forsyth	00000177	Ideal Printing Service	Active
Northwest/Triad	Forsyth	00000215	Shallowford Farms	Active

NC Active Groups

Northwest/Triad	Forsyth	00000284	A. Thad Lewallen	Active
Northwest/Triad	Forsyth	00000418	H. Thomas Bosworth, PsyD	Active
Northwest/Triad	Forsyth	00000599	Carol J. Beard	Active
Northwest/Triad	Forsyth	00000600	Dea's Repo Service	Active
Northwest/Triad	Forsyth	00000650	ERD	Active
Northwest/Triad	Forsyth	00000698	Jay's Place	Active
Northwest/Triad	Forsyth	00000738	Albert J Zaytoun, DDS	Active
Northwest/Triad	Forsyth	00000782	L.A.B. Trucking	Active
Northwest/Triad	Forsyth	00000794	Konnoak Shell, Inc.	Active
Northwest/Triad	Forsyth	00000851	Cue 'N Spirits	Active
Northwest/Triad	Forsyth	00000866	James Foster McClean	Active
Northwest/Triad	Forsyth	00000879	L.B. Harris Fence Co.	Active
Northwest/Triad	Guilford	00000040	Classic Designs	Active
Northwest/Triad	Guilford	00000174	Digger Enterprises, Inc.	Active
Northwest/Triad	Guilford	00000186	TriCity Auto Salvage, Inc	Active
Northwest/Triad	Guilford	00000361	Carolina Casters & Equipment, Inc.	Active
Northwest/Triad	Guilford	00000383	Lovett's Mobil Marts	Active
Northwest/Triad	Guilford	00000384	Burroughs Associates	Active
Northwest/Triad	Guilford	00000395	Greater Metropolitan Church	Active
Northwest/Triad	Guilford	00000511	Hatley & Associates, Inc.	Active
Northwest/Triad	Guilford	00000561	Planworks, Inc.	Active
Northwest/Triad	Guilford	00000574	Lowell's Plumbing	Active
Northwest/Triad	Guilford	00000618	Michael F. Luther & Assoc.	Active
Northwest/Triad	Guilford	00000678	Gregory Hardy Hinson	Active
Northwest/Triad	Guilford	00000683	Southside Tavern	Active
Northwest/Triad	Guilford	00000694	NET WHYS	Active
Northwest/Triad	Guilford	00000720	Cinema Visuals, L.L.C.	Active
Northwest/Triad	Guilford	00000732	Dabbs Furniture Co.Inc.	Active
Northwest/Triad	Guilford	00000747	Pushkin Enterprises	Active
Northwest/Triad	Guilford	00000773	KIDS Inc.	Active
Northwest/Triad	Guilford	00000831	T. Moreland & Associates, LLC	Active
Northwest/Triad	Guilford	00000873	The Sales Factory, Inc.	Active
Northwest/Triad	Iredell - N	00000210	B & W Wholesale	Active
Northwest/Triad	Iredell - N	00000603	Stop-A-Lot	Active
Northwest/Triad	Iredell - N	00000639	Warlick Paint Company, Inc.	Active
Northwest/Triad	Iredell - N	00000642	Slade, Inc.	Active
Northwest/Triad	Iredell - N	00000654	Teknix	Active
Northwest/Triad	Iredell - N	00000757	Courier Automotive Body Shop	Active

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Northwest/Triad	Iredell - N	00000847	TIPCO	Active
Northwest/Triad	Iredell - N	00000874	Deal-Rite Feed, Inc.	Active
Northwest/Triad	Iredell - N	00000899	Edmiston Realty Co.	Active
Northwest/Triad	Randolph	00000032	W. Michael's by the Creek	Active
Northwest/Triad	Randolph	00000349	Prevo Drug, Inc	Active
Northwest/Triad	Randolph	00000856	Carolina Utility Building	Active
Northwest/Triad	Randolph	00000686	Caraway Speedway	Active
Northwest/Triad	Randolph	00000832	Nippy's Family Rest	Active
Northwest/Triad	Rockingha	00000781	International Computer Concepts, Inc.	Active
Northwest/Triad	Rockingha	00000805	Keith Foster	Active
Northwest/Triad	Stokes	00000865	Smurf's Tavern	Active
Northwest/Triad	Surry	00000113	Westfield Superette	Active
Northwest/Triad	Surry	00000198	Kenneth A Smith, Attorney at Law	Active
Northwest/Triad	Surry	00000570	Sparks Consulting	Active
Northwest/Triad	Surry	00000602	Wilite's Automotive Machine Shop, Inc	Active
Northwest/Triad	Watauga	00000060	Bear Mountain Forge, Inc	Active
Northwest/Triad	Watauga	00000104	Accents	Active
Northwest/Triad	Watauga	00000306	Advanced Realty, Inc	Active
Northwest/Triad	Watauga	00000362	Phillips Properties	Active
Northwest/Triad	Watauga	00000377	Management Recruiters of Boone	Active
Northwest/Triad	Watauga	00000382	Advertising Specialty Kaleidoscope	Active
Northwest/Triad	Watauga	00000407	MLMP, Inc	Active
Northwest/Triad	Watauga	00000489	Howard F. Worsey	Active
Northwest/Triad	Watauga	00000631	Lampo and Associates	Active
Northwest/Triad	Watauga	00000685	DeWoolfson Down International, Inc.	Active
Northwest/Triad	Watauga	00000769	KEPCO	Active
Northwest/Triad	Watauga	00000789	MedAccess, Inc	Active
Northwest/Triad	Watauga	00000856	Magic Mountain Mini Gold	Active
Northwest/Triad	Watauga	00000864	Presnells Auto Shop	Active
Northwest/Triad	Wilkes	00000233	Payne Power Equipment, Inc.	Active
Northwest/Triad	Wilkes	00000353	First Discount Travel	Active
Northwest/Triad	Wilkes	00000488	Riverview Rentals	Active
Northwest/Triad	Wilkes	00000552	Anne Phillips Interiors	Active
Northwest/Triad	Wilkes	00000715	Vanhoy Electric Co.	Active
Northwest/Triad	Wilkes	00000762	Learning Systems Inc.	Active
Northwest/Triad	Wilkes	00000768	Ferrell Properties Farm	Active
Northwest/Triad	Wilkes	00000785	Excel Motorsports	Active
Northwest/Triad	Yadkin	00000067	Hausco	Active

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Northwest/Triad	Yadkin	00000141	Derek and Tamika Cave	Active
Northwest/Triad	Yadkin	00000172	Courtney Grocery	Active
Northwest/Triad	Yadkin	00000225	Larry Gillenwater, Jr	Active
Northwest/Triad	Yadkin	00000296	Boonville Flower & Decor, Inc	Active
Northwest/Triad	Yadkin	00000755	Norman's Grading Inc.	Active
Northwest/Triad	Yadkin	00000854	D & J Motors	Active
Southeastern	Cumberla	00000120	Josette Mary Kay	Active
Southeastern	Cumberla	00000148	ROTC Specialties	Active
Southeastern	Cumberla	00000182	American Uniform Sales, Inc. of Fayetteville	Active
Southeastern	Cumberla	00000185	Fun, Fun, Fun, Inc	Active
Southeastern	Cumberla	00000297	Wet Willie's Car Washes	Active
Southeastern	Cumberla	00000459	D & R Refrigeration	Active
Southeastern	Cumberla	00000460	Ben T. Monk Real Estate Services	Active
Southeastern	Cumberla	00000462	Cumberland County Coordinating Council, Inc	Active
Southeastern	Cumberla	00000506	Blue Ridge Propane Gas Co., Inc	Active
Southeastern	Cumberla	00000515	Michael J. Fabey	Active
Southeastern	Cumberla	00000526	Legion Road Citgo	Active
Southeastern	Cumberla	00000530	Winfrey & Leslie, Attorneys At Law	Active
Southeastern	Cumberla	00000531	Arvin Lewis Johnson Farming	Active
Southeastern	Cumberla	00000580	Jim Graves & Associates	Active
Southeastern	Cumberla	00000796	Bradford Instrumentation Ser. Co.	Active
Southeastern	Harnett	00000219	Bobby's Sunoco	Active
Southeastern	Harnett	00000270	Advance Marketing	Active
Southeastern	Harnett	00000527	Frank Murray Real Estate & Appraisals	Active
Southeastern	Lee	00000534	Certified Machine	Active
Southeastern	Montgome	00000470	Dexter P. Gibson, Pastor	Active
Southeastern	Montgome	00000687	Jimmy Hogan Logging	Active
Southeastern	Montgome	00000745	Carolina Forest Assoc, Inc	Active
Southeastern	Moore	00000050	Resort Fire And Safety Equipment Co	Active
Southeastern	Moore	00000253	Sanford Distributing Co Inc	Active
Southeastern	Moore	00000465	Frank's Food Center, Inc	Active
Southeastern	Moore	00000597	BASCO Services, Inc	Active
Southeastern	Moore	00000814	Package & Shipping Center Inc	Active
Southeastern	Moore	00000833	Doris Leslie Day Care	Active
Southeastern	Moore	00000848	Fry and Prickett Funeral Home	Active
Southeastern	Moore	00000862	Skyline Farms	Active
Southeastern	Richmond	00000048	Richmond County Chamber of Commerce, I	Active
Southeastern	Richmond	00000064	Helms Jewelers, Inc	Active

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Southeastern	Richmond	00000217	Rodney Russell Pro Shop	Active
Southeastern	Richmond	00000247	Allen's Wholesale Produce	Active
Southeastern	Richmond	00000723	Compatable Computers	Active
Southeastern	Richmond	00000724	The Cake Shoppe	Active
Southeastern	Richmond	00000836	Doyle's Flying Service	Active
Southeastern	Robeson	00000234	Percival and Moore Timber Sales and Manag	Active
Southeastern	Robeson	00000359	Southeastern Ambulance Service, Inc.	Active
Southeastern	Robeson	00000398	Coastal Plain Orthopedic Clinic	Active
Southeastern	Robeson	00000430	E & R Farms	Active
Southeastern	Robeson	00000508	L & M Glass Company	Active
Southeastern	Robeson	00000555	Southeastern Ear, Nose & Throat Clinic, PA	Active
Southeastern	Robeson	00000647	Bon-Aire Filters, Inc.	Active
Southeastern	Sampson	00000358	Gayle J Parker	Active
Southeastern	Sampson	00000551	Bell Realty	Active
Southeastern	Sampson	00000728	Family Care Clinic	Active
Southeastern	Sampson	00000838	Haywood Jordan Welding	Active
Southeastern	Sampson	00000852	James K Jones Consulting Forrester	Active
Southeastern	Scotland	00000195	Williams Marketing	Active
Southeastern	Scotland	00000729	Gracenote Records, Inc.	Active
Triangle	Chatham	00000335	Allan R Forbes II	Active
Triangle	Chatham	00000592	RAFI-USA	Active
Triangle	Durham	00000214	Consumer Credit Counseling Service	Active
Triangle	Durham	00000356	Good Works	Active
Triangle	Durham	00000386	Catherine L. Faver	Active
Triangle	Durham	00000394	Brainard Associates	Active
Triangle	Durham	00000442	Performance Plus	Active
Triangle	Durham	00000446	Montessori Children's House	Active
Triangle	Durham	00000457	Shari H Fischer	Active
Triangle	Durham	00000458	Wethington Service Co., Inc	Active
Triangle	Durham	00000484	Valarie D Stevens	Active
Triangle	Durham	00000491	Vickers Clothiers, Inc	Active
Triangle	Durham	00000537	Artable Wares	Active
Triangle	Durham	00000544	Rags to Riches Theatre for Young Audiences	Active
Triangle	Durham	00000550	North Carolina Preservation Consortium, Inc	Active
Triangle	Durham	00000564	Greater Joy Baptist Church	Active
Triangle	Durham	00000568	Royall Commercial Properties, Inc	Active
Triangle	Durham	00000577	J.R. Test Services	Active
Triangle	Durham	00000615	McGibney & Jordan, PA	Active

NC Active Groups

Triangle	Durham	00000621	Greater St.Paul Missionary Baptist Church	Active
Triangle	Durham	00000622	AJ's Pressure Washing	Active
Triangle	Durham	00000623	Accessories Plus	Active
Triangle	Durham	00000628	Yates Baptist Church	Active
Triangle	Durham	00000671	Caroliance	Active
Triangle	Durham	00000673	Piper's Deli Inc.	Active
Triangle	Durham	00000691	CheckGuard Systems, Inc.	Active
Triangle	Durham	00000700	Shear Dimensions	Active
Triangle	Granville	00000332	C U Electric, Inc.	Active
Triangle	Granville	00000409	Blevins Air Conditioning & Electrical Service, I	Active
Triangle	Granville	00000676	Walker's Grocery & Grill	Active
Triangle	Orange	00000168	Pages & Associates, Inc.	Active
Triangle	Orange	00000173	Gabriel, Menefee & Assoc Inc	Active
Triangle	Orange	00000184	Linda Finch, Architect	Active
Triangle	Orange	00000324	Carolina Farm Stewardship Association	Active
Triangle	Orange	00000333	Democratic Reform Project	Active
Triangle	Orange	00000334	Aesculapius	Active
Triangle	Orange	00000339	Grimball & Stokes Jewelers	Active
Triangle	Orange	00000427	Attorney & Counselor of Law	Active
Triangle	Orange	00000435	Insurance Personal Resources, Inc	Active
Triangle	Orange	00000456	ImageKeepers, Inc	Active
Triangle	Orange	00000472	Sarah Titus	Active
Triangle	Orange	00000485	Gregory Herman-Giddens, Atty at Law	Active
Triangle	Orange	00000516	Katherina S. Underhill, Real Estate	Active
Triangle	Orange	00000536	A Better Image Printing	Active
Triangle	Orange	00000547	Kay Charles Woods Builder	Active
Triangle	Orange	00000588	D & D Associates International, LLC	Active
Triangle	Orange	00000598	Atwater Farm	Active
Triangle	Orange	00000624	Coldwell Banker Realty Center	Active
Triangle	Orange	00000659	Lion's Den	Active
Triangle	Orange	00000674	Packaging & Design Associates	Active
Triangle	Orange	00000675	S E I I	Active
Triangle	Orange	00000707	A Helping Hand, Inc.	Active
Triangle	Orange	00000770	Lynne M Feiss	Active
Triangle	Orange	00000821	William J Mullen	Active
Triangle	Person	00000549	Cameron Auto	Active
Triangle	Vance	00000620	Law Office of James P. Green	Active
Triangle	Wake	00000069	Allen Funk's Wallpaper	Active

NC Active Groups

Triangle	Wake	00000122	Jeffery P Gupton	Active
Triangle	Wake	00000127	McLean's Barber Shop	Active
Triangle	Wake	00000147	Louis H. Mann	Active
Triangle	Wake	00000221	Raleigh Chocolate Factory	Active
Triangle	Wake	00000263	Garland F Spangler & Assoc, Inc	Active
Triangle	Wake	00000267	Raleigh Junior Cotillion Club	Active
Triangle	Wake	00000327	Massey's Roffler Family Hair Center	Active
Triangle	Wake	00000354	Warren Communications Systems, Inc	Active
Triangle	Wake	00000420	M & J Sales	Active
Triangle	Wake	00000433	Critter Control	Active
Triangle	Wake	00000452	Prestige Delivery, Inc.	Active
Triangle	Wake	00000455	Pullen Memorial Baptist Church	Active
Triangle	Wake	00000461	RWW Consulting, Inc.	Active
Triangle	Wake	00000481	Dale Builders	Active
Triangle	Wake	00000498	M & M Landscaping	Active
Triangle	Wake	00000524	Southern Ventures, Inc	Active
Triangle	Wake	00000567	Hair Doctor	Active
Triangle	Wake	00000587	Cliff's Maytag Home Appliance Center, Inc	Active
Triangle	Wake	00000619	Pamela R. Garside	Active
Triangle	Wake	00000652	Margaret Scott Lynch	Active
Triangle	Wake	00000665	Jacqueline's Restaurant at the Plantation	Active
Triangle	Wake	00000666	The Planatation Inn Resort	Active
Triangle	Wake	00000677	Jani King	Active
Triangle	Wake	00000682	Discount Cleaners	Active
Triangle	Wake	00000703	Elizabeth A. Flagler	Active
Triangle	Wake	00000706	L & J Enterprises	Active
Triangle	Wake	00000743	Blank Frank Records, Inc	Active
Triangle	Wake	00000826	John J Marks M.D. P.A.	Active
Triangle	Wake	00000842	Healthcare Financial Management Service	Active
Triangle	Wake	00000859	Joseph Grantham	Active
Triangle	Warren	00000693	Norlina Manufacturing Co. Inc.	Active
Western	Avery	00000170	Beech Mountain Area Chamber of Commerce	Active
Western	Avery	00000178	Crossnore Presbyterian Church	Active
Western	Avery	00000389	Banner Elk Area Chamber of Commerce	Active
Western	Avery	00000497	JD's Smokehouse Bar B-Q Inc	Active
Western	Buncombe	00000019	Mama T's Infant Care	Active
Western	Buncombe	00000020	Asheville Pet Supply	Active
Western	Buncombe	00000031	Gladstone Road Productions, Inc.	Active

NC Active Groups

Western	Buncombe	00000039	Faulkner's Tune-Up Service, Inc	Active
Western	Buncombe	00000054	Air Care of Asheville, Inc.	Active
Western	Buncombe	00000055	David West Company	Active
Western	Buncombe	00000056	Kline Construction Company, Inc	Active
Western	Buncombe	00000058	WJF Enterprises, LTD	Active
Western	Buncombe	00000070	Allen Funk's Wallpapers	Active
Western	Buncombe	00000072	Kenneth D Glover	Active
Western	Buncombe	00000086	Rice Alignment Service	Active
Western	Buncombe	00000089	SPARC	Active
Western	Buncombe	00000094	The Hare & The Tortoise	Active
Western	Buncombe	00000103	Stevens Electric Co Inc	Active
Western	Buncombe	00000107	CAROLINA E.D.M.	Active
Western	Buncombe	00000131	Cairn Brae B&B	Active
Western	Buncombe	00000132	Sammi A McCombs	Active
Western	Buncombe	00000134	MEDA Corporation	Active
Western	Buncombe	00000142	Canine Country Club	Active
Western	Buncombe	00000163	James Shuler Trucking	Active
Western	Buncombe	00000164	Forehand-Stamper, Inc	Active
Western	Buncombe	00000180	Dixie Auto Repair	Active
Western	Buncombe	00000191	Miller's Mountain Lodge	Active
Western	Buncombe	00000196	Roger D. Rector, Sr. Auctioneer	Active
Western	Buncombe	00000197	Pamela D. Autrey	Active
Western	Buncombe	00000235	Dorothy I Arrowood	Active
Western	Buncombe	00000237	Showcase Exteriors	Active
Western	Buncombe	00000241	Bristlecone Consulting Company	Active
Western	Buncombe	00000265	Black Mountain Iron Works	Active
Western	Buncombe	00000281	MATCO TOOLS	Active
Western	Buncombe	00000282	E.H. & W. LTD	Active
Western	Buncombe	00000286	Burdett S Atkinson	Active
Western	Buncombe	00000290	Ready Rental and Sales, Inc	Active
Western	Buncombe	00000298	Juno Tire & Service Center, Inc	Active
Western	Buncombe	00000303	Prince Marketing, Inc.	Active
Western	Buncombe	00000304	Sales Associates	Active
Western	Buncombe	00000321	Levi Tool & Mold Corp.	Active
Western	Buncombe	00000322	A Way With Words	Active
Western	Buncombe	00000337	Black Mtn. Billy	Active
Western	Buncombe	00000338	SPARCS Funding	Active
Western	Buncombe	00000344	Synergisms Unlimited, Inc.	Active

NC Active Groups

Western	Buncombe	00000350	A Cook's Gallery	Active
Western	Buncombe	00000351	J & L Associates	Active
Western	Buncombe	00000364	Gateway Floral Mart, Inc	Active
Western	Buncombe	00000367	Eric K DeRosa	Active
Western	Buncombe	00000368	SMS	Active
Western	Buncombe	00000379	The Insurance Connection, Inc.	Active
Western	Buncombe	00000397	Swannanoa Laundry, Inc.	Active
Western	Buncombe	00000425	Feed-Seed Supply	Active
Western	Buncombe	00000440	Barry C. Duncan, DMD	Active
Western	Buncombe	00000454	Asheville Tourist Baseball Club	Active
Western	Buncombe	00000463	Ray & Allen Funeral Service, Inc	Active
Western	Buncombe	00000496	The Eagle/Market Streets Development Corp	Active
Western	Buncombe	00000502	Braswell Scale & Equipment Co., Inc.	Active
Western	Buncombe	00000503	James W. Taylor	Active
Western	Buncombe	00000504	Service Engineering Company	Active
Western	Buncombe	00000505	Rhulon T. Fowler	Active
Western	Buncombe	00000509	Trace Engineering	Active
Western	Buncombe	00000607	ImageSmith	Active
Western	Buncombe	00000608	George Morosani & Associates	Active
Western	Buncombe	00000609	Great Western Management Company	Active
Western	Buncombe	00000613	Cathedral of All Souls	Active
Western	Buncombe	00000626	Caroliance Western Region	Active
Western	Buncombe	00000660	Carmine A. Derrico	Active
Western	Buncombe	00000663	West Star	Active
Western	Buncombe	00000664	Mama Gertie's Hideaway Campground	Active
Western	Buncombe	00000689	Applewood Manor Inn	Active
Western	Buncombe	00000699	QTM Group	Active
Western	Buncombe	00000714	T & Company, Inc.	Active
Western	Buncombe	00000721	Asheville Hearing Aid Center, Inc.	Active
Western	Buncombe	00000722	Profit Builder, Inc.	Active
Western	Buncombe	00000727	Absolute Automobile Insurance Agy, Inc.	Active
Western	Buncombe	00000741	Commercial Carrier Insurance Services, Inc	Active
Western	Buncombe	00000744	Buck Tom Food Mart	Active
Western	Buncombe	00000772	American Lifestyle Communities, Inc.	Active
Western	Buncombe	00000774	Carol C. Bourke	Active
Western	Buncombe	00000775	Jack A Hunnicutt Accounting	Active
Western	Buncombe	00000777	Pinnacle Engineers P.C.	Active
Western	Buncombe	00000778	Affordable Mufflers	Active

NC Active Groups

Western	Buncombe	00000779	CPC	Active
Western	Buncombe	00000780	Asheville Center for Group & Family Therapy	Active
Western	Buncombe	00000783	William A. Barnes Jr. PA	Active
Western	Buncombe	00000788	Wilder Wadford, PA	Active
Western	Buncombe	00000792	Lentz Cabinets & Sales	Active
Western	Buncombe	00000793	Magic Show Video	Active
Western	Buncombe	00000799	Farm Equipment Co. of Asheville, Inc.	Active
Western	Buncombe	00000811	Barber Shop	Active
Western	Buncombe	00000817	Communication Service, Inc.	Active
Western	Buncombe	00000823	AllCar Insurance Agency	Active
Western	Buncombe	00000825	Mountain Sentinel, Inc	Active
Western	Buncombe	00000830	CMA	Active
Western	Buncombe	00000844	McNees Graphics, Inc.	Active
Western	Buncombe	00000875	Northside Printing Company	Active
Western	Buncombe	00000878	Worth W Hester	Active
Western	Buncombe	00000880	Ravenscroft Family Health Ctr, Inc	Active
Western	Buncombe	00000881	Tumbleweed Ent	Active
Western	Buncombe	00000885	Casts of Thousands	Active
Western	Buncombe	00000886	Frayar Performance, Inc	Active
Western	Buncombe	00000889	PECO	Active
Western	Buncombe	00000890	Regional Allergy & Asthma Consultants	Active
Western	Burke	00000203	Pritchard Siding	Active
Western	Burke	00000483	Stephens Sign & Erection Co., Inc.	Active
Western	Cherokee	00000294	Quality Discount Furniture	Active
Western	Cherokee	00000431	Green Music Co.	Active
Western	Cherokee	00000589	Mountain Office Systems	Active
Western	Clay	00000033	Shewbird Farms, Inc.	Active
Western	Clay	00000073	That's Video	Active
Western	Clay	00000192	Christie C Rogers Weaving	Active
Western	Clay	00000340	Health-Life Retirement Plans	Active
Western	Clay	00000500	Clay Insurance Services, Inc	Active
Western	Clay	00000538	Roger Donaldson Farms	Active
Western	Haywood	00000269	Bicycle Outfitters	Active
Western	Haywood	00000546	Media Mart, Inc.	Active
Western	Haywood	00000571	Kindred Reeves	Active
Western	Haywood	00000605	Herron Surveying, LTD	Active
Western	Haywood	00000797	Haywood Appliance	Active
Western	Haywood	00000841	Jonathan Creek Inn	Active

NC Active Groups

Western	Henderso	00000059	Jackson Funeral Service	Active
Western	Henderso	00000061	Blue Ridge Homes	Active
Western	Henderso	00000065	Skate-A-Rama	Active
Western	Henderso	00000087	Hendersonville Sewing Center	Active
Western	Henderso	00000153	Leisure Craft Inc	Active
Western	Henderso	00000255	FSI of Asheville	Active
Western	Henderso	00000268	Cairnes A/C and Refrigeration, Inc	Active
Western	Henderso	00000305	A & A Bonding Agency, Inc.	Active
Western	Henderso	00000313	Ledford's Discount	Active
Western	Henderso	00000314	Southeastern Sureties Group, Inc.	Active
Western	Henderso	00000317	DLM	Active
Western	Henderso	00000477	Poly Processing, Inc	Active
Western	Henderso	00000593	Carolina First Mortgage Resources	Active
Western	Henderso	00000594	Polchow & Foster	Active
Western	Henderso	00000595	Hendersonville Furniture Outlet, Inc.	Active
Western	Henderso	00000610	Pleasant Surroundings, Inc.	Active
Western	Henderso	00000668	Bull Pen	Active
Western	Henderso	00000751	Western Carolina Insulation	Active
Western	Henderso	00000752	Swanson Co.	Active
Western	Henderso	00000809	Blue Ridge Wholesale Florist, Inc.	Active
Western	Henderso	00000884	Down To Earth	Active
Western	Jackson	00000016	B Loveland Contracting	Active
Western	Jackson	00000038	Loft Gallery	Active
Western	Jackson	00000274	Ned D. Smith Sr	Active
Western	Jackson	00000316	Valley Gift Shop	Active
Western	Jackson	00000347	James M Herren, DMD, PA	Active
Western	Jackson	00000408	Articulate Ink	Active
Western	Jackson	00000486	Rhoads Excavating	Active
Western	Jackson	00000795	Sylva Psychological Associates, PA	Active
Western	Macon	00000082	Quinlan Estate Antiques, Inc	Active
Western	Macon	00000249	Steven C Cox, MD	Active
Western	Macon	00000293	Lee's Trucking	Active
Western	Macon	00000323	Eye Write Productions	Active
Western	Macon	00000326	Wilson Gas Service & Wilson Fuel Oil Service	Active
Western	Macon	00000501	JLA Designs	Active
Western	Macon	00000581	Arthur D. Haley	Active
Western	Macon	00000582	Medicine Mountain, Inc.	Active
Western	Macon	00000718	Natural Nails	Active

NC Active Groups

Western	Macon	00000819	Iotla Baptist Church	Active
Western	Macon	00000822	Highlands Office Supply	Active
Western	Madison	00000661	The Swann House B & B	Active
Western	McDowell	00000630	Family Services of McDowell County, Inc	Active
Western	McDowell	00000662	The American Booster Club, Co.	Active
Western	Mitchell	00000102	Kathy Buchanan	Active
Western	Rutherford	00000244	Gene's Recycling	Active
Western	Rutherford	00000273	Ann's Restaurant	Active
Western	Swain	00000245	WMC Publishing	Active
Western	Swain	00000329	Mountain Auto Electric, Inc	Active
Western	Swain	00000348	Family Restaurant	Active
Western	Swain	00000529	Bob Interior Design	Active
Western	Swain	00000815	Colville Equipment Company	Active
Western	Transylva	00000074	Suzanne Karnatz(Portrait Artist)	Active
Western	Transylva	00000077	Bradley Real Estate, Inc.	Active
Western	Transylva	00000232	October's, Inc.	Active
Western	Transylva	00000309	Chimney Sweep by George	Active
Western	Transylva	00000507	Fissure Corporation	Active
Western	Transylva	00000543	Kenneth T. Ayers Handcrafted Furniture	Active
Western	Transylva	00000649	Cradle of Forestry	Active
Western	Transylva	00000655	Tripoli Systems LTD	Active
Western	Transylva	00000784	Nicholson & Nicholson Accountants, Inc.	Active
Western	Transylva	00000791	Thomas Emma	Active
Western	Yancey	00000035	Topco	Active
Western	Yancey	00000390	Charles F. Price	Active
Western	Yancey	00000514	Holcombe Brothers Funeral Home	Active

Paper Ballots in North Carolina

	1993	1994			1996		
	Special Election	1st Primary	2nd Primary	General	1st Primary	2nd Primary	General
Number of Ballots	550,000	357,100	270,000	897,450	265,760	233,599	1,044,395
Cost	\$60,911	\$69,890	\$57,672	\$183,695	\$55,412	\$44,028	\$196,621
Cost per ballot	\$0.11	\$0.20	\$0.21	\$0.20	\$0.21	\$0.19	\$0.19

Under state law, the State Board of Elections prints and provides paper ballots for state and federal elections to those counties utilizing paper ballots. In 1996, this process was conducted at a cost to the state of \$296,060.00. The number of counties using paper ballots has declined in the last decade. However, many counties still use paper ballots for absentee voting (see listing below). A handful of counties still use paper ballots for all of their voting (see listing at right). Upon reviewing

records for those counties using paper ballots for all precincts or for selected precincts, the State Board office estimates the cost for purchasing voting machines for all paper ballot precincts ranges from approximately \$540,000 to \$1.5 million. Several factors affect the cost of this purchase, including the number of registered voters in each precinct, the number of precincts, and the type of voting equipment considered (e.g., direct record, optical scan, etc.).

Paper Ballot Counties in 1996 Presidential Race*

County	Ballots Ordered	Affected Voters
Beaufort	2,600	2,393
Caswell	12,000	12,687
Clay	6,500	6,256
Davie	17,500	18,149
Gates	5,500	5,857
Graham	5,700	5,797
Hyde	3,600	3,436
Perquimans	6,800	6,971
Tyrrell	2,235	2,268
Yadkin	18,700	18,361
Yancey	5,500	12,958
Total	86,635	95,133

Non-Paper Ballot Counties Ordering Paper Ballots for 1996 General Election (Presidential Race)*

County	Ballots Ordered	Total Absentee	County	Ballots Ordered	Total Absentee	County	Ballots Ordered	Total Absentee
Alleghany	5	267	Edgecombe	100	446	New Hanover	100	2,094
Ashe	10	539	Forsyth	10	3,940	Orange	100	2,066
Bertie (a)	7,000	106	Gaston	100	1,457	Pasquotank (a)	500	380
Bladen	17,000	266	Granville	50	216	Pender	10	352
Brunswick	25	824	Harnett	10	508	Pitt	500	1,089
Cabarrus	10	1,195	Hertford (a)	1,500	164	Randolph	25	883
Caldwell	25	784	Hoke (a)	1,000	163	Robeson	100	544
Chatham	10	638	Jackson (a)	3,000	490	Rockingham	100	848
Cherokee (a)	3,500	606	Lenoir (a)	3,700	516	Scotland (a)	3,000	155
Chowan (a)	600	178	Lincoln	100	887	Stokes	100	431
Cleveland	100	760	Macon (a)	2,500	727	Surry (a)	3,500	673
Craven (a)	5,000	1,351	Madison (a)	1,100	691	Swain (a)	1,000	269
Cumberland	100	2,211	Mecklenburg	200	9,628	Wake	150	7,876
Davidson	10	1,270	Moore (a)	20,000	1,364	Wayne	50	948
Durham	130	1,249	Nash	25	667	Total	76,155	52,716

(a) Counties that use paper ballots as their primary method of absentee voting (15 of 44)

*Figures reflect ballots for Presidential race only; other styles also provided by State Board

5-13-97 alt # 3

PART XXVIII. STATE BOARD OF ELECTIONS

Requested by: Senator Warren

STATEWIDE DATA ELECTIONS MANAGEMENT SYSTEM

Section 28. (a) ~~The State Board of Elections shall adopt rules for establish a statewide data elections management system. These rules The system shall include prescribe data format standards, data communication standards, and data content standards. The State Board of Elections shall adopt those rules, including the standards, no later than November 1, 1997. Counties shall adhere to the rules and standards standards prescribed by the system no later than August 31, 1998.~~ The State Board of Elections shall start the process for establishing the system immediately and shall make every effort to have as many counties integrated in the system as practicable by August 31, 1998. All counties shall be integrated in the system by March 31, 1999.

(b) Of the funds appropriated in this act to the State Board of Elections for a statewide data elections management system, the sum of one hundred fifty thousand dollars (\$150,000) may be used by the State Board of Elections to hire a project manager, to research and determine the needs of the local boards of election in each county, and to develop a needs assessment report.

(c) The remainder of the funds appropriated in Section 13.2 of Chapter 597 of the 1995 Session Laws shall be used to develop, implement, and operate a statewide data elections management system, which will include voter registration, campaign reporting, and election night returns. These funds shall be used only after the State Board of Elections and the Information Resource Management Commission have jointly approved and submitted a written, detailed implementation plan for statewide data elections management to the Joint Legislative Commission on Governmental Operations. The implementation plan shall include:

- (1) A description of the system being implemented;
- (2) A description of the system's capabilities, including user-friendliness;
- (3) An itemized estimate of the costs of the system, with a justification for each item, including a plan for implementing the system within the funds appropriated;
- (4) A list of the counties to be brought into the system during the fiscal year; and
- (5) A proposed project management plan.

After their initial joint report, the State Board of Elections and the Information Resource Management Commission shall make written quarterly joint reports to the Joint Legislative Commission on Governmental Operations, describing the status of the project, listing the counties that have been brought into the system and that are planned to be brought into the system, and the costs.

(d) To the extent that this section conflicts with G.S. 163-82.11 through G.S. 163-82.13, of Chapter 507 of the 1995 Session Laws, this section prevails to the extent of the conflict. Except to the extent of the conflict, Section 16 of Chapter 769 of the 1993 Session Laws remains in effect.

VISITOR REGISTRATION SHEET

General Government 5/13/97

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

	NAME	FIRM OR AGENCY
1.	Robert Powell	OSBM
2.	Larry J. Bartlett	SBOE
3.	Loranna McLean	"
4.	Carl Garwin	OSD
5.	Tom Runkle	OSC/IRM
6.	J.W. Reel	OSBM
7.	Gregory Williams	Bru & Assoc. / Fireman
8.	Keith McCouderg	DOT
9.	Jim Maxwell	OSBM
10.	Enoch E. Holloway	"
11.	smcsope	DCR / State Library
22.	Kathie Rustin Padgett	OSPL
23.	Deather Carl	OSFA
24.	JIM SCARCELLI	ORH
25.	Pam Deardorff	YAIO / DOA
26.	Virginia Eagles	YAIO / DOA
27.	Bob Joyce	DOA / Health Alliance
28.	PERRI MORGAN	NFIB
29.	Harry Taylor	
30.	Steve H. McKenny	NC DOT
31.	Doreen Pappas	NC DOT

32. Jim Newman

33. Melanie Wade

34. Joyce Allen

35. Marvin Lorman

36. Robert Powell

37. _____

38. _____

39. _____

40. _____

41. _____

42. _____

43. _____

44. _____

45. _____

46. _____

47. _____

48. _____

49. _____

50. _____

NC DOT

NC DOA Council for Women

NC DOA / " " "

OSBM

OSBM

MINUTES

HOUSE APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT

May 14, 1997

The House Appropriations Subcommittee on General Government met on May 14, 1997 at 8:30 a.m. in Room 425 of the Legislative Office Building. Representative McCombs presided and the following members were present: Representative Ives, Cochair; Representative Sherrill, Cochair; Representatives Ellis, Jeffus and Wainwright. Also present were fiscal research staff advisors Evan Rodewald, Michele Nelson and Bill Spencer. For visitors in attendance, see the attached Visitors Sheet.

Representative McCombs called the meeting to order and introduced pages Erica Killgore from Henderson County and Christine Hysong from Cabarrus County. Rep. McCombs then asked Ms. Johnnie McLean, Deputy Director, Board of Elections to come forward and speak to the special provisions governing the data elections management system. Dep. Director McLean referred subcommittee members to page 205 of the Senate Bill 352 Special Provisions handout (Attachment 1). Rep. Ives asked if the Dep. Director would like the provision left as it is. She responded that they would prefer that there be a more reasonable date, but that they are committed to the Aug. 31, 1998 date. Evan Rodewald stated that there will need to be some technical changes made to enable the State Board of Elections to meet the deadlines. Rep. Ellis asked if the date is just a guideline, with no penalty for not making it. Evan responded that the deadline for getting the rules is Nov. 1, 1997, prior to the short session, and that may be the time period that the State Board of Elections is most concerned about. Dep. Director McLean stated that they would like to see the date taken out, as indicated in the draft that the State Board of Elections distributed yesterday. Rep. Ellis asked if the board would be more comfortable if the subcommittee decided that there was alternate language that provided greater leeway. Dep. Director McLean responded in the affirmative. Evan Rowewald stated that there are two issues, one being the rules issue which is a technical problem and can be fixed with some changes in the language. The second issue is the feasibility of reaching the deadlines. This second issue is the one to be more concerned about today. Rep. Ellis made a motion that in the Special Provisions (Attachment 1) any reference to rules be eliminated and leave in the effective date of Aug. 31, 1998. The motion passed unanimously.

Rep. McCombs then asked Judge Julian Mann, Director of the Office of Administrative Hearings, to come forward and speak. He explained the reasons for the need of a special provision for the equalization of salaries of Administrative Law Judges. At the end of his presentation, subcommittee members had no questions.

Next, Mr. George Hall, Legislative Services Officer, spoke on the special provision regarding the Health Care Oversight Committee, with the assistance of Bill Spencer. Rep. Sherrill asked Mr. Hall what the plans are for the use of the previously allocated renovation funds. Mr. Hall stated that he has just drafted a memo to the leadership asking them to allow the extension of the contract with the architect to renovate the Legislative Office Building and to look at the chambers. \$3 million has been appropriated for that purpose but has not been spent. Mr. Hall stated that it has been hard to get committee members to agree on chairs and "what have you" for the Chambers. Rep. Ives asked when renovations are projected to start in the Legislative Office Building. Mr. Hall said that the latest word is that the State Auditor is scheduled to move in December, freeing up the second floor. Rep. Sherrill asked if he thinks larger appropriations will be needed or if the \$3 million will be enough. Mr. Hall responded it will not be enough, but that they do not yet know how much will be needed to renovate the Legislative Office Building. Rep. Sherrill asked why the \$3 million was originally appropriated. Mr. Hall responded that it was for the Chambers. Rep. Jeffus asked Mr. Hall to get a "little person" to help out with the chair selection when that time comes.

Mr. Marvin Dorman, State Budget Officer from the Governor's Office, spoke next to discuss the Governor's Policy Advisor for Children, Families and Non-Profits (see attachment 2). He stated that currently this position is in the Department of Human Resources, where it has been since early January when the Governor created this special advisor. The Senate chose to take this position out of the Dept. of Human Resources and move it to the Governor's Office. Therefore, in the Senate's budget they reflect a reduction in the Dept. of Human Resources by this position and the administrative assistant. This position only is put into the Governor's Office. The administrative assistant position is not funded beginning July 1. Mr. Dorman then discussed the importance and responsibilities of this position, which is currently held by Mr. Robin Britt. Rep. Ives commented that this position seems to be superfluous since Dr. Bruton has been hired in Human Resources. Mr. Dorman responded that Dr. Bruton is in charge of the department and all the programs, and he is responsible for 20,000 state employees and many organizations within his department. Dr. Bruton does not have enough hours in the day to handle the responsibilities of this position as well. Rep. Sherrill stated that in the Senate recommendation the position is non-reoccurring, and asked if there are plans to get rid of it. Mr. Dorman responded that he cannot speak to what the Senate's intent is. Rep. Sherrill then said that it wasn't clear to her what happened to the

secretary's position. Mr. Dorman stated that, as of July 1, the administrative assistant position is gone. Rep. Sherrill then made a motion to cut the position of Governor's Policy Advisor for Children, Families and Non-Profits. Rep. Jeffus shared her reasons for disagreeing with this motion. A vote was taken, and the motion passed.

Bill Spencer then presented information on four appropriations to be administered by the Office of State Budget and Management: St. Mark's Capital Fund (attachment 3), Women's Memorial Funds (attachment 4), NC Humanities Council (attachment 5) and reserve for purchase of state flags (attachment 6). Mr. Spencer stated that these four items were approved by the Senate but were not originated through the Office of State Budget and Management.

After Mr. Spencer's overview of St. Mark's Circle School (attachment 3) and the appropriation for it, Rep. McCombs asked how many children this program serves. Mr. Spencer responded that the program is to have a mix of 30-40 infants with developmental disabilities together with 30-40 normally developing children. Rep. Ellis stated that there is no agreement that says these people will continue to use the facility for what the appropriation was intended. Rep. Wainwright asked if this is a state-supported program. Mr. Spencer responded that it is a private, not-for-profit organization. Rep. Wainwright then asked if the state has any jurisdiction or oversight over this program. Mr. Spencer responded that it does not. Rep. Wainwright inquired as to why the state is considering funds for this program. Mr. Spencer stated that this proposed grant originated in the Senate. Rep. Sherrill stated that this project is in the wrong place and made a motion to refer this item to the House Appropriations Subcommittee on Capital and Budget. Rep. Ellis then made a substitute motion to delete this item from the budget. Rep. Wainwright stated that more information is needed on why this item was put into the Senate budget. Rep. Ellis withdrew his substitute motion. Rep. Sherrill's original motion carried unanimously.

Mr. Spencer then presented an overview of the Women's Memorial Fund (attachment 4). Rep. Ives stated that it is appropriate to honor the North Carolina women who have been in the service. Rep. Jeffus agreed. Rep. Wainwright asked how much money is in this appropriation and was told that it is \$50,000.

Mr. Spencer gave an overview of the North Carolina Humanities Council (attachment 5) and the requested appropriation. Rep. McCombs asked for the amount requested and was told that it is \$100,000. Rep. Ellis made a motion to remove this item from the budget. Rep. Jeffus disagreed. Rep. Sherrill asked if the federal government has been contributing money, and is that money being cut? Mr. Spencer replied that he thinks the money is threatened, but will have to look it up. A vote was taken on Rep. Ellis' motion, and it failed.

Mr. Spencer then discussed the objective of the reserve for purchase of state flags. Rep. Ellis stated that George Hall's office keeps flags and when a constituent requests a flag he writes a check and sends the flag out. He doesn't see a reason for the rest of the citizens of the state to pay for a flag that he can write a check for. Rep. Ives asked Mr. Dorman if the Executive Branch has any flags. Mr. Dorman answered that there are none that he knows of. Rep. Ives made a motion that this item be stricken. Upon a vote, the motion carried unanimously.

Mr. Jim Broadwell, Director of State Telecommunications Services, spoke next to the subcommittee regarding three issues pertaining to the Office of State Controller (see attachment 7): statewide capacity, reserve fund, and special provisions. Rep. Wainwright asked, in view of the recommendation that the existing sites on the network begin to pay a portion of the cost for increased capacity across the state, how will the public schools fund this cost? Will they ask the county or the General Assembly to increase their budget for this purpose? Mr. Broadwell responded in the affirmative. Rep. Wainwright said the question is whether there will be a shift in where the money will be appropriated. Rep. Sherrill asked if this is not what the school technology fund is for? Ms. Nelson stated that she was not sure but could find out. Rep. Ellis stated that if the answer is that the funds in school technology can cross over and be used to pay for the cost of increased capacity, that leak should be plugged. He does not want to see the fund raided so that a site is established in a single region instead of every citizen of the state having access to this new technology. Rep. Wainwright stated that he had a conversation last week with a middle school in the Kinston community and the intent as they see it is to put computers in the classroom. Mr. Broadwell stated that if you put computers in the classroom before you have the connectivity then they are limited to a local network. Rep. Ellis said that he wanted to make sure that, before internet sites are discussed, every student in the state has access to a computer. Rep. Ellis requested more information on the migration of funds for computer and internet uses.

Chairman McCombs adjourned the meeting at 9:50 a.m., to reconvene 15 minutes after session.

The afternoon meeting convened at 4:05 p.m. with Chairman McCombs presiding. The following members were present: Representative Sherrill, Cochair; Representatives Braswell, Decker, Ellis, Jeffus and Wainwright.

Chairman McCombs asked Mr. Jim Broadwell, Director of State Telecommunications Services, to come forward and continued his presentation from the morning meeting. Mr. Broadwell introduced Mr. Tom Ruckle, who is involved in the school technology plans, to discuss the cost dollars for connectivity versus cost dollars for computers.

He summed up by saying that what they are recommending is that each school be given the flexibility to make the best technological decision because some schools are more advanced than others. In response to a question from Rep. Sherrill, Michelle Nelson said that she had talked to Jim Johnson who said that he would try to attend the meeting. He said that school technology money can be used for site line charges. However, they cannot separate the line charges for information highway utilization versus other line charges.

Mr. Broadwell referred to Page 5, Attachment 7 in discussing the North Carolina Information Highway Reserve Fund. Rep. Ellis asked for the meaning of "any savings that accrue". Mr. Broadwell responded that a specific amount of money was budgeted for using traditional contracts that are in place. They have found ways to shift data and voice traffic away from traditional contracts which meant that the state did not have to spend that money with those particular suppliers. That money was placed into a reserve fund. It is recommended that these funds be used to fund additional sites. Rep. Braswell asked if the \$5.3 million in the Senate budget is sufficient to provide support for the additional sites based on his recommendation. Mr. Broadwell responded that it is his opinion that the \$5.3 million is enough to sustain the sites that are on the network now and their continued operation. Any additional sites would need to be funded from grants, budget changes or the General Assembly approving use of the reserve fund to pay for these additional sites. Rep. Braswell asked how many sites could be created with the reserve fund. Mr. Broadwell stated that this fund would support about five additional sites. Rep. McCombs asked if requests had been received for the additional sites. Mr. Broadwell responded that they had.

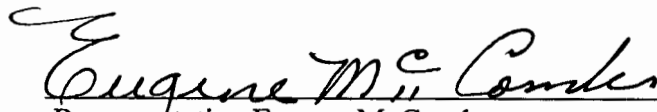
Mr. John Frederick, Director of the North Carolina School of Science and Math, discussed the computer/information highway needs of his school. Rep. Braswell made a motion that the language on page B14 be modified to include spending \$224,000 plus \$5.3 million to bring on additional sites. Rep. Sherrill stated that she is not ready to vote until she understands more than she does today. Mr. Renfrow stated that their request is to take the money that they have and spread it across as many sites as want to come on. Rep. Braswell inquired as to who makes the site choices. Rep. Braswell then withdrew his motion. Rep. Wainwright asked why support should not be given to the request to change the language to make it less restrictive and thus allow more sites to come on line. Mr. Frederick stated that when the \$7 million dollars was appropriated there was a special provision in the bill in the General Assembly to set up an advisory council. Every area in the state was encouraged to apply for a site.

Mr. Dennis McCarty, Director of SIPS, then came forward and presented an explanation of a recent benchmark study of the data center, with the help of a handout

(attachment 8). This was an in-depth analysis of the current operations in order to gauge the impact of the new applications as they come on to the system, to look at how the operations stack up to peers (the government industry and similar-sized computer centers), and to point out areas that need improvement. The overall results were that they compared very favorably to peer organizations in the public sector, being about 20% less in cost. They stacked up to peer groups in private industry by being 6% above what the normalized rate for them is. Hardware costs are 23% less than all peer groups, and software costs are 30% higher than peer groups. Personnel costs are 47% less than peer groups. He also discussed a contract under consideration that would reduce the cost of disaster recovery by 33%. Rep. Ellis asked for more information on the disaster recovery system. Mr. McCarty explained that there are three or four vendors in the industry who have similar machines and sell time.

The meeting was adjourned at 5:00 p.m., to reconvene at 8:30 a.m. tomorrow.

Respectfully submitted,

	
Representative Eugene McCombs	Suzanne M. Erskine
Cochair	Committee Clerk

*Attachment 1
General Government
May 14, 1997*

1997 Session

**Senate Bill 352
Special Provisions
(General Government and Related)**

**Fiscal Research Division
May 6, 1997**

1 of the Senate and House Appropriations Subcommittees on Justice and Public Safety,
2 and the Fiscal Research Division of the General Assembly by December 31 each year
3 on the North Carolina Crime Victims Compensation Fund. The report shall include
4 a statement regarding:

- 5 (1) The administrative expenses of the Fund for the prior fiscal year
6 and the current fiscal year on the date of the report;
- 7 (2) The current unencumbered balance of the Fund;
- 8 (3) The amount of funds carried over from the prior fiscal year;
- 9 (4) The amount of funds received in the prior fiscal year from the
10 Department of Correction and from the compensation fund
11 established pursuant to the Victims Crime Act of 1984, 42 U.S.C. §
12 10601, et seq.;
- 13 (5) The amount of funds expected to be received in the current fiscal
14 year, as well as the amount actually received in the current fiscal
15 year on the date of the report, from the Department of Correction
16 and from the compensation fund established pursuant to the
17 Victims Crime Act of 1984, 42 U.S.C. § 10601, et seq.; and
- 18 (6) The total amount of funds paid to victims in the prior fiscal year
19 and in the current fiscal year on the date of the report.

20 21 **PART XIX. GENERAL ASSEMBLY**

22
23 Requested by: Senators Plyler, Perdue, Odom

24 **ANALYSIS OF STATE BUDGET DURING THE INTERIM**

25 Section 19. (a) The President Pro Tempore of the Senate shall authorize
26 the standing Appropriations Committees and standing Appropriations Subcommittees
27 of the Senate and the Speaker of the House of Representatives shall authorize the
28 standing Appropriations Committees and standing Appropriations Subcommittees of
29 the House of Representatives to meet separately or jointly during the interim between
30 the Regular 1997 and 1998 Sessions of the General Assembly to review matters
31 related to the State budget, the organization of State government, and any other
32 matter as they deem appropriate. The review shall include, but not be limited to, an
33 analysis of the budget of each agency to determine:

- 34 (1) The cost savings that could be realized from improvements in
35 administrative structure, practices, and procedures in State
36 agencies;
- 37 (2) Ways to increase efficiency in budgeting and use of resources; and
- 38 (3) Instances in which functions of agencies are duplicative,
39 overlapping, obsolete, incomplete in scope or coverage, or fail to
40 accomplish legislative objectives, and should be abolished,
41 transferred, or modified to accomplish cost savings.

42 (b) The President Pro Tempore of the Senate shall appoint an oversight
43 committee comprised of the Senate Appropriations Committee Chairs and one
44 member of each Senate Appropriations Subcommittee and the Speaker of the House
45 of Representatives shall appoint an oversight committee comprised of the House
46 Appropriations Committee Chairs and one member of each House Appropriations
47 Subcommittee to meet separately or jointly to oversee the work of the Appropriations
48 Committees and Subcommittees during the interim.

49
50 Requested by: Senator Perdue

51 **HEALTH CARE OVERSIGHT COMMITTEE**

52 Section 19.1. (a) Of the funds appropriated in this act to the General
53 Assembly, the sum of fifty thousand dollars (\$50,000) for the 1997-98 fiscal year and

1 the sum of fifty thousand dollars (\$50,000) for the 1998-99 fiscal year shall be
2 allocated by the Legislative Services Commission for the Joint Legislative Health
3 Care Oversight Committee established under subsection (b) of this section.

4 (b) Chapter 120 of the General Statutes is amended by adding the
5 following new Article to read:

6 "ARTICLE 12K.

7 "Joint Legislative Health Care Oversight Committee.

8 "§ 120-70.96. Creation and membership of Joint Legislative Health Care Oversight
9 Committee.

10 There is established the Joint Legislative Health Care Oversight Committee. The
11 Committee consists of 14 members as follows:

- 12 (1) Seven members of the Senate appointed by the President Pro
13 Tempore of the Senate, at least three of whom are members of the
14 minority party; and
15 (2) Seven members of the House of Representatives appointed by the
16 Speaker of the House of Representatives, at least three of whom
17 are members of the minority party.

18 Terms on the Committee are for two years and begin on the convening of the
19 General Assembly in each odd-numbered year, except the terms of the initial
20 members, which begin on appointment. Members may complete a term of service on
21 the Committee even if they do not seek reelection or are not reelected to the General
22 Assembly, but resignation or removal from service in the General Assembly
23 constitutes resignation or removal from service on the Committee.

24 A member continues to serve until the member's successor is appointed. A
25 vacancy shall be filled within 30 days by the officer who made the original
26 appointment.

27 "§ 120-70.97. Purpose and powers of Committee.

28 (a) The Joint Legislative Health Care Oversight Committee shall review, on a
29 continuing basis, the provision of health care and health care coverage to the citizens
30 of this State, in order to make ongoing recommendations to the General Assembly on
31 ways to improve health care for North Carolinians. To this end, the Committee shall
32 study the delivery, availability, and cost of health care in North Carolina. The
33 Committee may also study other matters related to health care and health care
34 coverage in this State.

35 (b) The Committee may make interim reports to the General Assembly on matters
36 for which it may report to a regular session of the General Assembly. A report to the
37 General Assembly may contain any legislation needed to implement a
38 recommendation of the Committee.

39 "§ 120-70.98. Organization of Committee.

40 (a) The President Pro Tempore of the Senate and the Speaker of the House of
41 Representatives shall each designate a cochair of the Joint Legislative Health Care
42 Oversight Committee. The Committee shall meet at least once a quarter and may
43 meet at other times upon the joint call of the cochairs.

44 (b) A quorum of the Committee is eight members. No action may be taken except
45 by a majority vote at a meeting at which a quorum is present. While in the discharge
46 of its official duties, the Committee has the powers of a joint committee under G.S.
47 120-19 and G.S. 120-19.1 through G.S. 120-19.4.

48 (c) Members of the Committee receive subsistence and travel expenses as
49 provided in G.S. 120-3.1. The Committee may contract for consultants or hire
50 employees in accordance with G.S. 120-32.02. The Legislative Services Commission,
51 through the Legislative Services Officer, shall assign professional staff to assist the
52 Committee in its work. Upon the direction of the Legislative Services Commission,
53 the Supervisors of Clerks of the Senate and of the House of Representatives shall

1 assign clerical staff to the Committee. The expenses for clerical employees shall be
2 borne by the Committee."

3
4 **PART XX. OFFICE OF THE GOVERNOR**

5
6 Requested by: Senator Martin of Pitt

7 **HOME PROGRAM MATCHING FUNDS**

8 Section 20. (a) Funds appropriated in this act to the Housing Finance
9 Agency for the federal HOME Program shall be used to match federal funds
10 appropriated for the HOME Program. In allocating State funds appropriated to
11 match federal HOME Program funds, the Agency shall give priority to HOME
12 Program projects, as follows:

- 13 (1) First priority to projects that are located in counties designated as
14 severely distressed counties under G.S. 105-130.40(c) or G.S. 105-
15 151.17(c); and
16 (2) Second priority to projects that benefit persons and families whose
17 incomes are fifty percent (50%) or less of the median family
18 income for the local area, with adjustments for family size,
19 according to the latest figures available from the U.S. Department
20 of Housing and Urban Development.

21 The Housing Finance Agency shall report to the Joint Legislative
22 Commission on Governmental Operations by April 1 of each year concerning the
23 status of the HOME Program and shall include in the report information on priorities
24 met, types of activities funded, and types of activities not funded.

25 (b) If the United States Congress changes the HOME Program such that
26 matching funds are not required for a given program year, then the Agency shall not
27 spend the matching funds appropriated under this act for that program year.

28 (c) Funds appropriated in this act to match federal HOME Program
29 funds shall not revert to the General Fund on June 30, 1998, or on June 30, 1999.

30
31 Requested by: Senators Odom, Perdue, Plyler, Conder, Jordan

32 **FIRE PROTECTION GRANT FUNDS**

33 Section 20.1. (a) Chapter 58 of the General Statutes is amended by
34 adding a new Article to read:

35 "ARTICLE 85A.

36 "State Fire Protection Grant Fund.

37 "§ 58-85A-1. Creation of Fund; allocation to local fire districts and political
38 subdivisions of the State.

39 (a) There is created in the Office of State Budget and Management the State Fire
40 Protection Grant Fund. The purpose of the Fund is to compensate local fire districts
41 and political subdivisions of the State for providing local fire protection to State-
42 owned buildings and their contents.

43 (b) The Office of State Budget and Management shall develop and implement an
44 equitable and uniform statewide method for distributing any funds to the State's local
45 fire districts and political subdivisions.

46 Upon the request of the Director of the Budget, the Department of Insurance shall
47 provide the Office of State Budget and Management all information necessary to
48 develop and implement the formula.

49 (c) It is the intent of the General Assembly to appropriate annually to the State
50 Fire Protection Grant Fund at least three million eighty thousand dollars (\$3,080,000)
51 from the General Fund, one hundred fifty thousand dollars (\$150,000) from the
52 Highway Fund, and nine hundred seventy thousand dollars (\$970,000) from
53 University of North Carolina receipts to the State Fire Protection Fund. Funds

1 received from the General Fund shall be allocated only for providing local fire
2 protection for State-owned property supported by the General Fund; funds received
3 from the Highway Fund shall be allocated only for providing local fire protection for
4 State-owned property supported by the Highway Fund; and funds received from
5 University of North Carolina receipts shall be allocated only for providing local fire
6 protection for State-owned property supported by University of North Carolina
7 receipts."

8 (b) G.S. 143-3.7 is repealed.

9 (c) Of the funds appropriated from the General Fund to the Office of
10 State Budget and Management, the sum of three million eighty thousand dollars
11 (\$3,080,000) for the 1997-98 fiscal year and the sum of three million eighty thousand
12 dollars (\$3,080,000) for the 1998-99 fiscal year shall be used for the State Fire
13 Protection Grant Fund.

14 (d) Of the funds appropriated from the Highway Fund to the Office of
15 State Budget and Management, the sum of one hundred fifty thousand dollars
16 (\$150,000) for the 1997-98 fiscal year and the sum of one hundred fifty thousand
17 dollars (\$150,000) for the 1998-99 fiscal year shall be used for the State Fire
18 Protection Grant Fund.

19 (e) Of the funds available to The University of North Carolina from
20 federal receipts, the sum of nine hundred seventy thousand dollars (\$970,000) for the
21 1997-98 fiscal year and the sum of nine hundred seventy thousand dollars (\$970,000)
22 for the 1998-99 fiscal year shall be transferred to the State Fire Protection Grant
23 Fund for the State Fire Protection Grant Fund.

24 25 **PART XXI. DEPARTMENT OF SECRETARY OF STATE**

26
27 Requested by: Senator Warren

28 **INFORMATION RESOURCES MANAGEMENT COMMISSION**

29 Section 21. (a) Effective July 1, 1997, G.S. 143B-426.21(a) reads as
30 rewritten:

31 "(a) Creation; Membership. -- The Information Resource Management
32 Commission is created in the Office of the State Controller. The Commission consists
33 of the following members:

34 (1) Four members of the Council of State, appointed by the Governor.

35 (1a) The Secretary of State.

36 (2) The Secretary of Administration.

37 (3) The State Budget Officer.

38 (4) Two members of the Governor's cabinet, appointed by the
39 Governor.

40 (5) One citizen of the State of North Carolina with a background in
41 and familiarity with information systems or telecommunications,
42 appointed by the General Assembly upon the recommendation of
43 the President Pro Tempore of the Senate in accordance with G.S.
44 120-121.

45 (6) One citizen of the State of North Carolina with a background in
46 and familiarity with information systems or telecommunications,
47 appointed by the General Assembly upon the recommendation of
48 the Speaker of the House of Representatives in accordance with
49 G.S. 120-121.

50 (7) The Chair of the Governor's Committee on Data Processing and
51 Information Systems.

52 (8) The Chair of the State Information Processing Services Advisory
53 Board.

(9) The Chair of the Criminal Justice Information Network Governing Board.

Members of the Commission shall not be employed by or serve on the board of directors or other corporate governing body of any information systems, computer hardware, computer software, or telecommunications vendor of goods and services to the State of North Carolina.

The two initial cabinet members appointed by the Governor and the two initial citizen members appointed by the General Assembly shall each serve a term beginning September 1, 1992, and expiring on June 30, 1995. Thereafter, their successors shall be appointed for four-year terms, commencing July 1. Members of the Governor's cabinet shall be disqualified from completing a term of service of the Commission if they are no longer cabinet members.

The appointees by the Governor from the Council of State shall each serve a term beginning on September 1, 1992, and expiring on June 30, 1993. Thereafter, their successors shall be appointed for four-year terms, commencing July 1. Members of the Council of State shall be disqualified from completing a term of service on the Commission if they are no longer members of the Council of State.

Vacancies in the two legislative appointments shall be filled as provided in G.S. 120-122.

The Commission chair shall be elected in the first meeting of each calendar year from among the appointees of the Governor from the Council of State and shall serve a term of one year. The Secretary of Administration shall be secretary to the Commission.

No member of the Information Resource Management Commission shall vote on an action affecting solely his or her own State agency."

(b) This section expires June 30, 2001.

PART XXII. DEPARTMENT OF STATE AUDITOR

Requested by: Senators Plyler, Perdue, Odom

ADVICE OF GOVERNMENTAL OPERATIONS ON PRIORITIZING REQUESTS FOR ASSISTANCE

Section 22. G.S. 147-64.5(b) reads as rewritten:

"(b) Requests for Auditor Assistance. -- Committees of the General Assembly, the Governor, and other State officials may make written requests that the Auditor undertake, to the extent deemed practicable and within the resources provided, a specific audit or investigation; provide technical assistance and advice; and provide recommendations on management systems, finance, accounting, auditing, and other areas of management interest. The Auditor may request the advice of the Joint Legislative Commission on Governmental Operations in prioritizing these requests and in determining whether the requests are practicable and can be undertaken within the resources provided."

Requested by: Senators Plyler, Perdue, Odom

PERFORMANCE AUDIT OF SIPS

Section 22.1. The State Auditor shall conduct a performance audit of State Information Processing Services (SIPS). In conducting the audit, the State Auditor shall consider the growth in the number of SIPS employees, the distribution of work within SIPS, increases in employees' salaries, use of SIPS receipts, and all other indicators of cost of services in relation to service delivery. The State Auditor shall report the results of this audit to the Joint Legislative Commission on Governmental Operations prior to April 15, 1998.

1 PART XXIII. DEPARTMENT OF INSURANCE**2**
3 Requested by: Senator Warren**4 CONSTRUCTION CODE RECEIPTS**

5 Section 23. Departmental receipts realized by the Department of
6 Insurance in excess of amounts approved for expenditure by the General Assembly,
7 as adjusted by the Office of State Budget and Management to reflect the distribution
8 of statewide reserves, shall revert to the General Fund at the end of each fiscal year.
9 This section shall not apply to receipts realized by the Department from the sale of
10 copies of the State construction code if the receipts are used for the purchase of
11 copies of the code for sale to the public, except that unspent construction code
12 receipts shall revert to the General Fund at the end of each fiscal year.
13

14 Requested by: Senator Warren**15 EXPAND USE OF INSURANCE REGULATORY FUND****16** Section 23.1. G.S. 58-6-25(d) reads as rewritten:

17 "(d) Use of Proceeds. -- The Insurance Regulatory Fund is created in the State
18 treasury, under the control of the Office of State Budget and Management. The
19 proceeds of the charge levied in this section and all fees collected under Articles 69
20 through 71 of this Chapter and under Articles 9 and 9C of Chapter 143 of the
21 General Statutes shall be credited to the Fund. The Fund shall be placed in an
22 interest-bearing account and any interest or other income derived from the Fund
23 shall be credited to the Fund. Moneys in the Fund may be spent only pursuant to
24 appropriation by the General Assembly and in accordance with the line item budget
25 enacted by the General Assembly. The Fund is subject to the provisions of the
26 Executive Budget Act, except that no unexpended surplus of the Fund shall revert to
27 the General Fund. All money credited to the Fund shall be used to reimburse the
28 General Fund for the following:

- 29** (1) Money appropriated to the Department of Insurance to pay its
30 expenses incurred in regulating the insurance industry and other
31 industries in this State.
32 (2) Money appropriated to State agencies to pay the expenses incurred
33 in regulating the insurance industry, in certifying statewide data
34 processors under Article 11A of Chapter 131E of the General
35 Statutes, and in purchasing reports of patient data from statewide
36 data processors certified under that Article.
37 (3) Money appropriated to the Department of Revenue to pay the
38 expenses incurred in collecting and administering the taxes on
39 insurance companies levied in Article 8B of Chapter 105 of the
40 General Statutes."
41

42 PART XXIV. DEPARTMENT OF ADMINISTRATION**43**
44 Requested by: Senators Perdue, Plyler, Odom**45 COMBINE PROGRAMS TO HELP WOMEN AND CHILDREN**

46 Section 24. The Office of State Budget and Management shall study the
47 feasibility of consolidating the budgets and services and the administration of federal
48 and State grants for domestic violence programs and rape crisis programs in the
49 State, including those programs currently administered by the Council for Women,
50 Department of Administration, the Governor's Crime Commission, Department of
51 Crime Control and Public Safety, and the Division of Social Services, Department of
52 Human Resources. This study shall include an analysis of the feasibility of combining
53 budgets and services of the NC Council for Women (Fund 1731), the Domestic

1 Violence Program (Fund 1781), the Domestic Violence Center (Fund 1782), the
2 Displaced Homemakers Program (Fund 1732), and the Rape Crisis Program (Fund
3 1734) and an analysis of ways to promote more efficient and effective coordination of
4 resources and services at the State and local levels. The Office of State Budget and
5 Management shall report the findings and recommendations of the study to the House
6 and Senate Appropriations Subcommittees on General Government and the Fiscal
7 Research Division by March 31, 1998.

8

9 Requested by: Senator Warren

10 **PROCUREMENT CARD PILOT PROGRAM**

11 Section 24.1. (a) Except as provided by this section, no State agency,
12 community college, constituent institution of The University of North Carolina, or
13 local school administrative unit shall use procurement cards for the purchase of
14 equipment or supplies prior to July 1, 1998.

15 (b) The Secretary of Administration shall designate not more than 15
16 governmental entities to participate in a pilot program on the purchase of supplies
17 and equipment by procurement card. Those designated shall represent a cross-
18 section of governmental entities and shall include at least one State agency, one
19 community college, two constituent institutions of The University of North Carolina,
20 and one local school administrative unit.

21 (c) The Division of Purchase and Contract and the State Controller shall
22 report to the Joint Legislative Commission on Governmental Operations on March 1,
23 1998, on this pilot program. The report shall include estimates from the pilot
24 program of how many purchasing and accounts payable personnel hours could be
25 saved or redirected or both as a result of the procurement card, and the impact of the
26 procurement card on accounting and budgeting records and on purchasing history
27 records. The report shall also include a discussion of the effect of the procurement
28 card on the State's ability to track both out-of-state sales taxes and North Carolina
29 State and local sales tax payments by county. Finally, the report shall include a
30 discussion of any other costs and benefits of the procurement card.

31 (d) This section does not affect contracts for procurement cards entered
32 into prior to March 31, 1997.

33

34 Requested by: Senator Warren

35 **STATE HEALTH PLAN PURCHASING ALLIANCE BOARD OPERATING FUNDS**
36 **REVERT**

37 Section 24.2. (a) G.S. 143-635(c) reads as rewritten:

38 "~~(c) Moneys appropriated by the General Assembly shall be deposited in the Fund~~
39 ~~and shall become part of the continuation budget of the Department of~~
40 ~~Administration.~~ for operations of the State Health Plan Purchasing Alliance Board
41 shall not be part of the State Health Plan Purchasing Alliance Fund."

42 (b) The sum of six hundred forty-eight thousand seven hundred eighteen
43 dollars (\$648,718) for the 1996-97 fiscal year shall be transferred from the State
44 Health Plan Purchasing Alliance Fund to the General Fund.

45 (c) All monies for operations of the State Health Plan Purchasing
46 Alliance Board unexpended at the end of the 1996-97 fiscal year shall revert to the
47 General Fund.

48 (d) This section becomes effective June 30, 1997.

49

50 Requested by: Senator Warren

51 **GOVERNOR'S ADVOCACY COUNCIL FOR PERSONS WITH DISABILITIES**

52 Section 24.3. The Department of Human Resources shall continue to
53 provide the current office space for the four regional offices of the Governor's

1 Advocacy Council for Persons with Disabilities or office space that is comparable to
2 that now used by the Council.

3

4 Requested by: Senator Warren

5 **FEES FOR USE OF STATE-OWNED OFFICE SPACE**

6 Section 24.4. G.S. 143-342.1 reads as rewritten:

7 "**§ 143-342.1. State-owned office space; fees for use by self-supporting agencies.**

8 The Department shall determine equitable fees for the use of State owned and
9 operated office space, and it shall assess the Department of State Treasurer, the
10 Department of Insurance, and all self-supporting agencies using any of this office
11 space for payment of these fees. For the purposes of this section, self-supporting
12 agencies are those agencies designated by the Director of the Budget as being
13 primarily funded from sources other than State appropriations. Fees assessed under
14 this section shall be paid to the General Fund."

15

16 Requested by: Senator Warren

17 **PARKING REVENUES**

18 Section 24.5. The Secretary of Administration may use funds from
19 parking revenues that are in excess of parking system expense requirements to fund
20 the fifteen dollar (\$15.00) per month subsidies for vanpools and transit passes.

21

22 **PART XXV. OFFICE OF STATE CONTROLLER**

23

24 Requested by: Senator Warren

25 **NORTH CAROLINA INFORMATION HIGHWAY**

26 Section 25. (a) The funds appropriated in this act to the Office of State
27 Controller for the operation of the North Carolina Information Highway shall be used
28 only for costs incurred by the Office of State Controller related to the operations and
29 support of the North Carolina Information Highway. No funds appropriated in this
30 act shall be expended to pay Minimum Monthly usage charges for North Carolina
31 Information Highway Services.

32 (b) Of the funds appropriated to the Office of State Controller for the
33 North Carolina Information Highway (NCIH), an amount not to exceed five hundred
34 thousand dollars (\$500,000) for fiscal year 1997-98 shall be used to support long
35 distance capacity and provide for the establishment of regional hubs in each of the
36 seven Local Access Transport Areas (LATAs) in North Carolina. The remaining
37 funds shall be used to help defray the costs of existing NCIH sites except those
38 located at university sites other than East Carolina University academic affairs
39 campus. Any savings accrued shall be placed in reserve in the Office of State
40 Controller for consideration by the 1997 General Assembly at its session in 1998.

41 (c) In the interim, the Office of State Controller is encouraged to
42 consider new technologies and capabilities as a means of providing NCIH users access
43 to information and resources. The Office of State Controller shall report to the
44 General Assembly in 1998 before the reconvening of the Regular Session on its
45 findings.

46 (d) The State Controller shall report quarterly to the Joint Legislative
47 Commission on Governmental Operations regarding the costs incurred by the Office
48 of State Controller related to the operations and support of the North Carolina
49 Information Highway and the savings placed in reserve in the Office of State
50 Controller.

51

52 Requested by: Senators Rand, Plyler, Perdue, Odom

53 **FUNDS FOR YEAR 2000 CONVERSION OF THE STATE'S COMPUTER SYSTEM**

1 Section 25.1. (a) The Office of State Controller shall include in its
2 charges for data processing services costs of converting computer applications to
3 operate properly at the turn of the century. The State Controller shall develop
4 procedures for managing the year 2000 conversion.

5 (b) The State Controller shall analyze the needs of State agencies for
6 funds to convert their systems. In the course of the analysis, the State Controller shall
7 consider an agency's need for each system it wishes to convert and the most cost-
8 effective manner in which to manage conversion. The State Controller shall certify
9 to the Office of State Budget and Management the cost of each State agency for the
10 year 2000 conversion.

11 (c) The Director of the Budget may use up to twenty million dollars
12 (\$20,000,000 of projected 1997-98 General Fund reversions to cover the cost of the
13 year 2000 conversion in General Fund agencies during the 1997-98 fiscal year.

14 (d) Beginning October 1, 1997, and quarterly thereafter, the Office of
15 State Controller shall report to the Joint Legislative Commission on Governmental
16 Operations on the status of the conversion and cost projections.

18 PART XXVI. DEPARTMENT OF REVENUE

19
20 Requested by: Senator Warren

21 STUDY REVENUE'S STAFF REQUIREMENTS

22 Section 26. The Office of State Budget and Management, Management
23 and Productivity Unit, shall continue work on the assessment of the Department of
24 Revenue's staff requirements initiated pursuant to Section 15.6 of Chapter 18 of the
25 Session Laws, Second Extra Session 1996. In the final phase of the study, the Office
26 of State Budget and Management shall review workload requirements and make
27 specific recommendations about staffing for the Department. The Office of State
28 Budget and Management shall make a final report to the House and Senate
29 Appropriations Subcommittees on General Government and the Fiscal Research
30 Division of the General Assembly by March 31, 1998, on the results. Prior to March
31 31, 1998, the Department of Revenue shall report to the Joint Legislative Commission
32 on Governmental Operations before creating any new personnel positions.

33
34 Requested by: Senator Warren

35 EXTEND AND MODIFY PORTS TAX CREDIT

36 Section 26.1. (a) Section 4 of Chapter 977 of the 1991 Session Laws, as
37 amended by Section 3 of Chapter 495 of the 1995 Session Laws, reads as rewritten:

38 "Sec. 4. This act is effective for taxable years beginning on or after March 1, 1992,
39 and ending on or before February 28, ~~1998~~. 2001."

40 (b) Section 4 of Chapter 681 of the 1993 Session Laws, as amended by
41 Section 17 of Chapter 17 of the 1995 Session Laws and by Section 4 of Chapter 495
42 of the 1995 Session Laws, reads as rewritten:

43 "Sec. 4. This act is effective for taxable years beginning on or after January 1,
44 1994, and ending on or before February 28, ~~1998~~. 2001."

45 (c) G.S. 105-130.41(b) reads as rewritten:

46 "(b) Limitations. -- This credit may not exceed fifty percent (50%) of the amount
47 of tax imposed by this Division for the taxable year reduced by the sum of all credits
48 allowable, except tax payments made by or on behalf of the corporation. Any unused
49 portion of the credit may be carried forward for the succeeding five years. The
50 maximum cumulative credit that may be claimed by a corporation under this section
51 is ~~one two~~ million dollars ~~(\$1,000,000)~~. (\$2,000,000)."

52 (d) G.S. 105-151.22(b) reads as rewritten:

1 "(b) Limitations. -- This credit may not exceed fifty percent (50%) of the amount
2 of tax imposed by this Division for the taxable year reduced by the sum of all credits
3 allowable, except tax payments made by or on behalf of the taxpayer. Any unused
4 portion of the credit may be carried forward for the succeeding five years. The
5 maximum cumulative credit that may be claimed by a taxpayer under this section is
6 ~~one two million dollars (\$1,000,000)- (\$2,000,000).~~"

7 (e) Subsections (c) and (d) of this section are effective for taxable years
8 beginning on or after January 1, 1998. The remainder of this section is effective for
9 taxable years beginning on or after January 1, 1997.

10

11 Requested by: Senators Plyler, Perdue, Odom

12 **ALLOW CORPORATE ANNUAL REPORTS TO BE FILED WITH DEPARTMENT**
13 **OF REVENUE AND TO EXTEND TIME FOR REINSTATEMENT AFTER**
14 **ADMINISTRATIVE DISSOLUTION**

15 Section 26.2. (a) G.S. 55-14-22(a) reads as rewritten:

16 "(a) A corporation administratively dissolved under G.S. 55-14-21 may apply to
17 the Secretary of State for reinstatement ~~within two years~~ not later than five years after
18 the effective date of dissolution. The application must:

- 19 (1) Recite the name of the corporation and the effective date of its
20 administrative dissolution; and
21 (2) State that the ground or grounds for dissolution either did not exist
22 or have been eliminated.
23 (3) Reserved.
24 (4) Repealed by Session Laws 1995, c. 539, s. 6."

25 (b) G.S. 55A-14-22(a) reads as rewritten:

26 "(a) A corporation administratively dissolved under G.S. 55A-14-21 may apply to
27 the Secretary of State for reinstatement ~~within two years~~ not later than five years after
28 the effective date of dissolution. The application shall:

- 29 (1) Recite the name of the corporation and the effective date of its
30 administrative dissolution; and
31 (2) State that the ground or grounds for dissolution either did not exist
32 or have been eliminated."

33 (c) G.S. 57C-6-03(c) reads as rewritten:

34 "(c) A limited liability company administratively dissolved under this section may
35 apply to the Secretary of State for reinstatement ~~within two years~~ not later than five
36 years after the effective date of the administrative dissolution. The procedures for
37 reinstatement and for the appeal of any denial of the limited liability company's
38 application for reinstatement shall be the same procedures applicable to business
39 corporations under G.S. 55-14-22, 55-14-23, and 55-14-24."

40 (d) G.S. 55-16-22 reads as rewritten:

41 "~~§ 55-16-22. Annual report for Secretary of State report.~~

42 (a) ~~Each~~ Except as provided in subsections (a1) and (a2) of this section, each
43 domestic corporation except those governed by Chapter 55B, and each foreign
44 corporation authorized to transact business in this State, State shall deliver to the
45 Secretary of State for filing an annual report that sets forth: an annual report to the
46 Secretary of Revenue.

47 (a1) Each insurance company subject to the provisions of Chapter 58 of the
48 General Statutes shall deliver an annual report to the Secretary of State.

49 (a2) A domestic corporation governed by Chapter 55B of the General Statutes is
50 exempt from this section.

51 (a3) The annual report required by this section shall be in a form jointly
52 prescribed by the Secretary of Revenue and the Secretary of State. The Secretary of

1 Revenue shall provide the form needed to file an annual report. The annual report
2 shall set forth all of the following:

- 3 (1) The name of the corporation and the state or country under whose
4 law it is ~~incorporated;~~ incorporated.
5 (2) The street address, and the mailing address if different from the
6 street address, of the registered office, the county in which its
7 registered office is located, and the name of its registered agent at
8 that office in this State, and a statement of any change of such
9 registered office or registered agent, or ~~both;~~ both.
10 (3) The address and telephone number of its principal ~~office;~~ office.
11 (4) The names, titles, and business addresses of its principal ~~officers;~~
12 officers.
13 ~~(4a) The names and business addresses of its directors; and~~
14 (5) A brief description of the nature of its business.

15 If the information contained in the most recently filed annual report has not changed,
16 a certification to that effect may be made instead of setting forth the information
17 required by subdivisions (2) through (5) of this subsection.

18 (b) Information in the annual report must be current as of the date the annual
19 report is executed on behalf of the corporation.

20 (c) ~~The annual report shall be delivered to the Secretary of State each year within~~
21 ~~60 days immediately following the last day of the month in which the domestic~~
22 ~~corporation was incorporated or the foreign corporation received a certificate of~~
23 ~~authority in this State. Forms required for the filing of the annual report shall be~~
24 ~~mailed by the Secretary of State to the domestic or foreign corporation at its~~
25 ~~registered office for the first annual report, then to its principal office for subsequent~~
26 ~~annual reports. An annual report required to be delivered to the Secretary of~~
27 ~~Revenue is due by the due date for filing the corporation's income and franchise tax~~
28 ~~returns. An extension of time to file a return is an extension of time to file an annual~~
29 ~~report. An annual report required to be delivered to the Secretary of State is due by~~
30 ~~the fifteenth day of the third month following the close of the corporation's fiscal~~
31 ~~year.~~

32 (d) If an annual report does not contain the information required by this section,
33 the Secretary of State shall promptly notify the reporting domestic or foreign
34 corporation in writing and return the report to it for correction. If the report is
35 corrected to contain the information required by this section and delivered to the
36 Secretary of State within 30 days after the effective date of notice, it is deemed to be
37 timely filed.

38 (e) Amendments to any previously filed annual report may be filed with the
39 Secretary of State at any time for the purpose of correcting, updating, or augmenting
40 the information contained in ~~such~~ the annual report.

41 (f) Expired.

42 (g) When a statement of change of registered office or registered agent is filed in
43 the annual report, the change shall become effective when the statement is received
44 by the Secretary of State.

45 (h) If the Secretary of State does not receive an annual report within 120 days of
46 the date the return is due, the Secretary of State may presume that the annual report
47 is delinquent. This presumption may be rebutted by receipt of the annual report
48 from the Secretary of Revenue or by evidence of delivery presented by the filing
49 corporation."

50 (e) G.S. 55-1-21(a) reads as rewritten:

51 "(a) The Secretary of State may promulgate and furnish on request forms ~~for:~~ for
52 the following:

- 53 (1) An application for a certificate of ~~existence;~~ existence.

- 1 (2) A foreign corporation's application for a certificate of authority to
2 transact business in this State; State.
3 (3) A foreign corporation's application for a certificate of ~~withdrawal~~
4 and withdrawal.
5 (4) ~~The annual report~~.
6 If the Secretary of State so requires, use of these forms is mandatory."
7 (f) G.S. 55-1-28(b)(4) reads as rewritten:
8 "(4) That its most recent annual report required by G.S. 55-16-22 has
9 either been delivered to the Secretary of State; State or is not
10 delinquent."
11 (g) G.S. 55-14-20(2) reads as rewritten:
12 "(2) The corporation ~~does not deliver its annual report to the Secretary~~
13 ~~of State within 60 days after it is due; is delinquent in delivering its~~
14 annual report."
15 (h) G.S. 55-15-30(a)(1) reads as rewritten:
16 "(1) The foreign corporation ~~does not deliver its annual report to the~~
17 ~~Secretary of State within 60 days after it is due; is delinquent in~~
18 delivering its annual report."
19 (i) G.S. 55-16-01(e)(7) reads as rewritten:
20 "(7) Its most recent annual report delivered ~~to the Secretary of State~~
21 ~~under as required by G.S. 55-16-22~~."
22 (j) G.S. 57C-2-23 reads as rewritten:
23 "§ 57C-2-23. Annual report for Secretary of State.
24 (a) Each domestic limited liability company and each foreign limited liability
25 company authorized to transact business in this State; shall deliver to the Secretary of
26 State for filing an annual report report, in a form jointly prescribed by the Secretary
27 of Revenue and Secretary of State, that sets forth; forth all of the following:
28 (1) The name of the limited liability or foreign limited liability
29 company and the state or country under whose law it is ~~organized;~~
30 organized.
31 (2) The street address, and the mailing address if different from the
32 street address, of the registered office, the county in which the
33 registered office is located, and the name of its registered agent at
34 that office in this State, and a statement of any change of the
35 registered office or registered agent, or ~~both; both~~.
36 (3) The address and telephone number of its principal ~~office; office~~.
37 (4) The names and business addresses of its ~~managers; and managers~~.
38 (5) A brief description of the nature of its business.
39 If the information contained in the most recently filed annual report has not changed,
40 a certification to that effect may be made instead of setting forth the information
41 required by subdivisions (2) through (5) of this subsection. The Secretary of State
42 shall make available the form required to file an annual report.
43 (b) Information in the annual report must be current as of the date the annual
44 report is executed on behalf of the limited liability company or the foreign limited
45 liability company.
46 (c) The annual report shall be delivered to the Secretary of State ~~each year within~~
47 ~~60 days immediately following the last day of the month in which the domestic~~
48 ~~limited liability company was organized or the foreign limited liability company~~
49 ~~received a certificate of authority in this State. Forms required for the filing of the~~
50 ~~annual report shall be mailed by the Secretary of State to the domestic or foreign~~
51 ~~limited liability company at its registered office for the first annual report, and then~~
52 ~~to its principal office for subsequent annual reports by the fifteenth day of the fourth~~
53 month following the close of the limited liability company's fiscal year.

(d) If an annual report does not contain the information required by this section, the Secretary of State shall promptly notify the reporting domestic or foreign limited liability company in writing and return the report to it for correction. If the report is corrected to contain the information required by this section and delivered to the Secretary of State within 30 days after the effective date of notice, it is deemed to be timely filed.

(e) Amendments to any previously filed annual report may be filed with the Secretary of State at any time for the purpose of correcting, updating, or augmenting the information contained in the annual report."

(k) G.S. 57C-3-25(a) reads as rewritten:

"(a) Any person dealing with a limited liability company or a foreign limited liability company may rely conclusively upon its most recent annual report and any amendments thereto ~~filed with to it on file with~~ the Secretary of State ~~pursuant to G.S. 57C-2-23~~ as to the identity of its managers, except to the extent the person has actual knowledge that a person identified therein as a manager is not a manager."

(l) G.S. 105-259 reads as rewritten:

"§ 105-259. Secrecy required of officials; penalty for violation.

(a) Definitions. -- The following definitions apply in this section:

(1) Employee or officer. -- The term includes a former employee, a former officer, and a current or former member of a State board or commission.

(2) Tax information. -- Any information from any source concerning the liability of a taxpayer for a tax, as defined in G.S. 105-228.90. The term includes the following:

- a. Information contained on a tax return, a tax report, or an application for a license for which a tax is imposed.
- b. Information obtained through an audit of a taxpayer or by correspondence with a taxpayer.
- c. Information on whether a taxpayer has filed a tax return or a tax report.
- d. A list or other compilation of the names, addresses, social security numbers, or similar information concerning taxpayers.

The term does not include (i) statistics classified so that information about specific taxpayers cannot be identified or (ii) identified, (ii) an annual report required to be filed under G.S. 55-16-22 or (iii) information submitted to the Business License Information Office of the Department of Secretary of State on a master application form for various business licenses.

(b) Disclosure Prohibited. -- An officer, an employee, or an agent of the State who has access to tax information in the course of service to or employment by the State may not disclose the information to any other person unless the disclosure is made for one of the following purposes:

- (1) To comply with a court order or a law.
- (2) Review by the Attorney General or a representative of the Attorney General.
- (3) Review by a tax official of another state or the Internal Revenue Commissioner of the United States to aid the state or the Commissioner in collecting a tax imposed by this State, the other state, or the United States if the laws of the other state or the United States allow the state or the United States to provide similar tax information to a representative of this State.

- (4) To provide a governmental agency or an officer of an organized association of taxpayers with a list of taxpayers who have paid a privilege license tax under Article 2 of this Chapter.
- (5) To furnish to the chair of a board of county commissioners information on the county sales and use tax.
- (6) To sort, process, or deliver tax information on behalf of the Department of Revenue.
- (6a) To furnish the chair of a board of county commissioners a list of claimants that have received a refund of the county sales or use tax to the extent authorized in G.S. 105-164.14(f).
- (7) To exchange information with the Division of Motor Vehicles of the Department of Transportation when the information is needed to fulfill a duty imposed on the Department of Revenue or the Division of Motor Vehicles.
- (8) To furnish to the Department of State Treasurer, upon request, the name, address, and account and identification numbers of a taxpayer who may be entitled to property held in the Escheat Fund.
- (9) To furnish to the Employment Security Commission the name, address, and account and identification numbers of a taxpayer when the information is requested by the Commission in order to fulfill a duty imposed under Article 2 of Chapter 96 of the General Statutes.
- (10) Review by the State Auditor to the extent authorized in G.S. 147-64.7.
- (11) To give a spouse who elects to file a joint tax return a copy of the return or information contained on the return.
- (11a) To provide a copy of a return to the taxpayer who filed the return.
- (11b) In the case of a return filed by a corporation, a partnership, a trust, or an estate, to provide a copy of the return or information on the return to a person who has a material interest in the return if, under the circumstances, section 6103(e)(1) of the Code would require disclosure to that person of any corresponding federal return or information.
- (11c) In the case of a return of an individual who is legally incompetent or deceased, to provide a copy of the return to the legal representative of the estate of the incompetent individual or decedent.
- (12) To contract with a financial institution for the receipt of withheld income tax payments under G.S. 105-163.6 or for the transmittal of payments by electronic funds transfer.
- (13) To furnish the Fiscal Research Division of the General Assembly, upon request, a sample, suitable in character, composition, and size for statistical analyses, of tax returns or other tax information from which taxpayers' names and identification numbers have been removed.
- (14) To exchange information concerning a tax imposed by Subchapter V of this Chapter with the Standards Division of the Department of Agriculture when the information is needed to administer the Gasoline and Oil Inspection Act, Article 3 of Chapter 119 of the General Statutes.

- (15) To exchange information concerning a tax imposed by Articles 2A, 2B, 2C, or 2D of this Chapter with one of the following agencies when the information is needed to fulfill a duty imposed on the agency:
- The North Carolina Alcoholic Beverage Control Commission.
 - The Division of Alcohol Law Enforcement of the Department of Crime Control and Public Safety.
 - The Bureau of Alcohol, Tobacco, and Firearms of the United States Treasury Department.
- (16) To furnish to the Department of Secretary of State the name, address, tax year end, and account and identification numbers of a corporation liable for corporate income or franchise taxes or of a limited liability company liable for a corporate or a partnership tax return to enable the Secretary of State to notify the corporation or the limited liability company of the annual report filing requirement or that its articles of incorporation or articles of organization or its certificate of authority has been suspended.
- (17) To inform the Business License Information Office of the Department of Secretary of State of the status of an application for a license for which a tax is imposed and of any information needed to process the application.
- (18) To furnish to the Office of the State Controller the name, address, and account and identification numbers of a taxpayer upon request to enable the State Controller to verify statewide vendor files or track debtors of the State.
- (19) To furnish to the North Carolina Industrial Commission information concerning workers' compensation reported to the Secretary under G.S. 105-163.7.

(c) Punishment. -- A person who violates this section is guilty of a Class 1 misdemeanor. If the person committing the violation is an officer or employee, that person shall be dismissed from public office or public employment and may not hold any public office or public employment in this State for five years after the violation."

(m) Subsections (a), (b), (c) and (l) of this section become effective July 1, 1997. The remainder of this section becomes effective January 1, 1998, and applies to tax years ending on or after December 31, 1997, in the case of corporations required to file annual reports with the Secretary of Revenue and to fiscal years ending on or after December 31, 1997, in the case of corporations and limited liability companies required to file annual reports with the Secretary of State.

Annual reports delivered to either the Secretary of State or the Secretary of Revenue after December 31, 1997, but before January 1999, shall nevertheless be deemed filed with the correct State agency. The Secretary of State shall notify the Secretary of Revenue of reports erroneously filed with the Secretary of State, and the Secretary of Revenue shall notify the Secretary of State of reports erroneously filed with the Secretary of Revenue.

PART XXVII. DEPARTMENT OF CULTURAL RESOURCES

Requested by: Senator Warren

DEPARTMENT OF CULTURAL RESOURCES RETAIN HISTORICAL PUBLICATIONS RECEIPTS

Section 27. The Historical Publications Section, Division of Archives and History, Department of Cultural Resources, may retain the receipts, including

1 over-realized receipts, from the sale of its publications during each year of the 1997-
2 99 biennium. The receipts from the sale of those publications retained by the
3 Historical Publications Section shall not revert, but shall be used to reprint the
4 publications.

5
6 Requested by: Senator Warren

7 **MODIFY THE AREAS OF RESPONSIBILITY OF THE ROANOKE ISLAND**
8 **COMMISSION**

9 Section 27.1. G.S. 143B-131.2(b)(1) reads as rewritten:

10 "(1) To advise the Secretary of Transportation and adopt rules on
11 matters pertaining to, affecting, and encouraging restoration,
12 preservation, and enhancement of the appearance, maintenance,
13 and aesthetic quality of U.S. Highway 64/264 and the U.S. 64/264
14 Bypass and N.C. 400 travel corridors on Roanoke Island and the
15 grounds on ~~Ice Plant Island~~ Roanoke Island Festival Park."

16
17 Requested by: Senator Warren

18 **TRANSFER FIRST FLIGHT CENTENNIAL COMMISSION TO DOT**

19 Section 27.2. (a) The First Flight Centennial Commission, described in
20 Article 67 of Chapter 143 of the General Statutes, is transferred from the Department
21 of Cultural Resources to the Department of Transportation, Division of Aviation.
22 This transfer shall have all of the elements of a Type II transfer, as that term is
23 defined in G.S. 143-6(b).

24 (b) G.S. 143-640 reads as rewritten:

25 "(a) Establishment. -- There is established the First Flight Centennial Commission.
26 The Commission shall be located within the Department of ~~Cultural Resources~~
27 Transportation for organizational, budgetary, and administrative purposes."

28 (c) G.S. 143-640(c) reads as rewritten:

29 "(c) Membership. -- The Commission shall consist of ~~26~~ 27 members, as follows:

- 30 (1) Four persons appointed by the Governor.
31 (2) Four persons appointed by the President Pro Tempore of the
32 Senate.
33 (3) Four persons appointed by the Speaker of the House of
34 Representatives.
35 (4) The following persons or their designees, ex officio:
36 a. The Governor.
37 b. The President Pro Tempore of the Senate.
38 c. The Speaker of the House of Representatives.
39 d. The United States Senators from this State.
40 e. The member of the United States House of Representatives
41 for the Third Congressional District.
42 f. The Governor of the State of Ohio.
43 g. The Secretary of the Department of Cultural Resources.
44 h. The Superintendent of the Cape Hatteras National Seashore
45 of the United States National Park Service.
46 i. The chair of the Centennial of Flight Commemoration
47 Commission.
48 j. The President of the First Flight Society.
49 k. The chair of the Dare County Board of Commissioners.
50 l. The Mayor of the Town of Kill Devil Hills.
51 m. The chair of the Dare County Tourism Board.
52 n. The Secretary of the Department of Transportation.

1 The members appointed to the First Flight Centennial Commission shall be chosen
2 from among individuals who have the ability and commitment to promote and fulfill
3 the purposes of the Commission, including individuals who have demonstrated
4 expertise in the fields of aeronautics, aerospace science, or history, who have
5 contributed to the development of the fields of aeronautics or aerospace science, or
6 who have demonstrated a commitment to serving the public."

7 (d) G.S. 143-641(c) reads as rewritten:

8 "(c) Contract Authority. -- The Commission may procure supplies, services, and
9 property as appropriate, and may enter into contracts, leases, or other legal
10 agreements to carry out the purposes of this Article. All contracts, leases, or legal
11 agreements entered into by the Commission shall terminate on the date of
12 termination of the Commission. Termination shall not affect any disputes or causes of
13 action of the Commission that arise before the date of termination, and the
14 Department of ~~Cultural Resources~~ Transportation may prosecute or defend any
15 causes of action arising before the date of termination. All property acquired by the
16 Commission that remains in the possession of the Commission on the date of
17 termination shall become the property of the Department of ~~Cultural Resources~~.
18 Transportation."

19 (e) G.S. 143-642(b) reads as rewritten:

20 "(b) Office Space. -- The Department of ~~Cultural Resources~~ Transportation shall
21 provide office space in Raleigh for use as offices by the First Flight Centennial
22 Commission, and the Department of ~~Cultural Resources~~ Transportation shall receive
23 no reimbursement from the Commission for the use of the property during the life of
24 the Commission."

25
26 Requested by: Senator Warren

27 **MUSEUM OF HISTORY RESTAURANT**

28 Section 27.3. Within the funds available, the Secretary of Cultural
29 Resources may contract with any person, firm, or corporation to provide restaurant
30 services in the North Carolina Museum of History, as provided in subdivisions (16)
31 and (17) of G.S. 121-4.
32

33 Requested by: Senator Warren

34 **FUNDS FOR MUSEUM OF THE ALBEMARLE**

35 Section 27.4. The Office of State Budget and Management is authorized
36 to transfer the sum of forty-seven thousand eight hundred eighty-seven dollars
37 (\$47,887) from Fund 1110 (Code 536930) to Fund 1500 (Code 534160) to replace
38 funds that were reallocated in the 1996-97 fiscal year to support Newbold-White
39 House.
40

41 Requested by: Senators Plyler, Perdue, Odom

42 **PROCEDURE FOR AWARD OF CULTURAL RESOURCES GRANTS**

43 Section 27.5. Of the funds appropriated to the Department of Cultural
44 Resources, the sum of eight million dollars (\$8,000,000) for the 1997-98 fiscal year
45 shall be used for grants to nonprofit organizations or local governmental entities
46 throughout the State for cultural, historical, or artistic organizations, for cultural,
47 historical, or artistic projects, and for museums. The Secretary of the Department of
48 Cultural Resources shall establish a process for the review, evaluation, and
49 consideration of applications for these grants.

50 In awarding grants, the Secretary shall consider the merits of the project,
51 the cultural, historical, or artistic significance of the project, the benefit to the State
52 and local communities of the project, and the cost of the project. Prior to awarding
53 grants, the Secretary shall consult with the Joint Legislative Commission on

1 Governmental Operations. These grants are not subject to review by the Historical
2 Commission.

3
4 **PART XXVIII. STATE BOARD OF ELECTIONS**

5
6 Requested by: Senator Warren

7 **STATEWIDE DATA ELECTIONS MANAGEMENT SYSTEM**

8 Section 28. (a) The State Board of Elections shall adopt rules for a
9 statewide data elections management system. Those rules shall include data format
10 standards, data communication standards, and data content standards. The State
11 Board of Elections shall adopt those rules, including the standards, no later than
12 November 1, 1997. Counties shall adhere to the rules and standards no later than
13 August 31, 1998.

14 (b) Of the funds appropriated in this act to the State Board of Elections
15 for a statewide data elections management system, the sum of one hundred fifty
16 thousand dollars (\$150,000) may be used by the State Board of Elections to hire a
17 project manager, to research and determine the needs of the local boards of election
18 in each county, and to develop a needs assessment report.

19 (c) The remainder of the funds appropriated in Section 13.2 of Chapter
20 597 of the 1995 Session Laws shall be used to develop, implement, and operate a
21 statewide data elections management system, which will include voter registration,
22 campaign reporting, and election night returns. These funds shall be used only after
23 the State Board of Elections and the Information Resource Management Commission
24 have jointly approved and submitted a written, detailed implementation plan for
25 statewide data elections management to the Joint Legislative Commission on
26 Governmental Operations. That implementation plan shall include:

- 27 (1) A description of the system being implemented;
28 (2) A description of the system's capabilities, including user-
29 friendliness;
30 (3) An itemized estimate of the costs of the system, with a
31 justification for each item, including a plan for implementing the
32 system within the funds appropriated;
33 (4) A list of the counties to be brought into the system during the
34 fiscal year; and
35 (5) A proposed project management plan.

36 After their initial joint report, the State Board of Elections and the Information
37 Resource Management Commission shall make written quarterly joint reports to the
38 Joint Legislative Commission on Governmental Operations, describing the status of
39 the project, listing the counties that have been brought into the system and that are
40 planned to be brought into the system, and the costs.

41 (d) To the extent that this section conflicts with G.S. 163-82.11 through
42 G.S. 163-82.13, with Section 16 of Chapter 769 of the 1993 Session Laws, or with
43 Section 13.2 of Chapter 507 of the 1995 Session Laws, this section prevails to the
44 extent of the conflict. Except to the extent of the conflict, Section 16 of Chapter 769
45 of the 1993 Session Laws remains in effect.

46
47 **PART XXIX. DEPARTMENT OF TRANSPORTATION**

48
49 Requested by: Senator Jordan

50 ~~**GLOBAL TRANSPARK AUTHORITY TO REIMBURSE HIGHWAY FUND FROM**~~
51 ~~**FEDERAL SOURCES**~~

52 Section 29. When funds are provided from the Highway Fund to the
53 Global TransPark Authority for environmental impact statements or assessments and

1 G.S. 120-76(8), each special responsibility constituent institution may expend monies
2 from the overhead receipts special fund budget code and the General Fund monies so
3 appropriated to it in the manner deemed by the Chancellor to be calculated to
4 maintain and advance the programs and services of the institutions, consistent with
5 the directives and policies of the Board of Governors. The preparation, presentation,
6 and review of General Fund budget requests of special responsibility constituent
7 institutions shall be conducted in the same manner as are requests of other
8 constituent institutions. The quarterly allotment procedure established pursuant to
9 G.S. 143-17 shall apply to the General Fund appropriations made for the current
10 operations of each special responsibility constituent institution. All General Fund
11 monies so appropriated to each special responsibility constituent institution shall be
12 recorded, reported, and audited in the same manner as are General Fund
13 appropriations to other constituent institutions."
14

15 Requested by: Senators Lee, Winner

16 **UNC ASSISTANCE TO PUBLIC SCHOOLS**

17 Section 10.8. Funding in this act is provided to the Board of Governors
18 of The University of North Carolina for several initiatives to work cooperatively with
19 the public schools to improve public education in North Carolina. The Board of
20 Governors shall redirect the funding provided for educational consortia at eight
21 constituent institutions to these initiatives requested for the 1997-99 biennium. The
22 Board of Governors shall redirect at least one-third of the consortia appropriations
23 during the 1997-98 fiscal year and the balance for the 1998-99 fiscal year toward these
24 efforts. The Board of Governors shall also reallocate sufficient funds from other
25 resources to fully fund these initiatives for the 1997-98 fiscal year.

26 Upon request of a constituent institution with a current consortium program, the
27 Board of Governors may direct continual funding to that program.
28

29 Requested by: Senators Lee, Winner, Hartsell

30 **AREA HEALTH EDUCATION CENTERS FUNDING**

31 Section 10.9. Of the funds appropriated in this act to the Board of
32 Governors of The University of North Carolina, the sum of two million seven
33 hundred fifty thousand dollars (\$2,750,000) for the 1997-98 fiscal year and the sum of
34 two million seven hundred fifty thousand dollars (\$2,750,000) for the 1998-99 fiscal
35 year shall be allocated to the Area Health Education Centers programs for
36 continuation of the restructuring of educational programs for health care
37 professionals. Of these funds, sufficient funds shall be allocated to the Cabarrus
38 Family Medicine Residency Program to provide assistance comparable to other family
39 medicine residency slots for 16 residencies. The Cabarrus Family Medicine
40 Residency Program shall provide all information required by The University of North
41 Carolina Board of Governors to comply with the reporting requirements of G.S. 143-
42 613.
43

44 Requested by: Senators Lee, Winner

45 **UNC LIBRARIES FUNDING**

46 Section 10.10. Of the funds appropriated to the Board of Governors of
47 The University of North Carolina in this act, the sum of four million dollars
48 (\$4,000,000) shall be allocated each year of the biennium for enhancement of
49 libraries for the constituent institutions. Of this amount, at least one million two
50 hundred thousand dollars (\$1,200,000) each year shall be used for the development of
51 the NC-LIVE project, a cooperative effort of The University of North Carolina, the
52 Department of Community Colleges, and the State Library of North Carolina

1 designed to improve access to information resources across the State and to reduce
2 the duplication of expenditures for library resources.

3
4 Requested by: Senators Lee, Winner

5 **COOPERATIVE EXTENSION SERVICES**

6 Section 10.11. (a) The Joint Legislative Education Oversight Committee
7 and the Board of Governors of The University of North Carolina shall undertake a
8 joint review and study of the role, funding, personnel resources, programs, and other
9 aspects of the Cooperative Extension Services of The University of North Carolina
10 given the changing nature of the agricultural base of the State.

11 (b) The study shall consider all of the following:

12 (1) The role of cooperative extension services in the environmental
13 aspects of agricultural activities and other activities.

14 (2) The reduced or increased needs for various current extension
15 services due to changes in the State's agricultural base.

16 (3) The top priority agricultural needs of the State and whether or
17 not current cooperative extension services are aligned with those
18 needs.

19 (4) The duplication, if any, of cooperative extension services with
20 services offered by other entities.

21 (c) The Joint Legislative Education Oversight Committee and the Board
22 of Governors may appoint a subcommittee to work cooperatively on this study. The
23 Chairs of the Joint Legislative Education Oversight Committee shall designate one
24 member of the Subcommittee to serve as a cochair and the Chair of the Board of
25 Governors shall designate one member of the Subcommittee to serve as a cochair.

26 (d) The Subcommittee shall meet at such times and places as the
27 Subcommittee cochairs designate. The facilities of the State Legislative Building and
28 the Legislative Office Building shall be available to the Subcommittee subject to the
29 approval of the Legislative Services Commission. The facilities of the university
30 system shall also be available to the Subcommittee.

31 (e) Subject to the approval of the Legislative Services Commission, the
32 staff resources of the Legislative Services Commission shall be available to the
33 Subcommittee without cost except for travel, subsistence, supplies, and materials.
34 Subject to the approval of the Board of Governors, the staff resources of the Board of
35 Governors shall also be available to the Subcommittee without cost except for travel,
36 subsistence, supplies, and materials which shall be the expense of the Board of
37 Governors.

38 (f) The Joint Legislative Education Oversight Committee and the Board
39 of Governors shall report their findings to the General Assembly by May 1, 1998.

40
41 Requested by: Senators Lee, Winner, Perdue

42 **REVIEW OF LAND-USE REGULATION**

43 Section 10.12. Of the funds appropriated in this act to the Board of
44 Governors of The University of North Carolina, the sum of seventy-five thousand
45 dollars (\$75,000) shall be allocated for the 1997-98 fiscal year to the University of
46 North Carolina at Chapel Hill for the Center for Urban and Regional Studies to
47 conduct an analysis of the impact of State infrastructure programs, including funding
48 and funding methods, on local governments. The analysis shall also consider the
49 ability of local governments to develop and implement plans for sustainable
50 development and to fully utilize their planning and regulatory authorities to guide
51 development and balanced growth and how these authorities are impacted by State
52 infrastructure decisions. The Departments of Transportation, Commerce, and
53 Environment, Health, and Natural Resources and other State agencies shall provide

~~1 funds received from the sale of timber that are deposited with the State Treasurer in
2 a capital improvement account pursuant to G.S. 146-30. The Director of the Budget
3 is authorized to transfer up to one hundred thousand dollars (\$100,000) from the
4 capital improvement account to the Reserve for Forestry Management in the
5 Department of Agriculture's operating budget and to prepare succeeding
6 continuation budget documents to include one hundred thousand dollars (\$100,000)
7 in the Reserve for Forestry Management.~~

8
9 Requested by: Senator Martin of Pitt

10 * TRANSFER MARITIME MUSEUM TO CULTURAL RESOURCES

11 Section 12.2. The 17.25 positions, support, and equipment in the North
12 Carolina Maritime Museum, Department of Agriculture, shall be transferred to the
13 Department of Cultural Resources.
14

15 Requested by: Senator Martin of Pitt

16 * WESTERN NORTH CAROLINA DEVELOPMENT ASSOCIATION

17 Section 12.3. The Western North Carolina Development Association
18 shall:

- 19 (1) By January 15, 1998, and more frequently as requested, report to
20 the Joint Legislative Commission on Governmental Operations and
21 the Fiscal Research Division the following information:
22 a. State fiscal year 1996-97 program activities, objectives, and
23 accomplishments;
24 b. State fiscal year 1996-97 itemized expenditures and fund
25 sources;
26 c. State fiscal year 1997-98 planned activities, objectives, and
27 accomplishments, including actual results through December
28 31, 1997; and
29 d. State fiscal year 1997-98 estimated itemized expenditures
30 and fund sources, including actual expenditures and fund
31 sources through December 31, 1997.
32 (2) By January 15, 1999, and more frequently as requested, report to
33 the Joint Legislative Commission on Governmental Operations and
34 the Fiscal Research Division the following information:
35 a. State fiscal year 1997-98 program activities, objectives, and
36 accomplishments;
37 b. State fiscal year 1997-98 itemized expenditures and fund
38 sources;
39 c. State fiscal year 1998-99 planned activities, objectives, and
40 accomplishments, including actual results through December
41 31, 1998; and
42 d. State fiscal year 1998-99 estimated itemized expenditures
43 and fund sources, including actual expenditures and fund
44 sources through December 31, 1998.
45 (3) Provide a copy of the Association's annual audited financial
46 statement to the Fiscal Research Division within 30 days of
47 issuance of the statement.
48

49 Requested by: Senator Martin of Pitt, Kerr

50 INCREASE GRAPE GROWERS FUNDS

51 Section 12.4. G.S. 105-113.81A reads as rewritten:

52 "§ 105-113.81A. Distribution of part of wine taxes attributable to North Carolina
53 wine."

~~1 of the Teachers' and State Employees' Retirement System, to the extent that funds
2 are available.~~

~~3~~

~~4 Requested by: Senators Perdue, Plyler, Odom~~

~~5 RETIREMENT SYSTEM ADMINISTRATIVE EXPENSES TO COMPLY WITH
6 SUPREME COURT DECISIONS~~

~~7 Section 30.20. The Board of Trustees of the Teachers' and State
8 Employees' Retirement System may expend an aggregate total of not more than five
9 hundred thousand dollars (\$500,000) for fiscal year 1997-98 and an aggregate total of
10 not more than two hundred thousand dollars (\$200,000) for fiscal year 1998-99 from
11 assets of the Teachers' and State Employees' Retirement System and the Local
12 Governmental Employees Retirement System to meet administrative expenses to
13 comply with Supreme Court decisions.~~

~~14~~

~~15 Requested by: Senators Perdue, Plyler, Odom, Wellons~~

~~16 EXTEND SUNSET ON FICA SAVINGS USE~~

~~17 Section 30.21. (a) Section 14(i) of Chapter 1044 of the 1991 Session
18 Laws, as amended by Section 42 of Chapter 561 of the 1993 Session Laws and
19 Section 7.28A of Chapter 769 of the 1993 Session Laws, reads as rewritten:~~

~~20 "(i) Subsections (a) through (d) of this section are effective January 1, 1990.
21 Subsections (e) through (h) of this section are effective January 1, 1991. Subsections
22 (a) through (h) of this section shall expire ~~December 31, 1997~~. December 31, 1999."~~

~~23~~

~~24~~

~~25 PART XXXI. GENERAL CAPITAL APPROPRIATIONS/PROVISIONS~~

~~26~~

~~27 INTRODUCTION~~

~~28 Section 31. The appropriations made by the 1997 General Assembly for
29 capital improvements are for constructing, repairing, or renovating State buildings,
30 utilities, and other capital facilities, for acquiring sites for them where necessary, and
31 acquiring buildings and land for State government purposes.~~

~~32~~

~~33 CAPITAL APPROPRIATIONS/GENERAL FUND~~

~~34~~

~~35 Section 31.1. Appropriations are made from the General Fund of the
36 State for the 1997-99 biennium for use by the State departments, institutions, and
37 agencies to provide for capital improvement projects according to the following
38 schedule:~~

~~39~~

~~40 Capital Improvements - General Fund~~

~~41~~

~~42~~

~~43 University Board of Governors (Total) 1997-98 \$ 59,518,175~~

~~44~~

~~45 1. UNC - Chapel Hill -~~

~~46~~

~~47 a. Addition to the Institute of Government 4,000,000~~

~~48~~

~~49 b. Addition to Beard Hall - School of Pharmacy 8,824,600~~

~~50~~

~~50 c. North Carolina Botanical Garden - Planning 350,000~~

~~51~~

~~52 d. Expansion of the Carolina Living~~

*Attachment 2
General Government
May 14, 1997*

Title: Governor's Policy Advisor for Children, Families and Non-Profits

The Governor's Policy Advisor advises the Governor on matters relating to conceptualization and implementation of policy relating to children, families and non-profits.

To keep the Governor informed of how well state initiatives relating to children, families and non-profits are working in local communities, the Advisor makes regular visits to counties across the state visiting with an array of service providers, elected officials, county officials, non-profits, volunteers, families, Chambers of Commerce, educational professionals and other individuals and representatives in the community. These visits also afford the opportunity to listen and learn about local issues, concerns, successful local initiatives and challenges faced at the county level and report back.

The advisor also is in a position to offer suggestions and advice to local officials and non-profits based on the experience of other counties as they craft game plans for implementing initiatives such as Smart Start, SOS, Work First, child support enforcement, family resource centers, etc. A separate meeting with the local Directors of Social Services, Health and Mental Health in each county is designed to facilitate a dialogue around collaborative efforts relating to the implementation of statewide initiatives and an exchange of information and ideas. Meeting with public school officials offers a similar opportunity and exchange of information with an emphasis on the impact upon schools of Smart Start, SOS, Work First and other initiatives relating to children, families and non-profits.

As the Governor's liaison to non-profits and foundations, the Advisor's role is to help establish a dialogue among state government, non-profits and foundations for the purposes of broadening participation by non-profit and foundations in public policy making and to conceptualize better ways to do things together. The Advisor is responsible for establishing a network of Non-Profit Liaison in each Department of state government and to help coordinate their activities with non-profits. Non-profit liaisons are bridge builders for non-profits and look for opportunities where privatization makes sense for their department. They serve as ombudsmen where problems arise between non-profits and state government in regulatory or other areas. Activities include participation in regional and statewide workshops with non-profits, forming problem resolution committees if needed, and, prespectively, to work collaboratively with non-profits in evaluating promising initiatives in other states (public or private) for possible replication by North Carolina.

The Non-Profit liaisons, through the coordination of the Governor's Advisor, are also expected to serve as the Department Liaison for Volunteerism in a new emphasis by the Governor's Office and to assist in ongoing volunteer efforts within their departments.

The Governor's Advisor also meets widely with non-profit organization and foundation representatives to obtain input and policy suggestions for the Governor.

The Governor's Advisor is tasked with planning and implementing a conference for foundations, corporate givers, and key Departmental policy makers relating to long range policy goals and plans of state government. This conference, sponsored jointly by the Governor's Office and the Philanthropy Journal, will give foundations a better idea of the direction state policy is taking and an opportunity to have input (and likely will become an annual event). The Advisor handles inquiries and correspondence relating to non-profits and foundations for the Governor.

Working in partnership with other agencies and organizations whose mission relate to volunteerism, the Governor's Advisor is helping conceptualize and implement a new emphasis on volunteerism in North Carolina. Having coordinated the activities of the North Carolina delegation to the Presidents' Summit on America's Future in Philadelphia, the Policy Advisor is tasked with assisting the Governor (in partnership with other public and private volunteer organizations) conceptualize and implement a long range vision and unified state action plan for volunteerism in North Carolina. A Governor's Summit on Volunteerism and local summits will provide input into this long range plan.

Attachment 3
General Government
May 14, 1997

St. Mark's

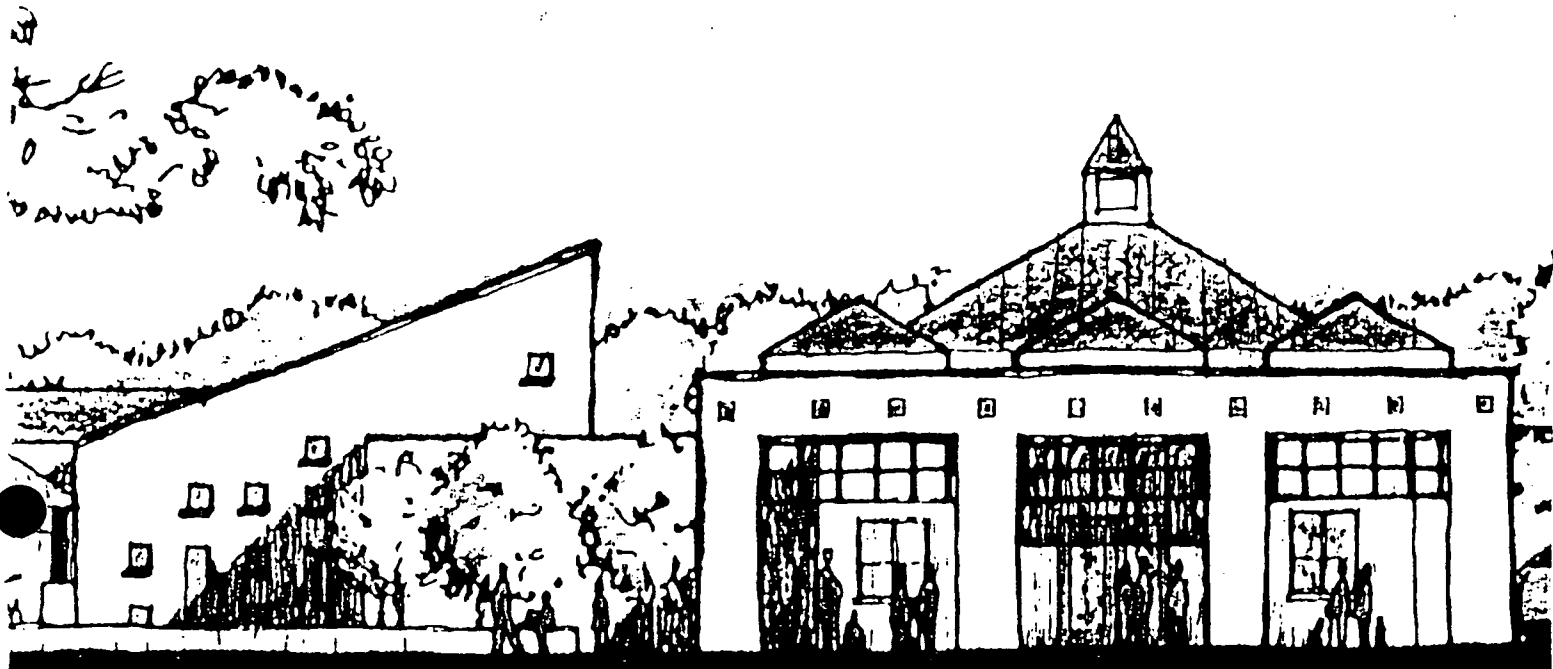
Circle School

We Challenge Exceptional People *South*

St. Mark's, founded in 1973, is a private non-profit organization based in Charlotte, NC specializing in the development and operation of innovative programs that educate, employ, and enhance the lives of persons who have a developmental disability. Further, we are committed to being the program of choice for families challenged with members who have a developmental disability. We currently operate 18 programs for 500 children and adults (6 months through retirement age) in 28 locations throughout Mecklenburg and parts of Iredell County.



St. Mark's is the only organization in the region providing an alternative to institutional care at every life stage for those who have severe developmental disabilities, from infant to senior citizen.



A Regional Center

We propose the building of a regional center designed to meet the diverse needs of 80 children. Our research indicates that many of those children will come from both rural and low income homes.

Despite the desperate need, at this time there is no facility within reasonable access of families in southeast Mecklenburg, western Union County, and southern Stanley County providing age-appropriate developmental day programs for infants, toddlers and preschool children with severe developmental disabilities.

This new school will provide an opportunity for 30 - 40 unserved infants, toddlers and preschool children with developmental disabilities residing in southeast Mecklenburg, western Union County, and southern Stanley County, to participate in an innovative developmental day program alongside 30 - 40 typically developing children. The program (now in place at St. Mark's Circle School) will be child-centered. There will be a focus on community collaboration as we host individuals and groups from UNCC and elsewhere for training. The Circle Program has been, and will continue to be, replicated by others.

We will incorporate a fully equipped wellness center, managed by a qualified nurse, provide screening, early detection, preventive care, and therapy. Parents will be supported with health education, training and peer counseling. Equipment will be provided for loan

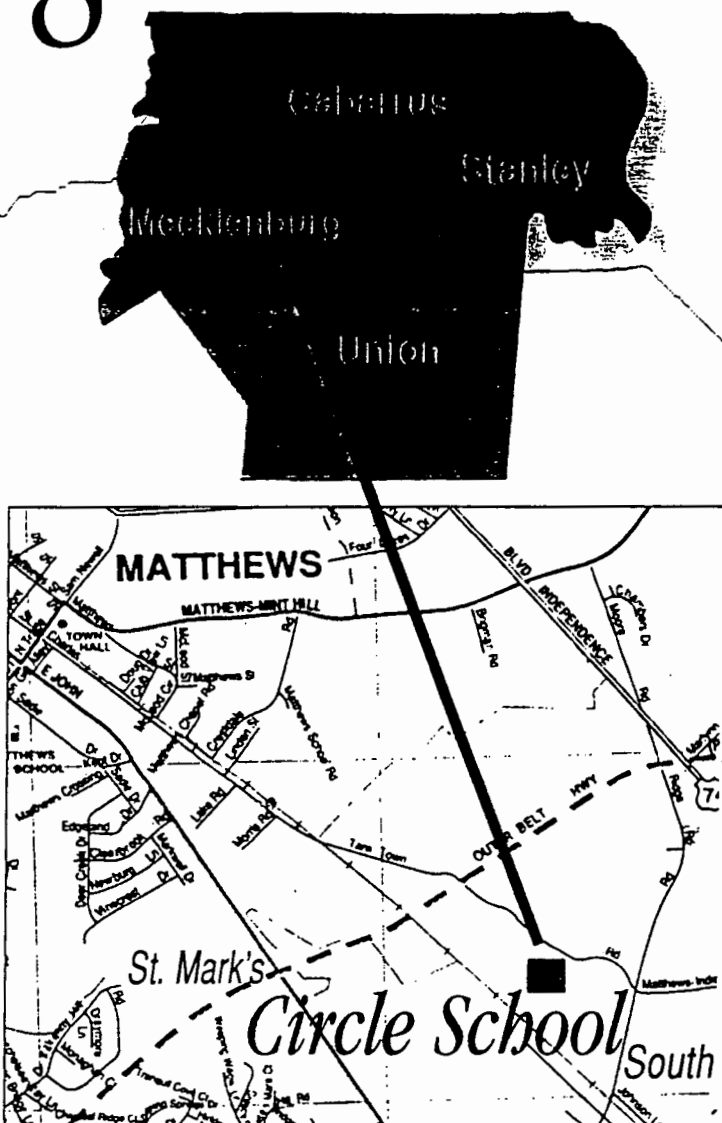
to needy families, resource materials will be on hand for reference and transport will be made available to those who qualify.

Children will be better educated, healthier, and equipped to face the future. Families will be trained to deal effectively with their children's disabilities and dietary needs. They will be reassured that basic health needs are being met. This will enable some to seek employ-

ment, perhaps for the first time.

The site has been identified. The land, with an estimated value of \$50,000, will be deeded to St. Mark's by Mecklenburg County at no cost.

Discussions with Presbyterian Hospital, Matthews are now in progress. The hospital has agreed to participate in the operation of this community facility by assisting with health administration, nursing support and doctor oversight for the wellness center.



• The Best Care



Estimated Construction Cost

(15,000 s.f. @ \$87/s.f.)

Site Work	\$180,000
General Construction	675,000
Plumbing	90,000
Heating, Ventilation, A/C	220,000
Electrical	<u>\$135,000</u>
Subtotal	1,300,000
Contingency 10%	<u>130,000</u>
Subtotal	\$1,430,000

Site Survey	10,000
Architect/Engineer Fee	90,000
Soils and Constr. Testing	<u>\$10,000</u>
Subtotal	110,000
Furniture & Equipment	160,000
GRAND TOTAL	\$1,700,000

At St. Mark's, we believe that all children, regardless of ability, should have the opportunity to learn together. We have devoted ourselves to implementing this philosophy in all aspects of our education programs.

As infants, children can come to St. Mark's and receive the highest quality of care from certified teachers and highly trained assistants. As they progress through our preschool program, they are continually exposed to other children with varying degrees of ability. Our low student to teacher ratios, guarantee that the individual plans developed for each student are paced to their abilities. This inclusive approach is state-of-the-art, and now being modeled to other programs across the country.

St. Mark's Circle School
Recognized as 'One of the Best'

St. Mark's Circle School recently received a Program of Excellence Grant of \$5,000 from the NC Department of Human Resources, Division of MH, DD, SA for operating a program that excels in providing state-of-the-art, inclusive, center-based early intervention services for young children. Inclusion is the practice of offering children with or without disabilities the opportunity to learn together in an environment dedicated to meeting the needs of each individual. The Circle School scored highly in the areas of inclusive services, innovativeness, community impact, and resourcefulness.

Summary

The Need

St. Mark's goal is to serve additional clients in Mecklenburg County, as well as to reach out to those in contiguous counties. Our research estimates that at least 62 preschool children in Mecklenburg and Union Counties alone are in urgent need of our services. To improve the quality of life for these children and those already in our care, we must be equipped with well-designed, appropriate facilities as well as progressive programs. St. Mark's day programs for children and adults are not duplicated by any other agency.

Regional Solution

The purpose of the project is to build a new preschool facility in Southeast Charlotte, to serve children from Mecklenburg, Union, and Stanley Counties who urgently need our services. The total cost of the facility is \$1,700,000.

Who Will Benefit?

50 - 60 children who have severe developmental disabilities. 15 - 20 normal needs preschoolers will also be served in order to achieve an integrated environment. Most of the normal needs children will be from low to moderate income families.

Qualifications

As in other St. Mark's preschool and school operations - all teaching staff will be degreed special education teachers. St. Mark's programs are very intensive and we maintain a teacher/student ratio of one to three. Volunteers will assist teachers in feeding children, and with recreation and therapy programs.



ST. MARK'S
INCORPORATED

200 Clanton Road
Charlotte, NC 28217
704/523-0100



04/16/97 WED 05:38 FAX 703 931 4208

THE WOMEN'S MEMORIAL

0002

*Attachment 4**General Government May 14, 1997*

WOMEN IN MILITARY SERVICE FOR AMERICA MEMORIAL FOUNDATION, INC.

Dept. 560
Washington, DC 20042-0560

wimsa@aol.com

http://www.wimsa.org/pub/wimsa

(703) 533-1155 (800) 222-2294

(703) 931-4208 FAX

*range: \$7,600 - \$50,000**average: \$26,633*

State Donations to

The Women's Memorial

The State Donation Program allows individual state governments to donate funds to The Women's Memorial on behalf of the women from the state who have served or are serving. Each state that donates to the Memorial will be honored by being listed on The Women's Memorial Honor Roll of States. Thousands of women veterans and volunteers have endeavored to obtain financial support from their states for the Memorial, and have met with state legislators, governors, and staff to design state legislation authorizing donations, special state grants and donations from Governors' funds. To date, twenty-one states have joined the Honor Roll of States, and there are efforts ongoing in over fifteen additional states.

Date	State	Amount	Number of Women Veterans
July 1990	Florida	\$20,000 (grant)	92,000
July 1991	Arkansas	\$10,000	11,500
June 1992	Montana	\$25,000	5,100
July 1993	Tennessee	\$20,000	19,900
May 1994	Alaska	\$15,000 (grant)	5,200
June 1994	Pennsylvania	\$47,000	52,000
March 1995	Georgia	\$25,000	35,200
June 1995	Minnesota	\$16,200	16,900
June 1995	Iowa	\$47,000	9,700
August 1995	Illinois*	\$25,000*	38,600
September 1995	Alabama	\$50,000	18,800
March 1996	Wisconsin	\$10,000	20,300
March 1996	Virginia	\$50,000	46,500
April 1996	Maryland	\$20,000	31,500
April 1996	New Hampshire	\$7,600	7,700
April 1996	Arizona	\$26,500	26,900
June 1996	South Carolina	\$30,000	19,200
June 1996	Michigan	\$25,000	38,800
August 1996	Massachusetts	\$50,000	26,600
March 1997	South Dakota	\$10,000	3,700
March 1997	Kentucky	\$20,000	13,900

* Voluntary contributions through inclusion on the 1995 Illinois Department of Revenue individual income tax return.

Women veterans data current as of 7-1-96.

as of: 3/21/97



*Attachment 5
General Government
May 14, 1997*

North Carolina Humanities Council
Weaving Cultures and Communities

425 Spring Garden Street

Greensboro, NC 27401

910-334-5325

Fax 910-334-5052

The North Carolina Humanities Council (NCHC) is North Carolina's affiliate of the National Endowment for the Humanities (NEH). We are one of 56 humanities councils found in each of the 50 states and in the 6 U. S. territories. The NCHC is made up of 18 elected citizens and humanities scholars and 5 gubernatorial appointees. The Council meets 3 to 4 times yearly to make decisions regarding community-initiated grants and special projects of the NCHC.

Since its founding in 1972, NCHC grant recipients have included both traditional, established institutions and organizations and smaller, lesser known groups, especially those from the state's African American and Native American communities. The public humanities programs which these groups sponsor share several common threads: they are local; they encourage active participation through discussion; and they enhance citizens' education while cultivating and renewing an appreciation for the shared civic life so critical for a healthy democracy.

Over the years, local sponsors have shown an endless creativity in designing humanities programs for their communities. These programs are unique because they must include humanities scholars from NC's colleges and universities. The value of this requirement, the exchange of ideas between the public at large and the state's scholars, has proven meaningful to both groups because it brings the ideas of scholarship to bear upon the experience of citizens' everyday lives. In return it asks citizens to use the lived experience of their lives to "critique" ideas generated in the academy. These exchanges foster a dialogue around the most fundamental human questions, and they suggest thoughtful approaches to many of the complicated issues which concern North Carolinians as we anticipate our future.

Among the many community-initiated grants that have nurtured democratic citizenship over the last few years are the following. In Siler City, NCHC funded a program that explored the recent emergence of the Latino community and its implications for race relations in that town. In New Bern, a group of older citizens formed themselves into a committee to do an oral history to preserve a sense of their community before it began to change as it has attracted retirees from all over the country. In Mebane, NCHC funded a major oral history and photographic exhibit on the human consequences of the closure of that town's largest employer, White Furniture, 1881-1993. And in Franklin, NCHC funded a project which asked residents to examine the role of tourism in shaping perceptions of Appalachian culture. The object of all this grant-making was to enable local community groups to define humanities questions according to their own particular needs and interests and to develop programs that respond to those issues. More recently, the Council has issued a thematic Request for Proposals (RFP) to communities, challenging North Carolinians to think in a variety of ways about "Democratic Vistas: Communities and Citizenship in the 21st Century."

-2-

Several NCHC projects are initiatives that involve a commitment of time as well as funds. During the past several years these projects have included unprecedented support of MOTHEREAD/FATHEREAD, the Raleigh-based literacy program designed specifically to address the literacy skills of parents and children. Through the Council's work with MOTHEREAD/FATHEREAD Literacy Institutes, NCHC trained hundreds of literacy workers who now work in communities all across the state. Now, with LITERACY CONNECTIONS, a new NCHC project, NCHC offers assistance to those literacy workers to become better established and more effective in their home communities. Since 1983, the NCHC also has worked hard to improve public education through support of intensive Teachers' Institutes for the state's teachers. From 1992-5, for example, the Council worked closely with educators in Robeson County on how that area's multicultural history could be used as a source of strength in public life instead of as a source of conflict. Currently, we are in the first year of a similar three-year project in Hoke and Scotland Counties on the same issues. Further, NCHC provides easy access to humanities scholars for NC's non-profits through its speakers' bureau, "Humanities Forum." And finally, for more than a decade, the Council has supported a library-based reading-and-discussion program called "Let's Talk About It," extraordinarily effective and popular with our state's rural communities.

During its 25 year history, the Council has put more than 12 million federal dollars into NC communities. Each of these dollars was matched by the citizens of North Carolina, largely through in-kind contributions but also through private monies raised within the state. Since 1980, well over a million North Carolinians have participated in public humanities programs that reached into every North Carolina county, this for 9 cents, or less, per citizen, per year.

As is well known, the inclination of the federal government during the past two years has been to eliminate outright or to phase-out the NEH and the NEA. For more than half of the state humanities councils in the continental U. S., this threat is buffered by appropriations from their state legislatures. For example, of the five states designated by NEH as Region 7, those whose populations fall between 6 and 9.9 million, North Carolina is the only state which does not receive state funds. The appropriations of our regional colleagues in 1996 range from \$150,000 in Georgia, to \$10,000 in Michigan, to \$396,300 in Virginia. New Jersey, the fifth state in the region, received \$125,000, and Ohio has received funds in five previous years. Currently, 92% of NCHC's budget comes from the NEH. The NCHC has made a strong commitment to diversifying its funding base and is currently seeking its first appropriation from the North Carolina Legislature.

North Carolina is well known among our colleagues at the NEH and in the other state humanities councils for its leadership in many areas of public education, for its wealth of fine colleges and universities, for its innovative secondary schools for the arts and sciences. The NC General Assembly's recognition of the value of public humanities programs for North Carolina communities and citizens through an appropriation of state funds would be yet another example of how creatively our state uses its powerful educational resources to invigorate, educate, and care for the civic and cultural dimensions of our life together.

Attachment 6
General Government
May 14, 1997

Item 9: Reserve for Purchase of State Flags - - \$50,000

Size	4' x 6'	3' x 5'
Price	\$24.12	\$15.85
Number of Flags	2,072	3,154

NORTH CAROLINA INFORMATION HIGHWAY ISSUES

- STATE WIDE CAPACITY
- RESERVE FUND
- SPECIAL PROVISIONS

Attachment 7
General Government
May 14, 1997

CAPACITY ISSUE

- **DEMAND FOR SERVICE :**

1996/1997 - 10,901 SESSIONS SCHEDULED -

1997/1998 - 13,500 PENDING REQUEST, 15,000
ESTIMATED SESSIONS

- **CAPACITY REQUIRED:**

(SEE ATTACHED CHARTS)

- **COST :**

APPROXIMATELY \$1,100,000 ADDITIONAL ANNUAL
DOLLARS

- **HOW ARE 1997/1998 COST COVERED? :**

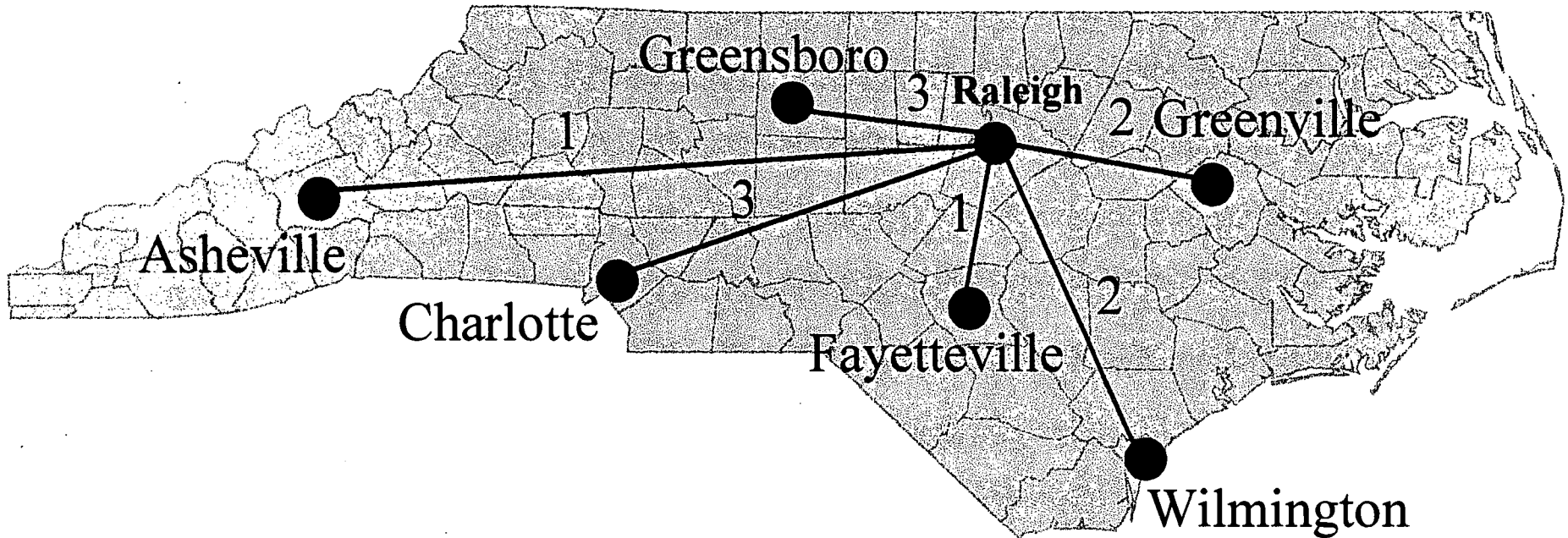
* \$500,000 APPROPRIATED FOR DATA HUBS AND THIS
PURPOSE IN 1996/1997

* \$586,000 SURPLUS OPERATIONAL FUNDS

- **HOW ARE COST COVERED IN FUTURE YEARS? :**

OSC RECOMMENDS SITES BEGIN PAYING A SHARE
OF THE ONGOING COST

Network Topology and Capacity EXISTING



Greenville to Raleigh - 4 Video Channels, 2 Data

Wilmington to Raleigh - 4 Video Channels, 2 Data

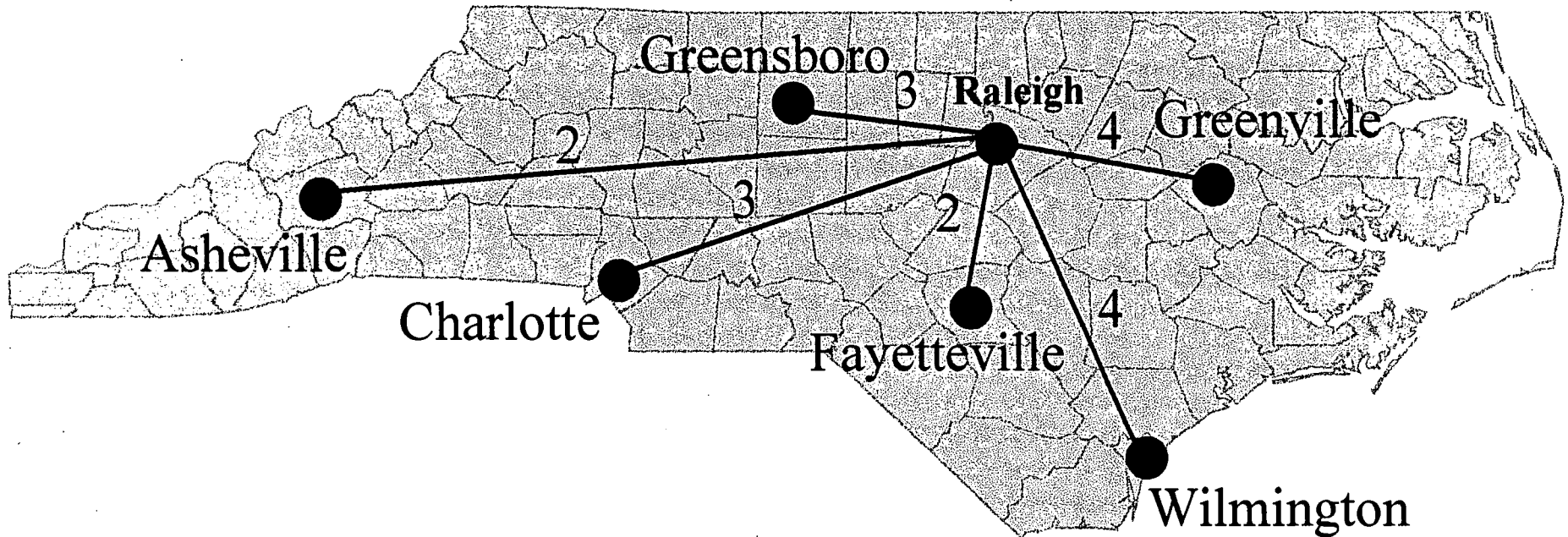
Fayetteville to Raleigh - 2 Video Channels, 1 Data

Charlotte to Raleigh - 6 Video Channels, 3 Data

Greensboro to Raleigh - 6 Video Channels, 3 Data

Asheville to Raleigh - 2 Video Channels, 1 Data

Network Topology and Capacity



OC3's 2 new, 2 existing - Greenville to Raleigh - 8 Video Channels
OC3's 2 new, 2 existing - Wilmington to Raleigh - 8 Video Channels
OC3's 1 new, 1 existing - Fayetteville to Raleigh - 4 Video Channels
OC3's 3 existing - Charlotte to Raleigh - 6 Video Channels
OC3's 3 existing - Greensboro to Raleigh - 6 Video Channels
OC3's 1 new, 1 existing - Asheville to Raleigh - 4 Video Channels

**NORTH CAROLINA INFORMATION HIGHWAY
RESERVE FUND**

- **THE 1996/1997 LEGISLATURE APPROPRIATED \$500,000 FOR DATA HUBS AND ADDITIONAL STATE WIDE CAPACITY, ANY SAVINGS THAT ACCRUE ARE REQUIRED TO BE PLACED IN A RESERVE FUND FOR CONSIDERATION BY THE 1997/1998 GENERAL ASSEMBLY .**
- **OSC DOCUMENTED APPROXIMATELY \$224,000 IN SAVINGS FOR FISCAL YEAR 1996/1997. THESE FUNDS ARE IN A RESERVE FUND FOR YOUR CONSIDERATION.**
- **THE OFFICE OF THE STATE CONTROLLER RECOMMENDS THESE FUNDS BE USED TO FUND ADDITIONAL SITES.**

NORTH CAROLINA INFORMATION HIGHWAY SPECIAL PROVISIONS

WE RECOMMEND THE FOLLOWING:

- REMOVE RESTRICTIVE LANGUAGE REGARDING THE NUMBER OF SITES SUPPORTED BY THE APPROPRIATED MONEY,
- ALLOW THE APPROPRIATED FUNDS TO SUPPORT ADDITIONAL STATEWIDE CAPACITY FOR ALL USERS,
- ALLOW APPROPRIATED FUNDS TO BE USED FOR MIGRATION TO NEW TECHNOLOGIES AND CAPABILITIES OR GATEWAYS BETWEEN TECHNOLOGIES,
- ALLOW THE STAFF TO DEVELOP POLICIES FOR DEALING WITH LOW USE SITES.

BENEFITS:

- ALLOW THE NETWORK TO GROW WHILE LEVERAGING CURRENT AND FUTURE RESOURCES.
- ENHANCE UNIVERSAL SERVICE, PARTICULARLY FOR UNDER-SERVED AND ECONOMICALLY-DEPRESSED AREAS

RECOMMENDATIONS, BENEFITS, AND PROPOSED SUBSTITUTE

NORTH CAROLINA INFORMATION HIGHWAY

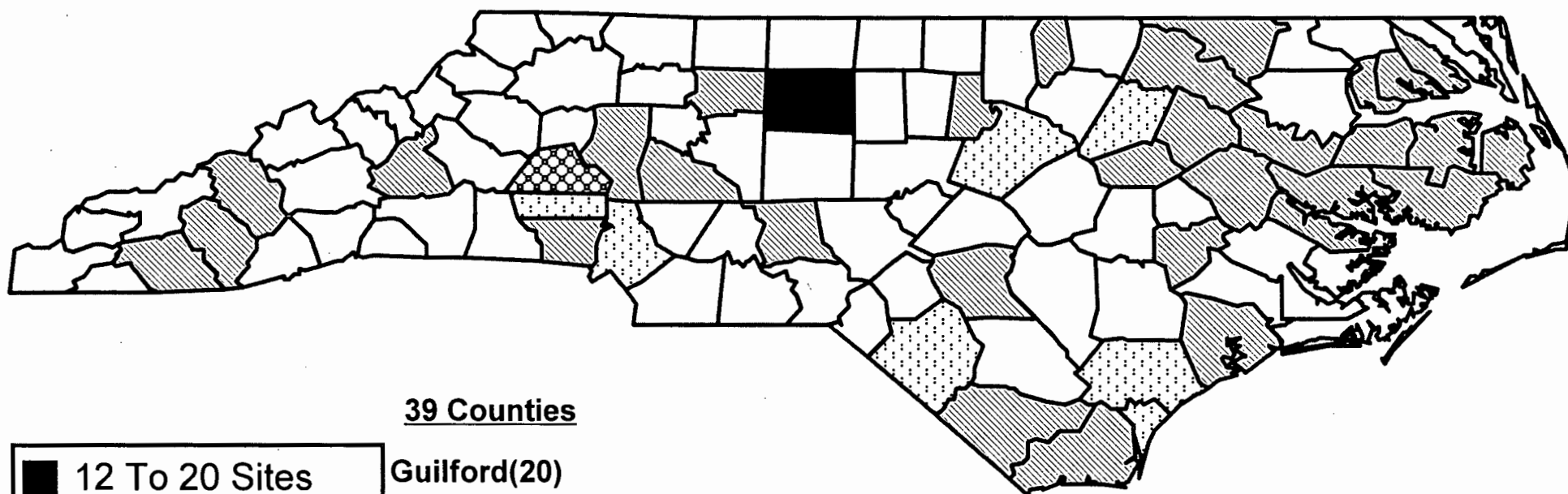
Section (a) The funds appropriated in this act to the Office of the State Controller for the operation of the North Carolina Information Highway shall be used only for costs incurred by the Office of the State Controller related to the operations and support of the North Carolina Information Highway. No funds appropriated in this act shall be expended to pay Minimum Monthly usage charges for North Carolina Information Highway Services.

(b) The Office of the State Controller is encouraged to consider new technologies and capabilities as a means of providing NCIH users access to information and resources. The Office of the State Controller shall report to the General Assembly in 1998 before the reconvening of the Regular Session on its findings.

(c) The State Controller shall report quarterly to the Joint Legislative Commission on Governmental Operations regarding the costs incurred by the Office of the State Controller related to the operations and support of the North Carolina Information Highway.

NORTH CAROLINA INFORMATION HIGHWAY SITES

DISTRIBUTION OF CURRENT (101) SITES FY 1996-97



39 Counties

■ 12 To 20 Sites

▣ 8 To 11 Sites

▤ 3 To 7 Sites

▥ 1 To 2 Sites

□ No Sites

Guilford(20)

Catawba(11)

Robeson(7), Mecklenburg(5), New Hanover(4), Pender(4), Lincoln(3), Nash(3), and Wake(3)

Counties with 2 sites: Beaufort, Brunswick, Cumberland, Dare, Durham, Halifax, Haywood, Jackson, Montgomery, Pitt, Rowan, Wilson

Counties with 1 site: Chowan, Columbus, Edgecombe, Forsyth, Gaston, Hyde, Iredell, Lenoir, Macon, Martin, McDowell, Northampton, Onslow, Pasquotank, Perquimans, Tyrell, Vance, and Washington

NORTH CAROLINA INFORMATION HIGHWAY SITES DISTRIBUTION (101) SITES FY 1996-97

Site	County
Beaufort County Community College	Beaufort
Washington High	Beaufort
Brunswick Community College	Brunswick
West Brunswick High	Brunswick
Catawba Valley Community College	Catawba
Catawba County Health Department	Catawba
Bandys High	Catawba
Bunker Hill High	Catawba
Catawba Valley High	Catawba
Fred T. Foard High	Catawba
Hickory High	Catawba
Hickory-Newton Conover-MPO (WPCOG)	Catawba
Maiden High	Catawba
St. Stephens High	Catawba
Catawba (County of)	Catawba
John A. Holmes High (Chowan County)	Chowan
Southeastern Community College	Columbus
Fayetteville Tech. Community College	Cumberland
Cumberland County Health Department	Cumberland
Cape Hatteras High School	Dare
Manteo High	Dare
Hillside High School	Durham
N.C. School of Science & Math	Durham
Edgecombe Community College	Edgecombe
Forsyth Tech Community College	Forsyth
Gaston Comm. College	Gaston
J.C. Price Complex	Guilford
Guilford Tech Community College Greensboro	Guilford
Guilford Tech Community College High Point	Guilford
Guilford Tech Community College Greensboro Aviation	Guilford
Guilford Tech Community College Jamestown	Guilford
Andrews High School High Point	Guilford
Dudley High	Guilford
Eastern Guilford High	Guilford
Grimsley High	Guilford
High Point Central High	Guilford
Northeast Guilford High	Guilford
Northwest Guilford High	Guilford
Page High	Guilford
Ragsdale High	Guilford
Smith High	Guilford
Southeast Guilford High	Guilford
Southern Guilford High	Guilford
Southwest Guilford High	Guilford
Weaver Education Center	Guilford
Western Guilford High	Guilford
Halifax Memorial Hospital	Halifax

NORTH CAROLINA INFORMATION HIGHWAY SITES DISTRIBUTION (101) SITES FY 1996-97

Site	County
Our Community Hospital	Halifax
Haywood Comm. Colleges	Haywood
Hit It Haywood County	Haywood
Mattamuskeet High School	Hyde
Mitchell Community College	Iredell
Southwestern Community College	Jackson
Jackson County Health Department	Jackson
Lenoir Community College	Lenoir
East Lincoln Senior High	Lincoln
Lincoln County School of Tech	Lincoln
West Lincoln Senior High	Lincoln
Macon Program for Progress	Macon
Martin Community College & NE TAC	Martin
McDowell Tech Community College	McDowell
Central Piedmont Community College	Mecklenburg
East Mecklenburg High	Mecklenburg
Harding High	Mecklenburg
North Mecklenburg High	Mecklenburg
Mecklenburg Public Library	Mecklenburg
Southern Correctional Institution	Montgomery
Montgomery Community College	Montgomery
Northern Nash High	Nash
Rocky Mount Senior High	Nash
Southern Nash Senior High	Nash
Cape Fear Community College Wilmington	New Hanover
Hoggard High	New Hanover
Laney High	New Hanover
New Hanover High	New Hanover
Roanoke A./Hampton Woods	Northampton
Coastal Carolina Community College	Onslow
PPCC District Health Department	Pasquotank
Cape Fear Community College Burgaw	Pender
Pender Correctional Institution	Pender
Pender High	Pender
Topsail High	Pender
Perquimans High	Perquimans
Pitt Community College	Pitt
ECU-Academic	Pitt
Robeson Community College	Robeson
Fairmont High	Robeson
Lumberton Senior High	Robeson
Purnell Swett High	Robeson
Red Springs High	Robeson
South Robeson High	Robeson
St. Pauls High	Robeson
Rowan Cabarrus Community College North	Rowan
Rowan Cabarrus Community College South	Rowan

**NORTH CAROLINA INFORMATION HIGHWAY SITES
DISTRIBUTION (101) SITES FY 1996-97**

Site	County
Columbia High School	Tyrrell
Vance-Granville Community College	Vance*
Division of Emergency Management	Wake
N.C. History Museum (Dept. Cultural Resources)	Wake
Department of Community Colleges	Wake
Plymouth High	Washington
Wilson County Health Department	Wilson
Eastern N.C. School for the Deaf	Wilson

* This site will not participate in the system.
The Community College System has notified
OSC of interest in substituting another college.

Real Decisions

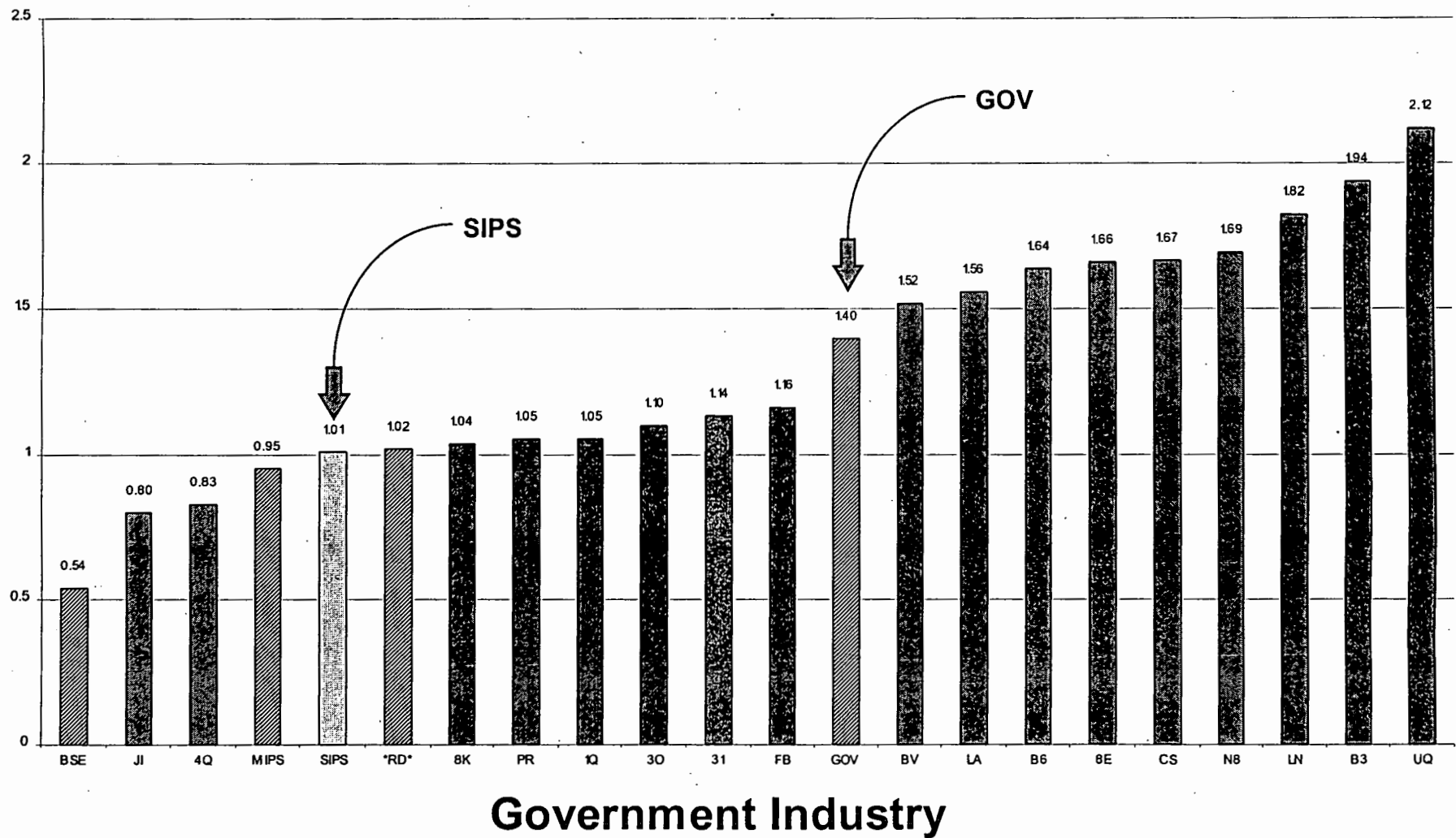
*Attachment 8
General Government
May 14, 1997*

Data Center Analysis Results

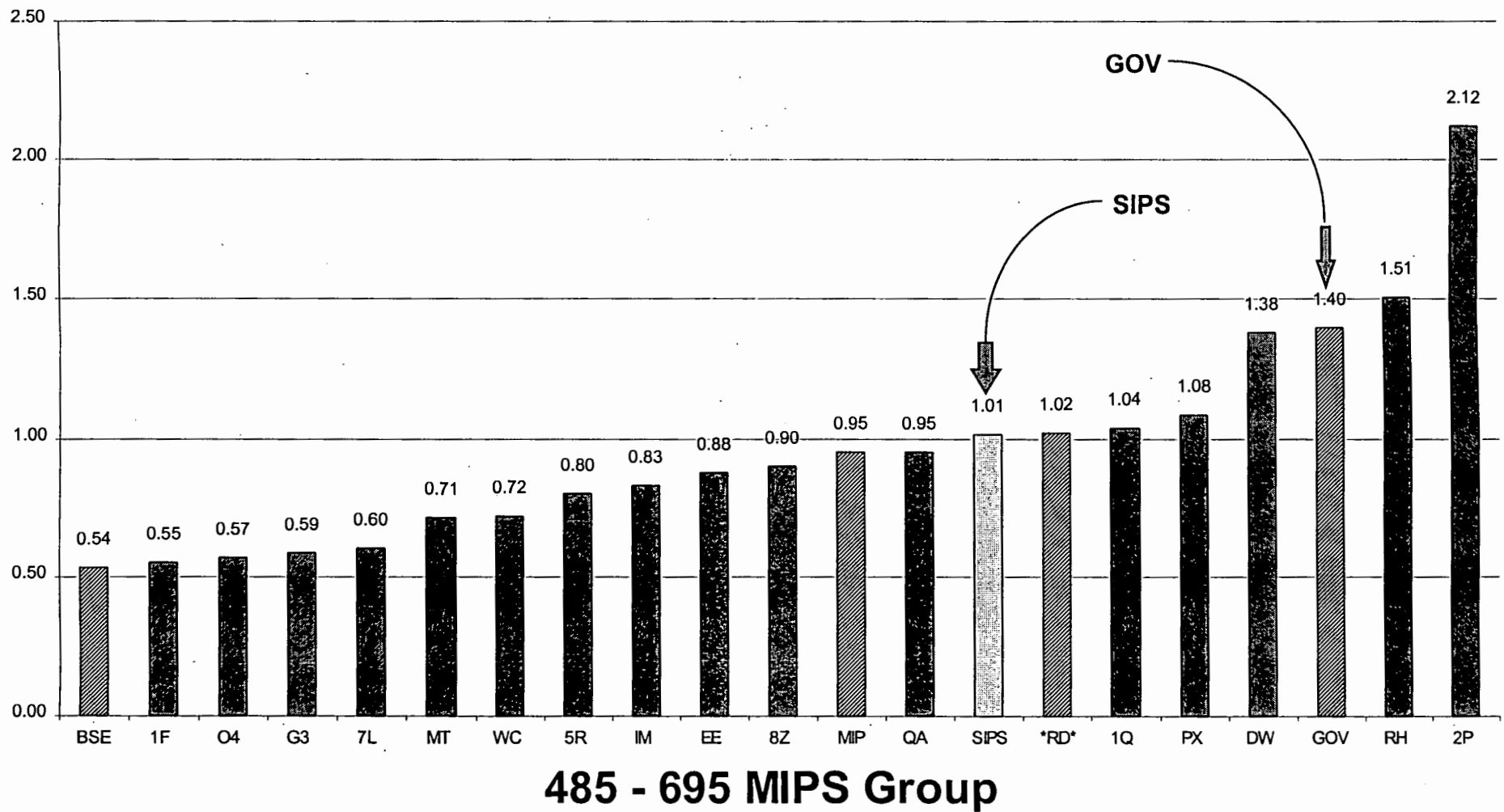
State of North Carolina
February, 1997

REAL DECISIONS
A GARTNER GROUP COMPANY

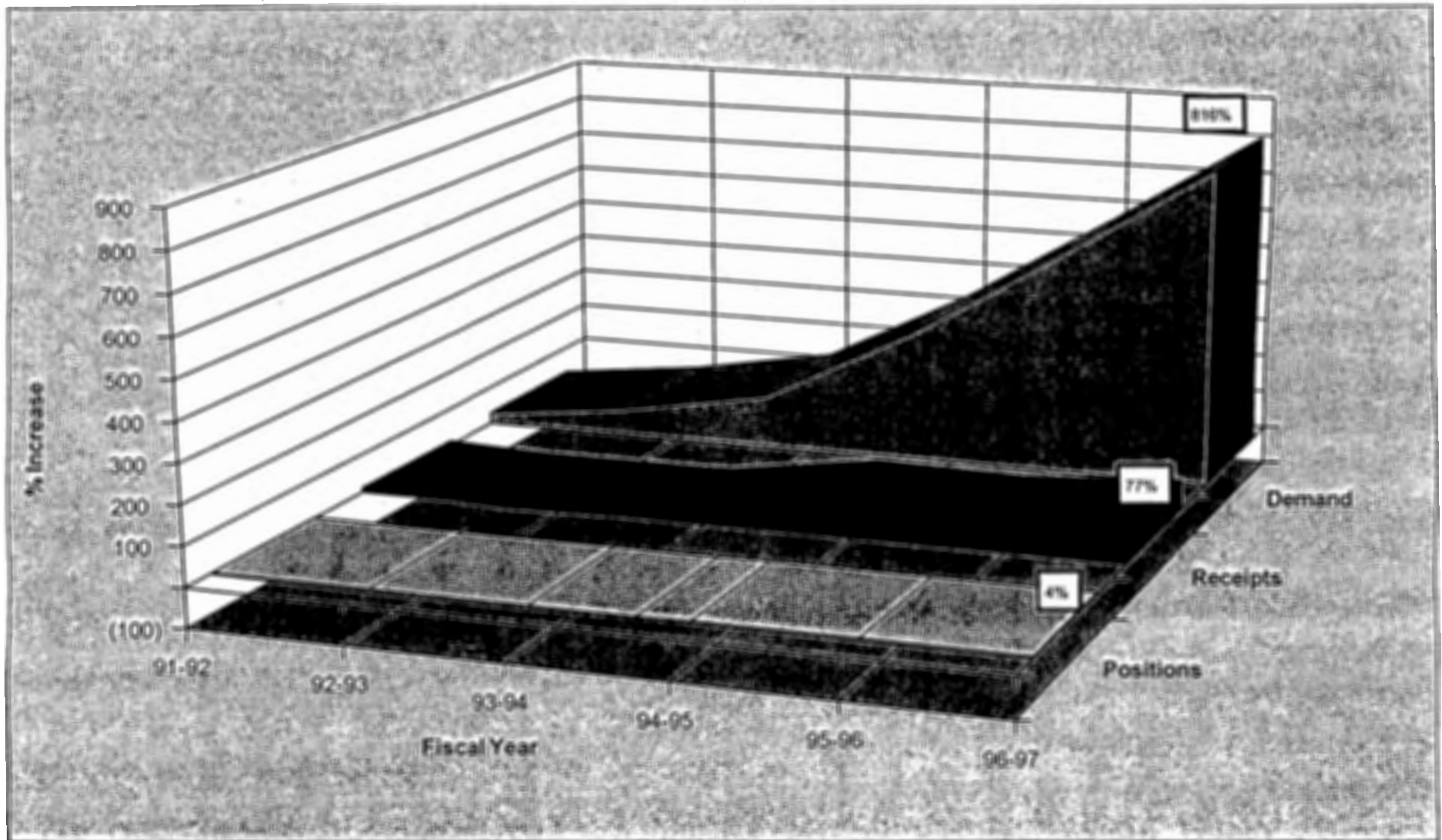
NOW Index Comparison



NOW Index Comparison

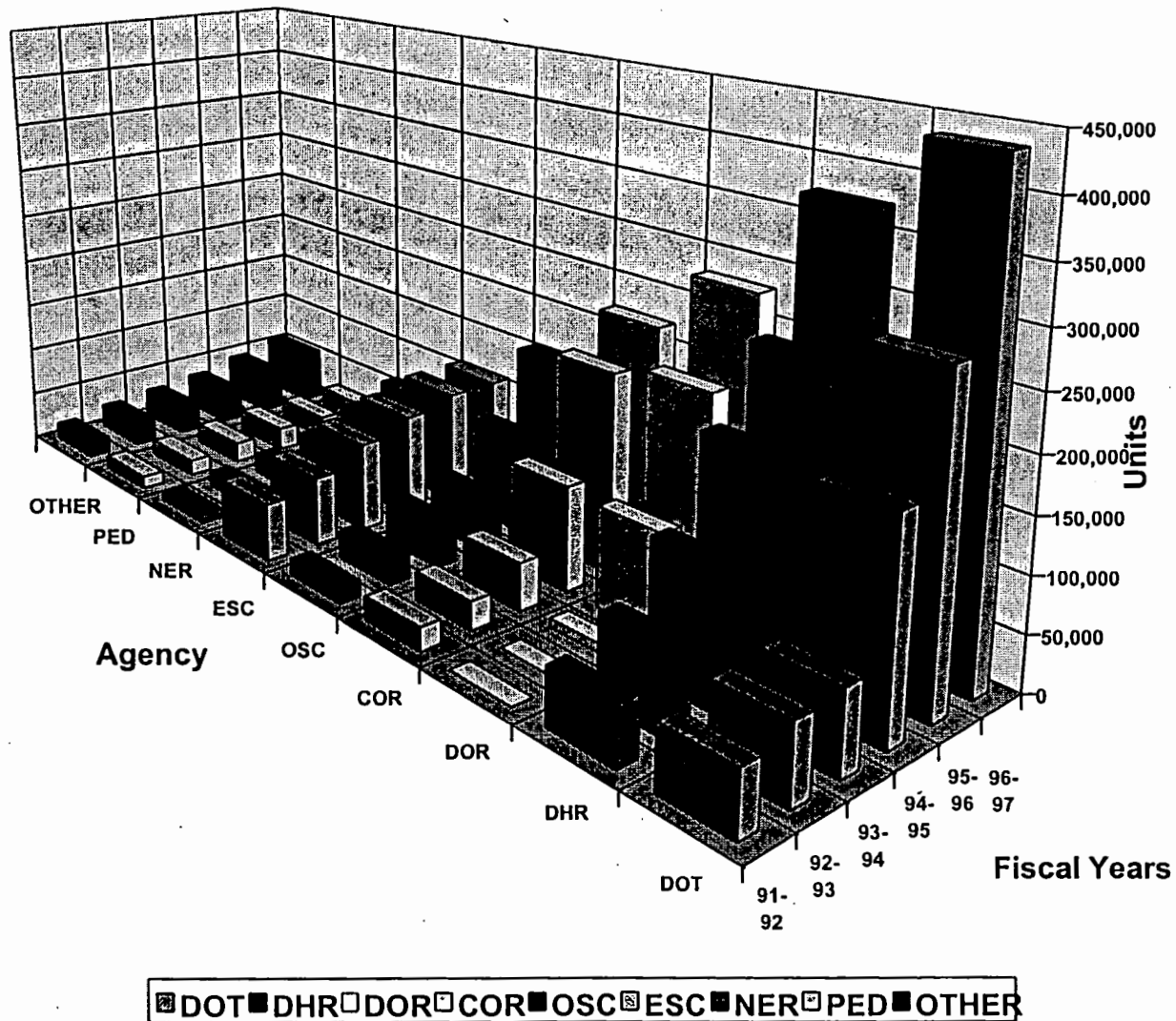


State Information Processing Services
Centralized Computing Services (CCS)
Percent Increase By Category



□ Positions ■ Receipts ▨ Demand

State Information Processing Services
 Centralized Computing Services (CCS)
 Client Unit Demand by Fiscal Year
 FY 1991-92 through 1996-97 (Annualized)





GartnerGroup

56 Top Gallant Road
P.O. Box 10212
Stamford, CT 06904-2212

203.964.0096 ✓
203.324.7901 □

Mr. Edward Renfrow
State Controller
Office of the State Controller
200 West Jones Street
Raleigh, NC 27603

Dear Mr. Renfrow:

The Gartner Group, Real Decisions, is pleased to have conducted a *Data Center Comparative Benchmark Analysis* on behalf of the North Carolina State Information Processing Service (SIPS).

The data center benchmark study compared the SIPS data center to other organizations who are operating with equivalent levels of data processing capacity. The SIPS data center was also compared to public sector data centers. The goal was to benchmark the cost efficiency of the SIPS data center in its mission to support the growing computer processing demands of the State of North Carolina. The study period was fiscal 1996. Our study analyzed the hardware, software, and human resources necessary to provide quality data center services to the SIPS clients. The productive services or work received by the SIPS clients was also analyzed. Overall, the results showed that the SIPS data center compared favorably to peer organizations in the public sector (government) and on par to peer organizations with installed computer capacity comparable to SIPS.

The data center study utilized our standard NOW Index methodology. The NOW Index is a measure of unit cost efficiency defined as the NOrmalized cost as compared to Work produced (NOW). A summary of the results are as follows:

The SIPS data center NOW Index is 1.01.

The government peer group average NOW Index was 28% greater which means that the SIPS data center produced client work for 28% less cost than the comparable government peer group would spend to produce the same work. The comparable computer capacity peer group average was 6% less which means that the SIPS data center produced client work for 6% more cost than this peer group would spend to produce the same work. The primary reason that the unit cost efficiency of the SIPS data center is ahead of and on par with the peer groups is the investment in new hardware technology at a significant cost advantage. Also automation of data center operational processes has assisted SIPS in running the data center at lower staffing levels than the peer groups. Specific cost category comparisons are as follows:

- Hardware equipment costs represent 44% of the SIPS data center budget and are 23% less than the peer groups due primarily to SIPS aggressive cost savings for new technology.



- Personnel costs represent 20% of the SIPS data center budget and are 47% less than the peer groups due to a combination of lower headcount and a lower cost per person.
- Software costs represent 27% of the SIPS data center budget and are 30% higher than the peer groups due in part to the multitude of software systems necessary to support the large diverse client base. Steps are in progress by SIPS to reduce software costs with aggressive vendor contracts.

Overall the cost to operate the SIPS data center is 20% less than the peer groups.

The volume of work produced for SIPS client base is on par with the government peer group and 25% below peer organizations with installed computer capacity comparable to SIPS. Typical of the public sector computer usage profile, SIPS major computer usage occurs on prime shift Monday through Friday consistent with the client's work schedule. Therefore, SIPS has excess computer capacity available for productive client use nights and weekends. Additionally, the delay of project implementation targets for the STARS and ACTS computer applications necessitated that SIPS have available computer processing and data storage capacity that was not utilized as planned.

Staffing levels are below the peer groups and represent a competitive cost advantage. This also represents an area of vulnerability. The SIPS technical services performance measurement functions are staffed at two-thirds the level of other government installations. This is a critical area of support addressing client workload and service response requirements. The Real Decisions standard service performance benchmarks ran slower on the SIPS computer than on peer group computers. The slower performance measurement would indicate a need for SIPS to provide enhanced performance management expertise toward computer performance tuning. Other data centers are using staff to slow down hardware acquisition growth via aggressive workload management and tuning.

Listed below are our observations and recommendations and should be considered in the context of the issues facing IT organizations similar to North Carolina SIPS. Issues facing SIPS include:

- Continued workload growth
- Continued high service availability
- Predominant prime shift workload
- Year 2000 conversion project workload
- Continued reduction in the cost of computer technology

Observation: Hardware and software computer capacity have been acquired and implemented in anticipation of application production schedules. However, implementation delays have resulted in underutilized computer capacity. This is



unfortunate but necessary in that the computer capacity must be present before any application can be placed into production.

Recommendation: The SIPS data center operations and technical services staff should work closely with application development and the client community to coordinate or pace acquisition of computer capacity with new application implementations.

Observation: The large number of software products supported by the SIPS staff is driven in part by the diverse computer application requirements of the client base.

Recommendation: SIPS and the state agency clients should work together to determine a standard software support portfolio. Standards for software packages for SIPS clients will reduce overall software costs and reduce support complexity. Additionally, evaluate software asset management and available tools to further aid the control of software costs.

Thank you for your efforts and cooperation through the benchmarking process, I look forward to the opportunity to work with you again. Should you require additional information or clarification, please do not hesitate to contact me at (203) 316-3215.

Sincerely,

Bill Dunn



GartnerGroup

56 Top Gallant Road
P.O. Box 10212
Stamford, CT 06904-2212

203.964.0096
203.324.7901

Mr. Edward Renfrow
State Controller
Office of the State Controller
200 West Jones St.
Raleigh, NC 27603

Dear Mr. Renfrow:

The Gartner Group, Real Decisions, is pleased to have conducted a *Wide Area Data Network Comparative Benchmark Analysis* on behalf of the North Carolina State Information Processing Service (SIPS).

The data network benchmark study was initiated in September, to compare SIPS networking to other organizations who are performing a similar level of work. The goal was to benchmark the cost effectiveness of SIPS networking in its mission to support the growing State of North Carolina government networking demands. The study period was June 1995 to July 1996. In the course of our study we analyzed the equipment, software, telecommunications services, and human resources necessary to provide quality network services to the SIPS client base. Overall, the results showed that SIPS compared favorably to peer organizations in the public and private sector.

As is the case with most enterprise organizations today, SIPS has two (2) types of networks; the traditional Hierarchical Network and a more state of the art Multiprotocol Network. We studied both types of networks individually and did an additional focused look at the encrypted multiprotocol network. This resulted in three independent analyses. For each study we utilized our standard methodology which incorporates a measure of unit cost efficiency referred to as the Normalized Workload (NOW) index.

A network with a NOW Index of 1.0 is average in our database. An index of less than 1.0 represents lower than average unit cost. An index of greater than 1.0 represents higher than average unit cost. A summary of the results are as follows:

1. The Hierarchical Network (SNA) NOW index is .45 The peer group average was .66 which means that the SIPS network produced services for 31% less than the comparable peer group would spend to produce the same work. The relative performance of the SIPS SNA network is very similar to its performance last year. Neither its costs or workload has significantly changed. The primary reasons that the unit cost efficiency of this network is favorable are that investment in technology has been stable requiring little premature replacement of key equipment. The stable nature of the network has resulted in the opportunity to operate the network with a relatively small staff. Specific cost category comparisons are as follows:

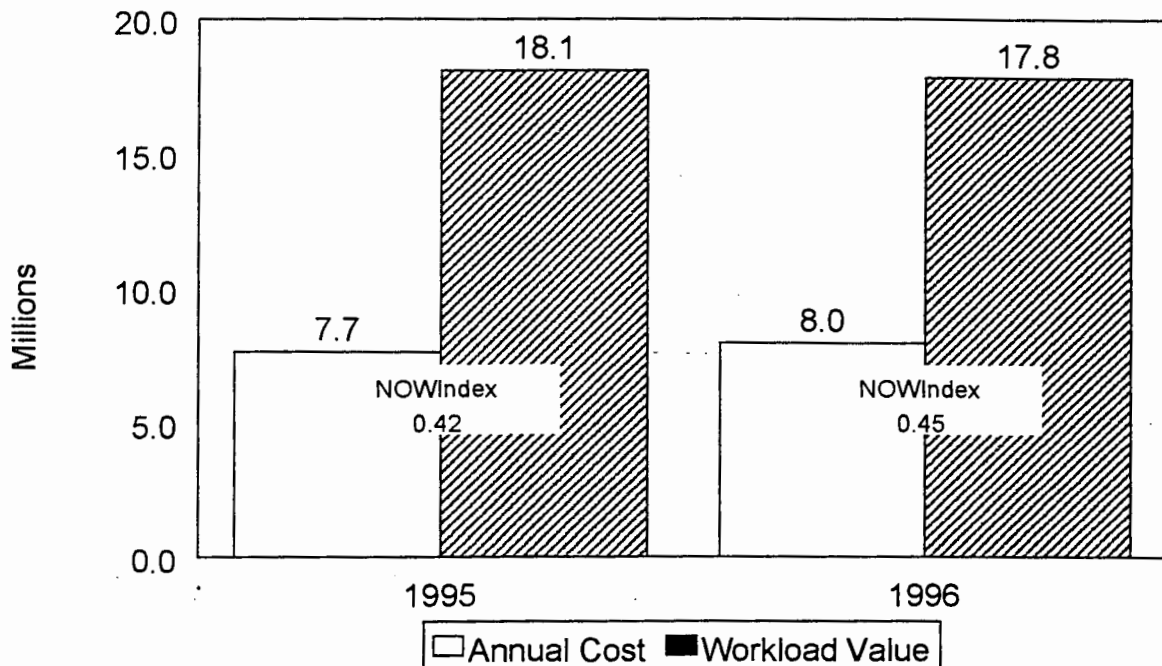
- Equipment and software costs are 48% less than the peer group due primarily to the low level of ongoing investment in recent years.



- Personnel costs are 44% less than the peer group due to lower headcount
- Telecommunications costs are 12% less than peer networks due to effective network optimization.

The year to year change in unit cost performance of the SNA network is slight. It continues to perform at a level well below peer networks.

SNA NOW Index year to year comparison



2. The Multiprotocol Network (WAN) NOW index is also .45. The peer group average for this network is .39 (13% less). Even though the peer has a lower unit cost there are some important mitigating factors that indicate the SIPS WAN is performing much better than generally would be expected for a network undergoing similar growth.

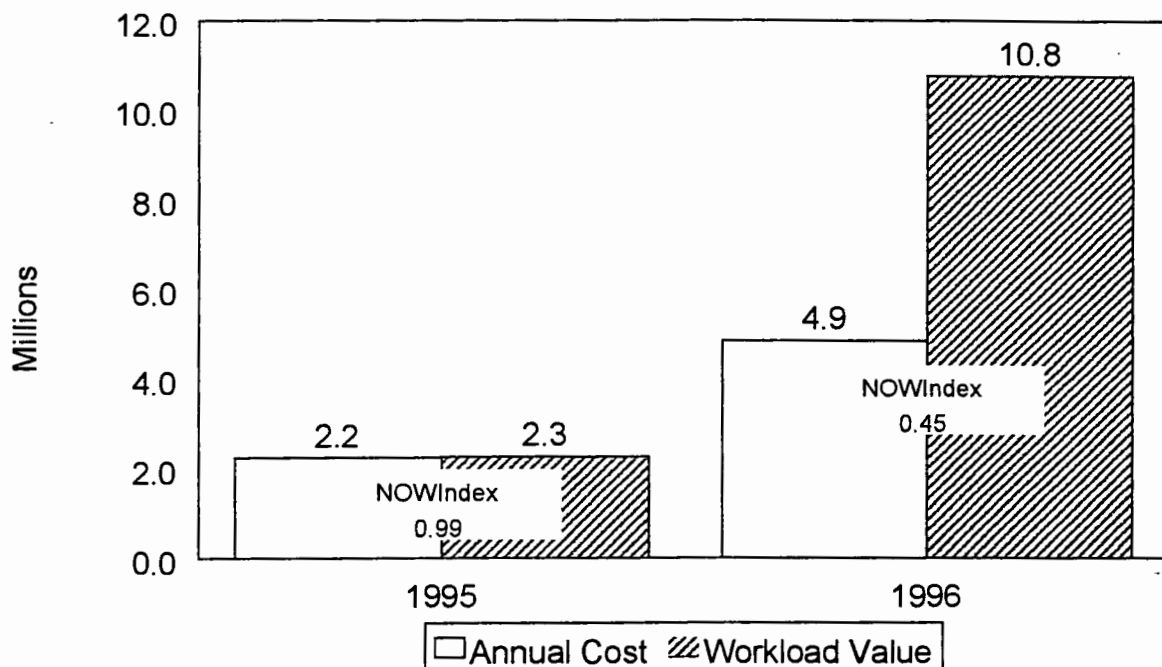
- As networks grow, equipment has to be purchased and installed as well as circuits engineered and put into service before any traffic can use the network.
- The WAN workload (sites served, devices served, and traffic) grew 377% from 1995 to 1996. During this time an extensive array of equipment had to be purchased and installed to construct the network. As a result of this timing a disproportionate level of equipment and other costs were incurred. Most networks that we study undergoing rapid growth exhibit higher unit costs (higher NOW Index).



Specific cost category comparisons are as follows:

- Equipment and software costs are 40% greater than that of the peer group due to the deployment activity during the study period
- SIPS personnel costs for the WAN have remained at approximately half (51%) of the peer group level because of the combination of 34% fewer heads and salary and benefit cost levels that are lower by an average \$17,300 per head.
- Telecommunications costs are 12% greater for the SIPS Multiprotocol Network than for the peer group because the network has yet to be fully optimized

Multiprotocol NOW Index year to year comparison



3. The Encrypted Multiprotocol Network (WAN) NOW index is 1.09. The peer group average for this network is .94 (14% less). The encrypted network and its peers have higher unit costs than the other multiprotocol network because of its small size and inability to use common transmission and management equipment which preclude economies of scale. The encrypted WAN is one 20th the size of the WAN in terms of workload.

 In summary, study results showed that SIPS networks compared favorably to both public and private sector organizations. However, there are areas of concern.

An area of continuing concern again this year is personnel; The low staff count supporting the Multiprotocol network is expected to complicate the continued deployment and operation of the network. We still expect that as the network grows in complexity, a limit will be reached at which supporting the network at an acceptable level will become impossible with current staffing. The number of SIPS network personnel present during the 1995 study period was approximately 40% below the peer level. Between 1995 and 1996 4.5 additional FTE's were assigned to the WAN, a 58% increase in staffing. However, the network workload quadrupled. As a result of this increase in workload, the SIPS WAN staffing is 34% below comparable peer levels this year.

There remains a significant salary cost differential between the SIPS WAN and its peers. Because the SIPS WAN is now compared with similar more sophisticated networks with higher general pay levels, the average pay and benefits differential has increased to \$17 thousand.

- ⇒ The level of technological and organizational change currently being experienced by SIPS requires Information Technology (IT) personnel with a broad range of skill sets to support new development and implementation which typically means more and better trained people.
- ⇒ SIPS serves as the integration point for a diverse client base with diverse network needs. This includes the need to provide and support a broad and growing range of network technologies. Decisions made at the client level have impacted the cost of providing wide area networking throughout the state. For example; Legacy investment in Token Ring based LANs require Token Ring interfaces to wide area network routers which cost significantly more than comparable Ethernet interfaces do. It would not be economically prudent to replace the existing Token Ring LANs with Ethernets. However, standardizing future LAN implementations on Ethernet as opposed to Token Ring would result in significantly lower life cycle costs for both the LAN and WAN.
- ⇒ The requirement to provide wide area transport for client agencies which use Token Ring based LANs has resulted in driving up the router costs relative to what they would have been if Ethernet based LANs had been implemented in place of the Token Ring LANs.



Observation: The Multiprotocol network has grown rapidly during the last year. The unit cost performance of this network is much better than expected. However, one of the major reasons for this good unit cost performance is the low level of staffing and salary costs.

Recommendation: The SIPS Network Services staff should monitor staff workload and network service levels and make adjustments as problems are indicated. SIPS has demonstrated the ability to build and operate its networks with fewer staff than peer networks. However, many tasks such as documentation and planning tend to get less emphasis than daily operations in similar environments. The long term effect of a "stretched" staff is slower responsiveness to network users, poorer qualitative function of the network and eventual high turnover of the staff.

Observation: While the legacy SNA network continues to perform at a unit cost well below that of its peers, migration of the SNA traffic onto the multiprotocol network can further reduce transmission costs for sites currently served by both networks.

Recommendation: SIPS Network Services should migrate SNA traffic onto the multiprotocol network as the multiprotocol network expands to serve SNA sites.

Thank you for your efforts and cooperation through the benchmarking process, I look forward to the opportunity to work with you again. Should you require additional information or clarification, please do not hesitate to contact me at (770) 677-2155.

Very Truly Yours

Steve Cain

VISITOR REGISTRATION SHEET

Appropriations Subcommittee on General Government 5/14, 1997

Name of Committee

Date _____

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Bernard Allen

509

Willie Rick

202

Robert Power

OSBM

MARVIN PERAZICH

OSB

Tom Runkle

ĐSC / TRM

Ernest E. Holloman

OSBM

Jim Maxwell

OSBM

Keith McCoubert

DOR

Kathie Augusta Padgett

OSPL

Jander Cooper

DCR State Library

Donna Rosefield

DCR

Belle R. McCain

DeR

James D Vance

PCR

Dennis McCarty

USC / SIPS

ED PACKARD

STATE BOARD OF ELECTIONS

Roslyn Swift

NC Coalition Against Domestic Violence

James C. Smith

Bone v assoc

Clare Marshall

505

after session

Name of Committee

Date _____

[illegible]

HOUSE APPROPRIATIONS SUBCOMMITTEE
ON
GENERAL GOVERNMENT

May 15, 1997
Room 425 - 8:30 A.M.

The House Appropriations Subcommittee on General Government met on May 15, 1997 in Room 425 of the Legislative Office Building at 8:30 A.M.

The following members were present: Representative Sherrill, Representative McCombs, Representative Ives, Representative Culpepper, Representative Ellis and Representative Braswell.

The meeting was called to order by Representative Sherrill who stated that the business of the day was further discussion of the Budget Report.

Representative Sherrill introduced Betty McCain, Secretary of Cultural Resources, who made a presentation for her department relative to Senate Bill 352. (See Attach. No.1) Representative Ellis moved that the special provisions for the First Flight Centennial be deleted from the House budget. Representative Braswell asked Ms. McCain if that met with her wishes. She answered yes, that they would like to keep this in Cultural Resources. MOTION CARRIED.

Item 3 - State and Civil War Sites. It was recommended by Department of Cultural Resources to change State and Civil War Sites to "State-Owned Civil War Sites". Funding is authorized to preserve, improve and promote the State-owned Civil War Era Sites. Representative McCombs moved to approve Item 3 as recommended. MOTION CARRIED.

Representative Culpepper stated that he was against taking money from one site and giving it to the Museum of the Albemarle. (Page 204 of Special Provisions) Representative Ives moved that Representative Culpepper be authorized to offer a special provision to fund Newbold White House in the amount of \$50,000. He withdrew that motion and moved to offer \$50,000 to fund Newbold Whitehouse. Representative Ellis made a substitute motion that the transfer of these funds be deleted and leave the money in the amount of \$47,887 to fund the Newbold Whitehouse which is already in the budget. MOTION CARRIED. Representative Wainwright made a motion that the funds for Newbold Whitehouse remain a recurring item in the budget. MOTION CARRIED.

Michelle Nelson, Staff, presented "Adjustments in the Department of Cultural Resources Budget" and also the "Roanoke Island Commission".

The meeting adjourned at 9:50 A.M.



Representative Wilma Sherrill, Cochair



Rosa S. Kelley, Committee Clerk

NORTH CAROLINA
DEPARTMENT OF CULTURAL RESOURCES

BETTY RAY McCAIN
SECRETARY

LEGISLATIVE OVERVIEW
FOR
GENERAL GOVERNMENT
JOINT APPROPRIATION SUBCOMMITTEE

**DEPARTMENT OF
CULTURAL RESOURCES**

DEPARTMENT OF CULTURAL RESOURCES

Mission Statement

The mission of the Department of Cultural Resources is to enrich the cultural, educational and economic well-being of citizens and visitors to North Carolina through the preservation, development, presentation, promotion and dissemination of artistic, historical and information resources. (G.S. 121-1-42; G.S. 125-1-19; G.S. 140-5.3-15; G.S. 140-1-6; G.S. 143B-49-133.1).

Goals

Through its six divisions, the department fulfills this mission and accomplishes its primary goals:

1. On behalf of present and future citizens and visitors, to manage, preserve, disseminate, publish, promote and encourage an appreciation of North Carolina's history using the state's historical resources and records. **(North Carolina Division of Archives and History)**
2. To promote the understanding of the history and material culture of North Carolina for the educational benefit of the state's people and visitors through collections and historical interpretation. **(North Carolina Museum of History)**
3. To acquire, preserve and exhibit art works (both in the state's collection and on loan) and produce quality exhibitions, publications and related programs for the education and enjoyment of the state's people and visitors. **(North Carolina Museum of Art)**
4. To develop the arts resources of the state so citizens and visitors will have access to a wide variety of quality arts experiences. **(North Carolina Arts Council)**
5. To foster musical awareness, enjoyment and education by performing both major orchestral concerts and educational concerts for the state's citizens and visitors. **(North Carolina Symphony)**
6. To develop and extend public library services for North Carolinians in partnership with local communities. **(State Library of North Carolina)**
7. To coordinate and support statewide library network activities to assure equality of access to electronic information resources for all North Carolinians. **(State Library of North Carolina)**
8. To provide library and information resources for North Carolinians to promote knowledge, education and commerce. **(State Library of North Carolina)**

Department Summary Information

Divisions and Their Roles as a Part of the Department

Administration:

The Office of the Secretary performs planning/policy development activities for the department and assures that departmental programs serve the people of North Carolina. The office oversees grants appropriated by the N.C. General Assembly. The Office of the Secretary directs the North Carolina Awards program, instituted in 1961 by the N.C. General Assembly. The North Carolina Awards is the highest honor the state can bestow, which recognizes notable accomplishments by North Carolina citizens in the fields of scholarship, research, the fine arts and public leadership.

The Roanoke Island Commission, established in 1995, operates the *Elizabeth II* and Roanoke Island Historical Park under development in Manteo. The commission is charged to protect, preserve, develop and interpret the historical and cultural assets of Roanoke Island.

The Administrative Services Office provides budgeting, data processing, purchasing, payroll, and mail support to all divisions in the department and assures the fiscal and audit accountability of all state, federal, and private funds entrusted to the department.

The Division of Archives and History is responsible for researching, preserving and maintaining a record of North Carolina's rich cultural heritage. The division consists of six sections: State Historic Sites, Archives and Records, Historical Publications, Archaeology and Historic Preservation, State Capitol, and Tryon Palace Historic Sites and Gardens. The Director's Office also oversees operation of divisional computing, the Outer Banks History Center, Stagville Center, the Western Office, the First Flight Centennial Commission, the Federation of N.C. Historical Societies and the N.C. Literary and Historical Association.

The North Carolina Museum of History promotes understanding of the history and material culture of North Carolina for citizens, school children and visitors in all one hundred counties. Three regional branches extend the museum's services: the Museum of the Albemarle in Elizabeth City, the Museum of the Cape Fear in Fayetteville, and the Mountain Gateway Museum in Old Fort. The museum develops, produces and maintains over 61,000 square feet of long and short term exhibits with interpretive programs, special events and publications for 350,000 visitors annually; it provides outreach to schools and

community groups through programs such as the Tar Heel Junior Historians, a North Carolina Information Highway site and an Internet home page; and it serves other museums and historical organizations throughout the state through consultations and professional services. The museum's activities provide access to collections numbering over 300,000 artifacts representing all aspects of North Carolina history. Its support group, the North Carolina Museum of History Associates (numbering some 15,000), is the largest state history museum support group in the United States.

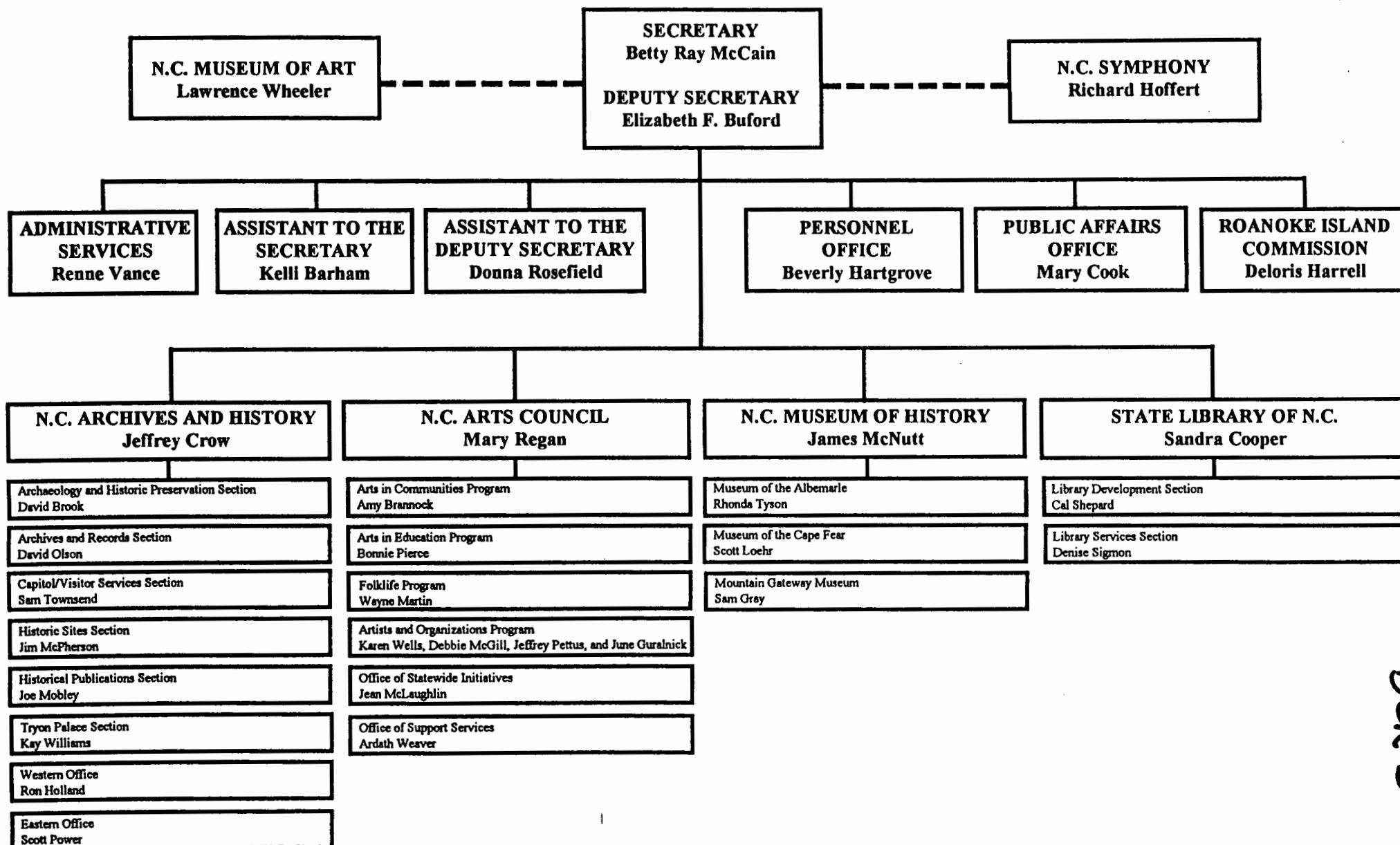
The North Carolina Museum of Art houses permanent displays of the state's art collection, plus changing exhibitions. One of the finest in the southeast, the museum's collection was the first in the nation to receive state support. Paintings and sculptures represent 5,000 years of man's achievements from ancient Egypt to the present. Collections of Renaissance and Baroque, English 18th century and American 19th century art are internationally recognized for their excellence. The North Carolina Art Society and the North Carolina Museum of Art Foundation provide substantial financial support for the museum's exhibitions, acquisitions, educational programs and other operating needs. Programs include films, lectures, concerts, workshops for adults and children, and outreach to areas outside Wake County. The museum features the new Joseph M. Bryan, Jr. Theater in the Museum Park, a gift shop and the Museum Cafe.

The North Carolina Arts Council supports excellence in the arts and provides opportunities for all North Carolinians to experience the arts. Grants, technical assistance, and a variety of services are available to nonprofit organizations and individuals. The Grassroots Arts Program provides funds for local arts activities in every county on a per capita basis. Other grants support dance, folklife, literature, music, theatre and visual arts projects, as well as fellowships and residencies for professional artists. Arts education programs are offered in pre-K through 12th grade settings. Over 10 million people participate annually in Arts Council-funded projects.

The North Carolina Symphony, a major professional orchestra founded in 1932, performs approximately 175 adult and children's concerts each year, taking music to a wide range of communities across the state. In 1943, the symphony became the first state orchestra in the country to receive a state grant for ongoing support, and it has continued to receive the state aid for 53 years. The orchestra has one of the most extensive educational programs in the country, performing about 75 educational concerts a year as a part of the state's music curriculum for school children and sponsoring several youth competitions and a string internship program. The N.C. Symphony Society raises approximately 60 percent of the symphony's annual operating budget, while the N.C. Symphony Foundation holds the permanent endowment.

The State Library of North Carolina has a long, rich history that began with its founding in 1812, the appointment of the first full-time State Library in 1843, the establishment of the North Carolina Library Commission in 1909, and the merger of the commission and the State Library into a single agency in 1955. Today, the State Library serves North Carolinians statewide by working in partnership with local communities to develop and extend public library services; by developing the North Carolina Library and Information Network to coordinate efforts among all types of libraries to provide access to both print and electronic information resources through a modern telecommunications infrastructure; and by providing direct library services to a constituency that includes government officials, business people, and the general public, as well as services offered through the Library for the Blind and Physically Handicapped. The State Library administers the State Aid to Public Libraries Fund that distributes \$12.9 million in state dollars through formula grants to public libraries serving all 100 counties as well as the federal Library Services and Technology Act.

THE NORTH CAROLINA DEPARTMENT OF CULTURAL RESOURCES



February 1997

DCR 5

DEPARTMENT OF CULTURAL RESOURCES

CONTINUATION BUDGET

Fiscal Data

	1995-96 <u>Actual</u>	1996-97 <u>Authorized</u>	1997-98 <u>Recommended</u>	1998-99 <u>Recommended</u>
<u>General Fund</u>				
14800				
Total Requirements	\$ 62,269,576	\$ 56,212,082	\$ 55,953,306	\$ 55,597,412
Receipts	\$ <u>7,043,197</u>	\$ <u>6,682,436</u>	\$ <u>5,948,428</u>	\$ <u>5,520,013</u>
Appropriation	\$ <u><u>55,226,379</u></u>	\$ <u><u>49,529,646</u></u>	\$ <u><u>50,004,878</u></u>	\$ <u><u>50,077,399</u></u>
<u>Roanoke Island Commission - General Fund</u>				
14802				
Total Requirements	\$ 229,882	\$ 287,769	\$ 1,614,716	\$ 1,856,053
Receipts	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Appropriation	\$ <u><u>229,882</u></u>	\$ <u><u>287,769</u></u>	\$ <u><u>1,614,716</u></u>	\$ <u><u>1,856,053</u></u>
<u>Special Fund</u>				
24800				
Total Requirements	\$ 98,342	\$ 0	\$ 0	\$ 0
Receipts	\$ <u>108,914</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Inc(Dec) in Cash Balance	\$ 10,572	\$ 0	\$ 0	\$ 0
Beginning Cash Balance	\$ <u>200,313</u>	\$ <u>210,885</u>	\$ <u>210,885</u>	\$ <u>210,885</u>
Ending Cash Balance	\$ <u><u>210,885</u></u>	\$ <u><u>210,885</u></u>	\$ <u><u>210,885</u></u>	\$ <u><u>210,885</u></u>

DEPARTMENT OF CULTURAL RESOURCES

CONTINUATION BUDGET (page 2)

Fiscal Data

	1995-96 <u>Actual</u>	1996-97 <u>Authorized</u>	1997-98 <u>Recommended</u>	1998-99 <u>Recommended</u>
<u>Roanoke Island Commission - Special Fund</u>				
24802				
Total Requirements	\$ 327,809	\$ 390,712	\$ 390,712	\$ 390,712
Receipts	\$ <u>364,301</u>	\$ <u>425,026</u>	\$ <u>425,026</u>	\$ <u>425,026</u>
Inc(Dec) in Cash Balance	\$ 36,492	\$ 34,314	\$ 34,314	\$ 34,314
Beginning Cash Balance	\$ <u>0</u>	\$ <u>36,492</u>	\$ <u>70,806</u>	\$ <u>105,120</u>
Ending Cash Balance	\$ <u><u>36,492</u></u>	\$ <u><u>70,806</u></u>	\$ <u><u>105,120</u></u>	\$ <u><u>139,434</u></u>
<u>Enterprise Fund</u>				
54800				
Total Requirements	\$ 88,273	\$ 82,358	\$ 82,358	\$ 82,358
Receipts	\$ <u>97,473</u>	\$ <u>82,358</u>	\$ <u>82,358</u>	\$ <u>82,358</u>
Inc(Dec) in Cash Balance	\$ 9,200	\$ 0	\$ 0	\$ 0
Beginning Cash Balance	\$ <u>51,797</u>	\$ <u>60,997</u>	\$ <u>60,997</u>	\$ <u>60,997</u>
Ending Cash Balance	\$ <u><u>60,997</u></u>	\$ <u><u>60,997</u></u>	\$ <u><u>60,997</u></u>	\$ <u><u>60,997</u></u>

Department of Cultural Resources
Appropriated State Budget - General Fund
1986-87 To 1996-97

Fiscal Year	State General Fund (in millions)	Cultural Resources (in millions)	Percent of General Fund
-----	-----	-----	-----
1986-87	\$5,531.3	\$34.1	0.62%
1987-88	\$5,977.9	\$35.9	0.60%
1988-89	\$6,586.1	\$37.0	0.56%
1989-90	\$7,360.0	\$36.7	0.50%
1990-91	\$8,149.6	\$38.2	0.47%
1991-92	\$7,983.0	\$38.2	0.48%
1992-93	\$8,209.5	\$40.0	0.49%
1993-94	\$9,405.4	\$46.8	0.50%
1994-95	\$10,268.4	\$48.2	0.47%
1995-96	\$9,793.1	\$55.7	0.57%
1996-97	\$10,445.7	\$50.6	0.48%

**OFFICE OF THE
SECRETARY**

The Office of the Secretary

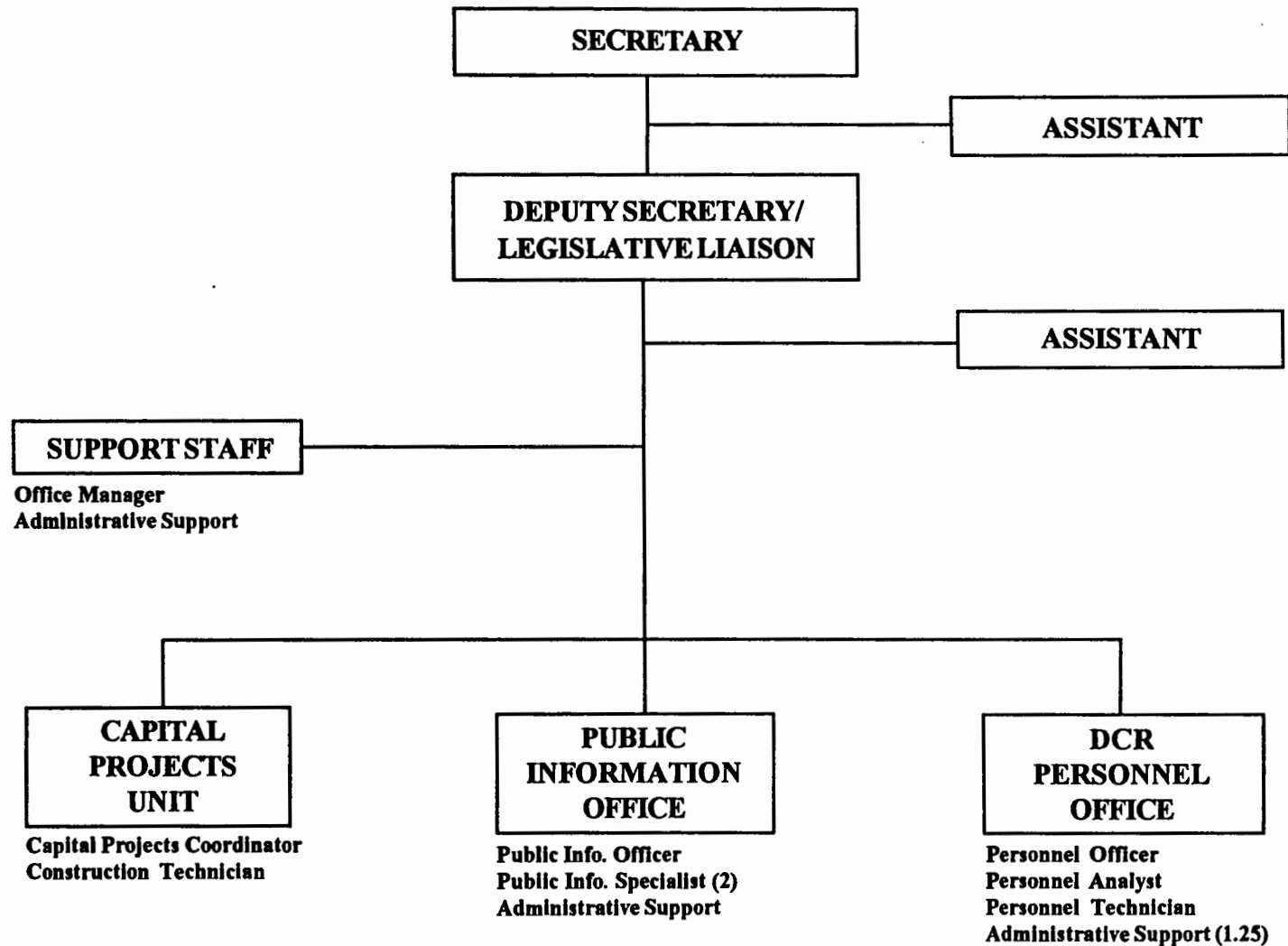
The Office of the Secretary is the administrative unit for the department, which has 717 employees and a current annual operating budget of \$56.2 million (FY 96-97). In addition to administrative matters, it oversees budget, administrative planning/policy development-related activities, operations, legislative matters, public information services, personnel, and capital projects. The Office of the Secretary oversees six divisions in the department: Archives and History, North Carolina Museum of Art, North Carolina Arts Council, North Carolina Symphony, State Library of North Carolina, and North Carolina Museum of History. The Office of the Secretary coordinates appointments to appropriate boards and commissions. The Deputy Secretary serves as the legislative liaison for the department.

The Secretary's office oversees several awards programs. The North Carolina Awards were instituted by the North Carolina General Assembly in 1961. The North Carolina Awards recognize "notable accomplishments by North Carolina citizens in the fields of scholarship, research, the fine arts, and public leadership." It is the highest honor the State can bestow.

The Governor's Business Council on the Arts and Humanities presents the Governor's Business Awards each year. The awards are given to North Carolina businesses that have conducted or participated in innovative projects to promote the arts and/or humanities. Cultural organizations that have promoted innovative business support of the arts and humanities are also eligible for awards. This awards program was established in 1978.

The Governor's Award for Excellence is presented to state employees for meritorious service and leadership; the Secretary's office distributes nomination forms and prepares nominations from the department when appropriate.

**NORTH CAROLINA DEPARTMENT OF CULTURAL RESOURCES
OFFICE OF THE SECRETARY**



Dec 11

DEPARTMENT OF CULTURAL RESOURCES

OFFICE OF THE SECRETARY - FUND 1110

Fiscal Data

		1995-96 <u>Actual</u>	1996-97 <u>Authorized</u>	1997-98 <u>Recommended</u>	1998-99 <u>Recommended</u>
Total Requirements	\$	8,834,861	\$ 1,883,140	\$ 889,254	\$ 889,955
Receipts	\$	33,321	\$ 28,504	\$ 28,504	\$ 28,504
General Fund Appropriation	\$	8,801,540	\$ 1,854,636	\$ 860,750	\$ 861,451
<u>Number of Positions</u>		16.25	16.25	16.25	16.25

Source: 1997-99 Continuation Budget Document

**ADMINISTRATIVE
SERVICES**

Administrative Services Section

The Administrative Services Section provides budgeting, accounting, data processing, purchasing, payroll, and mail/messenger services and support to all divisions within the Department of Cultural Resources. The section assures the fiscal and audit accountability of all state, federal, and private funds entrusted to the department. The total authorized operating budget for the Department of Cultural Resources for the current FY 1996-97 is \$56.2 million. The department's Capital Improvement budget funds over 80 active projects valued at over \$40 million.

The Administrative Services Section is divided into 4 units:

Administration

Budget and Accounting

Purchasing/Mail Room

Computer Operations

The **Administration** unit is responsible for:

- administration and oversight of all financial and business affairs in the Department of Cultural Resources
- planning and organizing all assignments to meet departmental goals and objectives while maintaining compliance with all federal and state laws and guidelines
- implementation of programs within statutory or policy/procedure limitations
- providing information and resources to every level of the department and state government
- administration of all departmental travel reimbursements and authorizations
- authorization and initiation of budget requests to Office of State Budget and Management (OSBM)

The **Budget and Accounting** unit is responsible for:

- preparation of the department's biennial budget (continuation, expansion, capital, supplemental)
- preparation of financial statements for Office of State Controller (OSC)
- submission of budget revisions to Office of State Budget and Management
- submission of IRS forms
- requests for quarterly allotments
- reports to Office of State Auditor (OSA) on grants to private organizations
- administration of federal grants from U.S. Department of Education, U.S. Department of the Interior (National Park Service), National Endowment for the Arts, National Endowment for the Humanities, and National Historical Publications and Records Commission
- preparation of the indirect cost rate allowed for each federal grant
- management of State Treasurer Account by daily, monthly and quarterly revisions of general fund cash requirements and receipts

Administrative Services, **Budget and Accounting** unit, continued

- management of employee benefits
- reporting of sales and use tax
- administration of state telephone network operation
- administration of petty cash fund
- operation of employee transportation including parking and Motor Fleet Management leases
- management of accounts payable (1200-1600 checks written per month)
- management of accounts receivable
- maintenance of permanent and temporary payrolls
- control of fixed asset system

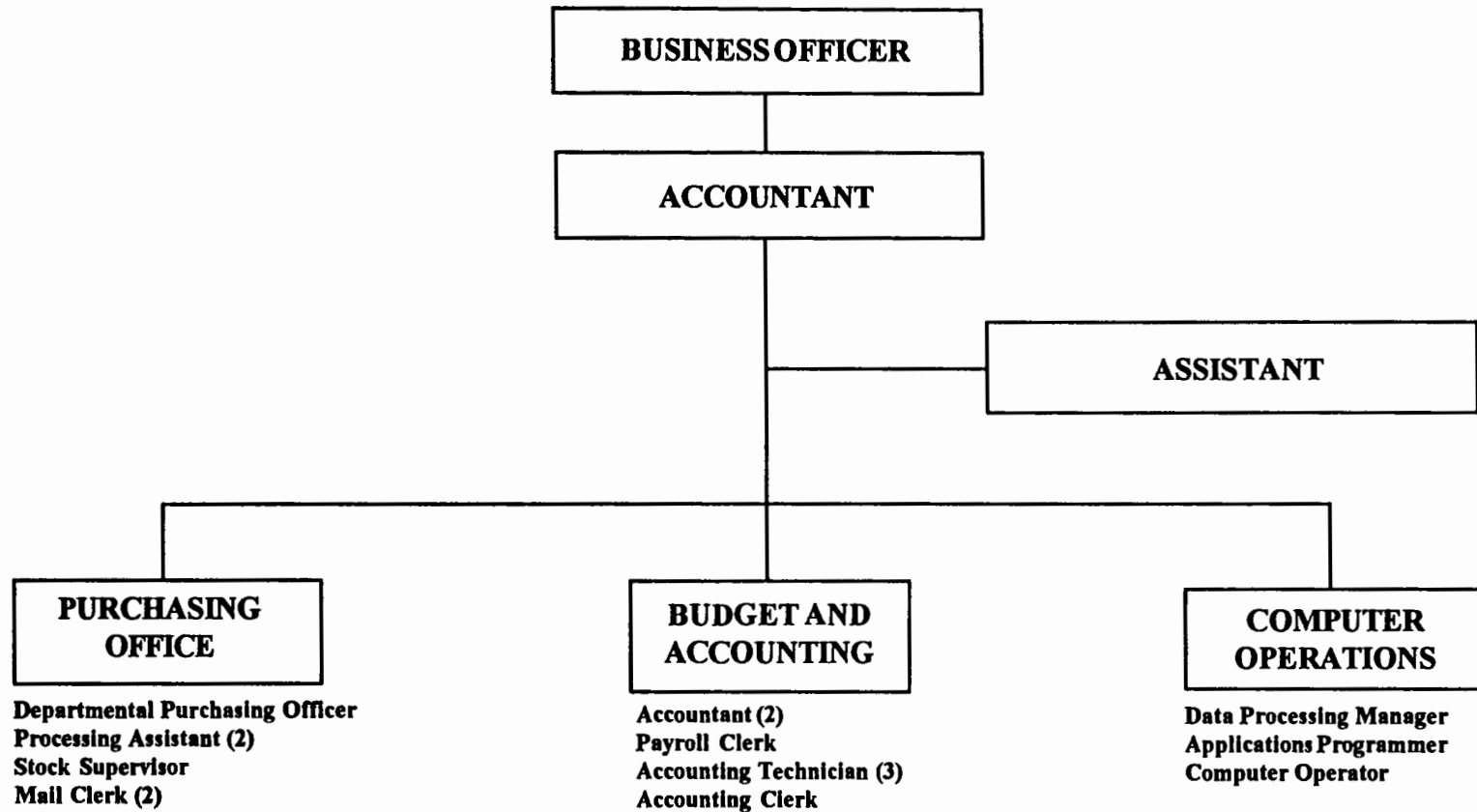
The **Purchasing/Mail Room** unit is responsible for:

- procurement of goods and services for departmental operations (approximately \$3 million per year in expenditures)
- departmental compliance with ADA and health and safety regulations
- coordination with Division of Facility Management for building maintenance and repair
- management of central supply store
- pickup and delivery of all department mail
- disposition of surplus property

The **Computer Operations** unit is responsible for:

- operation of the departmental minicomputer facility, serving 650 users and over 50 applications, as well as public access terminals for the State Library and State Archives
- serving as representative on the state Information Resource Management Commission (IRMC)
- training department staff in the operation of microcomputer hardware and software

**NORTH CAROLINA DEPARTMENT OF CULTURAL RESOURCES
ADMINISTRATIVE SERVICES SECTION**



19 State Positions

FEBRUARY 1997

DCR 16

DEPARTMENT OF CULTURAL RESOURCES

ADMINISTRATIVE SERVICES - FUND 1120

Fiscal Data

		1995-96 <u>Actual</u>		1996-97 <u>Authorized</u>		1997-98 <u>Recommended</u>		1998-99 <u>Recommended</u>
Total Requirements	\$	910,556	\$	1,016,601	\$	964,037	\$	938,948
Receipts	\$	2,905	\$	1,800	\$	3,300	\$	1,800
General Fund Appropriation	\$	907,651	\$	1,014,801	\$	960,737	\$	937,148
<u>Number of Positions</u>		18.50		18.50		18.50		18.50

Source: 1997-99 Continuation Budget Document

NORTH CAROLINA

ARTS COUNCIL

NORTH CAROLINA ARTS COUNCIL

INTRODUCTION

As the North Carolina Arts Council continues to streamline our programs to adjust to an 18% staff reduction and decreasing federal support during the 95-97 biennium, we are focusing our efforts on three key relationships:

1. Our relationship with the state's **arts resources**—artists, arts organizations and our cultural heritage. It is our responsibility to help these resources remain strong so they can continue to produce rich and diverse arts experiences for the benefit of the state's citizens and visitors.
2. Our relationship to the state's **communities**. We use the word "communities" in the broadest sense to mean the many ways groups of people gather, both geographically or through other shared identities. It is our responsibility to make sure communities are strengthened through the arts.
3. Our relationship as a state agency to the **state's agenda**. It is our responsibility to make sure the arts are valued as a tool for achieving a strong economy, well-educated children, vital communities and a healthy environment.

In building these relationships, we play the roles of **connector, relationship builder, catalyst and activist partner**, using

- a statewide scope and perspective for an overview of the strengths, needs and issues of the arts in the state.
- the ability to convene various groups of people around important topics to forge new partnerships.
- access to a number of information outlets through which we collect, publish and disseminate a variety of resource materials.
- the ability to give grants to activate partnerships between artists, arts organizations and communities which benefit every county in the state.

GOALS AND OBJECTIVES

I. DEVELOP, PRESERVE AND SUSTAIN NORTH CAROLINA'S ARTS RESOURCES

1. Support the state's organizations which produce exemplary arts programs

The significance of North Carolina's arts infrastructure is reflected in the diversity and vitality of more than 2,000 arts organizations. These include museums, symphonies, dance companies, craft schools, arts councils, theatres, galleries, literary publications, outdoor dramas, arts centers, summer music, dance and theatre festivals and outdoor dramas. To ensure that the state's citizens and visitors have access to a wide range of quality arts experiences, we provide arts organizations with financial support, information resources and organizational development opportunities.

2. Preserve and promote the state's folk cultural heritage through documentary projects and public programs

North Carolina's folk traditions are among the most rich and abundant of any state in the country. They reflect the diversity of the state's many cultures, and are expressed through the artistry of basket makers, gospel and blues musicians, potters, buck and flat foot dancers, wood carvers, stringband and bluegrass musicians, storytellers and quilt makers. We document these important traditions through audio and videotape recordings, photographs and film and we provide public programs to deepen understanding and appreciation of these valuable resources.

3. Improve financial support and professional opportunities for North Carolina's artists

The state is home to a large and growing artist population which includes writers, choreographers, dancers, sculptors, composers, musicians, painters, filmmakers, craft artists, playwrights, and actors. We support artists in the development and creation of art because it's essential to our cultural heritage and to the creative vitality of the state.

II. DEEPEN THE CONNECTION BETWEEN THE ARTS AND NORTH CAROLINA'S COMMUNITIES

1. Strengthen partnerships with local arts councils to provide arts programming in all 100 counties through the Grassroots Arts Program

As our largest funding category in both size and scope, the Grassroots Arts Program distributes nearly one-third of the Council's state grant funds on a per capita basis to every county. Spending decisions are made locally according to guidelines developed by the Council in partnership with local communities. The Grassroots Arts Program -- 20 years old this year -- relies heavily on one of the nation's oldest and most highly respected networks of local arts councils.

2. Increase access to racially and culturally diverse arts programs

Twenty-five percent of the state's people are African-American, Asian-American, Latino and Native American, reflecting a multicultural population almost twice the national average. We work to build appreciation for the artistic expression within these distinct and diverse communities. Through our Multicultural Organization Development Program, we have helped organizations hire their first professional staff, stabilize their operations and increase the scope and reach of their arts programs.

3. Increase arts programming in underserved communities

In North Carolina, people with disabilities and older adults comprise 19% of the population. Citizens in our poorest counties have less than half the average per capita income as those in our wealthiest. In rural, sparsely populated areas, the absence of a critical mass of population makes arts programs more costly per participant. We work to address specific needs of communities which lack access to arts participation due to geography, economic conditions, ethnic background, disability or age.

4. Provide support for performances and artists residencies in communities across the state

The Council has a long history of connecting artists with communities through performances and residencies. From 1971 - 1995, the Visiting Artist Program placed artists in communities for 9 months each year through the state's 58 community colleges. Through performances, workshops and a range of activities in schools and community settings, artists provided valuable arts experiences and developed awareness about local arts resources. We've developed and funded tours of national, international and North Carolina artists to benefit people in all areas of the state.

developed awareness about local arts resources. We've developed and funded tours of national, international and North Carolina artists to benefit people in all areas of the state.

5. Develop and support public art projects that enliven community buildings and spaces.

Since 1988, the Council has managed the commissioning of over 50 public art projects funded through the state's Arts Works in State Buildings Program. Artists who create the works respond to the community's needs at each project site, so the art reflects the site's unique history, character, relevance or use. As a result, this public art collection reflects North Carolina's rich, broad range of people and experience, from rural to urban settings. We also present education programs about the value of public art to community life and provide assistance to communities interested in pursuing public art projects.

III. HEIGHTEN UNDERSTANDING OF THE ROLE AND VALUE OF THE ARTS TO THE STATE

1. Build public awareness about the benefit of the arts to the lives of North Carolinians

As one of the oldest public funding agencies in the country, the North Carolina Arts Council will celebrate its 30th anniversary in 1997. We are using this anniversary to kick off a public awareness campaign and develop stronger relationships with the media. We want more citizens to understand the role the arts can play in their lives and to know more about arts opportunities available to them.

2. Further the role of the arts as an essential part of education

In 1993, the Council received an increase from the legislature to strengthen childhood development through arts in education programs. We worked with education agencies, artists and arts organizations to develop arts in education programs which strengthen the connection between the arts and learning. We support initiatives such as the Kenan Institute's A+ Schools Program which demonstrate that integrating the arts into the basic curriculum improves overall student success. We work closely with the NC Alliance for Arts Education to promote awareness about the benefits of arts education.

3. Develop initiatives to strengthen the role of the arts in economic and community development, tourism, international relations and human services

We worked with the Division of Travel and Tourism in the Department of Commerce in planning the Heritage Tourism Conference this January. We're developing the Blue Ridge Initiative with individuals from western North Carolina and Virginia working in the arenas of economic and community development, cultural programming, local and regional planning and natural resource conservation. We were a key participant in the Israel /NC Cultural Exchange, and we're involved in a seven-state consortium of arts councils to develop and tour an exhibition of contemporary Mexican art. We see great potential for future partnerships to create new opportunities for artists and arts organizations and new benefits for our citizens and the state's communities.

NORTH CAROLINA ARTS COUNCIL - AT A GLANCE

In the 97-99 Performance/Program Budget Document, the Arts Council connects through

- Cultural Resources Program Area Goal: Preserve and Promote Cultural Resources
- 9200 Subprogram: Develop and Promote Arts Resources
- Objective 1: **Provide a diversity of quality arts programs for citizens and tourists in communities throughout the state.** The following facts and figures address this objective and measure its success.

Programs and Services:

A staff of 24 people work with arts and other community organizations to help them expand, stabilize, develop in appropriate directions and become managerially stronger. For special attention, staff targets rural areas, urban organizations in communities with limited resources and older, established organizations going through transition. Through conferences, workshops, publications, information and special events, the staff provides support and technical assistance to the citizens of our state who are using the arts to build their communities.

Council programs

- take artists into the schools
- tour professional dance, music and theatre companies throughout the state
- support the state's major professional music, dance, theatre, visual arts and literary organizations, many of which have regional and national reputations
- fund local priorities through the decentralized Grassroots Arts Program
- recognize our finest folk artists with Folk Heritage Awards and our finest career artists with fellowships
- provide targeted assistance to organizations in previously underserved communities

Impact of Council-funded Activities in FY 95-96:

- Over 10 million people participated in Council-funded projects.
- Projects were funded in every county in the state.
- Grants went to 499 arts organizations, 340 schools and community and civic groups, and 81 individuals; of these, 398 projects totaling \$885,945 reached children in 84 counties.
- Each dollar granted by the Council was matched by eleven other dollars, many generated directly by the Council's grant.

Constituent Organizations: 2,177

107 arts councils	148 arts centers/facilities
302 artist organizations	284 arts festivals/concert series
83 arts service organizations	12 arts publications
53 literary magazines, presses	5 cinemas
105 dance companies	263 galleries and museums
516 music performing groups	299 theatre performing groups

Organizations Assisted by the Arts Council Play a Significant Role

- in North Carolina's tourist industry
- in downtown revitalization projects in numerous towns and cities
- in the creation of jobs, both within arts organizations and indirectly in restaurants, hotels, parking lots, printing and catering businesses
- in attracting and keeping desirable industries by making the community a more stimulating place in which to live and work

NORTH CAROLINA ARTS COUNCIL - SUMMARY OF FY 95-96 GRANT ACTIVITIES

Number of Applications

Individuals	855
Organizations	<u>1,505</u>
	2,360

Number of Awards

Individuals	81
Organizations	<u>1,301</u>
	1,382

(59% of applications are funded)

Amount Requested \$ 13,028,985**Amount Awarded** \$ 4,769,124

(37% of requested amount is funded)

Total Project Costs \$ 51,413,551

(9% of costs provided by Arts Council)

Total Income of**Grantee Organizations** \$143,143,510

(3% is Arts Council portion)

Funded OrganizationsArts Organizations

performing groups	187
performance facilities	6
museums, galleries	35
small presses, literary magazines	6
arts publications	1
fairs, festivals, concert series	48
arts centers	39
arts councils	97
arts service organizations	29
artist associations	<u>51</u>
Total arts organizations	499

Other Organizations

schools	129
higher education institutions	21
libraries	17
humanities/historical societies	
and museums	9
community service organizations	109
parks, recreation departments	16
radio, television	4
miscellaneous community groups	35
Total Other Organizations	340

Total Funded Organizations: 839

North Carolina Arts Council FY 95-96 Per Capita Distribution

01-22-97

<u>COUNTY</u>	<u>\$/CAPITA</u>	<u>GRANTS</u>	<u>COUNTY</u>	<u>\$/CAPITA</u>	<u>GRANTS</u>	<u>COUNTY</u>	<u>\$/CAPITA</u>	<u>GRANTS</u>
1 Mitchell	4.59	66,722	34 Anson	0.54	12,643	67 Washington	0.27	3,819
2 Transylvania	2.54	67,832	35 Catawba	0.54	67,306	68 Rowan	0.26	30,643
3 Swain	2.18	25,213	36 Beaufort	0.53	22,994	69 Scotland	0.26	8,872
4 Orange	1.98	204,812	37 Craven	0.53	45,936	70 Carteret	0.25	14,498
5 Yancey	1.98	31,432	38 Haywood	0.53	25,577	71 Davidson	0.25	33,308
6 Durham	1.94	379,007	39 Caswell	0.50	10,449	72 Gaston	0.25	46,043
7 Watauga	1.77	68,730	40 Pitt	0.49	57,043	73 Greene	0.24	3,842
8 Alexander	1.50	43,296	41 Columbus	0.48	24,111	74 Duplin	0.23	9,262
9 Bertie	1.36	27,768	42 Alamance	0.46	52,093	75 Chowan	0.22	3,060
10 Forsyth	1.27	350,699	43 Cumberland	0.44	126,810	76 Harnett	0.22	16,145
11 Madison	1.23	21,342	44 Vance	0.44	17,664	77 Wilson	0.22	14,981
12 Polk	1.22	18,690	45 Lenoir	0.43	24,831	78 Lincoln	0.21	11,525
13 Mecklenburg	1.19	666,153	46 Sampson	0.43	20,625	79 Nash	0.21	17,440
14 Dare	1.03	26,390	47 Camden	0.41	2,480	80 Chatham	0.20	8,159
15 Martin	0.96	24,368	48 Cleveland	0.39	33,892	81 Person	0.20	6,230
16 Surry	0.94	59,820	49 Caldwell	0.38	27,591	82 Alleghany	0.19	1,879
17 Guilford	0.90	324,233	50 Burke	0.36	28,500	83 Avery	0.19	2,880
18 Tyrrell	0.89	3,437	51 Robeson	0.36	38,914	84 Bladen	0.19	5,490
19 Cherokee	0.82	17,180	52 Randolph	0.33	37,887	85 Brunswick	0.19	11,065
20 Jackson	0.82	22,949	53 Rutherford	0.33	19,229	86 Currituck	0.19	2,906
21 Stanly	0.79	42,501	54 Edgecombe	0.32	18,297	87 Gates	0.19	1,855
22 New Hanover	0.78	102,858	55 Franklin	0.32	12,637	88 Graham	0.19	1,387
23 Buncombe	0.76	140,053	56 Wayne	0.32	35,217	89 Hoke	0.19	4,595
24 Hertford	0.76	17,044	57 Jones	0.31	2,923	90 Hyde	0.19	1,029
25 Ashe	0.73	16,482	58 Montgomery	0.31	7,278	91 Johnston	0.19	17,027
26 Pamlico	0.68	8,063	59 Union	0.31	28,867	92 Macon	0.19	4,827
27 Clay	0.63	4,658	60 Iredell	0.30	29,645	93 Northampton	0.19	3,942
28 McDowell	0.62	22,440	61 Stokes	0.29	11,472	94 Onslow	0.19	29,853
29 Henderson	0.61	45,746	62 Cabarrus	0.28	29,880	95 Pender	0.19	6,221
30 Wake	0.60	291,417	63 Davie	0.27	8,045	96 Perquimans	0.19	2,038
31 Halifax	0.59	33,839	64 Granville	0.27	10,893	97 Rockingham	0.19	16,700
32 Pasquotank	0.59	19,277	65 Moore	0.27	16,981	98 Warren	0.19	3,396
33 Lee	0.57	24,988	66 Richmond	0.27	12,400	99 Wilkes	0.19	11,611
						100 Yadkin	0.19	6,133
						Totals	0.64	4503210*

* In addition, \$193,395 was granted to statewide organizations for projects affecting more than one county and \$72,496 was granted to organizations outside the state for projects benefitting North Carolinians.

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NORTH CAROLINA ARTS COUNCIL -- PROGRAM GROWTH/PER CAPITA RANKINGS

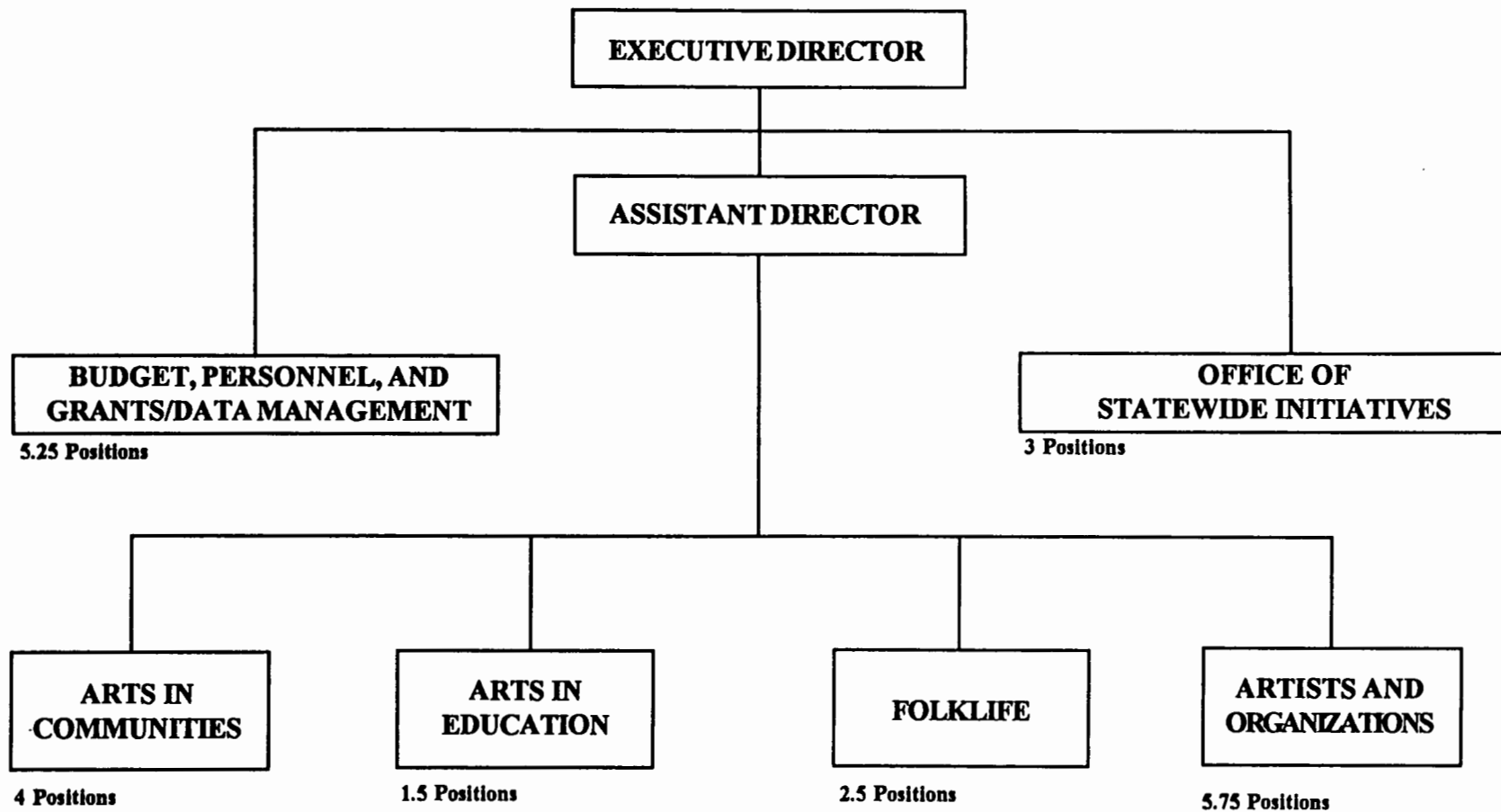
	State Continuation Budget	# Arts Organizations	NC Population	Per Capita (in cents)
1989-90	\$ 5,086,000	1,494	6,568,810	77.4
1990-91	\$ 4,961,000	1,721	6,632,448	74.7
1991-92	\$ 4,712,000	1,876	6,752,401	69.7
1992-93	\$ 4,738,000	1,940	6,840,211	69.2
1993-94	\$ 5,344,000	2,063	6,949,095	76.9
1994-95	\$ 5,366,000	2,133	7,023,663	76.3
1995-96	\$ 5,397,000	2,154	7,194,238	75
1996-97	\$ 5,421,000	2,177	7,322,317	74
% Change Over 8 Years:	+6.6%	+45.7%	+11.47%	-4.4%

STATE ARTS AGENCIES' LEGISLATIVE APPROPRIATIONS - FY 96-97 (DEC. 96)

		Per Capita Ranking*		
		(in cents)		
1.	Hawaii	517.71		
2.	Delaware	318.51		
3.	Massachusetts	245.09	Southern Arts Federation States	
4.	Michigan	225.96		
5.	New York	196.22	6.	Florida 189.07
			16.	Louisiana 95.31
			17.	S. Carolina 94.58
			19.	Kentucky 87.41
			22.	N. Carolina 74.09
			25.	Alabama 69.67
			31.	Georgia 61.28
			32.	Tennessee 58.42
			39.	Mississippi 47.84
46.	California	37.81		
47.	Washington	36.06		
48.	Oregon	35.75		
49.	Texas	17.60		
50.	Montana	13.87		

*Population figures are 1990 census—not adjusted annually as are NC population figures in chart at top.

**NORTH CAROLINA DEPARTMENT OF CULTURAL RESOURCES
NORTH CAROLINA ARTS COUNCIL**



24 State Positions

FEBRUARY 1997

Doc 27

DEPARTMENT OF CULTURAL RESOURCES

ARTS COUNCIL - FUND 1330

Fiscal Data

		1995-96 <u>Actual</u>	1996-97 <u>Authorized</u>	1997-98 <u>Recommended</u>	1998-99 <u>Recommended</u>
Total Requirements	\$	6,372,853	\$ 6,292,796	\$ 5,817,306	\$ 5,393,996
Receipts	\$	984,591	\$ 906,875	\$ 426,500	\$ 1,300
General Fund Appropriation	\$	5,388,262	\$ 5,385,921	\$ 5,390,806	\$ 5,392,696
<u>Number of Positions</u>		24.12	24.12	24.12	24.12

Source: 1997-99 Continuation Budget Document

NORTH CAROLINA ARTS COUNCIL
GRANT AWARDS BY COUNTY
FY 95-96 AS OF 02-13-97

Rep. M^cCombs

Rowan County

APPLICANT	AMOUNT AWARDED	PROJECT TITLE	CONTACT PERSON & TELEPHONE NUMBER
ARTS IN COMMUNITIES Carolina Baroque	1,000	Three concerts	Dale Higbee President (704)633-9311
The Concert Choir	1,015	Spring concert	George Gillooly President (704)637-9783
Piedmont Players Theatre	3,499.99	Student production of "The Best Christmas Pageant Ever"	Amy Harrell Pullen Executive Assistant (704)633-5471
Rowan Community Concert Association	1,965	School program by The Rio Trio	Susan M. Eldridge President (704)633-1554
Rowan County Parks and Recreation Department	1,400	Attendance at local theatre productions and visual art classes for special populations	Renita Ritchie Special Populations Program Supervisor (704)637-3120
Rowan-Salisbury Schools	600	Performance by Timmy Abell	Martha West Director of Elementary Education (704)639-7075
Salisbury-Rowan Choral Society	1,500	Spring Pops Concert	Frank F., Jr. Davidson Treasurer (704)889-9200
Salisbury-Rowan Symphony	3,702	"Circus Parade" concert at Livingstone College	Missy Shives General Manager (704)637-4314

NORTH CAROLINA ARTS COUNCIL
GRANT AWARDS BY COUNTY
FY 95-96 AS OF 02-13-97

Rowan County

APPLICANT	AMOUNT AWARDED	PROJECT TITLE	CONTACT PERSON & TELEPHONE NUMBER
St. John's Lutheran Church	1,100	Multidisciplinary Arts Camp for youth	Hoffmire< Sylvia B. Arts Camp Director (704)639-9662
United Arts Council of Rowan	22,174	Children's area of "Mayfest 1996," general operating support, and subgrants	Warren B. Nelson Administrative Assistant (704)638-9887
United Arts Council of Rowan	1,790	National Assembly of Local Arts Agencies' annual convention and The Association of American Cultures' Open Dialogue VII Symposium: Linda Kesler, Ronald Hash, and Jackie Black	Linda F. Kesler Executive Director (704)638-9887
Waterworks Visual Arts Center	3,766	Visual arts outreach program for disadvantaged children entitled "Arts in Your Community"	Ronald L. Crusan Executive Director (704)636-1882
MUSIC Salisbury-Rowan Symphony	480	American Symphony Orchestra League's National Conference: Missy Shives	Missy Shives General Manager (704)637-4314
Salisbury-Rowan Symphony	2,600	Salary increase for musicians	Missy Shives General Manager (704)637-4314

NORTH CAROLINA ARTS COUNCIL
GRANT AWARDS BY COUNTY
FY 95-96 AS OF 02-13-97

Rowan County

APPLICANT	AMOUNT AWARDED	PROJECT TITLE	CONTACT PERSON & TELEPHONE NUMBER
VISUAL Waterworks Visual Arts Center	3,000	Exhibition entitled "Living with AIDS: A Photographic Journal" by Sal Lopes from the Chrysler Museum in Norfolk, Virginia	Ronald L. Crusan Executive Director (704)636-1882

49,591.99

NORTH CAROLINA
MUSEUM OF ART

The North Carolina Museum of Art

The North Carolina Museum of Art is a division within the North Carolina Department of Cultural Resources and is governed by a 28 member Board of Trustees. Board members are appointed by the Governor, the General Assembly, the Art Society, Museum of Art Foundation Board, and the Board of Trustees.

The North Carolina Museum of Art traces its origin to 1924 when the Art Society of North Carolina was founded with the purpose, "to promote an interest in providing a State Art Museum in Raleigh." In 1929, the General Assembly placed the Art Society under state patronage which began a tradition of public/private partnership that continues to the present. In its early days, the Art Society began a program of collecting, staging exhibitions and educational programs even before there was a permanent museum. In 1947, North Carolina became the first state in the nation to appropriate public funds for the purchase of works of art to establish a state supported art museum. All during 1997, the Museum will commemorate the fiftieth anniversary of that important legislative act with a series of special programs and events. That first appropriation matched a gift of 75 important works of art given by the Samuel H. Kress Foundation as part of its program of endowing regional museums throughout the United States. Negotiations with Mr. Kress and the Kress Foundation were led by state senator Robert Lee Humber of Pitt County. Thanks to his efforts, of nearly one hundred institutions receiving art from the great Kress collection, the gift to the North Carolina Museum of Art was the largest and most important of any except that given to the National Gallery of Art in Washington, D.C. The Kress gift combined with purchases made with the original legislative appropriation created for the people of North Carolina the most distinguished collection of old master paintings in the southeastern United States, and formed the foundation for today's Museum.

The Museum's major responsibilities are well stated in its statutory mission, "...to acquire, preserve, and exhibit works of art for the education and enjoyment of the people of the State, and to conduct programs of education, research, and publication designed to encourage an interest in and an appreciation of art on the part of the people of the State." (G.S. 140-5.12). In keeping with that broad mission, the Museum's program budget objective is "to increase the percentage of visitors who experience an enhanced interest in and appreciation of art...". This is accomplished through a variety of programs focusing on the State's permanent art collection, which consists of thousands of objects spanning over 5,000 years of human history. The Museum also brings to North Carolina many special exhibitions of important art treasures from around the world for the educational benefit and enjoyment of the people of our state. Scholarly publications and a full range of classes, workshops, lectures and other programs complement the Museum's educational mission and program objective.

The Museum is an active partner with the state's educational systems. Thousands of school children from all over North Carolina visit the Museum each year and learn about their own culture and about other civilizations through guided tours and other programs. Outreach exhibitions, slide programs, speakers, and teaching materials are also available to schools and other groups in all counties throughout the state. The Museum continues to enhance accessibility to its collections through the use of new technologies such as digital imaging, CD ROM, and the Museum's World

Wide Web page (<http://www2.ncsu.edu/ncma>). The Museum's conservation department provides consultation and conservation treatment services to other museums and public collections around the state. Curators are available on a regular schedule to consult with citizens about works of art in their own collections.

The Museum of Art regularly receives national and international recognition for its collections, acquisitions, and programs. It has become a major tourist attraction which draws many visitors from within the state and from beyond its borders each year. The Museum also contributes to the economic well-being of North Carolina by helping to attract business and industry to locate and expand here. When asked why they chose to locate in North Carolina, business leaders will most often cite the state's quality of life, including the cultural environment and its commitment to education. The North Carolina Museum of Art makes strong contributions in these areas.

The Museum is assisted in its mission by two affiliated organizations, The North Carolina Art Society and the Museum of Art Foundation, Inc. As mentioned previously, the Art Society is the predecessor of the Museum. The Art Society is a venerable and distinguished organization, founded in 1924 and under the patronage of the state since 1929. General Statutes provide that the Art Society shall be the membership arm of the North Carolina Museum of Art and continue under state patronage (G.S. 143B-89 and G.S. 140-14). The Art Society also holds the permanent endowment, the Robert F. Phifer Fund. Proceeds from this endowment are used solely for the acquisition of works of art for the Museum's permanent collection. This modest endowment provides the Museum's only reliable source of acquisition funding. There have been no state funds appropriated to add to the Museum's collection since 1985.

The Museum of Art Foundation, Inc. is different from the Museum and the Art Society in that it does not exist by statute. It is a private, non-profit corporation with tax-exempt status under IRS Code 501(c)(3). The Foundation holds some endowment funds and plays the essential role of operating the Museum's private fundraising efforts. The Foundation accounts for approximately one-third of the Museum's average annual operating budget. These funds are spent directly by the Foundation on the Museum's behalf to support exhibitions, educational programs, staffing and other operating needs.

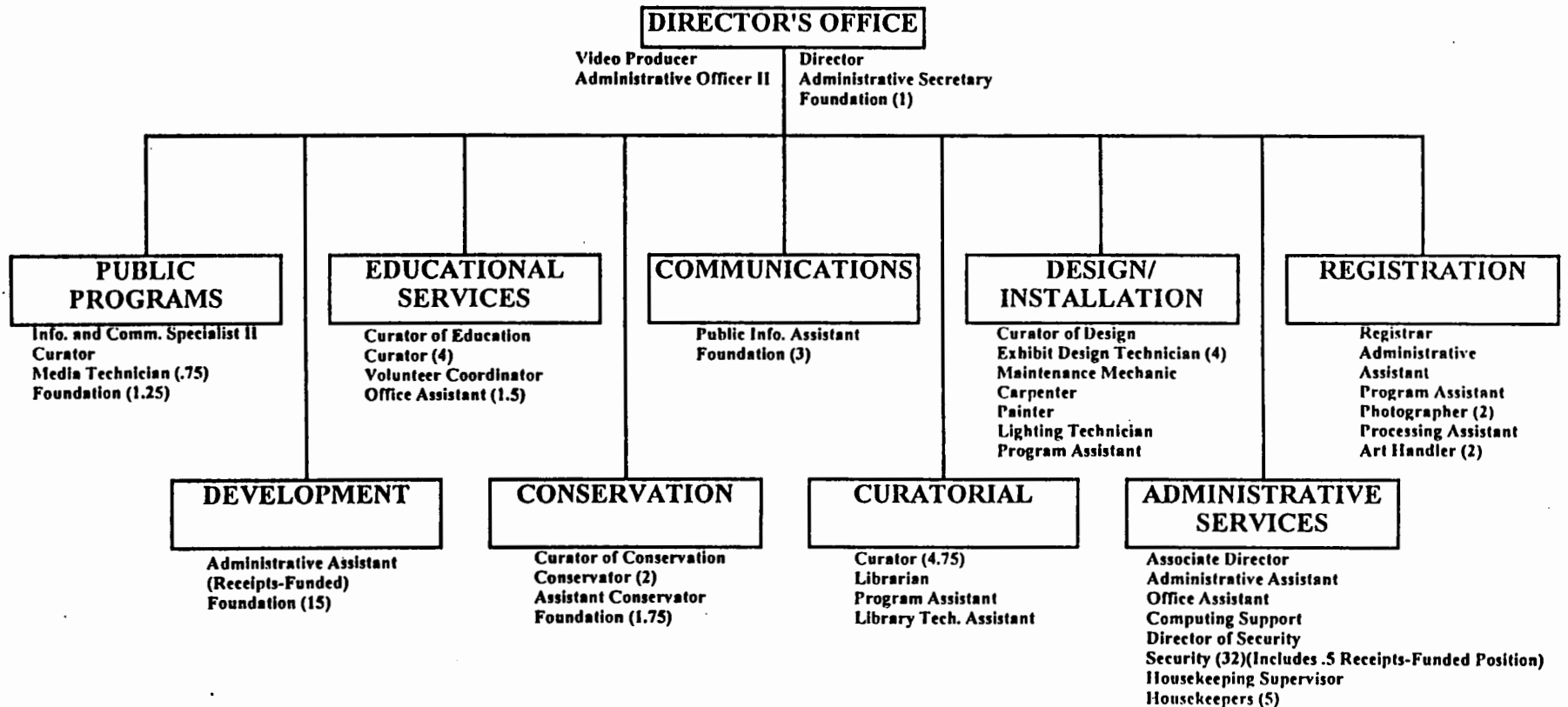
In the spring of 1997, the Museum's new performing arts facility, the Joseph M. Bryan Theater will be complete. This amphitheater, designed and built with private funds raised by the Museum of Art Foundation, will enable the North Carolina Museum of Art to offer a full range of performing arts experiences to complement the visual arts found inside the Museum's walls. Also in 1997, the Museum will complete a study of its present physical facilities made possible by an appropriation in the 1996 session of the General Assembly. It is expected that this study will direct the planning and programming of enhanced facilities to enable the institution to meet the state's needs well into the next century. In order to meet the challenges of the years ahead, the Museum looks forward to a continuation of the great tradition of partnering private funding with the public support provided by the General Assembly.

Attached is a summary of the Museum of Art's programs for the past fiscal year and an organizational chart of the Museum.

**NORTH CAROLINA MUSEUM OF ART
SUMMARY OF EDUCATION PROGRAMS
1995-95**

<u>Type of Program</u>	<u>Number Presented</u>	<u>Participants</u>
Lectures	58	4,262
Film Programs	149	12,256
Performances	17	3,394
Gallery Tours	2,770	34,092
Outreach Programs	941	66,061
Children's and Family Events	<u>139</u>	<u>16,341</u>
Totals	4,074	136,406

NORTH CAROLINA DEPARTMENT OF CULTURAL RESOURCES
NORTH CAROLINA MUSEUM OF ART



90 Appropriation supported positions
 1.5 Receipts supported positions
 22 Positions paid by Museum of Art Foundation

DCE 33

DEPARTMENT OF CULTURAL RESOURCES

MUSEUM OF ART - FUND 1320

Fiscal Data

		1995-96 <u>Actual</u>	1996-97 <u>Authorized</u>	1997-98 <u>Recommended</u>	1998-99 <u>Recommended</u>
Total Requirements	\$	3,775,490	\$ 3,691,796	\$ 3,477,609	\$ 3,480,581
Receipts	\$	148,947	\$ 118,417	\$ 119,536	\$ 119,590
General Fund Appropriation	\$	3,626,543	\$ 3,573,379	\$ 3,358,073	\$ 3,360,991
<u>Number of Positions</u>		91.50	91.51	91.51	91.51

Source: 1997-99 Continuation Budget Document

DIVISION OF
ARCHIVES AND HISTORY

Division of Archives and History

Overview

The Division of Archives and History is the largest division in the Department of Cultural Resources. It is also the third oldest state historical agency in the country, having been formed in 1903. Nationally recognized, the Division of Archives and History has received a number of awards, including the first Distinguished Service Award of the Society of American Archivists in 1969 and the James Harvey Robinson Prize of the American Historical Association in 1984.

The Division of Archives and History is organized into sections based on program functions and activities as mandated by state law; intersectional functions are provided by the Director's Office (divisional administration). The Western Office in Asheville is also intersectional in nature but is treated as a separate fund for budgetary purposes.

The division employed 450.75 permanent staff in 1995 and currently has 351.25 permanent employees. This drop occurred because, in 1995, the Elizabeth II State Historic Site was shifted to direct control of the Roanoke Island Commission and, in 1996, the North Carolina Museum of History was made a separate division. During this same time period, the North Carolina Transportation Museum (formerly Historic Spencer Shops), Aycock Birthplace, and other state historic sites added employees to support the operation of expanded physical facilities.

The division's current challenges include the development of methods and procedures to accommodate the management of digital public records (particularly those records which are to be lodged in the State Archives), the maintenance of the increasing number of historic resources under divisional care, and the provision of a more equitable distribution of public history services across the state.

Division Administration (Director's Office) - Fund 1210

Sample Objective:

Increase local and regional involvement in the collection and distribution of public history materials and services

Objective Strategies and Activities:

Continue development of divisional communications network under Divisional Computing (DCOM); using Archives and History function model, identify bases, services, and service structures; disperse personnel and services more widely throughout the state

Division administration provides overall coordination and control of state public history management and intersectional programming. The office provides the staff for the North Carolina Historical Commission—the statutory authority for rule-making and grants review for history programs of the state, for the Federation of North Carolina Historical Societies, Inc. (uniting over 220 such organizations in all 100 counties), and for the North Carolina Literary and Historical Association, Inc. The office directly administers educational and public service programs through its Western Office (Asheville), Stagville Center (Durham County), and the Outer Banks History Center (Dare County). The administration's Research Branch serves as the division's ultimate point of review for research-related historical matters, provides internal research reports, manages and operates the Highway Historical Marker program, and answers general research inquiries. The office also oversees general business and financial operations, inter-sectional planning, and, through its new Divisional Computing unit, provides direct support for digital records management, World Wide Web publication, and intradivisional databases and communications.

DEPARTMENT OF CULTURAL RESOURCES

DIVISION OF ARCHIVES AND HISTORY - ADMINISTRATION - FUND 1210

Fiscal Data

	1995-96 <u>Actual</u>	1996-97 <u>Authorized</u>	1997-98 <u>Recommended</u>	1998-99 <u>Recommended</u>
Total Requirements	\$ 1,165,141	\$ 1,067,426	\$ 1,065,098	\$ 1,066,205
Receipts	\$ 16,585	\$ 2,250	\$ 2,250	\$ 2,250
General Fund Appropriation	\$ 1,148,556	\$ 1,065,176	\$ 1,062,848	\$ 1,063,955
<u>Number of Positions</u>	18.00	18.00	18.00	18.00

Source: 1997-99 Continuation Budget Document

Historical Publications--Fund 1220

Objective:

Increase appreciation of North Carolina history through writing and publishing of high quality state and local histories

Strategies and Activities:

Implement an in-house desktop typesetting system employing the Ventura publishing system
Expand Markets through training, market analysis, and advertising

This section publishes and sells journals, pamphlets, and books on the history of North Carolina. Recent titles include Guilford County: A Brief History; Ship Ashore! The United States Lifesavers of Coastal North Carolina; and A History of African Americans in North Carolina. Ongoing documentary projects include North Carolina Troops, 1861-1865: A Roster and The Colonial Records of North Carolina. The quarterly North Carolina Historical Review has been published continuously since 1924 and contains timely articles on the state's history. Both schoolchildren and adults are the principal purchasers of the more than 100 titles offered for sale.

DEPARTMENT OF CULTURAL RESOURCES

HISTORICAL PUBLICATIONS - FUND 1220

Fiscal Data

	1995-96	1996-97	1997-98	1998-99
	<u>Actual</u>	<u>Authorized</u>	<u>Recommended</u>	<u>Recommended</u>
Total Requirements	\$ 905,794	\$ 811,991	\$ 810,303	\$ 810,303
Receipts	\$ 298,791	\$ 177,741	\$ 177,989	\$ 177,989
General Fund Appropriation	\$ 607,003	\$ 634,250	\$ 632,314	\$ 632,314
<u>Number of Positions</u>	15.50	15.50	15.50	15.50

Source: 1997-99 Continuation Budget Document

Archives and Records Section -- Fund 1230

Sample Objective:

Increase the number of public records processed by 25% by the year 2006.

Objective Strategies and Activities

Maintain standard quality levels for records inventory, processing, and storage

Improve efficiency of imaging unit by using digital technologies

Implement plans for increased space for storage of non-current and archival records

The Archives and Records Section conducts statewide archival and records management programs for state, county, and municipal government to provide economical and efficient preservation, maintenance, and access to public records. The State Archives contains the records of the colony and state of North Carolina from the 16th century to the present. Some 16,000 visitors a year use the State Archives in person; about 20,000 mail requests are processed each year. Users include genealogists, historians, attorneys, and state agency staffs. The land grants previously serviced by the Secretary of State were transferred to the Archives in 1993. A records management program serves all state and local governments, as well as supported institutions of higher education. Document conservation, imaging, reference services, and low-cost storage are hallmarks of the program.

DEPARTMENT OF CULTURAL RESOURCES

ARCHIVES AND RECORDS - FUND 1230

Fiscal Data

		1995-96 <u>Actual</u>		1996-97 <u>Authorized</u>		1997-98 <u>Recommended</u>		1998-99 <u>Recommended</u>
Total Requirements	\$	2,740,587	\$	2,898,873	\$	2,970,513	\$	2,937,601
Receipts	\$	269,543	\$	235,270	\$	229,745	\$	228,245
General Fund Appropriation	\$	2,471,044	\$	2,663,603	\$	2,740,768	\$	2,709,356
<u>Number of Positions</u>		75.00		75.00		75.00		75.00

Source: 1997-99 Continuation Budget Document

State Historic Sites - Fund 1241

Sample Objective:

Increase the percentage of visitors who felt their visit to the state's historic sites increased their knowledge and appreciation of North Carolina history

Objective Strategies:

Produce publications, special presentations, and school curriculum materials for distribution to school children and adults

Continue program and infrastructure improvements to enhance the quality of visitor experience; attract more diverse audiences and increase shoulder-season visitation

Develop Internet home pages for state historic sites and related heritage tourism attractions.

The Historic Sites Section serves some 700,000 visitors annually at the following sites: Alamance Battleground (Alamance County), Aycock Birthplace (Wayne), Historic Bath (Beaufort), Bennett Place (Durham), Bentonville Battleground (Johnston), Charlotte Hawkins Brown Memorial (Guilford), Brunswick Town (Brunswick), CSS *Neuse*/Caswell Memorial (Lenoir), Duke Homestead (Durham), Fort Dobbs (Iredell), Fort Fisher (New Hanover), Historic Edenton (Chowan), Historic Halifax (Halifax), Home Creek Living Historical Farm (Surry), House in the Horseshoe (Moore), North Carolina Transportation Museum (Rowan), Polk Memorial (Mecklenburg), Reed Gold Mine (Cabarrus), Somerset Place (Tyrrell), Town Creek Indian Mound (Montgomery), Vance Birthplace (Buncombe), and Thomas Wolfe Memorial (Buncombe).

Off-site educational programs principally served 46,618 participants in school programs and people with other offerings in 1996. Nearly 100,000 visitors attended over 100 special events and programs at various sites in 1996. Almost 2,000 volunteers contributed nearly 45,000 hours to programs at the sites in 1996; this was the equivalent of approximately 24 full time employees.

DEPARTMENT OF CULTURAL RESOURCES

STATE HISTORIC SITES - FUND 1241

Fiscal Data

		1995-96		1996-97		1997-98		1998-99
		<u>Actual</u>		<u>Authorized</u>		<u>Recommended</u>		<u>Recommended</u>
Total Requirements	\$	5,405,991	\$	6,096,844	\$	6,255,616	\$	6,247,996
Receipts	\$	160,284	\$	70,098	\$	75,602	\$	76,302
General Fund								
Appropriation	\$	5,245,707	\$	6,026,746	\$	6,180,014	\$	6,171,694
<u>Number of Positions</u>		140.00		140.00		140.00		140.00

Source: 1997-99 Continuation Budget Document

DEPARTMENT OF CULTURAL RESOURCES

HISTORIC SITES SALES DESKS - FUND 5241

Fiscal Data

		1995-96 <u>Actual</u>		1996-97 <u>Authorized</u>		1997-98 <u>Recommended</u>		1998-99 <u>Recommended</u>
Total Requirements	\$	88,273	\$	82,358	\$	82,358	\$	82,358
Receipts	\$	97,473	\$	82,358	\$	82,358	\$	82,358
Inc(Dec) in Cash Balance	\$	9,200	\$	0	\$	0	\$	0
Beginning Cash Balance	\$	51,797	\$	60,997	\$	60,997	\$	60,997
Ending Cash Balance	\$	60,997	\$	60,997	\$	60,997	\$	60,997
General Fund Appropriation	\$	0	\$	0	\$	0	\$	0
<u>Number of Positions</u>		1.00		1.00		1.00		1.00

Source: 1997-99 Continuation Budget Document

Tryon Palace Historic Sites and Gardens—Fund 1242

DCR 42

Sample Objective:

Increase the percentage of visitors who stated their visit to Tryon Palace Historic Sites and Gardens increased their knowledge and appreciation of N. C. History

Objective Strategies and Activities:

Produce publications, special presentations, and school curriculum materials for distribution to school children and adults

Continue program and infrastructure improvements to enhance the quality of visitor experience, attract more diverse audiences, and increase shoulder-season visitation

Develop Internet home pages for Tryon Palace Historic Sites and Gardens

Tryon Palace serves more than 90,000 visitors per year paying about \$540,000 in admission fees. It is the major heritage tourist attraction in central eastern N.C. About half of its visitors are 50 years old or older and more than 20,000 North Carolina schoolchildren participate in educational programs each year. The Tryon Palace Commission is composed of 30 leading citizens of the state and administers private funding to assist the operation of Tryon Palace Historic Sites and Gardens and its educational programs. The attraction is accredited by the American Association of Museums, the highest professional certification available in North America. In addition to the Palace, the site also includes the John Wright Stanly House (1779), the New Bern Academy (1809), the Dixon-Stevenson House (ca. 1830), extensive historic gardens and four additional historic houses. The attraction is open to the public seven days a week, 360 days a year. In addition to daily historic tours by costumed interpreters, the programs include a variety of crafts demonstrations, periodic drama tours, an ongoing schedule of public lectures, workshops, and special event programs. In addition, members of the staff frequently present special educational programs throughout North Carolina.

DEPARTMENT OF CULTURAL RESOURCES

TRYON PALACE HISTORIC SITES AND GARDENS - FUND 1242

Fiscal Data

	1995-96	1996-97	1997-98	1998-99
	<u>Actual</u>	<u>Authorized</u>	<u>Recommended</u>	<u>Recommended</u>
Total Requirements	\$ 1,870,902	\$ 1,953,273	\$ 1,954,627	\$ 1,954,858
Receipts	\$ 764,564	\$ 811,884	\$ 814,478	\$ 814,709
General Fund				
Appropriation	\$ 1,106,338	\$ 1,141,389	\$ 1,140,149	\$ 1,140,149
<u>Number of Positions</u>	44.00	44.00	44.00	44.00

Source: 1997-99 Continuation Budget Document

Sample Objective:

Increase the percentage of visitors who enhanced their knowledge and appreciation of N.C. history by touring the State Capitol, Executive Mansion and Capital Area Visitor Center.

Objective Strategies and Activities:

Produce publications, special presentations, and school curriculum materials for distribution to school children and adults.

Continue program and infrastructure improvements to enhance the quality of visitor experience, attract more diverse audiences and increase shoulder-season visitation.

The section annually serves over 150,000 visitors to the historic State Capitol and some 44,000 visitors to the Executive Mansion, provides annual scheduling services and printed agendas to about 3,000 school classes visiting the State Government Complex, and orients over 120,000 annual visitors (mostly school children) to the government complex. The staff provides educational programs to visitors on the history and architecture of the Capitol and the Executive Mansion, and the history and functions of state government. The State Capitol Foundation, Inc., a nonprofit Capitol support group, expends private funds to assist the Capitol restoration and education programs.

DEPARTMENT OF CULTURAL RESOURCES**STATE CAPITOL/VISITOR SERVICES - FUND 1243****Fiscal Data**

	1995-96		1996-97		1997-98		1998-99	
	<u>Actual</u>		<u>Authorized</u>		<u>Recommended</u>		<u>Recommended</u>	
Total Requirements	\$	381,875	\$	388,408	\$	388,967	\$	389,532
Receipts	\$	0	\$	0	\$	0	\$	0
General Fund Appropriation	\$	381,875	\$	388,408	\$	388,967	\$	389,532
<u>Number of Positions</u>		10.00		10.00		10.00		10.00

Source: 1997-99 Continuation Budget Document

State Historic Preservation Office (Archaeology and Historic Preservation) - Fund 1250

Sample Objective:

Improve public understanding of historic preservation through technical and professional services.

Objective Strategies:

Identify and evaluate archaeological, architectural, and historic properties resources.

Tailor programs to more effectively respond to the greatest constituent needs and concerns.

Integrate historic preservation planning into all levels of planning.

Regionalize personnel and services.

This section identifies, protects, and enhances the historic resources of North Carolina through a coordinated statewide program that provides information and assistance to public agencies, private organizations, and the state's citizens to enable them to undertake successful historic preservation planning and project implementation. It administers comprehensive architectural and archaeological survey programs and the National Register of Historic Places program. It functions as the state clearinghouse for the various federal and state protections and incentives related to the National Register. During 1996, the section processed 99 Tax Reform Act applications for federal tax credits to historic properties amounting to \$38.5 million in new renovation and construction. It processed nearly 3,000 requests for environmental review related to construction and development, and provided approximately 6,000 additional consultations at public request last year. Currently, 35 cities and counties throughout the state are members of the Certified Local Government program.

DEPARTMENT OF CULTURAL RESOURCES

ARCHAEOLOGY AND HISTORIC PRESERVATION - FUND 1250

Fiscal Data

		1995-96 <u>Actual</u>		1996-97 <u>Authorized</u>		1997-98 <u>Recommended</u>		1998-99 <u>Recommended</u>
Total Requirements	\$	2,079,548	\$	2,141,803	\$	2,070,915	\$	2,073,140
Receipts	\$	838,505	\$	909,453	\$	833,552	\$	833,552
General Fund Appropriation	\$	1,241,043	\$	1,232,350	\$	1,237,363	\$	1,239,588
<u>Number of Positions</u>		45.75		43.75		43.75		43.75

Source: 1997-99 Continuation Budget Document

Western Office - Archives and History - Fund 1290

Sample Objective:

Through outreach services, increase understanding of historic preservation in the state's western and south-central regions

Objective Strategies and Activities:

Identify and evaluate the archaeological, architectural, and cultural historic properties of the regions

Provide services to county and municipal governments, educational institutions, historical and preservation societies, museums, and individuals

Tailor programs to more effectively respond to the greatest constituent needs and concerns

Seek to integrate historic preservation into all levels of planning

Located in Asheville, this office provides program services in archaeology and historic preservation, archives and records management, historic site programming, museum planning and development, local historical agency assistance, and environmental review to over one-quarter of the counties of the state.

DEPARTMENT OF CULTURAL RESOURCES

WESTERN OFFICE - ARCHIVES AND HISTORY - FUND 1290

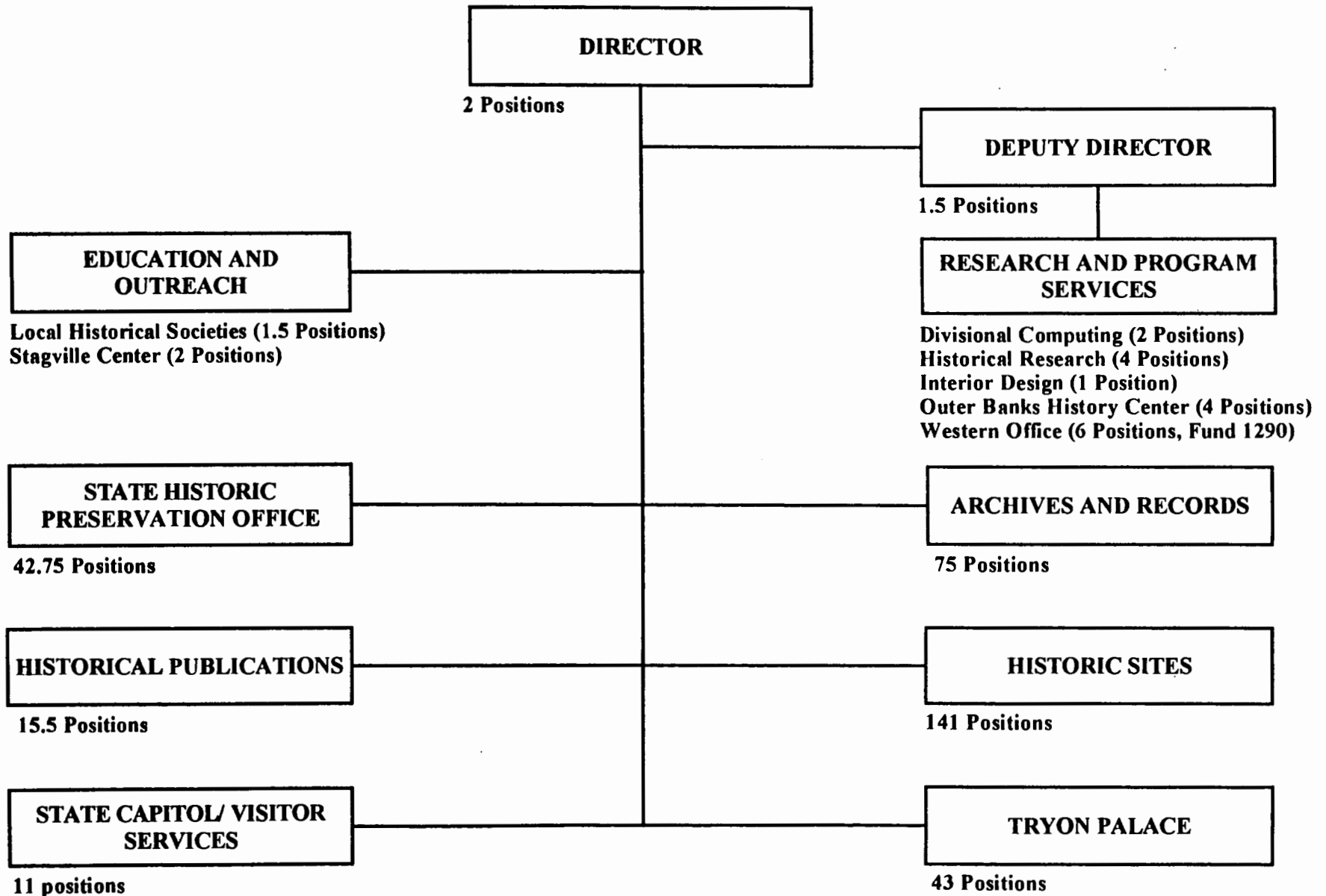
Fiscal Data

		1995-96		1996-97		1997-98		1998-99
		<u>Actual</u>		<u>Authorized</u>		<u>Recommended</u>		<u>Recommended</u>
Total Requirements	\$	283,892	\$	290,573	\$	294,174	\$	294,802
Receipts	\$	1,246	\$	0	\$	0	\$	0
General Fund Appropriation	\$	282,646	\$	290,573	\$	294,174	\$	294,802
<u>Number of Positions</u>		6.00		6.00		6.00		6.00

Source: 1997-99 Continuation Budget Document

North Carolina Department of Cultural Resources

North Carolina Division of Archives and History



DCR 46

Department of Cultural Resources
Division of Archives and History
Positions

Director's Office - Fund 1210

Director
Deputy Director
Administrative Secretary
Historic Sites Specialist
Historic Site Manager
Historic Interpreter
Research Historian (4)
Applications Programmer
Archivist (3)
Interior Designer
Administrative Assistant
General Utility Worker
(17)

Historical Publications - Fund 1220

Historical Publications Administrator
Historical Publications Editor (10)
Info. and Communications Specialist (.50)
Office Assistant
Word Processor
Accounting Clerk
Processing Assistant
(15.5 - includes 1 Receipts Funded Position)

Archives and Records - Fund 1230

Archives and Records Administrator
Archivist (22.5)
Archives Registrar
Archival Services Branch Supervisor
Records Services Branch Supervisor
Records Management Analyst (8)
State Records Center Supervisor
Archives Conservation Assistant
Photographer
Photo Lab. Technician (2)
Processing Unit Supervisor (2)
Accounting Technician
Processing Assistant (22.5)
Statistical Assistant
Administrative Secretary
Clerk-Typist
Data Control Clerk (2)
Word Processor
Office Assistant (2)
Lead Worker
Office Aide
(75 - includes 1.5 receipts-funded and 4 indirect-cost funded positions)

Historic Sites - Fund 1241

Historic Sites Administrator
Historic Sites Specialist (14)
Archaeologist (2)
Operations Supervisor
Interpretations Supervisor
Facility Architect
NCTM Museum Director
NCTM Information/Comm. Specialist
Electrician
Processing Assistant
Administrative Secretary
Producer/Director
Office Assistant (6)
Historic Site Manager (28)
Historic Interpreter (45)
Historic Site Assistant (17)
Grounds Worker (4)
Carpenter (3)
Maintenance Mechanic (9)
Facility Maintenance Supervisor (3)
(141-includes 1 Receipts Funded position)

Tryon Palace - Fund 1242

Tryon Palace Administrator
 Accounting Technician
 Administrative Assistant
 Carpenter
 Carpenter Supervisor
 Clerk Typist
 Costume Design Assistant
 Facility Maintenance Supervisor
 General Utility Worker (4)
 Greenhouse Manager
 Grounds Maintenance Superintendent
 Grounds Worker
 Historic Interpreter (2)
 Historic Sites Specialist
 History Museum Curator
 History Museum Preservationist
 History Museum Specialist (3)
 Housekeeping Supervisor (2)
 Information & Communications Spec (2)
 Labor Crew Leader
 Laborer
 Maintenance Mechanic
 Painter
 Processing Assistant
 Property Guard (3)
 Research Historian
 Sales Manager (2)
 Security Guard (2)
 Security Officer
 Supply Store Manager
 (43 - includes 14 receipts funded positions)

State Capitol/Visitor Services - Fund 1243

State Capitol/Visitor Services Admin.
 History Museum Specialist (2)
 Historic Sites Manager
 Program Assistant
 Historic Interpreter (2)
 Public Information Assistant (3)
 Processing Assistant
 (11)

Historic Preservation Office - Fund 1250

(was "Archaeology & Historic Preservation")
 Historic Preservation Administrator
 Regional Supervisor
 Hist. Preservation/Restoration Spec. (11)
 Hist. Preservation/Restoration Spec. (.75)
 Hist. Preservation/Restoration Spec. (.50)
 Hist. Preservation/Restoration Spec. (.50)
 Archaeologist (9)
 Consulting Architect
 Research Historian
 Archaeological Technician (3)
 Photographer
 Maintenance Mechanic
 Administrative Officer
 Administrative Assistant
 Program Assistant
 Office Assistant (6)
 Processing Assistant (2)
 Clerk
 (42.75 - includes 16.50 receipt funded pos.)

Western Office - Fund 1290

Archives & History Regional Supervisor
 Hist. Preservation/Restoration Spec. (2)
 Records Management Analyst
 Archives & History Assistant
 Office Assistant
 (6)

*Report on Admission Fees and Concession Prices
at Historic Sites*



*North Carolina Department of Cultural Resources
Division of Archives and History
Historic Sites Section*

January 1997

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Executive Summary

The purpose of this report is to respond to a legislative mandate for a study of admission rates at state historic sites. The mandate is cited as follows:

GENERAL ASSEMBLY OF NORTH CAROLINA, SECOND EXTRA SESSION 1996, RATIFIED BILL, CHAPTER 18, HOUSE BILL 53

PART 11. DEPARTMENT OF CULTURAL RESOURCES

SECTION 11.2. DEPARTMENT OF CULTURAL RESOURCES TO REVIEW ADMISSION RATES FOR HISTORIC SITES

Requested by: Representatives Ives, Lemmond, Senator Warren

The Department of Cultural Resources shall review the admission fees and concession prices charged at each historic site. The Department shall evaluate on a site-by-site basis whether those charges are competitive with the admission fees and concession prices charged at other historic sites and how the increase in price would impact visitation at each site. The Department of Cultural Resources shall report its findings and recommendations to the 1997 General Assembly.

The Historic Sites Section in the department's Division of Archives and History operates 22 historic sites and museums (including 7 National Historic Landmarks) selected for state protection because of their significance in the development of present-day North Carolina. Most are free. The sites include more than 230 buildings, more than 110,000 square feet of museum exhibit space, and 66,000 square feet of furnished historic structures. They range from Civil War sites to a gold mine, a massive railroad facility, a prehistoric Indian mound, and colonial villages. Most sites have preserved historic buildings, a visitor center, and interpretive public programs. **Almost a million visitors a year tour the sites, generating more than \$80 million in tourism revenue for the state's economy.** The department also operates 3 historic sites apart from the section: Historic Stagville, the State Capitol, and Tryon Palace. The USS *North Carolina* and *Elizabeth II* are operated by separate commissions.

The Historic Sites Section has analyzed existing data from several states, as well as comprehensive surveys of visitors directed by North Carolina State University at the 22 North Carolina historic sites in 1993 and 1994. The section also conducted six representative focus groups in late 1996 at three sites. Numerous states (among them Georgia, Illinois, Kansas, Missouri, and Michigan) reported problems with severe drops in attendance and/or negative revenue from fees. Learning that other states experienced such great variety and unpredictability (often unsatisfactory) with fees at sites, this study focuses on the hard data from North Carolina.

The visitor surveys found that visitation at currently free North Carolina state historic sites would decrease by 25 to 75% with introduction of admission fees. Much of the decrease would be among local taxpayers, who make up 54 to 60% of visitors. The disastrous experience of two state aquariums, with drops in visitation from 29 to 36% in 1994 after new fees began, bolsters the survey results. With a break-even point of \$2 for a basic historic site fee to cover its

administrative costs, it is very likely the state would actually lose money as well as visitation with fees because 35 to 40% of visitors would not pay more than \$1 to see a site.

Participants in the focus groups reinforced such data. Those citizens clearly preferred free sites over even modest, if any, fees and believed that fees would result in fewer visitors and revenue inadequate to cover added costs of fees. The group members were most concerned that any income that did result from fees should stay at its specific site of origin to benefit that site's programs. Teachers and community residents in the groups insisted that they would expect much more in the way of programs and amenities from sites if there were admission fees. The participants also felt strongly that schoolchildren should always have free admission. **People demand higher quality in return for fees.**

To address these enhanced expectations would be very costly. The section, unlike the state parks, has no recurring source of funds for capital improvements. Capital needs amount to \$40.15 million for historic structures, \$12.25 million for exhibits, \$10.1 million for visitor centers, \$3.4 million for land, and \$1.55 million for maintenance buildings. In addition, the sites would require dozens of new interpreters and volunteers. **Clearly the sites would not be competitive with admission fees without expected improvements.**

The sites contribute greatly to tourism, the state's second largest industry. Heritage tourism, including sites, is growing nationally at a rate six times that of traditional tourism. The sites position the state to take increasing advantage of this trend. Forty percent of travelers say they stop at historic places. Visitors to state historic sites thus provide a growing part of the \$9.2 billion tourism contributes to the state's economy each year. The decrease in attendance from fees certainly would hinder this vital economic engine.

Historic sites, like libraries and schools, are part of a broad education of the public. North Carolina's schoolchildren study state history, and many visit sites in school groups. **Schools are hard pressed now to fund educational field trips, and new costs surely would hurt them.**

Admission fees certainly would have a negative impact on poorer Carolinians, especially at sites in poor counties (such as Historic Halifax). Less-affluent citizens, many of them African Americans, do not visit sites as much as the general citizenry; fees would increase that disparity.

At various sites volunteer support groups, often friends committees, receive revenue from concessions such as gift shops, historic demonstrations, and special events. Charges for such concessions range from under a dollar for supplies for children's crafts to several dollars for a train ride. Such modest charges should be left alone, as they typically pay for expendable supplies that the state would have to absorb if the activities were continued without friends groups.

Existing fees at other sites (Historic Bath, Historic Edenton, and Wolfe Memorial) should be phased out eventually if a way can be found to replace the lost revenue, which supports programs at those sites. Only a small percentage of visitors at Bath and Edenton pay the fees and take guided tours of the buildings. The modest fees are not effective and yield little revenue. In addition, at Edenton, admission to the Chowan Courthouse, part of the site but still a public county building, should be free.

Recommendations are summarized below:

- All state historic sites now open free should continue free.
- Existing minimal fees at three sites (Historic Bath, Historic Edenton, and Wolfe Memorial) eventually should be eliminated if a way can be found to replace the lost revenue. Admission fees were charged at these sites prior to their becoming part of DCR.
- The state should consider appropriating funds to offset deferred maintenance and replace or repair many worn and obsolete structures, exhibits, and programs at the sites. Those needs are too great to be met by nominal fees.
- Small charges for special-programs materials, activities, and concessions at sites should remain unchanged. The role of friends groups should continue without change.
- The Historic Sites Section should establish:
 - (1) a development office to assist support groups, build public-private partnerships, encourage charitable giving, and promote heritage tourism
 - (2) additional temporary salaries to meet public expectations for higher quality and educational programs at the sites.

Overview of North Carolina Historic Sites

The Historic Sites Section in the Department of Cultural Resources comprises 22 state historic sites that have been acquired by the North Carolina General Assembly over the course of the past 50 years. Those properties have been selected for state protection because of their historical significance in the overall growth and development of present-day North Carolina.

Seven state historic sites are National Historic Landmarks. The 22 sites cover a geographically and historically diverse landscape, preserve places of significance for present and future generations, and serve as educational resources for millions of people who better understand the present by learning about the past. The Department of Cultural Resources also administers three historic properties outside the Historic Sites Section: Historic Stagville, the State Capitol, and Tryon Palace. Those three sites will be treated below as individual entities but are not included in the general discussion of the other sites consolidated in the Historic Sites Section.

Visitors at North Carolina historic sites in 1996 generated over \$80 million in tourism revenue for the state, according to surveys done by the state Division of Travel and Tourism and North Carolina State University. The sites are a significant part of the burgeoning heritage tourism industry in North Carolina. In 1996, 692,629 visitors came to North Carolina historic sites; 100,451 of them were children in organized school groups. An additional 50,000 citizens attended off-site educational programs given by section personnel, and another 350,000 or more people learned about heritage from staff presentations at the North Carolina State Fair and other shows and conventions.

To produce that yield, the system of 22 North Carolina historic sites located across the state functions as a unified whole in conjunction with a home office and interpretive service center in Raleigh. The section maintains more than 230 buildings within the program, plus hundreds of structures and features such as earthen trenches, bridges, monuments, cemeteries, fences, and picnic areas. The sites include more than 110,000 square feet of museum exhibition space in addition to more than 66,000 square feet of furnished historic structures on exhibit. The staff and volunteers preserve more than 50,000 artifacts at the sites and handle more than 75 special educational events as well as 200 repair, renovation, or construction projects annually. The people who accomplish this great variety of work include 142 permanent and 125 part-time temporary employees. In addition, the 55,000 volunteer hours contributed each year by 2,500 volunteers are crucial to the program's success.

Despite this substantial and commendable commitment of resources by both the state and thousands of volunteers, the state historic sites require \$67.45 million for capital improvements to initiate needed development and preservation or continue correcting problems neglected for years because of a lack of resources. At the end of 1996 these needs were as follows: stabilization and restoration historic structures, \$40.15 million; visitor centers, \$10.10 million; exhibits, \$12.25 million; land acquisition, \$3.40 million; and maintenance buildings, \$1.55 million.

Mission Statement and Outcomes of Historic Sites

Utilizing the actual and projected human and capital resources outlined above, the Historic Sites Section works in a systematic way

- To preserve the historic buildings, structures, artifacts, and archaeological features located at the state historic sites. This preservation work involves historical research, stabilization of existing resources, and restoration of the built environment to its historical appearance.
- To maintain all property, resources, equipment, and materials located at and used by the state historic sites. Maintenance work involves both historic and modern structures, as well as exhibitions, grounds, and machinery.
- To operate a regular schedule of activities at state historic sites. Operation includes being open to the visiting public, especially the schoolchildren of North Carolina, and performing services to ensure the long-term existence and public use of each historic site.
- To interpret state historic sites for the educational benefit of the public. Interpretation involves educational programs such as guided tours, exhibits, historical furnishings, audiovisual programs, publications, and demonstrations.
- To develop both property and programs at state historic sites. Development involves realizing the potential of existing resources as well as the procurement of additional resources (funding, property, public awareness) to better achieve the mission of North Carolina's historic sites.

As a result of these techniques, coupled with resources from the state and from private donors, most of the 22 state historic sites have reached a minimal or higher level of physical plant and public programming. A typical state historic site includes both historic resources and a contemporary physical plant. The historic resource may be a house, a battlefield, or a gold mine. The modern structures typically are centered about a visitor center with exhibits, an audiovisual program, a sales desk for souvenirs or a gift shop, rest rooms, offices, and such facilities. Other support structures may include a maintenance building and a staff residence. Programs include orientations and guided tours for the general public, special school-group tours and programs, off-site presentations to schools and others, occasional seminars and other classes, statewide quiz competitions, special events with hands-on activities, historical reenactments, and other opportunities.

Resource Analysis

This analysis has relied upon a number of existing resources as reference materials, and the section has in addition conducted several subsidiary studies to support the main endeavor. The section undertook comprehensive surveys of visitors at all sites in the summers of 1993 and 1994 in conjunction with North Carolina State University; results of these examinations provided detailed data about projected decreases in visitation at individual sites if fees are implemented. During late 1996 staff members conducted six focus-group evaluations with teachers and community groups at three sites. The meetings were designed to allow people with similar attributes to interact with each other to produce a range of responses to issues of admission fees. Open-ended queries allowed participants to respond with flexibility, disclose their feelings, and verbalize both negative and positive comments. A limited number of site visitors were interviewed using the same questioning route employed in the focus groups. An extant report of particular value was a study conducted for the section in 1991 by the Institute of Policy Science and Public Affairs of Duke University that examined issues related to fees at state historic sites. Section staff also utilized data from the Division of Travel and Tourism, employees at individual sites, and interviews and contacts with professionals at other attractions in the state.

It is clear from study of materials such as the aforementioned resources that a great variety and a certain degree of unpredictability exist in regard to implementation of admission fees at historic sites. Across the nation in recent years this uncertainty has been borne out in various states that have experimented with admission fees. Thus, while this report will consider the experiences of other states, it seems logical to focus on data pertaining specifically to North Carolina in arriving at any estimates of future prospects for this state's historic sites.

Having made this point, several generalizations may be stated concerning implementation of admission fees:

- Local visitation will most likely decline more than out-of-state visitation.
- There are great risks in assuming that fees will be able to generate adequate revenue to offset costs of administration of the fees.

Citations of a few states' experiences with admission fees will illustrate these points. Iowa charged fees from 1986 to 1989 before dropping the charges as a result of visitor deterrence caused by the expenses. In Missouri and Michigan the costs of implementing fees exceeded revenues generated. Illinois spent the astonishing amount of more than \$57,000 (before 1990) per access point to establish a fee system; that outlay covered staffing, auditing, and devices to record and control access. Some sites (as in North Carolina) had more than one access point. In Georgia fees were established in 1986 at all state historic sites, and attendance plummeted as much as 30% in the next three years. At least some of the fees were still in existence in late 1996. In Kansas a fee system lasted only one year after attendance dropped statewide by more than 20% and as much as 67% at some sites and the fees resulted in no net income. Of course, some states, such as Maryland and Vermont (both with less-complete systems of sites than North Carolina), have had better luck with the gamble; Vermont has charged small fees for years, and those charges more than offset the cost of collection.

The matter of prospective declining local visitation is of special import in North Carolina, where between 54 and 60% of all visitors to sites are state residents whose taxes in large part pay for operating the sites. A number of surveys support these figures, which are buttressed by studies showing that 41.7% of visitors to North Carolina historic sites make their decision to visit on the actual day of the trip.

In focusing specifically on recent North Carolina data regarding admission fees and visitation levels, the experience of the state aquariums from 1993 to 1995 is particularly important. The aquariums are located along the coast in tourist areas where potential visitors are on vacation and willing to spend money far more freely than at home. Yet when the aquariums introduced fees of \$2 and \$3, their visitation dropped enormously. At the Roanoke Island aquarium, attendance plummeted by 36% between 1993 and 1995. In the same two years the number of visitor going to the Fort Fisher aquarium shrank by 29%.

Comprehensive visitor surveys done at North Carolina historic sites in 1993 and 1994 addressed the issue of fees and likely decreases in visitation. The results of these surveys are supported by the disastrous actual decreases at the aquariums. The historic site surveys indicate that introduction of admission fees will cause attendance to nosedive by 25 to 75% at individual sites.

One critical issue involving admission is the extent to which the cost of administering the fees may negate net cash flow from the fees. In the case of the historic sites, there are a number of expenses associated with administering any admission fee system. All sites would need additional monitoring or security in varying degrees to control access to facilities in a ticketed environment: such access control could involve extra personnel or up-front modifications to the physical plant. At some sites that would be a substantial expense: Fort Fisher and the Transportation Museum, for instance, have many currently uncontrolled access points, and sizable amounts of fencing could become a necessity. Without fencing or more control of access, not only would some users of sites avoid the fees illegally, but legitimate payees and site tour guides could be faced with the continual disruptive situation of nonpaying users walking up brazenly to join legitimate guided tours. Further considerations are additional staff needed to sell and monitor ticketing. Each site would also be required to expend effort, time, and fuel daily to deposit receipts from admissions, in some cases for rural sites involving trips of significant length. Timely design and printing of tickets, or perhaps identification bracelets or tags at some sites such as the Transportation Museum, is another expense.

Considering all of these prospective and difficult-to-project expenses, the section has determined that a minimum statewide basic adult fee (if one were charged) would have to be at least \$2, enough, it is hoped, to offset capital and operating expenses incurred by implementation of a fee structure. Raising the basic adult fee above \$2 would significantly increase the number of people unwilling to pay the charge; at one site (Fort Dobbs), for example, only 4.1% of all visitors would pay \$3, and none would pay any more. It should be emphasized, however, that this level of fee will not ensure any significant new improvements in amenities, facilities, and education at the sites, results that a majority of respondents to the 1996 interviews clearly would expect if fees were instituted at sites.

Site-by-Site Analysis

Paragraphs below analyze each historic site in terms of annual visitation, staffing, existing fees (if any), projected effects of admission fees on visitation, and comparable non-state historic sites in its area. The projected drop in visitation is based on visitor surveys conducted in 1993-94. The percent of visitation decrease corresponds to those visitors unwilling to pay \$2 or more for their visit. A \$2 charge was considered minimal for implementing an admission fee.

Alamance Battleground

1996 Visitation: 14,941

School Group Visitation: 3,211

Staff: 2

Existing Admission Fees: None

Projected Decrease in Visitation with \$2 Fee: 41.7%

Near the site are two competing attractions: the Alamance County Historical Museum and Cedarock Historical Farm. The museum is only one and one-half miles from the site and draws 14,000 visitors per year (the same as Alamance). The museum has no admission fee and is open for approximately the same hours as the state site. The farm also has no admission fee and is open daily, annually attracting about 18,000 visitors who see a farmhouse, farm buildings, and an exhibit building but no visitor center. Both of these places offer fewer interpretive services than Alamance, yet one (the farm) already draws 24% more visitors than Alamance. Any admission fee at Alamance without improvements would make the battlefield very uncompetitive with other local historical attractions such as the museum and the farm.

Charles B. Aycock Birthplace

1996 Visitation: 20,032

School Group Visitation: 12,408

Staff: 6

Existing Admission Fees: None

Projected Decrease in Visitation with \$2 Fee: 50%

Other attractions in the general area of Aycock Birthplace include the Country Doctor Museum in Bailey, some 23 or so miles distant. That museum charges a \$2 basic fee but manages to attract only 2,500 guests a year. The Tobacco Museum of North Carolina, ten miles away from the birthplace in Kenly and adjacent to heavily traveled Interstate 95, has a similar fee structure and extensive exhibits superior to those at Aycock but draws only about 12,000 visitors annually despite its very favorable location. In such circumstances the birthplace would not be competitive with an admission fee, an assertion borne out by the half of current visitors who would not go to the site if there were a \$2 charge.

Bennett Place

1996 Visitation: 19,005

School Group Visitation: 1,321

Staff: 4

Existing Admission Fees: None

Projected Decrease in Visitation with \$2 Fee: 38.4%

Located in one of the state's larger cities, Bennett Place (as well as two other state historic sites, Duke Homestead and Historic Stagville) is part of a significant picture of diverse cultural attractions. The three free state sites comprise the heart of historic places to visit in Durham. A city park, West Point on the Eno, also is free and contains a restored gristmill; overall attendance at the park is up to 70,000 people a year, and many people visit the mill at least once. Patterson's Mill General Store in southern Durham is another fascinating historic feature; this private store is partly a museum and charges no admission. Another well-known free agency displaying both art and (at times) history is the Duke University Museum of Art. Also of note are the North Carolina Central University art museum and the history room of North Carolina Mutual Life Insurance Company; both of these attractions also are free. The Duke University Primate Center and the North Carolina Museum of Life and Science are private institutions with basic fees of about \$5 that appeal to audiences not as interested in history. The museum has a substantial attendance based on a broad array of activities, exhibits, and educational programs (unmatched by any of Durham's historic sites) ranging from live animals to aircraft, missiles, and a lunar lander.

Bentonville Battleground

1996 Visitation: 32,826

School Group Visitation: 1,418

Staff: 4

Existing Admission Fees: None

Projected Decrease in Visitation with \$2 Fee: 55.2%

Bentonville is one of a small handful of sites that would actually lose a majority of its attendance if an admission fee were instituted. The closest Civil War historic site is the CSS *Neuse*, another state historic site, which is free and more than 40 miles away. About the same distance in a different direction is the Museum of the Cape Fear in Fayetteville, part of the Department of Cultural Resources, which is free and has extensive Civil War exhibits. The Tobacco Museum of North Carolina in Kenly (discussed above under Aycock Birthplace) is closer, although in sum Bentonville is not actually near any comparable facilities.

Charlotte Hawkins Brown Memorial

1996 Visitation: 10,700

School Group Visitation: 1,335

Staff: 4

Existing Admission Fees: None

Projected Decrease in Visitation with \$2 Fee: 71.5%

The memorial is midway between Burlington, location of Alamance Battleground, and Greensboro. In the latter city are two free historic facilities that offer far more to guests than is currently available to visitors to the memorial: the Greensboro Historical Museum (attendance 36,216 including 6,000 at a historic house on the grounds) and the Guilford Courthouse National Historic Site (40,739 people at the visitor center, many more driving through the park). Also about ten miles from the memorial is the Mattye Reed African American Heritage Center which, like the memorial, is of special interest to black citizens. With such competition and most buildings at the Brown Memorial not open for visitors, the site would face a potentially catastrophic loss of attendance if an admission fee were assessed.

Brunswick Town

1996 Visitation: 27,562

School Group Visitation: 1,126

Staff: 5

Existing Admission Fees: None

Projected Decrease in Visitation with \$2 Fee: 48.4%

The geographically closest true historic site to Brunswick is another state site, Fort Fisher. Orton Plantation Gardens, immediately north of Brunswick but not a real museum, draws 30,000 visitors yearly and charges a basic fee of \$8; guests there see only the extensive current gardens, not the historic plantation structures. Brunswick Town staff frequently hear comments that visitors to Orton are unhappy with the cost. The free Carolina Power and Light Company nuclear power plant visitor center is also nearby and garners some 10,000 guests each year. The very popular new Museum of Coastal Carolina, about 40 miles away at Ocean Isle Beach, has extensive interactive exhibits on marine life, the sea, and shipwrecks, and charges a basic fee of about \$1 in a beach area rich with tourists.

CSS Neuse

1996 Visitation: 17,109

School Group Visitation: 2,959

Staff: 4

Existing Admission Fees: None

Projected Decrease in Visitation with \$2 Fee: 41.6%

Related facilities in Kinston include the Caswell Fire Station Museum, which is free and open, mainly by appointment, for some 1,500 to 2,000 schoolchildren per year, and the new and free Neuseway Nature Park, which features recreation, picnic tables, camping, and a few exhibits on wildlife. Park attendance is estimated to be as high as 15,000 to 20,000 annually, mainly for recreational purposes. There is no other historic site in the Kinston area comparable to the *Neuse*.

Duke Homestead

1996 Visitation: 28,648

School Group Visitation: 7,575

Staff: 5

Existing Admission Fees: None

Projected Decrease in Visitation with \$2 Fee: 44.9%

The homestead, located in Durham, has the same group of related attractions as those described above for the Bennett Place.

Fort Dobbs

1996 Visitation: 10,314

School Group Visitation: 1,827

Staff: 2

Existing Admission Fees: None

Projected Decrease in Visitation with \$2 Fee: 75.5%

Privately owned Murray's Mill, a restored gristmill and operating country store, attracts some 12,000 visitors annually for a basic adult fee (at the mill) of \$2. Many more activities of general historical interest are currently available at the mill than at Fort Dobbs. The projected drop in attendance if a fee were charged is the largest at any state historic site.

Fort Fisher

1996 Visitation: 144,741

School Group Visitation: 8,826

Staff: 5

Existing Admission Fees: None

Projected Decrease in Visitation with \$2 Fee: 34.3%

Other than Brunswick Town, discussed above, there are no other historic sites in the area to compete with Fort Fisher. The nearby Fort Fisher aquarium, with a \$3 fee and a resultant 29% fall in attendance, attracts tourists primarily interested in marine life. More than twenty miles away in Wilmington, the Cape Fear Museum has historical exhibits and a \$2 basic fee. The Wilmington Railroad Museum charges \$4 but has very low attendance for its specialized offerings. The battleship *North Carolina* has an adult admission fee of \$6 but offers extensive guided tours to visitors aboard a ship, access to which is easily controlled.

Historic Bath

1996 Visitation: 23,008

School Group Visitation: 2,101

Staff: 5

Existing Admission Fees: Two house tours available at
\$1 each or 50 cents for students

Projected Decrease in Visitation with \$2 Fee: 40.1% (This figure is based on a single admission fee for the entire site, including the visitor center, two houses above, and a third house with exhibits. Currently only a small fraction of recorded visitors tour a house with fees.)

Other attractions not too far from Bath include the free Belhaven Memorial Museum with general collections (visitation 5,000 annually) and the free Aurora Fossil Museum, which draws 9,400 visitors each year. Thirty miles away in Greenville is River Park North, which has a nature-centered museum with a fee of about 50 cents (paid on an honor system) and annual attendance of 15,000 to 20,000. Strictly speaking, however, none of these facilities is a historic site.

Historic Edenton

1996 Visitation: 25,035

School Group Visitation: 3,015

Staff: 7

Existing Admission Fees: Adult walking tour of six
buildings, \$6; students, \$2.50.
As most of the buildings on the
tour are not state-owned, the state
historic site receives only \$1 of
each admission fee.

Projected Decrease in Visitation with \$2 Fee: Valid data unavailable for this site because of the existing basic fee, which exceeds \$2.

Among competing historic attractions near the site are both public and private resources. Two free state historic sites, Historic Halifax and Somerset Place, are in the general vicinity. The Museum of the Albemarle, a regional state museum also under the Department of Cultural Resources, is in Elizabeth City about 30 miles away from Edenton. The free museum attracts some 15,000 visitors each year and offers a full range of museum programs and exhibits. The

Newbold-White House is a private historic house museum; its admission fees are \$2 for adults and 50 cents for children. The house lures about 2,000 paid visitors each year, but even more, 3,000, choose not to pay for a tour and instead merely wander about the facility outside or leave after a few moments. Historic Hope Plantation charges \$6.50 for adults and \$2 for students with 8,675 visitors. Historic Murfreesboro charges \$5 with 6,000 visitors.

A large majority of visitors to Edenton also apparently choose simply to walk around the historic district outside the historic structures rather than pay for the tours, indicating that the fee structure is ineffective for the state-owned portion of the site. Clearly the masses of tourists who decline the tours are not receiving the educational benefits of the site.

Historic Halifax

1996 Attendance: 35,723

School Group Visitation: 1,443

Staff: 5

Existing Admission Fees: None

Projected Decrease in Visitation with \$2 Fee: 36.5%

Historic Halifax is isolated in northeastern North Carolina without similar attractions conveniently nearby. Hope Plantation is fifty-five miles (and perhaps nearly ninety minutes) away. That privately run site charges \$6.50 for adults and \$2.00 for students but drew a mere 8,675 visitors in 1995, only about 25% of the attendance at Halifax. Halifax is also one of several state historic sites in North Carolina's poorest counties, and numerous disadvantaged local residents who now attend the site clearly could not do so if a fee were implemented.

Historic Stagville (administered apart from the Historic Sites Section)

1996 Visitation: 5,281

School Group Visitation: 862

The site would probably receive 9,000 to 10,000 guests per year if it were open on weekends.)

Staff: 2

Existing Admission Fees: None

Projected Decrease in Visitation with \$2 Fee: No survey done

Competing local historical attractions for Stagville are the same as for Bennett Place and Duke Homestead, except that relatively isolated Stagville is at a geographical disadvantage compared to sites in or nearer to Durham's population. With minimal visitor services and an inconvenient location, Stagville certainly would be impacted negatively by implementation of an admission fee.

Horne Creek Living Historical Farm

1996 Visitation: 22,685

School Group Visitation: 4,729

Staff: 4

Existing Admission Fees: None

Projected Decrease in Visitation with \$2 Fee: 50%

The rural farm competes with two sites 25 miles away in Winston-Salem. Old Salem, a nationally known historic town, attracts some 100,000 visitors annually at \$5 to \$12 with an established

array of active programs, demonstrations, fine restorations, museums, restaurants, and heavy advertising. Bethabara Park, which is free, offers essentially archaeological foundations to some 38,000 visitors each year. Only Horne Creek Farm's free admission and innovative programming offset its isolation, lack of facilities, and inconvenient location to enable it to compete with such attractions.

House in the Horseshoe

1996 Visitation: 16,341

School Group Visitation: 1,610

Staff: 3

Existing Admission Fees: None

Projected Decrease in Visitation with \$2 Fee: 38.3%

There are several competing attractions within 25 miles of the House in the Horseshoe. The Shaw House in Southern Pines, which attracts about 3,000 visitors per year, is run by the Moore County Historical Society with a part-time paid staff. There is no admission fee for the 1830s house museum and two smaller historic cabins. The society tried imposing a \$2 fee for a few months but abandoned the charge when attendance dropped drastically. The Malcolm Blue Farm at Aberdeen includes a historic house museum and a reconstructed barn with exhibits; the site offers some hands-on activities and charges no admission fee.

North Carolina Transportation Museum

1996 Visitation: 71,545

School Group Visitation: 5,886

Staff: 15: (most added in late
1996 with opening of
extensive roundhouse
exhibits and other
improvements)

Existing Admission Fees: None

Projected Decrease in Visitation with \$2 Fee: 29.3%

Halfway between Charlotte and Greensboro, the unique museum is the largest tourist attraction in its area, and no obvious competition is nearby. The Rowan Museum in Salisbury charges a \$3 fee.

James K. Polk Memorial

1996 Attendance: 21,800

School Group Visitation: 5,765

Staff: 4

Existing Admission Fees: None

Projected Decrease in Visitation with \$2 Fee: 45.9%

Located in metropolitan Charlotte, Polk Memorial must compete for public attention with an array of historic, sports, and other attractions and recreational diversions. Historic Latta Plantation charges \$2 for a basic tour and \$3 for a tour with demonstrations of historic skills but only draws 10,000 visitors. The Hezekiah Alexander House, very much more in the center of population than Polk Memorial, has a basic fee of \$4 and attracts some 15,000 visitors each year.

Reed Gold Mine

1996 Visitation: 52,095

School Group Visitation: 11,908

Staff: 7

Existing Admission Fees: None (optional gold panning, \$3)

Projected Decrease in Visitation with \$2 Fee: 44.5%

Reed Gold Mine is unique in many ways in the United States east of Colorado and is one of the few historic gold mines and associated museums in the entire country. It is 20 miles east of Charlotte and the Latta Place and Hezekiah Alexander historic houses discussed above in connection with Polk Memorial. Despite its location in the most isolated part of Cabarrus County, it consistently attracts a healthy attendance well above average for state historic sites; yet (as cited above), nearly half of its visitation would disappear with implementation of an admission fee.

Somerset Place

1996 Visitation: 25,389

School Group Visitation: 3,949

Staff: 5

Existing Admission Fee: None

Projected Decrease in Visitation with \$2 Fee: 25.2%

Somerset Place is in some respects one of the most isolated of North Carolina's historic sites, located in a sparsely populated, poor, and swampy eastern part of the state with few cultural amenities. It is adjacent to Pettigrew State Park, which has free admission, but there are no comparable historic sites near Somerset. Historic Edenton, another state site, is not too far distant to the north but is in a historic town setting. Many people travel within seven miles of Somerset on U.S. Highway 64 hurrying to the Outer Banks and never stop at the site; an admission fee would hardly get such travelers to visit the site.

State Capitol (administered apart from the Historic Sites Section)

1996 Visitation: 166,976

School Group Visitation: 69,940

Staff: 10

Existing Admission Fees: None

Projected Decrease in Visitation with \$2 Fee: Estimated 25 to 50% decrease, with the annual 75,000 school children visitors constituting the greatest portion of the decrease (no survey done).

The main arguments against charging fees for visiting the Capitol have to do with (1) the difficult public relations problems created by denying access to the Capitol to school children who cannot afford the fees and to some taxpaying citizens who will object to the fees or cannot afford them as well as (2) the cost of collecting fees. Taxpayers are apt to feel that the Capitol belongs to them and that they should have free access when it is open. Collection of fees is especially problematic because there are four entrances to the building which would need to be controlled. In addition, each year there are thousands of visits by state employees and statewide and worldwide visitors doing business in the building. These people would need to be screened and allowed free entrance. Criteria for this screening would be a constant source of arguments and hurt feelings. In short, one or two extra positions would be required just to collect fees, police the doors, and handle a constant barrage of public complaints.

Heavily attended competing attractions (the Legislative Building, mansion, state museums, and most nonprofit cultural attractions near the Capitol) do not charge admission fees. Visitors, when faced with a fee for the Capitol, probably would choose these other free attractions first. The only significant nearby attraction which charges fees is the Mordecai Historic Park, and its visitation is only 10,000 per year (other factors also contribute to its low attendance).

Town Creek Indian Mound

1996 Visitation: 34,401

School Group Visitation: 13,602

Staff: 5

Existing Admission Fees: None

Projected Decrease in Visitation with \$2 Fee: 51.1%

The Indian mound is about 10 miles from the Rankin Museum of American History in Ellerbe, a museum of about 5,000 square feet with attractive diorama exhibits on a variety of subjects, including people and natural history of North America. That museum charges a basic admission fee of \$2 to an annual attendance estimated to be about 5,000 people, only about one-eighth of the visitation to Town Creek.

Zebulon B. Vance Birthplace

1996 Visitation: 17,869

School Group Visitation: 2,261

Staff: 3

Existing Admission Fees: None

Projected Decrease in Visitation with \$2 Fee: 46%

Two historic house museums in the vicinity of the birthplace charge entry fees but have annual visitation much smaller than the free state historic site. These are the Smith-McDowell House, with an admission fee of \$3.50 and 4,000 guests and the Shelton House with a fee of \$4 and only 800 visitors. Of course, the low-priced (\$1) state-run Thomas Wolfe Memorial is also in the area and (like Vance Birthplace) attracts many times the number of visitors to the two house museums combined.

Thomas Wolfe Memorial

1996 Visitation: 20,860

School Group Visitation: 2,176

Staff: 6 (recently enlarged
because of a new
visitor center and
exhibits opening in 1997)

Existing Admission Fees: adult \$1; children 50 cents;
all groups half-price

Projected Decrease in Visitation with \$2 fee: 38.5%

As noted above under Vance Birthplace, Wolfe shares some of the same competing sites as the birthplace. Many more guests come to the free or less expensive state historic sites than to the more costly house museums. The Carl Sandburg House, a National Park Service property, charges \$2 and has 40,000 visitors.

AREA SITE/MUSEUM COMPARISON TABLE

<u>NC HISTORIC SITE</u>	<u>COMPARATIVE SITE</u>	<u>COMPARATIVE SITE</u>
Alamance Battleground No fee 14,941 visitation	Alamance County Historical Museum No fee 14,000 visitation	Cedarock Historical Farm No fee 18,000 visitation
Aycock Birthplace No fee 20,032 visitation	Country Doctor Museum \$2.00 fee 2,500 visitation	Tobacco Museum of NC \$2.00 fee 12,000 visitation
Bennett Place No fee 19,005 visitation	West Point on the Eno No fee 70,000 visitation to park	Patterson's Mill General Store No fee 6,579 visitation
Bentonville Battleground No fee 32,826 visitation	CSS Neuse No fee 17,109 visitation	Museum of the Cape Fear No fee 21,996 visitation
Charlotte Hawkins Brown Memorial No fee 10,700 visitation	Greensboro Historical Museum No fee 6,000 visitation to historic house	Guilford Courthouse National Historic Site No fee 40,739 visitation
Brunswick Town No fee 27,562 visitation	Fort Fisher No fee 144,741 visitation	Orton Plantation \$8.00 fee (gardens only) 30,000 visitation
CSS Neuse No fee 17,109 visitation	Caswell Fire Station Museum No fee 2,000 school children	Neuseway Nature Park No fee 20,000 visitation
Duke Homestead No fee 28,648 visitation	NC Museum of Life & Science \$5.50 fee 288,000 visitation	Duke Primate Center \$5.00 fee 12,000 visitation
Fort Dobbs No fee 10,314 visitation	Murray's Mill \$2.00 fee 12,000 visitation	
Fort Fisher No fee 144,741 visitation	Cape Fear Museum \$2.00 fee 68,000 visitation	Fort Fisher Aquarium \$3.00 fee 304,734 visitation
Historic Bath \$2.00 fee 23,008 visitation	Belhaven Memorial Museum No fee 5,000 visitation	Aurora Fossil Museum No fee 9,404 visitation
Historic Edenton \$1.00 fee 23,035 visitation	Hope Plantation \$6.50 fee 8,675 visitation	Historic Murfreesboro \$5.00 fee 6,000 visitation

Historic Halifax
No fee
35,723 visitation

Historic Stagville
No fee
5,281 visitation

Horne Creek Historical Farm
No fee
22,685 visitation

House in the Horseshoe
No fee
16,341 visitation

North Carolina Transportation Museum
No fee
71,545 visitation

James K. Polk Memorial
No fee
21,800 visitation

Reed Gold Mine
No fee
52,095 visitation

Somerset Place
No fee
25,389 visitation

State Capitol
No fee
166,976 visitation

Town Creek Indian Mound
No fee
34,401 visitation

Zebulon B. Vance Birthplace
No fee
17,869 visitation

Thomas Wolfe Memorial
\$1.00 fee
20,860 visitation

Hope Plantation
\$6.50 fee
8,675 visitation

West Point on the Eno
No fee
70,000 visitation to park

Old Salem, Inc.
\$5.00 to \$12.00 fee
100,000 visitation

Shaw House
No fee
3,000 visitation

Rowan Museum
\$3.00 fee
750 visitation

Historic Latta Plantation
\$2.00 to \$3.00 fee
10,000 visitation

James K. Polk Memorial
No fee
21,800 visitation

Historic Edenton
\$1.00 fee
23,035 visitation

Mordecai Historic Park
\$4.00 fee
11,000 visitation

Rankin Museum of American History
\$2.00 fee
5,000 visitation

Smith-McDowell House
\$3.50 fee
4,000 visitation

Carl Sandburg House
\$2.00 fee
40,000 visitation

Aycock Birthplace
No fee
20,032 visitation

Duke Homestead
No fee
28,648 visitation

Bethabara Park
No fee
38,000 visitation

Malcolm Blue Farm
No fee
20,000 visitation

Hezekiah Alexander House
\$4.00 fee
15,000 visitation

Hezekiah Alexander House
\$4.00 fee
15,000 visitation

Pettigrew State Park
No fee
97,000 visitation

NC Museum of History
No fee
269,361 visitation

Shelton House
\$4.00 fee
800 visitation

Smith-McDowell House
\$3.50
4,000 visitation

Concessions

Historic sites provide concessions in three principal areas: gift shop sales, historic demonstrations, and special events. Revenue from these concessions is used to support historic sites and their mission of preserving and interpreting properties throughout the state.

Gift Shops

Most of the historic sites provide an opportunity for visitors to purchase souvenirs. Site gift shops vary in size, from a small sales desk operation at the Vance Birthplace to a full shop with numerous display cases and racks at the Transportation Museum. The smaller sales desks originally were designed to provide minimum opportunities for souvenirs at developing sites. As the need for educational programming and public awareness became apparent, many sites developed friends groups to assist in fund raising and development. Those nonprofit support groups began operating the souvenir shops and using the proceeds specifically to help the particular historic sites served by the organizations. Some of the societies also raised money through donations made at the sites and used for enhancement of site programs and various amenities.

There are several benefits to allowing friends groups to sponsor donation boxes and gift shops. First, the organizations represent critical local involvement in the historic sites. Community pride and support are vital keys to successful historic sites. In addition, nonprofit groups have more flexibility in fiscal matters, such as spending funds, while still maintaining appropriate budgets and financial records. Larger shops are required to undergo annual audits. Finally, revenue generated at given sites from this visitor service can be applied directly to improving the programs offered to guests at the specific sites.

Our focus groups and other visitor studies strongly support this activity. Teachers, community leaders, and general visitors want proceeds to support the specific missions of historic sites generating the revenue. A number of focus group participants, as seen in the sampling of their views below, have suggested looking for ways to increase donations and gift shop revenues.

"If a little fee would make it well-manned, it would be worth it when we arrive wherever we're going. I would like to interject that the children from our school are more than anxious to buy souvenirs. And if you could have someone to take care of that, you could make quite a bit of money." [TN]

"If it's more like a contribution rather than an admission . . . and you think of it as being a contribution, your contribution to the site and what it has to offer. At that point you're saying, 'I would like this exhibit to be expanded in some sort of way.' " [CN]

"I would really like you to push that gift shop instead of an admission fee because you could make a lot of money." [TN]

"You should consider voluntary contributions versus charging. Contributions do produce some income. Most historic sites have donations boxes. Even then, the public needs to know what it is used for." [CN]

"Has anybody said anything about pushing for donations as opposed to an admission? You could say, 'we ask when you come to please bring a donation.' Sometimes people would give more if they were given a chance to give what they wanted. I think that would solve the problem of 'I don't want to give anything.' If you can afford a

nickel, give it. You may be able to afford a dollar—give it, but as we go please donate something. And I think that's the answer." [TN]

"Again, if they can donate something, let them. But students get in free. That way you're covering the family that may not have the money. But you may have a family that sincerely wants to broaden the horizons of their children, and they're looking for family-oriented things to do but may not have the extra money." [TN]

"Add on a room to the gift shop, and just bring the gifts in. Let that be a major money-making thing." [TP]

"Well, let's face it. That's the most important part of the trip for the kids." [TN]

"And I believe the place would make money if they managed the gift shop right. I don't believe there's much question about that. It would be as much as if they charged admission." [TN]

We recommend that gift shops continue to be sponsored by nonprofit friends groups. Current sales desks operated by the state should continue in that manner until opportunities to develop sponsorship by friends groups are successful. Revenue should be directed toward meeting the needs of historic sites.

Historic Demonstrations

Many interpretive programs at historic sites feature special demonstrations. A musket-firing demonstration at Fort Fisher, panning for gold at Reed Gold Mine, and cooking and making candles at various sites are some examples. The gold-panning operation at Reed Gold Mine is receipted by the state. The train ride at Spencer is sponsored and operated by the friends group, the North Carolina Transportation History Corporation. Other similar societies sponsor school-group demonstrations through minimal fees. The section sponsors many other demonstrations for free. We recommend continuing the present mix of public and private sponsorship of demonstrations.

Special Events

Occasionally, historic sites may provide special events that require immense planning and execution. A major reenactment at Bentonville, Rail Days at the North Carolina Transportation Museum, and the Thomas Wolfe Festival at Wolfe Memorial are examples. The friends groups most often sponsor such activities and retain funds from the events. This partnership between the sites and support groups has worked well, once again with realized revenue used to meet the needs of the historic sites.

In all three cases, active, dedicated friends groups are very important to the success of historic sites. Development opportunities should be pursued at all sites to generate both financial and community resources.

General Conclusions: Narrative

After lengthy debate, the study group decided to recommend that there be no new admission fees at sites. The recommendation takes into consideration numerous factors in seeking the best alternative for North Carolina's state historic sites and citizens.

Results of experimenting with fees in other states have been very questionable, with a significant number of states (such as Georgia, Illinois, Kansas, Missouri, and Michigan) reporting problems of severe decreases in attendance and/or lack of enough revenue to offset increased costs of administering fees.

In North Carolina the experience of state aquariums, with a precipitous decline in visitation (from 29 to 36%) after implementation of fees in 1994, is cause for ample concern that historic sites would also experience a severe plummeting of attendance and consequent decrease of services to citizens if fees were implemented. This worry is validated by data analyzed above for each Tar Heel site from extensive visitor surveys conducted by the section in 1993 and 1994, which revealed that as many as 70% or more of people would not visit some sites if fees were charged.

The focus groups organized by the section in 1996 supported those assertions. Many participants in the study believe that admission fees would cause visitation to decrease, be consumed by administrative and bureaucratic expenses, and not benefit the site at which they were collected. These same citizens want any fees to be used to improve sites at which they would originate and would expect much-improved services, facilities, and programs from historic sites with fees.

To meet this significant increase in visitor expectations for more adequate programs, amenities, and historic resources at the sites would be very costly, yet the section has no reserves from which to provide such enhanced items and services. Capital improvement needs alone at the sites (indicated above for individual sites) amount to a total of \$40.15 million for historic structures, \$12.25 million for exhibits, \$10.1 million for visitor centers, \$3.4 million for land, and \$1.55 million for maintenance buildings. For instance, Bennett Place lacked rest rooms for years and used a surplus trailer as an initial "temporary" visitor center for a decade; Horne Creek Farm still uses a small trailer for a visitor center, and House in the Horseshoe's "visitor center" is a small converted packhouse. In addition, the sites would require a minimum of several hundred thousand dollars per year for salaries for new interpreters, even after recruiting and training hundreds of new volunteers. Clearly, North Carolina's state historic sites as a group would not be competitive if they charged admission fees with no corresponding improvements of the historic facilities. Time and again people who may not object to modest fees obviously demand better resources and services in return for paying the charges.

Historic sites, like schools, are part of a broad education of the public. North Carolina's children study the history of their state in fourth and eighth grade, and many of these young people enhance their knowledge of this heritage by visiting historic sites in organized school groups or with family and friends. Any fees would greatly harm this educational offering, since large numbers of people would not avail themselves of it. Schools are hard pressed now to fund educational field trips, and adding new costs would hardly help them.

North Carolina's state historic sites contribute greatly to tourism, which at \$9.2 billion has become the second major industry in the state, just behind manufacturing. Heritage tourism, including historic sites, accounts for 10% of tourism nationally but is growing at a rate six times that of traditional tourism. The National Endowment for the Humanities says visitors to historic sites stay an average of a half-day longer and spend an average of \$62 more than other travelers. North Carolina's state historic sites position the state to take increasing advantage of that economic trend. A recent national poll by Lou Harris for *Travel & Leisure* revealed that since the 1980s travelers have become much more interested in enriching travel experiences, such as understanding culture, than in escapism, luxury resorts, night life, and costly foods. Fully half of those polled (up nearly 100% in a decade) gave high ratings to cultural and historical treasures, and a remarkable 88% desired to learn about culture. Forty percent of travelers in the Tar Heel State indicate they stop at historic places. In such a climate, visitors to North Carolina's state historic sites provide a significant and increasing part of the \$9.2 billion tourism contributes to the state's economy each year. Adding fees at the sites certainly could hinder this vital economic engine, predicted to become North Carolina's number one industry in a few years.

Admission fees also would have an adverse impact on those poorer North Carolinians who live in a number of counties containing historic sites. Historic Halifax in Halifax County and Somerset Place on the border of Washington and Tyrrell Counties are prime examples. Of course, throughout the state, people with relatively less disposable income would have difficulty paying a fee to visit any site. The state's less-affluent and less-educated citizens, many of whom are African Americans, already do not attend historic sites as much as their better-paid, better-educated peers, and fees would only tend to increase this disparity among North Carolinians.

At a number of historic sites volunteer support groups, often nonprofit committees or corporations, do charge activity fees for special programs. Those charges may range from a fraction of a dollar for supplies connected with children's groups or hands-on crafts at Aycock Birthplace to several dollars for a train ride at the Transportation Museum. Such modest, optional activity charges should be left alone, as they typically cover costs of expendable supplies that the state would have to absorb if the activities were to be continued for visitors without the support groups' work.

The dangers of charging admission fees at North Carolina's currently free historic sites become apparent when one compares what visitors say they would pay with costs of administering such a fee system. Typically 35 to 40% of visitors across the state say that they would pay only \$1 or less to visit a state historic site, yet, as previously explained, the break-even point for fees appears to be two dollars. If one counts those who refuse to pay more than \$2 at a site, then the percentage of current visitors in that category rises toward the 70 to 75% range and reaches as high as 95% at one site. It is extremely difficult, then, to see how the state could avoid losing money, let alone make money, with admission fees that visitors would actually support.

Existing fees at other sites (Historic Bath, Historic Edenton, and Wolfe Memorial) probably should be phased out eventually if a way can be found to replace the lost revenue, which supports programs at those sites. The fees are an anomaly in the total statewide system and are not working effectively. The fees are modest and do not yield much revenue, especially at the two eastern sites, where the collection rate for various reasons is at or under 25% of the visitors who enter the visitor centers.

Appendix I

Focus Group Data

Given the variety and uncertainty of various other states' experiences, the section conducted the representative focus groups described above with particular intent to learn the latest views of North Carolinians on the matrix of topics related to the issue of admission fees at state historic sites. A number of trends were evident in the opinions of the teachers and community groups taking part in the sessions; those tendencies are highlighted below with sample comments by group participants. Various patterns developed during the course of the focus group study. Topics that were mentioned in at least four of the six focus groups were considered significant and are listed below with representative quotes. The notation at the end of each quote denotes its origin. (The sources are: CTM, community group at the Transportation Museum; TTM, teachers at the Transportation Museum; CP, community group at Polk; TP, teachers at Polk; CN, community group at CSS *Neuse*; and TN, teachers at CSS *Neuse*.)

Admission Fees Would Result in Fewer Visitors. Many study participants felt that an admission fee would have a negative impact on visitation.

"The more you charge, the more people want. The more you charge, the less people want to come." [CTM]

"It could cut down on repeat visits. For example, if I have family and friends out of town visiting me and I want to bring them down here, but I've been here and paid five times in a row, well, I don't think I would want to keep paying to see the same thing over and over." [CN]

"If you charge a fee are you automatically omitting a portion of the public that might have gone and learned something educational had there not been a fee? But you know there's surely a handful of people that would have said, 'Well gosh, if that would have been free, we could go.' But if you have three kids and it's two dollars per person, you know--plus the mom and the dad--you're already up to a fairly big chunk of money." [TP]

"I think visitation would drop from the merely curious to the people who have a real interest in whatever the subject is. People who are train buffs would certainly pay to come to Spencer Shops, but I don't know about others." [TTM]

"And one thought I had, when you talk about charging admission a lot of people may not go." [TP]

"You have so many families that want to get out and do things, but don't have the finances to do so. And they can come here and enjoy things and not have to pay, except to ride the train--and that's minimal and optional. I'm afraid it might keep some of the people away that enjoy it now." [CTM]

"So you probably will get reactions like 'Look, the state's got plenty of money. Why are they going to charge us to go through these sites?' At times it might reduce the number that might really visit the site." [CP]

Visitor Expectations of Sites Would Increase. Many focus group participants indicated that their expectations would increase if an admission fee were charged to visit a state historic site.

"I'm going to be very up-front. A lot of the sites have a reputation of being stagnant. It is the same thing constantly. If they did charge and the money stayed at the site and you saw improvements in the programming and everything else, then my expectations would go sky-high for them. Very positive, I think. But I would have to see some improvement from the charge of admissions." [CP]

"I would want people there to answer questions. Show me things that I might not see otherwise. I'd want the little push-button recording that would explain each thing and that has to be maintained. I'd want people there in costume, period costume, to make it more authentic." [CTM]

"If you brought a school group, you would expect facilities that would accommodate a large group. Like we bring eighty second-graders, and most sites I've visited don't have enough bathrooms for school groups." [TTM]

"I would expect more meat on the table. If they're going to charge, I wouldn't be looking for a half-hour to hour walk-through tour with a guide. I'd want to be able to spend some time there. Learn something." [CTM]

"I would expect us to have more to offer than we have now if we charged a fee. I would sure expect changing exhibits and have different things to do from the last visit." [CN]

"Something to keep our children's attention--fun exhibits that can be touched." [TN]

"If it was something that I paid for, I would expect *lots* of things where the kids can touch and feel, and different kinds of things that they can do instead of just walking through and looking at things and reading. You know, buttons to push with things that light up . . . all that kind of stuff that they love." [TP]

Administrative Costs Would Consume an Admission Fee. A large number of participants indicated that the cost of administering an admission fee would consume most of the revenue.

"The bookkeeping. Sometimes you're dealing with such small amounts that labor is not being paid for in itself." [CN]

"I'm opposed to charging students and children. And I'd also say, get out your calculator and calculate the amount of money we're talking about. How many people come? How much money would it generate at different levels of admission and at which of these levels would you have a decrease in the number of people . . . in the amount of traffic? And look at it strictly from a dollars-and-cents standpoint. From what little bit we've done here it doesn't look very promising about really making any money." [TN]

"The staff that works out here would have to start a bookkeeping system of some sort to keep up with the funds . . . banking and things of that nature." [CP]

"I'm kind of on the negative side due to the fact that it is not going to end just by charging a fee. All of these other things are going to have to be entwined in it, which, you know, would probably cost more than the fee you would receive from it." [CP]

"I was just thinking, every time you start dealing with money, then you have to have somebody paid to take the money, then you have to have somebody paid to do the receipting and whatever else. Then you have to have somebody paid to divvy it back out, and you wonder how much of it really gets back to the site. Does it become counterproductive because of the bureaucracy? How much red tape is involved?" [TP]

"If you charge admission you're going to have to seal off the site. So that you have one, two, three areas--whatever. Every site is going to have to be enclosed to begin with. That's going to be extra cost up front. If people pay admission, they are going to want more. So then you're going to have to add to the staff and the personnel--people taking the admission, people taking the tour, people being available at every area . . . you're going to have to add a whole lot of staff, and I would see that as an immediate cost and a disadvantage." [CTM]

"I would just like to caution them on one deal. Just because you're taking in money doesn't mean you're making money. You may be spinning your wheels." [CTM]

Many Feel Historic Sites Should Be Free. Many participants in the study indicated that state historic sites should be free. In addition, some participants feel that they are already supporting sites with their tax dollars and see an admission fee as an additional tax.

"I don't like admission fees for state property. Our tax money goes for a lot, so you sort of feel like you've already paid out a little bit even though you're not walking through a turnstile paying two dollars when you pay your taxes. The state should take responsibility for educating people." [TP]

"I think sometimes people like to know they are getting something for their tax dollars. They might want to come in and visit if they didn't have one [admission fee]. Then that might be a plus." [TN]

"Some people might see it as 'all that you're collecting is taxes, so I don't have to pay.'" [TN]

"I am opposed to the idea of charging admissions to state historic sites." [TN]

"I think we give the state quite a bit as it is, from our tax dollars. I think it would be an advantage if it were put back into historical sites. And it's theirs. Whatever they bring in is theirs." [TTM]

"If it's educational for elementary school groups, it's educational for me, or for my grandparents. It's educational for everybody. If the state is going to do these sites, I think it should be free or a flat, very cheap fee for everybody. I think that's what the state should do—for everyone in the state." [CTM]

School Groups Should be Admitted Free. Almost every study participant indicated school groups should be admitted free.

"No matter what they do, all these sites are educational sites. And they are there for us to learn. If they decide to charge, the educational trips for school children from any organization should be free." [CTM]

"I'm against charging for school groups. A lot of children would not get an opportunity to take a vacation or a trip if it wasn't for our school systems. So I do agree that educational trips should be free, because that's where our future is—with our children." [CTM]

"In other states, like Georgia, Virginia, some in South Carolina, especially with national historic sites, school groups—if it is an educational trip—are free. They just have a letter on their school letterhead addressed to that site." [CTM]

"My feeling about having school groups pay an admission to state historical sites. . . . It should not be, because you are supposed to be working with us. You're part of the state, and the state should provide education for children." [TP]

"I think we need to keep it free for school groups and possibly free for all children under the age of ten. People may not mind paying an admission fee if their children get in free." [CN]

Historic Sites Are Important to North Carolina Tourism and Local Economies. Numerous participants believed that sites were significant assets to local economies.

"I don't know if a fee would affect me personally, but I know we do a lot of business with motor coaches, and when a tour operator is putting a group together, their decision on where they go and where they stop weighs very heavily on the costs. They have to keep their total costs down. For an area like Kinston, with it not being considered a visitors' destination, one of the things that we market is the fact that there are no costs and that it's very affordable. . . ." [CN]

"I would just like to say that the site here in Pineville has certainly been an asset to the community. It brings in people from all over the country and that helps the local economy. They have a wonderful staff here. Mrs. White and all of them do a great job, and the town government has always supported the site and helped in any of the things that they have asked us to do. We're fortunate to have this in our town." [CP]

"This site is a big drawing card for the state. If you're interested in trains and traveling in North Carolina, you will probably stop in for a visit. If there were a large admission fee, then tourists may not stop as frequently." [TTM]

"If they don't have the admission charge, visitation would be higher. The out-of-town visitors help the local market, and that money goes into sales taxes. The state is still getting money from the site. It doesn't have to be through an admission charge." [CTM]

Any Admission Fees Should Be Modest. Participants indicated that an appropriate admission charge should be minimal or only a few dollars. Many cited a range of two to three dollars.

"If you're going to go from no charge to an admission charge, I would say, to start off, no more than maybe a few dollars. It would be a shock to everybody." [TTM]

"A charge sometimes creates a real negative response. Oh, they're going to charge five bucks . . . I'm not going to go out there and see that. . . . I'm not going to pay that." [CP]

"I think if there is an admission fee, they should be very careful to make it as minimal as possible so that the site remains accessible to as many people as possible. Do be aware that there are plenty of people that cannot afford \$4 or \$3 even. There's lots of people that cannot afford that, and you're automatically omitting them from participating and learning if the fee is more than just a very minimal charge." [TP]

"I don't think anyone would complain about a one-dollar admission. . . . A four-dollar admission, then a lot of people are going to complain. The more you pay, the more you expect." [CTM]

"If admission charges are going to be made, they need to be reasonable and in line with what every person, regardless of their income, can pay." [CN]

Admission Revenue Should Stay at the Site at Which It Is Collected. Participants cited this topic during all six focus groups and had strong feelings concerning how admission funds would be utilized. Almost everyone indicated that the fees should remain at the individual sites and not go back to Raleigh.

"I don't mind nearly as much paying a dollar or donating a little bit of money if I just know that it's going to go back towards the site where we are visiting and that it's going to go to good use and not just get lost." [TP]

"I want the money to go back to the sites. Make sure they get some good out of it. Instead of going to something else in the state, like the general fund." [TTM]

"It's an advantage if the money is used to improve the site. To expand what's there. Except sometimes Raleigh keeps the money. Then it wouldn't be an advantage. But if you were able to keep the money here." [TN]

"I think you will have a lot of opposition unless that money stays where it's collected. I think politically people won't care for that. I think it will be an advantage if it stays where it is collected. And I think it might be a disadvantage if that money goes back to bureaucracy to be doled out a second time." [CN]

"I don't think it should go to Raleigh to be divided among other historic sites or anything else. That's just kind of my gut feeling." [CP]

"It would depend on where that money was going. If that money is being pumped back into the site, benefiting the site . . . then that makes the site better by having an admission fee. If that admission fee is going back to Raleigh, . . . then 'No.'" [CTM]

Increased Publicity Is Needed. Several participants indicated that sites would need better publicity if an admission fee were charged.

"The increased revenue, if the sites were able to keep the money, could be used for marketing, upkeep, or promotions." [CN]

"But it depends on the perceived value, as we were talking about before. And in order to determine what the perceived value is, you do have to have brochures out there and advertise." [CP]

"Well, that's certainly something Historic Sites needs. If we did charge an admission, I think some of it should go into advertising. This is a great place, but nobody knows about it. If we advertised, I think visitation would really increase." [CTM]

While the focus groups by design provided more imaginative responses than the previous visitor surveys to certain aspects of issues such as admission fees and the use of any funds which may be generated by possible fees, neither source could offer precise details about future effects of fees on cash flow at the sites.

Appendix II

Historical Significance of Individual Sites

Alamance Battleground near Burlington is the site at which two thousand armed backcountry farmers called Regulators fought royal governor William Tryon's militia in 1771. Tryon won the battle and ended the so-called War of the Regulation, an important rebellion of western farmers against local government corruption just before the American Revolution.

Charles B. Aycock Birthplace is a typical nineteenth-century family farm with a house, separate open-hearth kitchen, corncrib, barn, and smokehouse; it is also the birthplace of North Carolina's reform-minded education governor of 1901-1905. Governor Aycock dedicated much of his life to improving public education in the state.

Bennett Place in Durham is the farmstead of James and Nancy Bennett. In April 1865 Confederate general Joseph Johnston and Union general W. T. Sherman met there. The two men signed papers providing for the largest surrender of Southern armies and an end to the Civil War in the Carolinas, Georgia, and Florida. Today the reconstructed farmhouse, kitchen, and smokehouse depict an ordinary Southern farm of the Civil War period.

Bentonville Battleground near Newton Grove occupies part of the land on which eighty thousand Union and Confederate soldiers fought one of the last major battles of the Civil War. The Harper House, open for tours today, was a field hospital at which wounded from both sides were treated. The site includes the Harper family cemetery, a Confederate grave for 360 soldiers, and Union earthworks.

Charlotte Hawkins Brown Memorial at Sedalia, the former Palmer Memorial Institute, honors a noted African American educator and civic leader. Charlotte Hawkins Brown founded the school in 1902 on a shoestring budget and guided it for fifty years, building a fine preparatory school and transforming the lives of more than one thousand black graduates. Today the memorial links Brown and Palmer to the larger themes of black education and social history.

Brunswick Town on the Cape Fear River near Winnabow was a colonial port of note prior to the rise of Wilmington. The site includes Russellborough, the home of royal governors Arthur Dobbs and William Tryon. The village was razed by the British in 1776 and never rebuilt. During the Civil War, Fort Anderson was constructed on part of the village site. The tour trail passes colonial foundations and crosses the earthworks of the Confederate fort.

CSS *Neuse* in Kinston is a Confederate ironclad vessel completed in 1864. Low water in the Neuse River prevented the ship's entry into the war. In 1865 Confederates sank the *Neuse* to avoid its capture by Union troops. The massive hull was pulled from the river in 1963 and later placed on display. The Richard Caswell Memorial, an exhibit center honoring the state's Revolutionary leader and first governor, is adjacent to the *Neuse* site.

Duke Homestead in Durham is the early farm on which Washington Duke first grew and processed tobacco. Duke's sons later founded the American Tobacco Company, the largest tobacco firm in the world. The tour includes Duke's restored home, a factory barn, a curing barn, and the packhouse. The tobacco museum exhibits trace the history of tobacco from Indian times to the present.

Fort Dobbs near Statesville, named for royal governor Arthur Dobbs, was built in 1756 during the French and Indian War to protect settlers. Historians conjecture that the fort soon deteriorated after pioneers pushed farther westward. Archaeological excavations show the moat, cellar, magazine area, and well of the fort; modest exhibits relate civilian and military life of its era.

Fort Fisher below Kure Beach was the last major Confederate fort on the Atlantic coast during the Civil War and kept the port of Wilmington open to blockade-runners supplying Confederate armies. The earthen fort's fall after heavy naval bombardment in January 1865 helped seal the fate of the South. Items from sunken blockade-runners are exhibited in the visitor center.

Historic Bath is North Carolina's first town, incorporated in 1705. Nestled between two coastal creeks, the village today features several buildings of interest, including the earliest North Carolina church still in continuous use. Tour guides present two houses, the Palmer-Marsh House (1751) and the Bonner House (ca. 1830), both of which have been fully restored and furnished. The Van Der Veer House contains exhibits tracing the town's history.

Historic Edenton is the heart of an eighteenth-century town rich in architecture and history. Of six fine buildings on the guided tour, two are maintained by the state: the Chowan County Courthouse and the James Iredell House. George Washington appointed Iredell to the first Supreme Court of the United States. The walking tour also includes a visitor center and the 1736 St. Paul's Episcopal Church, the 1758 Cupola House, and the ca. 1782 Barker House. Two tour buildings are National Historic Landmarks.

Historic Halifax, a former port on the Roanoke River, developed into a commercial and political center. The Halifax Resolves and the state's first constitution were adopted there. A guided walking tour includes four authentically restored and furnished buildings: the 1760 home of a merchant, the house/law office of a nineteenth-century attorney, the 1808 home of a wealthy landowner, and the 1833 county clerk's office, containing a working printing press. The site also boasts a major archaeological exhibit.

Historic Stagville (not in the Historic Sites Section) near Durham comprises the heart of antebellum Stagville, the original plantation of the wealthy Bennehan and Cameron families. Stagville retains the plantation house, a very large timber barn, and a remarkable set of slave quarters. The site also has a modern classroom building for seminars and workshops.

Horne Creek Living Historical Farm near Pinnacle is a typical northwestern Piedmont foothills farm of about 1900. Its farmhouse, double-crib log barn, outbuildings, fields, and orchard are being developed as a place to experience everyday farm life of that era. Visitors take part in daily and special activities of bygone farm life and see, smell, touch, and hear things once common but now vanishing in North Carolina.

House in the Horseshoe near Sanford is a ca. 1770 plantation house named for its location on a horseshoe bend in the Deep River. The house was owned by Philip Alston, whose band of whigs was attacked by Tories led by David Fanning in 1781. Later, four-term governor Benjamin Williams lived in the house, which now contains furnishings of the colonial and Revolutionary War eras.

The North Carolina Transportation Museum at Spencer was Southern Railway's primary repair facility in the heyday of steam railroading. There, mammoth steam locomotives were hoisted by cranes, repaired, and rebuilt. Today the museum features more than thirty locomotives and rail cars displayed in a restored roundhouse, an on-site train ride and restored station, exhibits on autos and other modes of transportation, and several unrestored industrial buildings.

James K. Polk Memorial in Pineville, on the land of the parents of the eleventh president of the United States, commemorates significant events in his administration: the Mexican War, settlement of the Oregon boundary dispute, and the annexation of California. Reconstructions of a log house, separate kitchen, and barn feature ca. 1800 furnishings.

Reed Gold Mine near Stanfield is the place where twelve-year-old Conrad Reed's chance discovery of a gold nugget in 1799, the first discovery of gold in the United States (fifty years before the finding of gold in California), led to a gold-mining industry in the Carolinas. Visitors today can tour four hundred feet of underground tunnels, enjoy a museum, and pan for gold.

Somerset Place near Creswell once was one of a handful of extensive plantations in the state and supported over three hundred African American and white residents. Its spacious lawn, formal gardens, expansive porches, and expensive furnishings reflect its owner's wealth. Current archaeology, tours, and programs recall the lives and contributions of slaves and owners at the plantation.

The **State Capitol** in Raleigh (not in the Historic Sites Section) was built in 1840 and remains one of the nation's finest examples of civic buildings of the Greek Revival style. With its original furnishings, the Capitol is still used for ceremonies and contains offices for the governor and secretary of state. Much of the building is open for tours.

Town Creek Indian Mound overlooking the Little River near Mount Gilead is a reconstructed Native American center that served as a palisaded refuge and place for religious ceremonies and feasts more than five hundred years ago. Reconstructions of a major and minor temple, burial house, and palisade are based on archaeology conducted there for many years since the 1930s. A learning center is used for educational activities.

Tryon Palace in New Bern (not in the Historic Sites Section) was the capitol of the colony of North Carolina and the residence of royal governor William Tryon just before the American Revolution. The thirty-eight-room main building was burned in 1798 but reconstructed from the original plans in the 1950s. Today costumed guides give tours of the compound.

Zebulon B. Vance Birthplace near Weaverville is a pioneer farmstead tucked in a mountain valley. Vance's political career as Civil War officer, governor, and U.S. senator, as well as the history of his famous mountain family, is traced in the visitor center. The five-room log house, and the outbuildings are furnished to the 1795-1840 period.

Thomas Wolfe Memorial in Asheville is the twenty-eight-room Victorian boardinghouse once run by the mother of novelist Thomas Wolfe. Fictionalized in *Look Homeward, Angel*, Wolfe's boyhood home and its original furnishings preserve the flavor of an early twentieth-century boardinghouse where paying guests received room and board.

Appendix III

North Carolina Historic Sites
Capital Improvement Needs
December 1996

<u>Site</u>	<u>Historic Structures</u>	<u>Visitor Center</u>	<u>Maintenance Buildings</u>	<u>Exhibits</u>	<u>Land</u>
Alamance Battleground		250 k.	100 k.	200 k.	
Aycock Birthplace	50 k.		250 k.	200 k.	50 k.
Bennett Place	100 k.			50 k.	100 k.
Bentonville Battleground	50 k.	1 m.	100 k.	400 k.	500 k.
C. H. Brown Memorial	10 m.		100 k.	1.6 m.	250 k.
Brunswick Town	2 m.			300 k.	
CSS Neuse	3 m.	1 m.		400 k.	
Duke Homestead	200 k.	1 m.	100 k.	250 k.	
Fort Dobbs	1 m.	1 m.	100 k.	250 k.	
Fort Fisher	1 m.			250 k.	
Historic Bath	100 k.	350 k.			
Historic Edenton	500 k.		100 k.	100 k.	100 k.
Historic Halifax	550 k.	500 k.	200 k.	700 k.	500 k.
Horne Creek Farm	250 k.	1 m.	100 k.	500 k.	500 k.
House in the Horseshoe	100 k.	1 m.		300 k.	100 k.
NC Transportation Museum	19 m.			5 m.	1 m.
Polk Memorial	100 k.		100 k.	100 k.	
Reed Gold Mine	1 m.	250 k.	100 k.	400 k.	100 k.
Somerset Place	1 m.	2 m.	100 k.	500 k.	100 k.
Town Creek	100 k.	500 k.	100 k.	400 k.	
Vance Birthplace	50 k.	250 k.		200 k.	100 k.
Wolfe Memorial				150 k.	
Subtotals	40.15 m.	10.1 m.	1.55 m.	12.25 m.	3.4 m.

Grand Total \$67.45 million

Appendix IV

USS NORTH CAROLINA BATTLESHIP COMMISSION ADMISSION FEES REPORT

The USS North Carolina Battleship Commission was created by North Carolina General Statute 143B-73 which authorized and empowered them to establish, maintain and operate the USS NORTH CAROLINA as a permanent memorial and exhibit commemorating the heroic participation of the men and women of North Carolina in the prosecution and victory of the Second World War. Included in the duties of the Battleship Commission is the directive "to establish and provide for a proper charge for admission to the ship." The Battleship Commission is located within the Department of Cultural Resources, however, it is not one of the 22 Historic Sites. It should also be noted that the Battleship Memorial is an enterprise activity of the State of North Carolina in which all costs of its operations of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges.

In practice, the Battleship Memorial has been self-sufficient since its establishment in 1961. The periodic adjustments in the admission fee schedule have been made by the Battleship Commission to ensure that self-sufficiency is maintained. In October 1996 the Battleship Commission authorized an increase in the admission fee schedule to take effect on 1 January 1997. That schedule and the two previous ones are provided for comparison as follows:

	Effective Date of Implementation		
	<u>1 Jan 89</u>	<u>1 Jan 93</u>	<u>1 Jan 97</u>
Adult	\$ 5	\$ 6	\$ 8
Senior (65 yrs or older/Active Duty Military)	n/a	n/a	7
Child (over 12 yrs)	2.50	3	4
School groups (7-12)	2.50	3	4
(K-6)	1.25	1.50	2

Fiscal Year averages over the four-year periods:

Visitation	251,306	223,411
Admission revenue	\$1,142,831	\$1,163,052
Revenue per visitor	\$4.55	\$5.21

Visitation levels at an outdoor venue such as the Battleship are susceptible to a number of factors other than price including the economy and weather. Any economic condition causing reductions in disposable income means less travel and, for us less visitors. Weather is particularly pervasive. Inclement conditions means a loss in visitation and revenue which can not be made up. At the extreme, Hurricanes Bertha and Fran cost the Battleship over 24,000 visitors; that alone would have raised the four-year average to almost 230,000. The hurricanes also caused a direct loss of \$250,000 in total revenue (admissions and sales).

D. R. Scheu
CAPT, USN (Ret)
Director

Appendix V

REPORT FROM ROANOKE ISLAND COMMISSION ADMISSION FEES

The Elizabeth II State Historic Site transferred administratively and operationally to the Roanoke Island Commission by legislation in 1995. This Independent commission is located within the Department of Cultural Resources. The Commission's duties include "to establish and collect a charge for admission to any property or event operated by the Commission".

The Elizabeth II has charged admission since opening in 1984.

Since 1984, the site has generated admission revenue of \$1,556,171, or an average of \$129,681 in annual admission revenue.

In August, 1996, the Roanoke Island Commission authorized the following increase in admission fees:

	Existing	Revised
Adult	\$ 3.00	\$ 4.00
Senior	2.00	4.00
Children (over 6)	1.50	2.00
Adult Group (10 or more)	2.50	3.00
Senior Group	1.50	3.00
Children/School Groups	1.00	1.50

The following results have occurred:

10 year average paid visitation August - December:	21,565
1996 paid visitation August - December:	<u>18,678</u>
	-2,887

10 year average admission revenue August - December:	53,741
1996 admission revenue August - December:	<u>59,593</u>
	+5,852

It is important to note that visitation is down following this increase; however, it is also important to note that this site engaged upon a major capital improvement project on August 1, 1996. The construction activity is believed to have had a more adverse impact on visitation than the admission increase. Careful tracking of customer satisfaction has also noted that the only unfavorable comments about the increase relate to the senior increase. We believe the positioning by the Commission with increased admission rates allows the site to maintain revenue levels, thereby maintaining the quality of programming, and keeping operating appropriation requests at the lowest possible level.

It should be noted that the Elizabeth II site is in a unique area. Visitation in this area is extremely strong and there exists a large pool from which to draw. This same situation would not apply at many historic site locations.

Tryon Palace

HISTORIC SITES & GARDENS

REPORT ON THE COLLECTION OF ADMISSION FEES

Tryon Palace Historic Sites and Gardens

January 17, 1997

BACKGROUND

Tryon Palace Historic Sites and Gardens has been open to the public by admission fee continuously since 1959. In that time, nearly two million visitors (1,948,506) have purchased admission tickets for house museum and garden tours as well as special programs and lectures. Current historic attractions include the reconstructed 1770 **Palace Main Building and Kitchen Office** (East Wing) and the restored **Stables** (West Wing) which tell the story of North Carolina's colonial and first state capitol; the 14 acres of **Gardens** which interpret garden history in North Carolina including introducing visitors to native plant material and heritage plant varieties; the **John Wright Stanly House** which was built in 1779 and has been restored to interpret the Stanly family including Revolutionary War patriot John Wright Stanly, his son John Stanly who served in the North Carolina General Assembly and in Congress, John Carruthers Stanly a free African American who was called the natural son of John Wright Stanly and who was well respected in New Bern for his wealth and business acumen as well as his participation in the founding of First Presbyterian Church, and John Stanly's grandson General Lewis A. Armistead who was born in the house and died after leading Pickett's charge at Gettysburg in 1863; the **Dixon-Stevenson House** which was built about 1830 by New Bern mayor and merchant-tailor George W. Dixon; and the **New Bern Academy Museum**, built ca. 1809, which serves as a museum with permanent exhibits interpreting three centuries of life in the central coast of North Carolina.

All attractions are open to visitors every day of the year except Thanksgiving Day, Christmas Eve, Christmas Day, December 26 and New Year's Day. Visitors enjoy the site through daily tours with costumed guides; an on-going crafts and domestic skills interpretation including blacksmithing, daily hearth cooking of 18th century dishes, spinning and weaving, and seasonal activities such as soap making and candlemaking; a program of monthly workshops and lectures; and frequent special programs such as the drama tour (Memorial Day through mid-August), Christmas Celebration Tours (two and a half weeks in December), the three day Symposium on the 18th Century in March (a program that has occurred annually for 29 years and draws a national audience), the three day Gardener's Weekend in April, the three day Chrysanthemum Festival in October, the annual celebration of Independence Day on July 4th and the recurring celebration of the King's Birthday in June. Additionally visitors are invited to

participate in educational activities associated with special projects such as the annual field school in archaeology conducted for 6 weeks in late May through July by East Carolina University.

In all, Tryon Palace Historic Sites and Gardens has open to the public more than 14 acres of landscaped Gardens and 48,839 square feet of historic exhibit and public space in ten major buildings and a number of dependencies. The historic objects collection has about 6,000 artifacts including important historic furniture and art, of which about 90 per cent is on exhibit at any given time. Annual attendance ranges from approximately 85,000 to 90,000 and includes 20,000 North Carolina school children (grades 1-12). About 85 per cent of the visitors purchase tickets to tour. Complimentary tickets are made available to visitors who match the provisions in our Complimentary Ticket Policy (attached). These include state officials such as members of the North Carolina General Assembly, staff of the North Carolina Division of Archives and History, members of the Tryon Palace Commission, group tour operators, journalists and media representatives preparing a story about the site, and donors of artifacts or special gifts to Tryon Palace Historic Sites and Gardens.

MISSION

The mission of Tryon Palace Historic Sites and Gardens is to educate growing numbers of North Carolinians and visitors to this state about the contributions made by the inhabitants of New Bern and the central North Carolina coast to the history and culture of this State and the United States from the time of initial European-American contact through the nineteenth century. This mission is carried out through historical research; acquisition, interpretation and the preservation of historic objects and buildings; re-creation of period room settings and gardens based on historical documentation; public outreach in the form of tours, symposia, workshops, and seasonal interpretation; and dissemination of historical information through staff presentations and by other means. All historical interpretation conducted as part of this mission shall be based on factual, balanced scholarship.

A secondary mission is to contribute to the economy of eastern North Carolina by enhancing the growing heritage tourism industry. Tryon Palace Historic Sites and Gardens has a continuous program of outreach including press releases to North Carolina and major eastern seaboard newspapers, national magazines and professional publications promoting tours and programs, limited magazine and newspaper advertisement, and special promotions to travel writers and group tour operators. Tryon Palace Historic Sites and Gardens supports the work of the North Carolina Division of Travel and Tourism by participating in national and regional group tour marketplaces, familiarization tours for group tour operators and travel writers, and special initiatives to develop heritage tourism and international tourism for North Carolina. School tours are promoted by attendance at social studies conferences for teachers and through the **Living**

Tryon Palace
January 1997

History Classroom, a newsletter sent to 1000 educators in North Carolina. Tryon Palace Historic Sites and Gardens is an anchor for destination tourism in central eastern North Carolina.

CURRENT ADMISSION FEES

Current admission fees are listed below:

	Adult	Student (1-12)
General Admission to Tryon Palace Historic Sites and Gardens: includes all houses, Palace, Kitchen Office, Stables, Academy Museum and all gardens. Ticket is good for 2 days.	\$12.00	\$6.00
Gardens only: includes Stables, Kitchen Office, Blacksmith Shop and all gardens.	7.00	3.00
Annual Pass: includes all historic buildings, gardens, special tours, lectures, workshops (except 18 th Century Symposium) for unlimited access for one year.	30.00	20.00
General Admission Discount: Military, AAA & College Students.	10.00	
General Admission Group Discount: groups of 20 or more, reserved 24 hours in advance.	7.00	3.00

These fees generated \$545,473 in receipts for FY 1995-1996 which were budgeted in the operating budget in the Tryon Palace Section (1242 Tryon Palace, 14800 Cultural Resources General Fund) , primarily to fund temporary wages for tour guides and crafts interpreters and permanent wages for staff in areas directly related to tours and public programs. In all, receipted funds comprise around 24% of the annual operating funds for Tryon Palace Historic Sites and Gardens.

Tryon Palace
January 1997

FEASIBILITY OF INCREASED ADMISSION FEES

Admission fees were last increased in July, 1989 when the General Admission for Adults increased from \$9.00 to \$12.00. The increase was initiated to pay for an increase in the federal minimum wage that occurred that same year. Attendance dropped about 12.3% for paid admissions in FY 1989-1990 compared to the previous year and since that time has either decreased slightly or remained flat. Part of the decrease can be attributed to the opening of I 40 from the Triangle area to the Wilmington beaches which resulted in less tourism to the Morehead City - Atlantic Beach area. Much of our visitation in the summer comes from beach goers who are interested in side trips to area attractions. However Atlantic Beach sources have reported a recovery that is not yet being seen at Tryon Palace Historic Sites and Gardens. A recent informal survey of other historic attractions indicated that our attendance pattern in the last five to six years has been similar to the attendance pattern at Historic Charleston, Colonial Williamsburg and other major east coast sites in this same period. This may indicate a larger trend regarding visitation and willingness of visitors to purchase tickets. For example, spokespersons at Historic Charleston and Colonial Williamsburg indicated that the numbers have increased for their respective cities but have decreased for paid admission to tour historic buildings.

Because of sluggish attendance we have been reluctant to increase ticket prices since that time. We are considering an increase for FY 1997-1998 that would raise the General Admission fee for adults to \$14.00. The impetus to do this comes from the recent increase in the federal minimum wage which will greatly stress our temporary salaries line item for tour guide and crafts interpreter payroll. Nearly all of the approximately 80 temporary employees paid from this line item are paid minimum wage. We are currently studying the impact on attendance vs. projection of earnings if we take this step early in the next fiscal year.

Tryon Palace Historic Sites and Gardens is currently among the medium to higher priced historic attractions in North Carolina and the eastern United States. We view ourselves in the same category of attraction as Old Salem, Biltmore, Colonial Williamsburg, Historic Charleston Foundation, Historic Deerfield and Old Sturbridge Village in Massachusetts and the Winterthur Museum in Delaware. Our current fees are similar to Winterthur, Historic Deerfield and Historic Charleston. We are charging less than Old Salem, Biltmore and Colonial Williamsburg, but these museums are either in a very urban area or have significant marketing budgets. For example, Biltmore spends more than two million dollars a year on advertising and Colonial Williamsburg spends nearly that amount. In contrast we spend approximately \$20,000 a year on advertising which is funded from our very limited private funding sources. Old Salem recently increased from \$12 to \$14 for adult general admission but they draw from a large local population in Greensboro, Winston-Salem and High Point and enjoy access to two interstate highways and an international airport. Attached to this report is an October 1996 survey we conducted of admission ticket prices at the historic attractions mentioned in this discussion.

OBSERVATIONS ON OPERATING A FEE BASED HISTORIC ATTRACTION

Charging admission fees greatly increases the expectation of visitors for an experience equal to other sites that have admission fees. Visitor Center facilities and restrooms need to be up to date and well maintained. Historic buildings and objects on display need to be in good repair and to be exhibited in an aesthetically pleasing manner. The site needs to consistently present high quality educational tours, special events, lectures, workshops and other public programs. Tickets, brochures and signage must be professionally designed and presented. Funds must be available to market programs and to promote the site through advertising in heritage magazines and other publications. Sufficient travel funds are necessary to attend national and regional group tour marketplaces and to entice travel writers to the site.

While we directly compete with historic attractions like Biltmore for visitors, we do not have marketing funds to adequately promote Tryon Palace Historic Sites and Gardens to the uninformed potential visitor. This greatly hinders our effort to build audience and to make our site well known outside of North Carolina. Location in a rural area of North Carolina and the lack of access to interstate highways and major airports compounds the marketing challenge for a state fee-based site with no state funding for advertising and promotion.

In thinking about our ticket prices, we have always been concerned not to price Tryon Palace Historic Sites and Gardens beyond the means of many North Carolinians. Our mission is to use our historic buildings, landscape and objects to teach as many North Carolinians as possible about our colonial history and the history of early statehood. With the influx of retirees and other transplants to North Carolina, it is more important than ever to tell the important story of North Carolina's heritage. We also view our access to 20,000 North Carolina schoolchildren as an important way to teach the values and traditions of the past as well as an opportunity to engage their intellectual curiosity about their heritage. We have tried very hard to responsibly manage fees so that school groups and families can afford to continue to take advantage of the educational benefits we offer.

SUMMARY

Tryon Palace Historic Sites and Gardens has a long, successful history as a fee-based state historic attraction. The success has resulted from access to some private funding in the past for limited advertising and promotion and for special programs. These funds have decreased in recent years at a time when the cost of promotion has significantly increased. The site has also benefited from the standard of quality of research, restoration and maintenance accomplished in the past as well as the nationally recognized quality of the historic objects acquired and exhibited and of the internationally known public gardens.

DCR 87

Tryon Palace
January 1997

Our challenge currently is to continue the high standard established in the early years of the operation and to accomplish the current backlog of maintenance and preservation needs with the same degree of quality. The task of marketing the site becomes more difficult each year with the growing cost of advertising and printing and the decrease in funds available for promotion. Additionally we now realize we are in greater competition for visitors with the growth in the number of historic attractions as well as development of heritage attractions at commercial theme parks such as Disney World.

Kay P. Williams
January 17, 1997

SURVEY OF ADMISSION TICKET PRICES AT HISTORIC ATTRACTIONS

Date of Survey: October 3, 1996

BILTMORE (704-274-1776)

	Adults	Children 10-15
General Admission to house, winery & gardens	\$27.95	\$21.00

No Senior Citizen discount.
Takes 2 to 4 hours to see everything.
Ticket purchased after 3:00 p.m. is
good for next day.

Group Rates - Christmas

Monday - Friday	\$26.95	\$13.95 (school age)
Saturday	\$29.95	

Group Rates other than Christmas	\$25.25	\$11.95

School groups: provide one complimentary ticket for an adult admission for every 10 students up to 2 complimentary tickets. All other adults with group pay \$23.50 each. Provide guided tour only for school groups Monday - Friday.

COLONIAL WILLIAMSBURG (804-229-1000)

	Adults	Children 6-12
One day General Admission Includes all houses & DeWitt Wallace Gallery; excludes Palace	\$25.00	\$15.00
Two day Basic Plus ticket Includes all of above for 2 days	\$29.00	\$17.00
Palace ticket	\$17.00	\$17.00
Patriot's Pass: 12 month ticket that includes all	\$33.00	\$19.00

attractions plus 1/2 price
on evening programs

No senior citizen discount.

**No individual tickets to house museums other than Palace, Carter's Grove &
Bassett Hall.**

ELIZABETH II (919-473-1144)

	Adults	Students
Admission to Elizabeth II	\$ 4.00	\$ 2.00

Tour takes about 30 minutes.
No senior citizen discount.

HISTORIC CHARLESTON FOUNDATION (803-723-1623)

	Adults and children 6 and over
Individual admission to any house	\$ 6.00
Admission to Russell & Rhett Houses	\$10.00
Admission to Russell, Rhett & Edmondston-Alston Houses	\$15.00

No senior citizens discount.

HISTORIC DEERFIELD, INC. (413-774-5581)

	Adults	Children over 6
General admission to all buildings: 13 buildings open to the public	\$12.00	\$ 5.00

Takes 3 days to see all of the houses.

No individual tickets available for houses.

Ticket good for one week.

No senior citizen discount.

Group tour of 20 or more: \$ 5.00 a person; group tour takes 2 hours.

OLD SALEM (910-721-7300)

	Adults	Children 6-16
Admission to all OLD SALEM	\$14.00	\$ 8.00

buildings

Admission to MESDA only	\$ 9.00	\$ 5.00
Admission to OLD SALEM and MESDA	\$18.00	\$10.00

Ticket good for 2 days.

No individual building tickets available.

Tour takes 2 to 4 hours depending on what you choose to see.

No senior citizen discount.

OLD STURBRIDGE VILLAGE

	Adults	Children 6 to 15
Admission to all buildings	\$15.00	\$ 7.50

Group rate: \$11.00 each for 15 or more people. If you have 20 or more in a group, you get 2 complimentary tickets.

Admission to all buildings for senior adults (65 and older): \$13.50

No individual tickets for buildings.

Spend as much or as little time as you want: refused to say how much time it takes in our phone call.

WINTERTHUR (302-888-4600)

Three tour options:

	Adult and Child
One hour introduction to the Collection	\$13.00
One hour decorative arts tour	\$17.00
Two hour decorative arts tour	\$21.00

Have a \$ 2.00 discount for seniors age 62 and older for all tour options.

Kay Williams
10/3/96

Report on the Princeville Cemetery:
An Evaluation of National Register Eligibility and Recommendations for
Preservation and Maintenance

(Section 11.4, Chapter 18, Second 1996 Extra Session)

THE PRINCEVILLE CEMETERY: AN EVALUATION
OF NATIONAL REGISTER ELIGIBILITY AND RECOMMENDATIONS FOR
PRESERVATION AND MAINTENANCE

Claudia Brown and John Clauser
North Carolina State Historic Preservation Office

January 27, 1997

Princeville is one of North Carolina's oldest communities established by and for freedmen. When it was settled in 1865 by newly freed African Americans, the town was called Freedom Hill. Upon its incorporation in 1885, it was renamed Princeville for a leading citizen, Turner Prince.

In accordance with N.C.G.S. Chapter 18, Part 11, Section 11.4, (1996, Second Extra Session), staff of the State Historic Preservation Office (HPO) have studied the historical significance of Princeville Cemetery in order to consider appropriate efforts for its preservation and maintenance, including its eligibility for listing in the National Register of Historic Places. Staff reviewed material in HPO files, including survey files on historic properties in Princeville and a report prepared by Joe A. Mobley, Research Branch of the Division of Archives and History, entitled "Princeville: A Black Town in North Carolina, 1865-1981" (1981, unpublished); visited Princeville Cemetery; carefully analyzed the cemetery's current condition and its significance in Princeville's historic context; and considered strategies for its maintenance and preservation..

A Description of Princeville Cemetery

On December 11, 1996, four members of the State Historic Preservation Office visited Princeville Cemetery to make a preliminary assessment of the property by gathering base data for recommendations for further work. Those making the site inspection were Claudia Brown, Survey and Planning Branch supervisor; John Clauser, Archaeology Branch archaeologist; Michael Southern, HPO research historian; and Ellen Turco, Survey and Planning Branch preservation specialist. Staff made a

pedestrian inspection of the entire cemetery, observing conditions and visible evidence of burial traditions. They took notes and black and white photographs, but they could not document the cemetery systematically or locate particular grave sites due to current site conditions. The description that follows is based upon that site visit.

Noted as "Community Cemetery" on U.S. Geological Survey maps, Princeville Cemetery is located within the eastern edges of Princeville's town limits, on the north side of NC 44 approximately .6 mile east of its junction with US 258. Two dirt lanes run through the cemetery roughly perpendicular to NC 44 and are intersected by two barely visible dirt tracks in the north end of the cemetery. The eastern lane is straight, while the lane near the west edge of the cemetery curves slightly as it leads to Dancy Memorial Cemetery, as shown on the accompanying map, at the northwest corner of the community cemetery. (Woods at the west edge of Princeville Cemetery separate it from yet a third burial ground, Greenlawn Cemetery, which extends from NC 44 to Dancy Memorial Cemetery. Dancy and Greenlawn cemeteries both appear to be private and currently in use, as indicated by signs advertising burial plots.) Princeville Cemetery covers approximately eleven acres of mostly sandy terrain that is flat except for a very gentle rise near the center of the property. Vegetation, both planted and wild, appears throughout and for the most part consists of shrubbery and grasses; the only mature trees, a small grove of hardwoods and evergreens, marks the north-central area of the cemetery where the earliest marked graves appear to be concentrated.

The initial perception of the cemetery is one of a modern, sterile, commercial burial ground, but like most first impressions this one does not hold up to closer scrutiny. Although the burial ground was planned as a single unit with an overall network of established roads and individual plots, it actually functions as a collection of individual family cemeteries with family plots defined by a variety of curbing and fencing situated edge-to-edge, with no paths in between. Graves are indicated by ledgers (slabs embedded in the ground), which predominate, or by vertical markers ranging

from simply incised homemade concrete forms to modest but stylish stock stones provided by professional manufacturers of burial monuments. Many of the ledgers are actually the exposed tops of vaults bearing one or more inscribed concrete slabs. The earliest death dates observed are in the late 1880s. The presence of the grave of Abraham Wooten (d. 1919), community reformer and minister of Mount Zion Primitive Baptist Church who is memorialized by a distinctive stylish marker, and numerous other distinctive grave markers of the late nineteenth and early twentieth centuries suggest that Princeville Cemetery is the last resting place of important early community leaders. (The graves of Turner Prince and other notable citizens cited the 1981 report by Joe Mobley were not identified during the site visit by HPO staff on December 11, 1996. Given the large size of Princeville Cemetery and the heavy overgrowth, it was impossible to search and record all early graves.)

Conditions rendered estimation of the number of plots and marked graves impossible. An overgrowth of broom straw predominates, punctuated by brambles and plantings gone to seed. In addition to large, isolated piles of trash and brush (perhaps evidence of clean-up efforts undertaken but not completed in 1995), there are areas of secondary trash disposal in or near interior cemetery roads that include piles of old grave decorations. Clearly there is no overall maintenance program.

Despite the first impression of overall neglect, the cemetery obviously is not abandoned. There are definite indications that there is maintenance occurring in areas and that the cemetery is still an active part of the community. Numerous individual family plots at various locations throughout the cemetery are neat and well maintained. Several plots had recently been tended with newly mounded graves, freshly scraped plots, new flowers, and other grave decorations. As the tended plots are not in one area but in scattered locations, this differential care does not indicate selected abandonment of older sections of the cemetery. Preliminary assessment suggests that

plot care is accomplished by individual families as it would be in a rural family cemetery.

Evaluation of National Register Eligibility

The under-maintained condition of Princeville Cemetery poses obstacles to the evaluation of the property for listing in the National Register of Historic Places. The extensive overgrowth hinders the documentation that is necessary to articulate fully the cemetery's significance in the context of Princeville's history.

As explained by the accompanying set of *National Register Fact Sheets*, the National Register of Historic Places is the nation's official list of buildings, structures, objects, sites, and districts worthy of preservation for their significance in American History, architecture, archaeology, and culture. Established by the National Historic Preservation Act of 1966, the Register is meant to ensure that as a matter of public policy, properties important in national, state, and local history are considered in the planning of federal undertakings, and to encourage historic preservation initiatives by state and local governments and the private sector.

National Register listing of a property places no obligation or restriction on a private owner using private resources to maintain or alter the property, but it does make the property eligible for consideration for matching federal grants for rehabilitation. In addition, a succession of bills providing funding for grants to local historical organizations for fiscal years 1993-94, 1994-95, and 1995-96 passed by the North Carolina General Assembly gave priority consideration to properties listed in or eligible for listing in the National Register. The General Assembly did not pass a similar bill in 1996 and it is not known if funding for the grant program will be authorized in 1997.

National Register Fact Sheet 2 explains that a property normally must be at least fifty years old and be proven to have both "significance" and "integrity" as defined by the National Register Criteria for Evaluation. A property may have significance for

association with important events or patterns of history; for association with an important historical figure; as an important example of period architecture, landscape, or engineering; or for the information it is likely to yield. A property also must have integrity of location, design, setting, materials, workmanship, feeling, and association; in other words, it must retain enough of its *historic* physical character to reflect its historic period and associations adequately.

Because the National Register was created primarily to recognize and protect historic places and environments that represent how people lived, worked, and built in the historic past, the Criteria for Evaluation specify that cemeteries, among several types of properties, normally are not considered individually eligible for the Register unless they derive their "primary significance from persons of transcendent importance, from age, from distinctive design features, or from association with historic events."

The National Register's devotion of an entire, thirty-three-page technical bulletin to the guidelines for evaluating and registering cemeteries and burial places indicates the complexity of making the case for a cemetery's National Register eligibility. To date, eighteen North Carolina cemeteries have been listed in the Register individually (see accompanying list).

Assessment by HPO staff suggests a number of elements of Princeville Cemetery that are worthy of study and might form a basis for National Register eligibility. It is possible that the cemetery derives significance from distinctive design features. The Princeville Cemetery appears to have been established relatively early in the development of community cemeteries in North Carolina and is one of the older known African American community cemeteries in the state. Furthermore, the manifestation of the community aspect of this particular burial ground as a collection of family plots, a characterization that endured throughout the cemetery's development, is highly distinctive, in contrast to most early cemeteries, which seem to be associated with churches or extended families. The community aspect of this burial ground might

be a response to environmental conditions, particularly the limited amount of high ground suitable for burials in the Princeville area. There is also the possibility that the community aspect developed in response to cultural stress. Cultural disruption caused by forcible servitude followed by sudden emancipation and relocation may have resulted in a melding of portions of different burial traditions.

Another avenue of research is the identity of those interred at the Princeville Cemetery to determine if it is eligible for listing as the site of graves of persons of transcendent importance at the local and state levels. Princeville is of statewide importance as one of North Carolina's oldest communities established by freedmen and the first such community in the state to be incorporated. During the late nineteenth and early twentieth centuries, it was a focus of activity that contributed to the spread of African American political rights throughout the state. The town also exemplified the development of North Carolina's African American communities well into the twentieth century. The extremely small number of Princeville buildings appearing to be potentially eligible for National Register listing increases the likelihood that the community cemetery, because it contains the graves of many early residents, meets the significance aspect of the Criteria for Evaluation for its historical associations.

Even if it were possible, however, to record the cemetery despite the extensive overgrowth, the mere presence of the overgrowth prevents the property from meeting the integrity aspect of the National Register Criteria. Compounded by numerous broken gravestones, the current condition of the cemetery obscures its historic physical character. The overall, unkempt appearance of the cemetery today surely does not represent its historic period.

Finally, it should be noted that even if the cemetery could be shown to meet the significance aspect of the Criteria, the current lack of maintenance would prohibit documenting the cemetery to the degree necessary to prepare a National Register nomination. The cemetery must be clearly visible in order to describe it thoroughly and

to determine the boundaries of the area to be nominated. (If older graves occupy a discrete section and less-than-fifty-year-old graves characterize the rest of the cemetery, it might be appropriate to restrict the nomination to the earlier, clearly defined area.) In addition to essays describing the cemetery and detailing its significance and historical background, the nomination must include current photographs of the property. Clearly, the overgrowth renders good documentary photographs impossible.

In summary, having assessed Princeville Cemetery to the extent possible given its current condition, HPO staff concludes regretfully that the cemetery does not appear to be eligible for National Register listing at this time. Despite the likelihood that it possesses the requisite historical significance, the cemetery does not currently exhibit sufficient historic integrity due to extensive overgrowth and broken grave markers to meet the National Register Criteria for Evaluation. When the cemetery is adequately cleaned, staff will be able to reassess Princeville Cemetery's National Register eligibility.

Maintenance Recommendations

As noted above, the general condition of the cemetery makes an absolute assessment of significance impossible. A certain amount of general cleaning is necessary prior to any further study.

Primary efforts should be made at the removal of trash and the several brush piles scattered around the site. Since there are decorative elements on some of the graves, a complete removal of all materials is unwarranted. Consideration also should be given to the plots that are currently maintained.

Clearing of the broom straw is a major concern. Hidden grave markers, plot borders and other obstructions make machine mowing impractical and unsafe. Hand cutting or a controlled burn might be utilized. A burning of the broom straw kept under

close control would remove the growth while causing minimal disturbance to the grave markers. The brush piles and general trash would have to be removed prior to any burning as this material would significantly increase the heat of any fire, possibly causing damage to the markers. The general use of plastic flowers is a major concern. Should these decorations catch fire, they could melt over some of the markers. This danger could be eliminated by removing all decorations from the vicinity of the stones during the burn. Families taking care of individual plots should be consulted prior to any maintenance activities affecting their burial sites.

The trash and broom straw removal is not a permanent solution, but an initial step in the study of the cemetery. While it will correct the neglect of the past, it will not prevent a return to the present conditions. Stewards of the cemetery needs to commit to an ongoing plan for maintenance. An appropriate approach would be the development of a maintenance plan specifying technical assistance in the initial cleaning procedure.

Summary of Recommended Preservation Strategies

In order to preserve Princeville Cemetery, it is imperative that the overgrowth and trash be removed so that the cemetery can be properly studied, recorded, and re-evaluated for National Register eligibility. If it is then determined eligible, the next appropriate step is the hiring of a professional consultant to prepare a National Register nomination. (Since the 1980, the demand for nominations coupled with HPO staff and funding cutbacks have necessitated that North Carolina National Register nominations be prepared by private individuals in coordination with HPO staff who provide ensure through consultation that all nominations meet federal and state guidelines.) Successful completion of a National Register nomination for Princeville Cemetery requires the involvement of a professional consultant due to the complexity of the guidelines for cemetery nominations.

Listing in the National Register should greatly enhance the cemetery's eligibility for consideration for grants to repair broken grave markers. If Princeville Cemetery is listed in the National Register, it is recommended that the Town of Princeville or other appropriate local sponsors apply for rehabilitation grants through the HPO or other organizations. The HPO grants administrator can help local sponsors identify potential grantors.

A comprehensive clean-up of the cemetery and repair of broken markers are necessary for Princeville Cemetery's restoration, but these efforts will be effective only short-term. In order to ensure the cemetery's continued preservation, a program of maintenance must be established and perpetuated. Achievement of this task might be daunting given Princeville's financial resources and questionable ownership of the family plots. If Princeville Cemetery is ultimately determined eligible for and listed in the National Register, the honor and recognition associated with the designation, coupled with the impression made by a thorough clean-up of the burial ground, might prompt an increase in local interest and pride in this important cultural and historic resource.

**Report on South Granville Memorial Gardens:
An Evaluation of Historical Significance and Recommendations for
Preservation and Maintenance**

(Section 11.4, Chapter 18, Second 1996 Extra Session)

SOUTH GRANVILLE MEMORIAL GARDENS: AN EVALUATION OF HISTORIC SIGNIFICANCE

John W. Clauser, Jr. and Stephen R. Claggett

Office of State Archaeology

North Carolina State Historic Preservation Office

25 February 1997

Section 11.4 of House Bill 53, ratified by the 1996 North Carolina General Assembly, charged the Department of Cultural Resources to study the historical significance of the cemetery in Butner, North Carolina, known as South Granville Memorial Gardens. The department's Office of State Archaeology (OSA) has been investigating historic cemeteries in the Butner and southern Granville county area for a number of years, as part of an overall project instigated by local resident Eddie Smith.

When land acquisition for Camp Butner began in 1941, the federal government made verbal promises to care for all family cemeteries on the property. Cemeteries which were directly endangered by military operations were moved to a new cemetery, the Mount Bowling Cemetery, and a board of civilian directors was appointed. Cemeteries which could remain in their original locations were maintained by military or prisoner of war labor. Maintenance was halted when, through a series of purchases and gifts, much of Camp Butner was transferred to state ownership after World War II. Maintenance of the cemeteries has been neglected for over fifty years. In some cases, present state land use has blocked access roads to the cemeteries, preventing families from visiting graves.

Twenty-one abandoned historic cemeteries have been recorded by OSA historic archaeologist John Clauser and student intern Cheri Williams of North Carolina State University. Beginning in 1993,

they prepared detailed archaeological and cemetery recording forms for each cemetery and filed them with the Office of State Archaeology and the Division of Archives and History's Abandoned Cemetery Survey program coordinator. The archaeologist and student intern performed field studies and associated recording tasks of grave identification and mapping for an average of at least one day a week for over a year. Since then (1993-1996), several additional visits have been made to the area--at Mr. Smith's invitation--to provide technical advice and record additional cemeteries.

Early in this process, Mr. Smith suggested that he wanted to establish a community cemetery for the South Granville area. An initial plan to relocate all the newly-recorded small cemeteries to the central location was quickly abandoned based on labor and direct cost considerations, and the potential loss of historical and genealogical information. This would have involved the precise identification, disinterment and reinterment of several hundred graves, performed according to the provisions of Article 5 of North Carolina General Statute 65.

A number of historic cemetery studies by the senior author of this report have demonstrated how the concept of small family cemeteries is deeply ingrained in Southern culture. This is attributable to a combination of factors that exceeds just the interred remains of loved ones; the entire suite of cemetery characteristics (location, grave orientation, gravestone selection and decoration, maintenance patterns, epitaphs, kin groupings, fencing, and decorative plantings) combine to reinforce cemeteries' importance as places of family and community renewal and remembrance that far outlast the periodic ceremonies that create burial places. Any removal and relocation of the scattered south Granville cemeteries has great potential to mask or destroy such traditions.

Mr. Smith has mounted a successful clean up and maintenance campaign for twenty of the twenty two Butner area cemeteries. He also had one cemetery moved which had been endangered by

development, and organized a local committee to establish the community cemetery. On June 3, 1996 the Granville County Board of Commissioners passed an ordinance which states in part:

Article IV.

Five (5) percent of all funds received by South Granville Memorial Gardens shall be placed in a specifically designated account to be used only for the perpetual care of the historical cemeteries that are located on the Camp Butner Reservation.

Description of the South Granville Memorial Park

John Clauser was taken to the property by Eddie Smith during a recent (late 1996) visit to the Butner area. At that time, the land had just been donated to the Trustees of the South Granville Memorial Gardens by the North Carolina Department of Agriculture. The designated property encompasses old agricultural fields and logged-over areas which were covered in secondary growth. More recently (January 1997) we have learned that some initial grading of the proposed Memorial Gardens has been completed and that plans are underway to design an appropriate cemetery facility.

Historic Significance

Presently, the South Granville Memorial Gardens exist essentially as a plan. Since it will be a newly developed cemetery, any discussion of the historical integrity or significance of South Granville Memorial Gardens is moot. There are no burials present. The Gardens have not existed in the past and can, therefore, be of no historic significance. However, the proposed use of funds generated by the Memorial Gardens for the maintenance of the other historic family cemeteries does provide an interesting supportive role in preservation.

The scattered, essentially abandoned family cemeteries recorded in Granville County are not individually considered historically significant or eligible for inclusion in the National Register of Historic Places, which forms the normal basis for evaluating historic properties such as buildings, structures, sites, objects or places. Guidance provided by the Keeper of the National Register of Historic Places (*Bulletin 41*) is that cemeteries normally do not qualify for inclusion under established criteria.

Individual and collective burials represent in important ways the cultural values and practices that help instruct us about who we are as a people. For profoundly personal reasons, familial and cultural descendants of the interred often view graves and cemeteries with a sense of reverence and devout sentiment that can overshadow objective evaluations. Therefore, cemeteries and graves are among those properties that ordinarily are not considered eligible for inclusion in the National Register of Historic Places unless they meet special requirements(National Register *Bulletin 41*, page 1).

Because the National Register was created primarily to recognize and protect historic places and environments that represent how people lived, worked, and built in the historic past, the Criteria for Eligibility specify that cemeteries, among several types of properties, normally are not considered individually eligible for the Register unless they derive their "primary significance from person of transcendent importance, from age, from distinctive design features, or from association with historic events." The National Register's devotion of an entire, thirty-three page technical bulletin to the guidelines for evaluating and registering cemeteries and burial places indicates the complexity of making the case for any cemetery's National Register eligibility. To date, only eighteen North Carolina cemeteries have been individually listed on the Register.

Any historic significance associated with the individual Granville County examples would be seriously compromised or, most likely, totally eliminated should the burials be removed and consolidated as part of the South Granville Memorial Gardens.

Efforts to Maintain and Preserve

HB53 also charges the department to consider what efforts should be taken to preserve and maintain the South Granville Memorial Gardens. Our basic recommendations, since the cemetery has yet to be designed or constructed, are:

- the entire property designated as the South Granville Memorial Gardens should be secured with a fence and regularly mowed;

- any grave markers now contained in individual Granville County cemeteries, which may be proposed for removal to the South Granville Memorial Gardens, should be preserved and cared for by the new cemetery staff according to technical information supplied by the Restoration Services Branch of the department's State Historic Preservation Office;

- the South Granville Memorial Gardens cemetery association should secure the services of a professional landscape architect with experience in cemetery design and planning.

A delegation from Butner, lead by Mr. Smith, met with Secretary McCain and members of her staff in Raleigh on February 24, 1997. A brief history of the Butner area cemeteries and their neglect by the state, an outline of current clean up efforts and plans for future maintenance were presented and discussed during the meeting. The major concern expressed was the need for a one time grant of \$100,000.00 to fund continued maintenance on the cemeteries until funds from the South Granville Memorial Gardens become available.

Summary of Recommendations

Because the South Granville Memorial Gardens cemetery does not yet exist as an active cemetery for new interments, nor as a point of collection for the several older, abandoned cemeteries in the county documented by OSA over the last several years, it cannot be deemed to have any particular historical significance. However, the twenty two family cemeteries located in the Butner area manifest a burial pattern peculiar to the Piedmont South. The burial customs embodied in these cemeteries are historically significant as a reflection of wider cultural elements. The importance of family, self sufficiency and a tendency toward cultural conservatism is evidenced in these cemeteries. Documentation and maintenance of the Butner cemeteries can help preserve that cultural heritage for generations to come.

Construction and maintenance of the South Granville Memorial Gardens should follow fairly standard guidelines for new cemeteries, including clear delineation of boundaries, mowing, and, particularly since older graves may be incorporated, careful inventory, placement and maintenance of original grave markers. Plans to use a portion of the proceeds from the Memorial Gardens to maintain the existing Butner-area family cemeteries continues a southern tradition of taking care of your own, and is a commendable goal.

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**STATE LIBRARY OF
NORTH CAROLINA**

The State Library of North Carolina
A Division of the Department of Cultural Resources

Part I - State Library Overview

The State Library has a long and proud history, beginning with its founding in 1812 as a collection of books in the office of the Secretary of State and the appointment of the first full-time State Librarian in 1843. Another historic milestone was the establishment of the North Carolina Library Commission in 1909. The Commission's primary mission was to provide assistance, advice, and counsel to: all libraries; all communities that proposed to establish libraries; and all persons interested in the best means of establishing and administering libraries. By action of the General Assembly in 1955, the State Library and the Library Commission were merged to form a single State Library.

Today, the State Library is a division of the Department of Cultural Resources; and the State Library Commission, a 15-member group of citizens and professional librarians, advises the Secretary of Cultural Resources and the State Librarian on priorities and policy issues.

Under the authority of G.S.125, the State Library of North Carolina focuses its service to the people of the state in three ways:

- (1) by working in partnership with local communities to develop and extend public library services statewide;
- (2) by developing the North Carolina Library and Information Network (NCLIN) to coordinate efforts among all types of libraries to provide access to both print and electronic information resources through a modern telecommunications infrastructure; and
- (3) by providing direct library services to a constituency that includes government officials, business people, and the general public, as well as services offered through the Library for the Blind and Physically Handicapped.

Part II - State Library Performance Plan

The State Library's performance plan reflects its statutory mission and is based on input from its customers, including the State Library Commission and focus groups held in 1995 with representatives of the State's library community.

A major expansion request submitted by the State Library supports one of the six-year innovations for Goal #2 in the State Library's performance plan. See the description of that programmatic area for more information.

State Library Program Statement: Develop & promote library services - The purpose of this program is to provide library and information services and to assist local libraries in the development of programs, services, and facilities.

State Library Goal #1: Public Library Development: Develop and extend public library services for North Carolinians in partnership with local communities.

Customers:

- Public library users statewide
- Local government officials
- Public library staff members
- Library board members and friends

Outcome: Public library users statewide have access to public library services that meet a consistent level of quality.

Objective: By 2002, 75% of the state's public libraries will meet established benchmarks for quality.

Outcome measure: Percentage of libraries meeting established quality benchmarks.

Funds contributing to objective:

- 1410 - State Library Services & Programs
- 1480 - Statewide Programs & Grants

Description of strategies or activities directed toward this objective:

- In 1995-96, the State Library provided technical assistance to library staff, trustees, and friends statewide through 5,767 telephone and in-office consultations. The projected number of site visits this year is nearly 200. Last year, nearly 2,000 library staff members, trustees, and friends attended workshops sponsored by the State Library.
- The State Library administers the Aid to Public Libraries Program, which is distributed on a formula basis to libraries in all 100 counties through the 75 public library systems (see attached Briefing Sheet for more information.) Annually, the State Library administers nearly 200 federal grants for libraries statewide.
- A comprehensive program designed to strengthen public library services for children and youth resulted in more 118,000 children participating in library programs that were made possible by the State Library's coordination and leadership.
- The public library statistics program provides information to assist local libraries in planning and evaluation

- The Center for the Book program promotes reading, books, and lifelong learning and helps local libraries develop programs and services. This new program resulted in the increase from 271 in 1994-95 to 2,808 in 1995-96 in the number of adults attending local library programs supported by State Library.

Six-Year Innovations: The State Library is currently planning a project to evaluate the status of current public library services statewide and develop benchmarks that measure the adequacy of services offered statewide. This project will provide baseline data to support the evaluation of the impact of the State Library's services to public libraries statewide.

The State Library continues to monitor trends, needs, and issues to assure that its programs are responsive to the primary customers for this goal area.

State Library Goal #2: Coordinate and support statewide library network activities to assure equity of access to electronic information resources for all North Carolinians.

Customers:

Users of all types of libraries statewide
North Carolina residents with access to electronic networks

Outcome:

People statewide have access to electronic information through libraries.

Objective:

By 2002, 100% of North Carolina's libraries will have offer access to online computer networks and a coordinated program of electronic information resources for their users.

Outcome Measure:

Percentage of North Carolina libraries of all types that offer access to electronic information.

Funds contributing to objective:

1410 - State Library Services
1480 - Statewide Programs & Grants

Description of strategies or activities directed toward this objective:

- Technical assistance and continuing education for library staff statewide.
- This year, the State Library is offering federal grants to small academic and non-profit/government special libraries to assist them in acquiring basic hardware, software, and wiring to allow their users to have access to electronic information resources.
- The State Library currently supports electronic mail accounts for over 400 library staff members from around the state, supports nearly 300 Internet accounts for library staff statewide, and administers electronic discussion groups to foster communication and the exchange of information among library staff members statewide.

- The State Library also supports sharing of print resources among 188 smaller libraries of all types in the state, a service that delivered an estimated 60,000 books and articles to North Carolinians in 1995-96.
- Today, all public library staff in North Carolina have the opportunity to access the Internet and 30 of the 75 public library systems in North Carolina offer or are planning to offer public access to the Internet as a service to users.

Six-Year Innovations

The State Library's expansion budget request will contribute to NC-LIVE--a collaborative effort with the University of North Carolina system and the Community College System to provide statewide access to reference and research materials over the Internet through public and academic libraries in North Carolina. NC-LIVE is also designed to strengthen services that allow libraries to share print resources with one another, a service aimed at improving access to information resources and materials for all the residents of North Carolina. A one-sheet description of the program is attached.

State Library Goal #3: Provide library and information resources for North Carolinians to promote knowledge, education, and business.

Customers:

State agency personnel
Local government officials
Businesses
General public, with the emphasis on genealogical researchers and North Carolina residents with visual and physical impairments

Outcome #3.1:

Access to state government information for the people of North Carolina

Objective #3.1:

By 2002, 100% of the people in North Carolina will have access to state government information through their local libraries or through electronic information networks.

Description of strategies or activities directed toward this objective:

- The State Library manages the State Publications Clearinghouse, a coordinated program to collect, catalog, and distribute state publications in print and microfiche to 30 depository libraries statewide. In 1995-96, this program cataloged and distributed over 7,000 state publications.
- The State Library assists other state agencies in cataloging and making their library holdings available in the library's online catalog.

Six-Year Innovations

- The State Library is participating in a pilot project with the Division of Archives and History and other state agencies to establish an online locator service for access to state government information.
- The State Library is also investigating ways to convert print publications to electronic format to make them readily accessible to North Carolinians statewide via the Internet. This is a program that is included in the plans for NC-LIVE.

Outcome #3.2:

The State Library of North Carolina will offer library and information services that demonstrate continuous quality improvement.

Objective #3.2:

By 2002, the State Library's delivery of library and information resources will show an overall 10% improvement in quality as defined by its customers.

Funds contributing to objective:

1410 - State Library Services

Description of strategies or activities directed toward this objective:

- The State Library acquires, catalogs on-line, processes, and provides access to a varied collection of books, magazines, electronic information resources, and videos in excess of 150,000 items. In 1995-96, the Library responded to nearly 60,000 requests for information.
- The State Library's Web site, which includes the electronic *North Carolina Encyclopedia*, was accessed 2.5 million times during the last year.
- The regional Library for the Blind and Physically Handicapped serves over 10,000 users statewide and circulated over 400,000 items last year.
- The State Library loaned nearly 28,000 books, videos, and other library materials to help other libraries serve their patrons last year.

Six-Year Innovations

- The State Library is using cross-functional teams to assure that its services are of the highest quality.
- Expanded use of electronic technology is improving services to users throughout North Carolina.
- Plans are underway to develop a comprehensive program to evaluate and improve customer service with an emphasis on the people who use the State Library's direct library and information services.

Fact Sheet: The Aid to Public Libraries Fund

North Carolina's Aid to Public Libraries program has been in effect since 1941--when the General Assembly articulated its policies regarding the role of the state in public library development--and appropriated the first \$100,000 for the program.

Chapter 153 of the General Statutes of North Carolina (the chapter dealing with counties) contains the "Declaration of State policy" that says: *The General Assembly recognizes that the availability of adequate, modern library services is in the general interest of the people of North Carolina and a proper concern of the State and of local governments. Therefore, it is the policy of the State of North Carolina to promote the establishment and development of public library services throughout the state.* Chapter 125, which is the chapter dealing with the State Library, re-iterates that policy and establishes the state aid program: *For promoting, aiding, and equalizing public library service in North Carolina a sum shall annually be appropriated out of moneys within the State treasury to be known as the Aid to Public Libraries fund.*

From the time of that first appropriation of \$100,000, the program has continued and evolved. Today 75 county, regional, and municipal library systems serving all 100 counties receive state aid--51 single-county libraries, 15 regional libraries serving 49 counties, and 9 municipal libraries that meet the minimum standards to qualify.

The current formula went into effect in 1983-84--and includes two components:

- ✓ A block grant: one-half of the appropriation is divided among the qualifying libraries. Each county receives one grant, and a regional library receives a block grant for each county plus an additional one for the region. Municipal libraries do not receive a block grant.
- ✓ Per Capita Equalization Grant: one-half of the appropriation is allocated under a weighted per capita grant inversely proportional to the average per capita income of people residing in the library's legal service area.

State aid is 20% or more of the operating budget for public libraries serving 46 counties; and a total of 70 counties depend on the program for 15% or more of their public library operating funds. Statewide, state aid equals 10% of the total expenditures for public library service; however, that amount varies from a low of 2% in Charlotte-Mecklenburg to a high of 46%. For municipal libraries that do not receive the block grant, state aid represents an even lower percentage of operating expenditures.

In 1996 the General Assembly increased the Aid to Public Libraries fund appropriation for the first time in a decade. The fund is now at an all-time high of \$12.9 million, which represents \$1.74 per capita. Even with this increase, the per capita Aid to Public Libraries appropriation this year is only \$0.06 more than the per capita appropriation in 1987. Had the Aid to Public Libraries Fund kept pace with inflation, it would need to be \$2.31 per capita today.

North Carolina Aid to Public Libraries

1995-1996 / 1996-1997 FUNDING

114a

LIBRARY	1995-96 Grants \$10.9 Million	1996-97 Grants \$12.9 Million
County Libraries		
Alexander	\$71,940.00	\$85,522
Bladen	\$78,600.00	\$93,288
Brunswick	\$92,400.00	\$109,381
Buncombe	\$183,492.00	\$215,601
Burke	\$114,636.00	\$135,305
Cabarrus	\$122,568.00	\$144,561
Caldwell	\$110,628.00	\$130,629
Catawba	\$117,492.00	\$138,641
Cleveland	\$112,956.00	\$133,346
Columbus	\$103,356.00	\$122,152
Cumberland	\$301,608.00	\$353,330
Davidson	\$150,864.00	\$177,558
Davie	\$67,140.00	\$79,921
Duplin	\$91,272.00	\$108,061
Durham	\$171,840.00	\$202,009
Edgecombe	\$108,552.00	\$128,209
Forsyth	\$216,648.00	\$254,262
Franklin	\$81,720.00	\$96,933
Granville	\$83,604.00	\$99,120
Guilford	\$227,256.00	\$266,630
Halifax	\$99,384.00	\$117,524
Harnett	\$116,880.00	\$137,929
Haywood	\$88,692.00	\$105,061
Henderson	\$99,528.00	\$117,694
Iredell	\$112,740.00	\$133,105
Johnston	\$118,128.00	\$139,380
Lee	\$82,884.00	\$98,288
Madison	\$66,636.00	\$79,334
McDowell	\$82,452.00	\$97,774
Mecklenburg	\$358,176.00	\$419,293
Nash	\$109,680.00	\$129,532
New Hanover	\$136,704.00	\$161,041
Onslow	\$191,232.00	\$224,623
Pender	\$73,464.00	\$87,297
Pitt	\$139,164.00	\$163,916
Polk	\$58,020.00	\$69,293
Randolph	\$138,012.00	\$162,567
Robeson	\$169,260.00	\$199,005
Rockingham	\$124,152.00	\$146,403
Rowan	\$142,116.00	\$167,348
Rutherford	\$99,384.00	\$117,531
Sampson	\$98,832.00	\$116,888
Scotland	\$83,088.00	\$98,524
Stanly	\$94,788.00	\$112,171
Transylvania	\$68,184.00	\$81,140
Union	\$113,436.00	\$133,916
Vance	\$85,800.00	\$101,683
Wake	\$300,444.00	\$351,975
Warren	\$68,460.00	\$81,462
Wayne	\$146,724.00	\$172,732
Wilson	\$105,876.00	\$125,099

North Carolina Aid to Public Libraries

1995-1996 / 1996-1997 FUNDING

114b

LIBRARY	1995-96 Grants \$10.9 Million	1996-97 Grants \$12.9 Million
Municipal Libraries		
Chapel Hill	\$24,408.00	\$28,464
Farmville	\$3,648.00	\$4,249
Hickory	\$18,828.00	\$21,959
High Point	\$53,556.00	\$62,455
Kings Mountain	\$7,920.00	\$9,236
Mooreville	\$8,400.00	\$9,800
Roanoke Rapids	\$13,752.00	\$16,041
Southern Pines	\$5,388.00	\$6,288
Washington	\$9,216.00	\$10,740
Regional Libraries		
Albemarle	\$321,840	\$377,205
<i>Bertie, Gates, Hertford, Northampton</i>		
AMY	\$237,312	\$283,252
<i>Avery, Mitchell, Yancey</i>		
Appalachian	\$306,168	\$363,529
<i>Ashe, Watauga, Wilkes</i>		
BHM	\$254,484	\$303,271
<i>Beaufort, Hyde, Martin</i>		
Central NC	\$256,308	\$303,772
<i>Alamance, Chatham</i>		
CPC	\$313,692	\$372,307
<i>Craven, Pamlico, Cartaret</i>		
East Albemarle	\$299,016	\$356,833
<i>Camden, Currituck, Dare, Pasquotank</i>		
Fontana	\$251,676	\$299,988
<i>Jackson, Macon, Swain</i>		
Gaston-Lincoln	\$328,800	\$388,305
<i>Gaston, Lincoln</i>		
Hyconeechee	\$273,456	\$325,396
<i>Caswell, Orange, Person</i>		
Nantahala	\$228,888	\$273,423
<i>Cherokee, Clay, Graham</i>		
Neuse	\$272,772	\$324,588
<i>Greene, Jones, Lenoir</i>		
Northwestern	\$361,092	\$429,212
<i>Alleghany, Stokes, Surry, Yadkin</i>		
Pettigrew	\$281,412	\$336,312
<i>Chowan, Perquimans, Tyrrell, Washington</i>		
Sandhill	\$436,740	\$519,057
<i>Anson, Hoke, Montgomery, Moore, Richmond</i>		
TOTAL	\$10,949,669	\$12,949,669

Fact Sheet: NC LIVE – An Electronic Library Project

Libraries in North Carolina propose an innovative project to strengthen the delivery of information statewide to enhance education, economic development, and the overall quality of life. Leaders in North Carolina's libraries share a vision of each library in the state serving as a gateway to the total library and information resources in the state and to a rich array of electronic information. These resources will be available, regardless of location, through global electronic telecommunications networks thanks to the North Carolina Electronic Library--NC-LIVE (North Carolina Libraries and Virtual Education).

Through a joint funding package submitted by the cooperating agencies, library users statewide will have:

- universal access to a wide range of reference and research materials online in the form of full-text electronic information and indexes;
- unlimited access to digital versions of important historical documents and state government information;
- information to assist them in gaining access to print materials available in libraries statewide; and
- assistance from library staff members with skills to help people of all ages use these exciting resources.

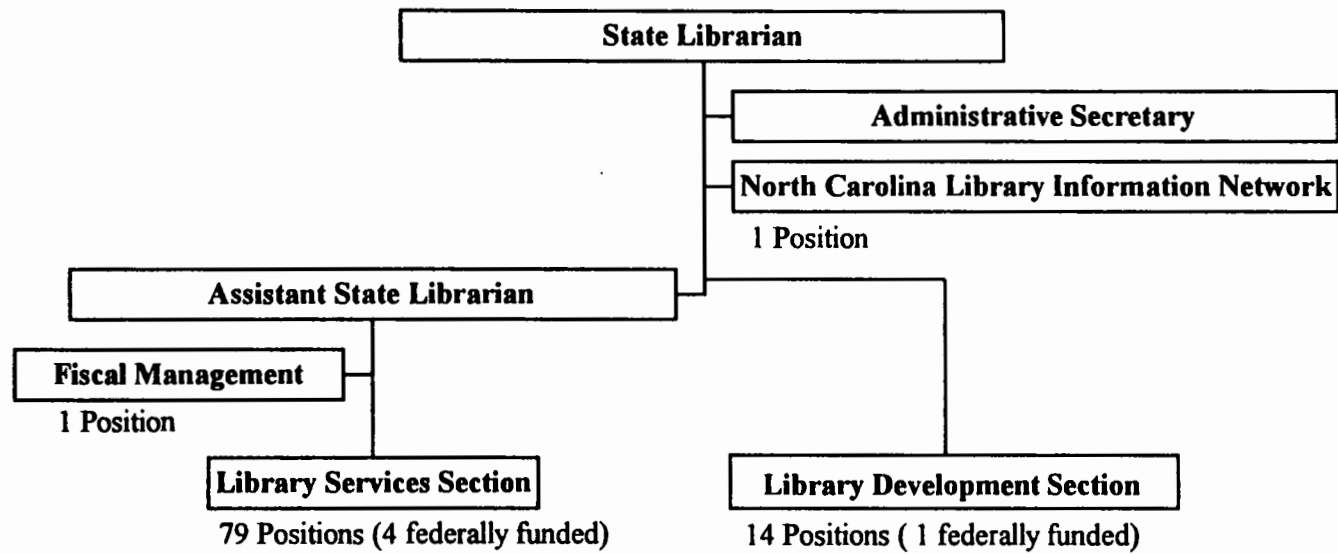
Public libraries and libraries serving the state's universities and community colleges are partners in NC-LIVE. State funding will level the playing field so that rural isolation, community or institutional financial constraints, and limited local library resources are not barriers to accessing information. Funds will be used to pay for statewide licenses to allow all participating libraries to access information online as well as for grants to support special projects that will make in-state resources available online.

Expansion budget requests submitted by the State Library, a division of the Department of Cultural Resources; the North Carolina Community College System; and The University of North Carolina will fund this exciting effort. Future phases not in the current budget request have the potential to fund participation by public schools. The project is being led by the joint Steering Committee with representatives from the participating agencies.

(12.31.96)

2/7/97

**DEPARTMENT OF CULTURAL RESOURCES
STATE LIBRARY OF NORTH CAROLINA**



DCR 116

FUND 1410

Administration (5)

State Librarian (1)
 Assistant State Librarian (1)
 Computing Consultant V (1)
 Administrative Officer I (1)
 Administrative Secretary III (1)

Library Development Section (14)

Chief Librarian Consultant (1)
 Librarian Consultant II (8*)
 Librarian IV (1)
 Administrative Services Assistant V (1)
 Office Assistant III (2)
 Processing Assistant IV (1)
 * One federally funded position

Library Services Section (75)

Librarian V (1)
 Librarian IV (1)
 Librarian III (8)
 Librarian II (9)
 Administrative Secretary V (1)
 Library Assistant (8)
 Library Clerk III (5)
 Library Clerk II (3)
 Library Technical Assistant II (1)
 Library Technical Assistant I (13)
 Office Assistant IV (1)
 Processing Assistant V (1)
 Processing Assistant IV (2)
 Processing Assistant III (9)
 Processing Assistant II (5)
 Processing Unit Supervisor V (2)
 Processing Unit Supervisor IV (1)
 Tradesworker I (2)
 Volunteer Services Coordinator (1)
 Volunteer Services Director (1)

FUND 1480

Library Services Section (4**)

Librarian II (1)
 Library Assistant (2)
 Processing Assistant (1)
 ** All positions federally funded

DEPARTMENT OF CULTURAL RESOURCES

STATE LIBRARY SERVICES - FUND 1410

Fiscal Data

		1995-96 <u>Actual</u>		1996-97 <u>Authorized</u>		1997-98 <u>Recommended</u>		1998-99 <u>Recommended</u>
Total Requirements	\$	4,202,557	\$	4,648,966	\$	4,701,266	\$	4,677,358
Receipts	\$	463,053	\$	666,839	\$	667,773	\$	666,573
General Fund Appropriation	\$	3,739,504	\$	3,982,127	\$	4,033,493	\$	4,010,785
<u>Number of Positions</u>		98.00		98.00		98.00		98.00

Source: 1997-99 Continuation Budget Document

DEPARTMENT OF CULTURAL RESOURCES

STATEWIDE PROGRAMS AND GRANTS - FUND 1480

Fiscal Data

	1995-96 <u>Actual</u>	1996-97 <u>Authorized</u>	1997-98 <u>Recommended</u>	1998-99 <u>Recommended</u>
Total Requirements	\$ 16,710,733	\$ 16,244,798	\$ 16,060,692	\$ 16,060,692
Receipts	\$ 2,808,559	\$ 2,563,545	\$ 2,379,439	\$ 2,379,439
General Fund Appropriation	\$ 13,902,174	\$ 13,681,253	\$ 13,681,253	\$ 13,681,253
<u>Number of Positions</u>	5.00	4.00	4.00	4.00

Source: 1997-99 Continuation Budget Document

NORTH CAROLINA
SYMPHONY



THE NORTH CAROLINA SYMPHONY

PART 1 - SYMPHONY OVERVIEW

Founded in 1932, by Lamar Stringfield, the Symphony continues its commitment and service to the citizens of North Carolina through approximately 175 concerts for adults and school children in over 50 North Carolina counties. In 1943, the Symphony became the first state orchestra in the United States to receive a state grant for support on an ongoing basis (the "Horn Tootin' Bill") and has received state aid for the past 54 years.

In 1995-96 and 1996-97, the Symphony continues to travel extensively throughout the state to large and small communities. This season the orchestra will perform concerts and educational programs in 52 counties which include 23 low per capita individual income or seldom visited counties.

- Performs approximately 175 full-orchestra concerts for adults and children.
- Performs approximately 60 to 65 full-orchestra music education concerts for school children throughout North Carolina. (See attachment for 1996-97 Educational Concert Schedule.)
- Approximate annual attendance 310,000:
 Wake County 135,000
 Outside Wake County 140,000
- 80,000 to 90,000 school children attend educational concerts and Young People's Concerts.
- The Symphony has 65 full-time musicians. (Full-time employment of musicians makes school education concerts possible.)
- The Symphony rehearses approximately 100 to 110 times a season.
- Orchestra travels approximately 20,000 miles a season.

PART II - FINANCIAL

The Operating/Program Budget of The North Carolina Symphony is a model example of the public and private sectors of our state's economy working together successfully.

In the early 1980's, State funding was approximately 70% of the operating budget, with 30% coming from the private sector. In 1984, this subcommittee asked the Symphony to make significant changes in the percentage of funding in order to reduce public funding and increase private funding. The Symphony has worked very hard to do this, and as of 1996-97, **private sector funding has been increased to 64%** of the budget with only 36% coming from **state funding**.

SELECTED HIGHLIGHTS OF OPERATING/PROGRAM BUDGET FOR 1996-97:

Revenue

State Grant-in-Aid	(32%)	\$2,084,000.00
State Appropriations through DCR	(04%)	<u>\$ 315,000.00</u>
	(36%)	\$2,399,000.00
Private and Other Sources of Income	(64%)	\$4,136,000.00
Total operating/program income	(100%)	\$6,535,000.00

Highlights

Ticket income - Wake County	\$1,600,000.00
Ticket income - Outside Wake County	\$ 370,000.00
Corporate Sponsorships in Triangle	\$ 340,000.00
Corporate Sponsorships Outside Triangle	\$ 40,000.00

Expenses

Cost of Performances Outside Wake County	(55%)	\$3,617,000.00
Cost of Performances in Wake County	(24%)	\$1,550,000.00
Cost of Marketing, box office, development, administration	(21%)	\$1,362,000.00
Total operating/program expenses	(100%)	\$6,529,000.00

Current Fee Structure:

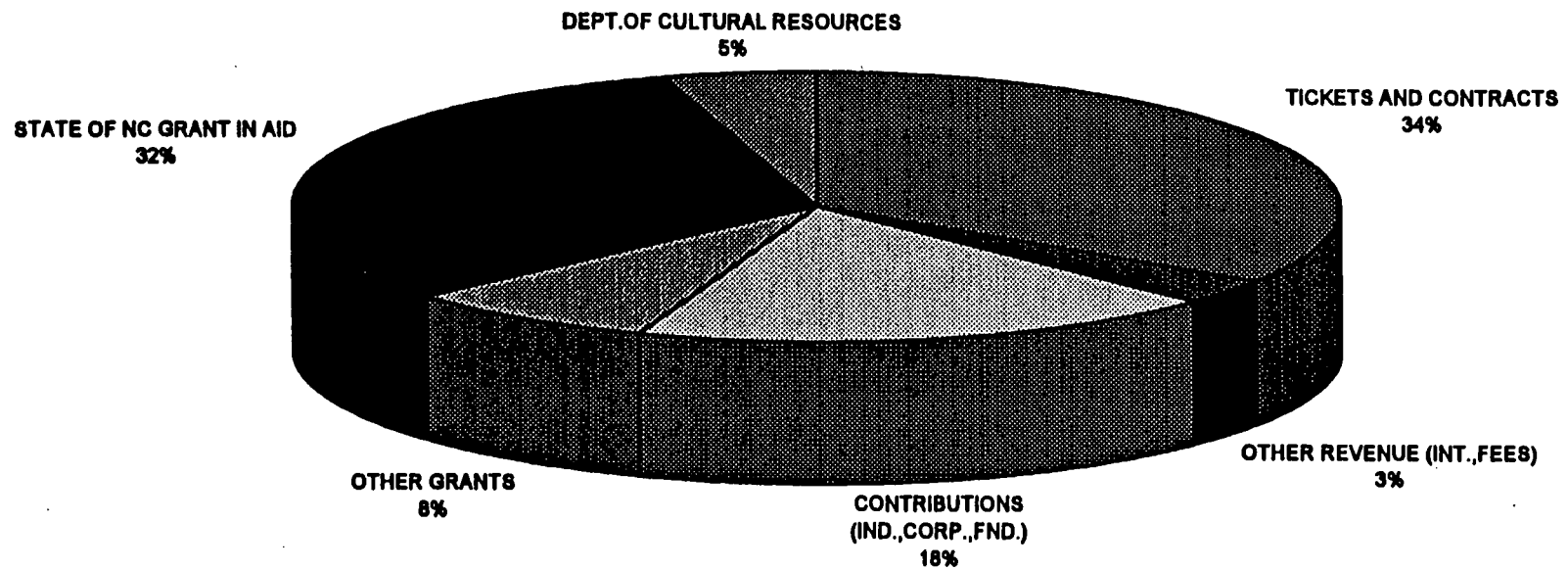
School Concert	\$ 5,500.00
School Concert and Evening Concert	\$ 14,000.00
Low Per Capita Income and Seldom Visited Counties -- School Concert and Evening Concert	\$ 7,500.00

**N C SYMPHONY SOCIETY
PROJECTED BUDGET
1/30/96**

REVENUE	AUDITED FY96	PROJECTED FY97	PROJECTED FY98
TICKETS/CONTRACTS	\$ 2,226,095.00	\$ 2,310,000.00	\$ 2,448,600.00
OTHER REVENUE (INT.FEES)	195,473.00	211,200.00	240,000.00
CONTRIBUTIONS (IND.,CORP.,FND.)	1,181,240.00	1,165,000.00	1,300,000.00
STATE OF NC GRANT IN AID	2,084,719.00	2,084,719.00	2,084,719.00
DEPT.OF CULTURAL RESOURCES	298,970.00	315,000.00	315,000.00
WAKE COUNTY	28,000.00	28,975.00	28,975.00
TOWN OF CARY	30,000.00	30,000.00	30,000.00
TOWN OF CHAPEL HILL	4,000.00		
CITY OF RALEIGH	50,000.00	55,000.00	55,000.00
CITY OF RALEIGH IN-KIND HALL EXP.	287,436.00	233,000.00	287,000.00
FEDERAL (NEA)	113,000.00	101,400.00	33,000.00
TOTAL REVENUE	\$ 6,498,933.00	\$ 6,534,294.00	\$ 6,822,294.00
EXPENSE			
ADMINISTRATION	\$ 474,127.00	\$ 538,598.00	\$ 554,755.00
DCR SALARIES, BENEFITS,ETC.	298,970.00	315,000.00	315,000.00
CONCERT PRODUCTION	4,937,560.00	5,167,221.00	5,353,118.00
MARKETING	347,922.00	358,320.00	369,069.00
DEVELOPMENT	153,012.00	149,864.00	154,359.00
TOTAL EXPENSE	\$ 6,211,591.00	\$ 6,529,003.00	\$ 6,746,301.00
NET INCOME	\$ 287,342.00	\$ 5,291.00	\$ 75,993.00

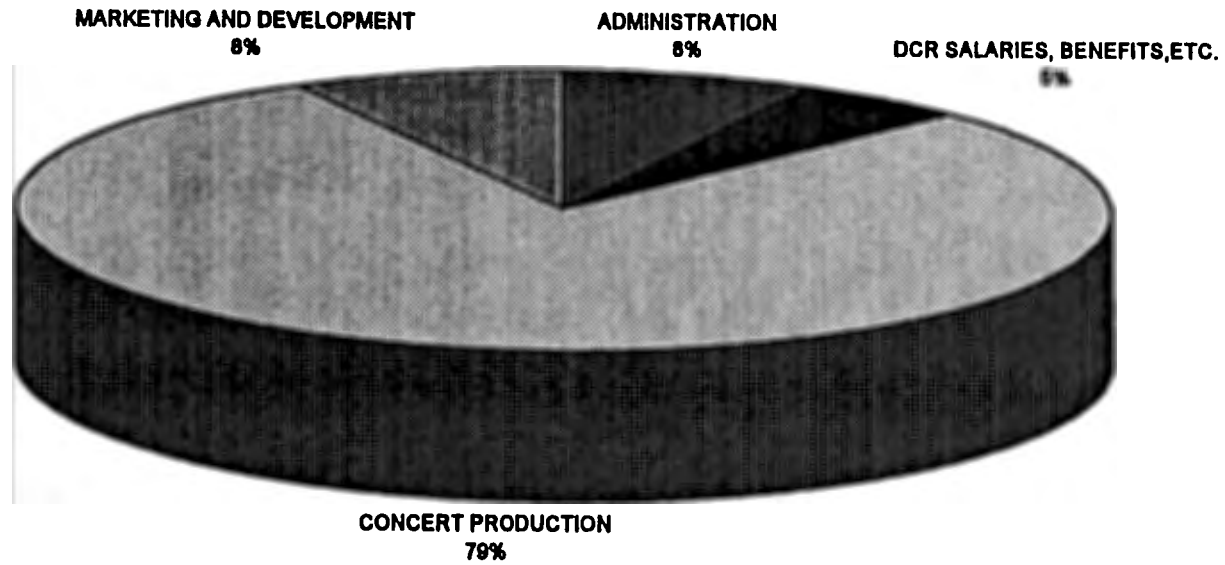
FY96 DOES NOT INCLUDE DONATED EQUIPMENT
OF 74,631

NORTH CAROLINA SYMPHONY FY96 REVENUE



DCR 124

NORTH CAROLINA SYMPHONY FY96 EXPENSE



DCR 125

PART III - MUSIC EDUCATION OVERVIEW

The North Carolina Symphony has one of the most extensive music education programs of any orchestra in the United States. These concerts are part of the schools' music education curriculum and music teachers help to write and present the curriculum to fellow teachers in a unique, yearly workshop.

- Approximately 60 to 65 concerts are given free of admission yearly to school children throughout the state.
- Extensive curriculum development and collateral materials designed each year specifically for the music education program.
- Hold annual workshop to assist teachers in preparing students for music education concerts.
- Workshop attended by 350 music education teachers.
- Symphony annually stages a Youth Concerto Competition.
- Sponsors the Triangle Youth Philharmonic.
- Symphony has established a partnership program to provide students at North Carolina schools and universities to perform with the orchestra in rehearsals and concerts. (i.e. North Carolina School for the Arts; Appalachian State University; UNC-Greensboro; East Carolina University; and UNC-Chapel Hill)
- Opportunity for high school students to take music lessons from Symphony professionals.

PART IV - DIVERSITY AND OUTREACH

At a time when the arts are perceived as a luxury, not only locally, but on a national level, (as evidenced by the Congressional discussion to eliminate the NEA) arts organizations must identify new ways to meet the challenges of shrinking financial support and diminishing audience base. Symphony orchestras must be willing to step out of the security of the concert hall if they desire to become a vital community resource, to play a significant role in the lives of the individuals and the cities in which they perform. To encourage long-term commitment and audience development, the organization must possess the will to be truly inclusive, to share the orchestra and the musical future with the widest array of people. Recognizing this, The North Carolina Symphony has sought consistently to integrate itself into the social fabric of the cities in which they perform throughout North Carolina and make a difference through their aggressive diversity and outreach program.

Examples of programs that support this diversity effort associated with The North Carolina Symphony include, but are not limited to the following:

- **Hiring of William Henry Curry as Associate Music Director**
Bill Curry is the first African American to be part of the conducting staff of the Symphony.
- **Continuing Commitment to Increase Minorities on the Board of Trustees, the Administrative Staff, and Symphony Musicians**
Increase of minority representation from 5% to 15% on Board of Trustees over the last three years.
- **Orchestra's Crosscurrents Program**
Encourages the performances of multicultural, musical compositions on an annual basis.
- **Project STEP (String Training & Education Program)**
Opportunity for minority students to participate in private lessons taught by Symphony musicians.
- **Continued Commitment to Diversity Through Music Education Programs**

This unique partnership of State and private funding will allow us to implement out planning and performance budget objectives of increased program/contact hours with children. By increasing the number of music education concerts through the use of technology, we hope to increase the number of schools and students who will now have the opportunity to participate in the music education program. Our hope is to eventually be able to provide music education programs to any of the 100 North Carolina counties that want to participate. The success of this challenging goal will indeed establish North Carolina as the leader in music education programs in the country.

THE NORTH CAROLINA SYMPHONY
1996-97 Educational Concerts

<u>City/(County)</u>	<u># Concerts</u>	<u>Date(s)</u>	<u>Location</u>
Asheville (Buncombe)	2	4/23/97	Thomas Wolfe Auditorium
Boone (Watauga)	1	9/20/96	Farthing Auditorium, ASU
Burgaw (Pender)	1	1/23/97	Pender High School Gym
Burlington (Alamance)	2	4/22/97	Williams High School
Chapel Hill (Orange)	3	2/19/97 (2)	Memorial Hall, UNC
		2/20/97	Memorial Hall, UNC
Cameron (Moore)	1	11/5/96	Union Pines High Sch. Aud.
Clinton (Sampson)	1	10/24/96	Clinton High School Gym
Durham (Durham)	4	5/20/97 (2)	Carolina Theatre
		5/21/97 (2)	Carolina Theatre
Fayetteville (Cumberland)	4	2/4/97 (2)	Cumberland County Aud.
		2/5/97 (2)	Cumberland County Aud.
Greenville (Pitt)	2	11/7/97	Epps Middle School Gym
Havelock (Craven)	1	1/29/97	Base Theater, Cherry Point
(Jones, Pamlico, Craven)			MCAS
Jacksonville (Onslow)	1	2/21/97	White Oak High School Gym
Kinston (Lenoir)	1	1/28/97	Grainger Hill Perf. Arts Cntr.
Lincolnton (Lincoln)	1	4/25/97	Citizens Center
Louisburg (Franklin)	1	10/29/96	Louisburg College Aud.
Lumberton (Robeson)	1	3/12/97	Lumberton High School Aud.
Morehead City (Carteret)	3	1/30/97	East Carteret High Sch. Aud.
		1/30/97	West Carteret High Sch. Aud.
		1/31/97	West Carteret High Sch. Aud.
Mount Olive (Wayne)	1	5/6/97	College Hall, Mount Olive
Murfreesboro (Hertford)	1	2/17/97	Hertford Middle Sch. Gym
Newland (Avery)	1	9/18/96	Avery Co. High Sch. Gym
Newton-Conover (Catawba)	1	4/24/97	Newton-Conover High Sch.
Raeford (Hoke)	1	11/4/96	Hoke Co. High School Gym
Raleigh (Wake)	4	9/25/96 (2)	Raleigh Memorial Aud.
		9/26/96	Raleigh Memorial Aud.
		10/8/96	Raleigh Memorial Aud.
Roanoke Rapids (Halifax)	1	2/18/97	Roanoke Rapids High School
Robbins (Moore)	1	11/5/96	North Moore High Sch. Aud.
Rockingham (Richmond)	1	10/14/96	Rockingham Junior High
Rocky Mount (Nash)	2	11/6/96	NC Wesleyan College
Salisbury (Rowan)	2	3/13/97	Catawba College
Sanford (Lee)	1	2/11/97	Dennis Wicker Civic Center
Smithfield (Johnston)	1	3/25/97	Raleigh Memorial Aud.
Snow Hill (Greene)	1	11/1/96	Greene Cen. High Sch. Gym

Southern Pines (Moore)	1	11/4/96	Pinecrest High School Aud.
Sparta (Alleghany)	1	9/17/96	Sparta Elem. School Aud.
Supply (Brunswick)	1	1/22/97	Brunswick Comm. College
Tarboro (Edgecomb)	1	3/18/97	Tarboro High School Gym
Whiteville (Columbus)	1	1/23/97	Whiteville High School Aud.
Wilkesboro (Wilkes)	1	12/6/96	Wilkes Community College
Wilmington (New Hanover)	2	4/19/97	Trask Coliseum, UNC-W

THE NORTH CAROLINA SYMPHONY

1996-97 STATEWIDE SCHEDULE

GERHARDT ZIMMERMANN, MUSIC DIRECTOR AND CONDUCTOR
RICHARD HOFFERT, EXECUTIVE DIRECTOR

Schedule is subject to change. For more information, call The North Carolina Symphony Public Relations Office at (919) 733-2751 ext. 225. For ticket information, ext. 260.

AUGUST 1996

- 30 **BALLET**
Stars of American Ballet
Memorial Auditorium
Raleigh, 8:00 pm

SEPTEMBER 1996

- 1 **POPS IN THE PARK**
Free Outdoor Concert
Meredith College, Lakeside
Raleigh, 6:30 pm
- 6-7 **CLASSICAL CONCERT**
Joe Robinson, Oboe
Memorial Auditorium
Raleigh, 8:00 pm
- 12 **CLASSICAL CONCERT**
Orchestra Showcase
Carolina Theatre
Durham, 8:00 pm
- 13 **CLASSICAL CONCERT**
Orchestra Showcase
Robert E. Lee Auditorium
Pinecrest High School
Southern Pines, 8:00 pm
- 14 **POPS CONCERT**
-- *Music Fit for A King*
Robeson Community College
Lumberton, 7:30 pm
- 19 **CLASSICAL CONCERT**
Barry Tuckwell, French Horn
Farthing Auditorium
ASU Campus
Boone, 8:00 pm
- 22 **CLASSICAL CONCERT**
Barry Tuckwell, French Horn
Memorial Hall, UNC
Chapel Hill, 3:00 pm
- 27-28 **POPS CONCERT**
Mel Tormé, Vocalist
Memorial Auditorium
Raleigh, 8:00 pm

OCTOBER 1996

DCR 130

- 1 **POPS CONCERT**
Music Fit for A King
Lincoln County Citizen Center
Lincolnton, 8:00 pm
- 4-5 **POPS CONCERT**
American Airlines Concert
Memorial Auditorium
Raleigh, 8:00 pm
- 10 **OPEN REHEARSAL**
Leila Josefowicz, Violin
Memorial Auditorium
Raleigh, 10:00 am
- 10 **CLASSICAL CONCERT**
Leila Josefowicz, Violin
Wright Auditorium, ECU
Greenville, 8:00 pm
- 11-12 **CLASSICAL CONCERT**
Leila Josefowicz, Violin
Memorial Auditorium
Raleigh, 8:00 pm
- 15 **POPS CONCERT**
Music Fit for a King
Robert E. Lee Auditorium
Pinecrest High School
Southern Pines, 8:00 pm
- 18-19 **POPS CONCERT**
Music from Stage & Screen
Michael Krajewski, Guest Conductor
Memorial Auditorium
Raleigh, 8:00 pm
- 19 **YOUNG PEOPLES CONCERT**
Beethoven Lives Upstairs
Memorial Auditorium
Raleigh, 11:00 am
- 25 **CLASSICAL CONCERT**
William Henry Curry, Conductor
Kenan Auditorium
UNC-Wilmington
Wilmington, 8:00 pm
- 27 **CLASSICAL CONCERT**
William Henry Curry, Conductor
Memorial Hall, UNC
Chapel Hill, 3:00 pm
- 31 **CLASSICAL CONCERT**
Brian Ganz, Piano
Reeves Auditorium
Methodist College
Fayetteville, 8:00 pm

NOVEMBER 1996

- 2 **CLASSICAL CONCERT**
Brian Ganz, Piano
Carolina Theatre
Durham, 8:00 pm

- 14 **CLASSICAL CONCERT**
Tamaki Kawakubo, Violin
Robert E. Lee Auditorium
Pinecrest High School
Southern Pines, 8:00 pm
- 15 **CLASSICAL CONCERT**
Tamaki Kawakubo, Violin
West Carteret H.S. Auditorium
Morehead City, 8:00 pm
- 16 **CLASSICAL CONCERT**
Tamaki Kawakubo, Violin
Memorial Hall, UNC
Chapel Hill, 8:00 pm
- 17 **CLASSICAL CONCERT**
Classical Favorites
Grover C. Fields Middle School
New Bern, 3:00 pm
- 22-
23 **CLASSICAL CONCERT**
Helen Huang, Piano
Memorial Auditorium
Raleigh, 8:00 pm
- 25 **HOLIDAY POPS CONCERT**
Roanoke Rapids H.S. Auditorium
Roanoke Rapids, 8:00 pm
- 26 **HOLIDAY POPS CONCERT**
Helms Center, Chowan College
Murfreesboro, 8:00 pm
- 27 **HOLIDAY POPS CONCERT**
Pinehurst Hotel and Resort
Pinehurst, 8:00 pm
- 29-
30 **HOLIDAY POPS CONCERT**
Jacquelyn Culpepper, Soprano
Memorial Auditorium
Raleigh, Fri., 8:00 pm;
Sat., 3:00 pm & 8:00 pm

DECEMBER 1996

- 3 **HOLIDAY POPS CONCERT**
First Baptist Church
Clinton, 8:00 pm
- 4 **HOLIDAY POPS CONCERT**
Reeves Auditorium
Methodist College
Fayetteville, 7:30 pm
- 5 **HOLIDAY POPS CONCERT**
John A. Walker Community Center
Wilkes Community College
Wilkesboro, 8:00 pm
- 6 **HOLIDAY POPS CONCERT**
Carolina Theatre
Durham, 8:00 pm
- 7 **HOLIDAY POPS CONCERT**
Walter Williams H.S. Auditorium
Burlington, 8:00 pm

- 10 **HOLIDAY POPS CONCERT**
College Hall, Mt. Olive College
Mt. Olive, 7:30 pm
- 11 **HOLIDAY POPS CONCERT**
Bowers Performing Arts Ctr.
Whiteville High School
Whiteville, 8:00 pm
- 12 **HOLIDAY POPS CONCERT**
Kenan Auditorium
UNC-Wilmington
Wilmington, 8:00 pm
- 15 **HOLIDAY POPS CONCERT**
Lenoir Community College
Greene County Unit
Snow Hill, 3:00 pm
- 17 **HOLIDAY POPS CONCERT**
West Carteret H.S. Auditorium
Morehead City, 7:00 pm
- 18 **HOLIDAY POPS CONCERT**
Grainger Hill Performing Arts Center
Kinston, 8:00 pm

- 20 **BALLET**
THE NUTCRACKER
The NC School of the Arts
School of Dance
Memorial Auditorium
Raleigh, 8:00 pm
- 21 **BALLET**
THE NUTCRACKER
The NC School of the Arts
School of Dance
Memorial Auditorium
Raleigh, 2 pm & 6 pm
- 22 **BALLET**
THE NUTCRACKER
The NC School of the Arts
School of Dance
Memorial Auditorium
Raleigh, 2 pm & 6 pm

- 31 **NEW YEAR'S EVE CONCERT**
Viennese New Year's Eve
Memorial Auditorium
Raleigh, 7:30 pm

JANUARY 1997

- 10 **CLASSICAL CONCERT**
Lynn Harrell, Cello
JoAnn Falletta, Guest Conductor
Kenan Auditorium
UNC-Wilmington
Wilmington, 8:00 pm
- 11 **CLASSICAL CONCERT**
Lynn Harrell, Cello
JoAnn Falletta, Guest Conductor
Carolina Theatre
Durham, 8:00 pm

- 17- CLASSICAL CONCERT
18 Laurent Pettigirard, Guest Conductor
Raleigh Oratorio Society
Memorial Auditorium
Raleigh, 8:00 pm

- 18 YOUNG PEOPLES CONCERT
Tell Me A Story
Memorial Auditorium
Raleigh, 11:00 am

- 25 BALLET
Coppelia with
The N.C. Dance Theatre
Memorial Auditorium
Raleigh, 8:00 pm

FEBRUARY 1997

- 1 POPS CONCERT
Music Fit for A King
Kate Finley Auditorium
Rockingham, 8:00 pm
- 7 OPEN REHEARSAL
Buddy Wachter, Banjo
Memorial Auditorium
Raleigh, 10:00 am
- 7-8 POPS CONCERT
Banjo Magic with
Buddy Wachter, Banjo
Memorial Auditorium
Raleigh, 8:00 pm
- 11 POPS CONCERT
Music Fit for A King
Dennis A. Wicker Civic Center
Sanford, 8:00 pm
- 14 CLASSICAL CONCERT
A Tribute to Brahms
André-Michel Schub, Piano
Dunn Performing Arts Center
N.C. Wesleyan College
Rocky Mount, 8:00 pm
- 15 CLASSICAL CONCERT
A Tribute to Brahms
André-Michel Schub, Piano
Memorial Hall, UNC
Chapel Hill, 8:00 pm
- 26 OPEN REHEARSAL
André Watts, Piano
Memorial Auditorium
Raleigh, 10:00 am
- 26 CLASSICAL CONCERT
André Watts, Piano
Reeves Auditorium
Methodist College
Fayetteville, 8:00 pm
- 27 CLASSICAL CONCERT
André Watts, Piano
Walter Williams H.S. Auditorium
Burlington, 8:00 pm

- 28 CLASSICAL CONCERT
André Watts, Piano
Memorial Auditorium
Raleigh, 8:00 pm

MARCH 1997

- 1 CLASSICAL CONCERT
André Watts, Piano
Memorial Auditorium
Raleigh, 8:00 pm
- 4 CLASSICAL CONCERT
André Watts, Piano
Kenan Auditorium
UNC-Wilmington
Wilmington, 8:00 pm
- 5 CLASSICAL CONCERT
André Watts, Piano
Robert E. Lee Auditorium
Pinecrest High School
Southern Pines, 8:00 pm
- 14 OPEN REHEARSAL
Marvin Hamlisch, Guest Artist
Memorial Auditorium
Raleigh, 1:00 pm
- 14-15 POPS CONCERT
Marvin Hamlisch, Guest Artist
Memorial Auditorium
Raleigh, 8:00 pm
- 20 CLASSICAL CONCERT
A Night in Vienna
Jacquelyn Culpepper, Soprano
Robert E. Lee Auditorium
Pinecrest High School
Southern Pines, 8:00 pm
- 22 CLASSICAL CONCERT
A Night in Vienna
Jacquelyn Culpepper, Soprano
Memorial Hall, UNC
Chapel Hill, 8:00 pm
- 23 CLASSICAL CONCERT
A Night in Vienna
Jacquelyn Culpepper, Soprano
Keppel Auditorium
Catawba College
Salisbury, 3:00 pm
- 27 CLASSICAL CONCERT
Cho-Liang Lin, Violin
Kenan Auditorium
UNC-Wilmington
Wilmington, 8:00 pm
- 28-29 CLASSICAL CONCERT
Cho-Liang Lin, Violin
Memorial Auditorium
Raleigh, 8:00 pm

APRIL 1997

- 1 POPS CONCERT
Music Fit for A King
Louisburg College
Louisburg, 8:00 pm

4 CLASSICAL CONCERT
Choral Concert with
Durham Civic Choral Society
Duke University Chorale
Duke Chapel, Duke University
Durham, 8:00 pm

5 CLASSICAL CONCERT
Choral Concert with
Durham Civic Choral Society
Duke University Chorale
Duke Chapel, Duke University
Durham, 3:00 pm

10 CLASSICAL CONCERT
Amadi Hummings, Viola
Reeves Auditorium
Methodist College
Fayetteville, 8:00 pm

11-12 CLASSICAL CONCERT
Amadi Hummings, Viola
Memorial Auditorium
Raleigh, 8:00 pm

15 POPS CONCERT
Music Fit for A King
Tarboro H.S. Gymnasium
Tarboro, 7:30 pm

16 POPS CONCERT
Music Fit for A King
Wright Auditorium, ECU
Greenville, 8:00 pm

18-19 POPS CONCERT
Favorite Broadway Choruses
with The Concert Singers of Cary
Memorial Auditorium
Raleigh, 8:00 pm

19 YOUNG PEOPLES CONCERT
Opera's Lively Characters
Memorial Auditorium
Raleigh, 11:00 am

20 CLASSICAL CONCERT
Museum Park Theater
N.C. Museum of Art
Raleigh, 7:00 pm

25-26 OPERA PERFORMANCE
with The National Opera Company
Meredith College
Raleigh, 8:00 pm Friday
3:00 pm Saturday

MAY 1997

8 CLASSICAL CONCERT
Orchestra Showcase
Paramount Theatre
Goldsboro, 8:00 pm

9-10 CLASSICAL CONCERT
Orchestra Showcase
Memorial Auditorium
Raleigh, 8:00 pm

12 CLASSICAL CONCERT
Orchestra Showcase
Roanoke Rapids H.S. Auditorium
Roanoke Rapids, 8:00 pm

13 CLASSICAL CONCERT
Orchestra Showcase
West Carteret H.S. Auditorium
Morehead City, 8:00 pm

16 BALLET
Sleeping Beauty with
The New Jersey Ballet
Memorial Auditorium
Raleigh, 8:00 pm

17 BALLET
Sleeping Beauty with
The New Jersey Ballet
Memorial Auditorium
Raleigh, 8:00 pm

JUNE 1997

7 OUTDOOR POPS CONCERT
Summerfest Series
Regency Park
Cary, 7:30 pm

12 OUTDOOR POPS CONCERT
Summerfest Series
Regency Park
Cary, 7:30 pm

14 OUTDOOR POPS CONCERT
Summerfest Series
Regency Park
Cary, 7:30 pm

21 OUTDOOR POPS CONCERT
Summerfest Series
Regency Park
Cary, 7:30 pm

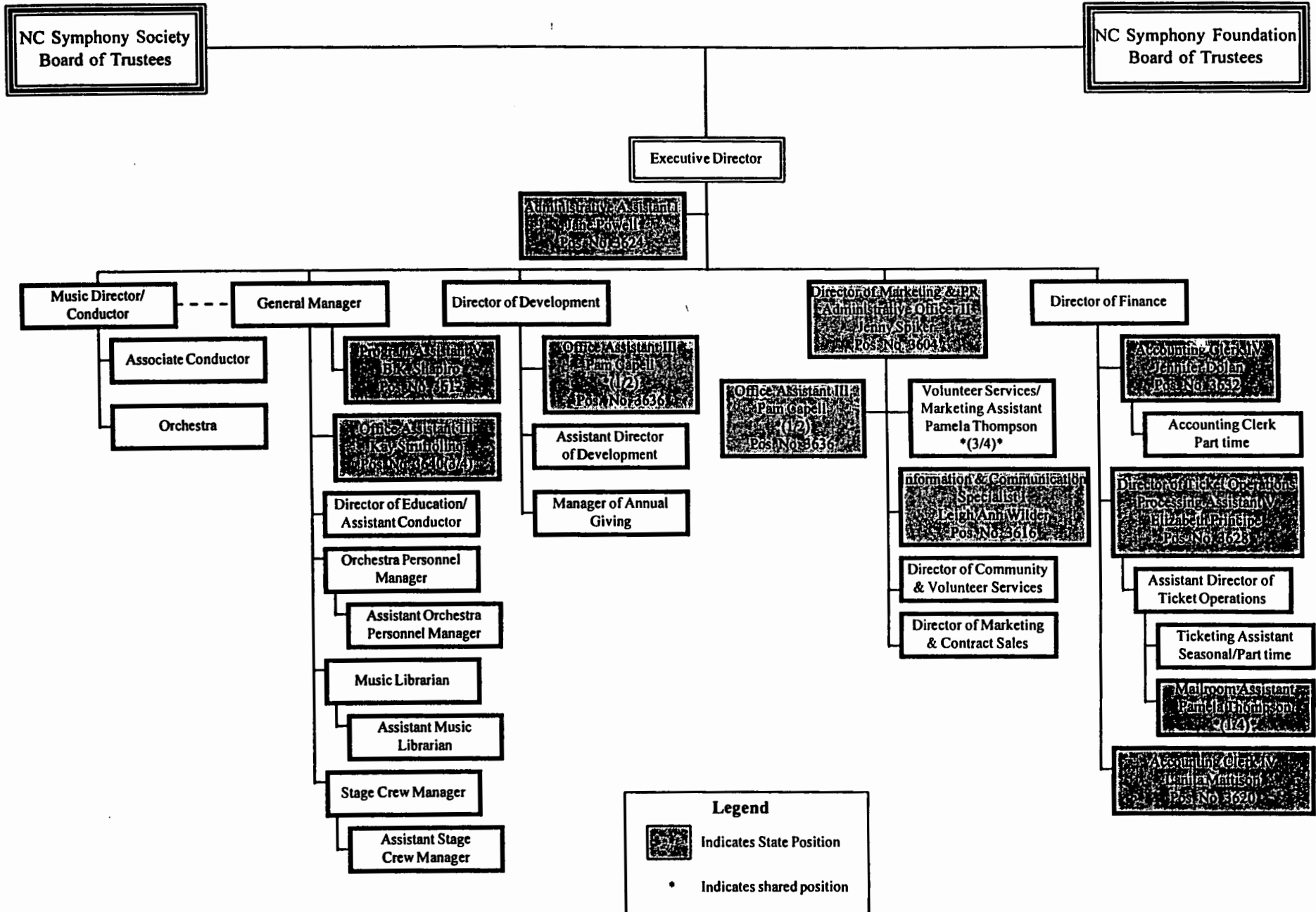
26 OUTDOOR POPS CONCERT
Summerfest Series
Regency Park
Cary, 7:30 pm

28 OUTDOOR POPS CONCERT
Summerfest Series
Regency Park
Cary, 7:30 pm

JULY 1997

4 OUTDOOR POPS CONCERT
Summerfest Series
Regency Park
Cary, 7:30 pm

The North Carolina Symphony



DCR 134

DEPARTMENT OF CULTURAL RESOURCES

NORTH CAROLINA SYMPHONY - FUND 1340

Fiscal Data

		1995-96 <u>Actual</u>		1996-97 <u>Authorized</u>		1997-98 <u>Recommended</u>		1998-99 <u>Recommended</u>
Total Requirements	\$	298,970	\$	305,757	\$	306,835	\$	307,177
Receipts	\$	0	\$	0	\$	0	\$	0
General Fund Appropriation	\$	298,970	\$	305,757	\$	306,835	\$	307,177
<u>Number of Positions</u>		9.00		9.00		9.00		9.00

Source: 1997-99 Continuation Budget Document

DEPARTMENT OF CULTURAL RESOURCES

GRANTS-IN-AID TO ARTS - FUND 1360

Fiscal Data

		1995-96 <u>Actual</u>	1996-97 <u>Authorized</u>	1997-98 <u>Recommended</u>	1998-99 <u>Recommended</u>
Total Requirements	\$	2,140,979	\$ 2,140,979	\$ 2,140,979	\$ 2,140,979
Receipts	\$	0	\$ 0	\$ 0	\$ 0
General Fund Appropriation	\$	2,140,979	\$ 2,140,979	\$ 2,140,979	\$ 2,140,676
<u>Number of Positions</u>		0.00	0.00	0.00	0.00

Source: 1997-99 Continuation Budget Document

NORTH CAROLINA
MUSEUM OF HISTORY

North Carolina Museum of History Division

Mission

The North Carolina Museum of History Division promotes the understanding of the history and material culture of North Carolina for the educational benefit of North Carolinians. Through collections and historical interpretation, its museums encourage citizens and visitors to explore and understand the past; to reflect on their own lives and their place in history; and to preserve state, regional, and local history for future generations.

Overview

The Museum opened to the public in 1902 as the Hall of History in the State Museum of Natural History, located in the old Agriculture Building. In 1914 it joined the State Archives and Historical Publications Program as part of the North Carolina Historical Commission and moved to the old Supreme Court building. In 1939 the Museum moved to the Education Building, and in 1968 to the new Archives and History/State Library Building. Beginning in 1979, three other institutions became part of the Museum of History: the Museum of the Albemarle in Elizabeth City, the Museum of the Cape Fear in Fayetteville, and the Mountain Gateway Museum in Old Fort. These regional museums enhance the statewide presence of the Museum of History through exhibits, programs, and the extensive involvement of the communities they serve.

On February 1, 1996, the Museum became a separate Division of the Department of Cultural Resources.

The Museum's new Raleigh facility opened to the public on April 23, 1994 with four new exhibits and a series of special celebrations. Since that time the Museum has completed two new exhibition spaces and opened a total of seventeen new exhibitions, hosted over 427 public programs for 52,253 participants, toured over 160,000 people (primarily schoolchildren) in groups, and seen over half a million visitors overall.

The Museum of History as a whole develops, produces, and maintains over 61,000 square feet of long- and short-term exhibits with interpretive programs, special events, and publications for more than 350,000 visitors annually. The Museum also provides outreach to school and community groups through the Tar Heel Junior Historians, the Audiovisual Loan Service, and responses to hundreds of public queries. The Museum's activities provide access to collections numbering over 300,000 artifacts representing all aspects of North Carolina's history.

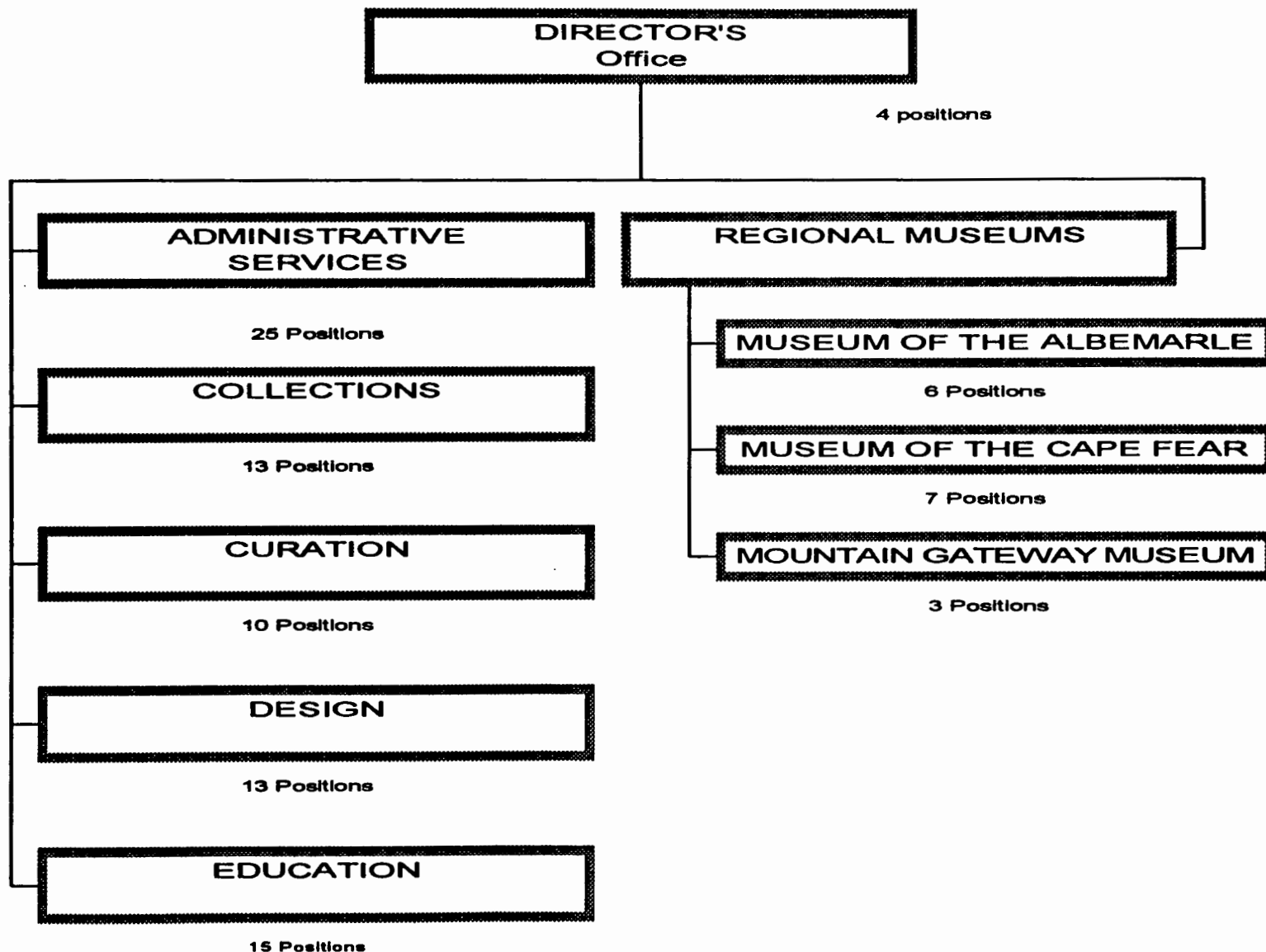
The North Carolina Museum of History Associates, the Museum's statewide support group, is the largest such group for a state history museum in the country with over 15,000 members, and promotes the Museum in every county of the state by providing educational resources, programs, and membership involvement in the Museum.

Current Status, Goals, and Strategies

Currently, the Raleigh facility is experiencing tremendous growth in visitation (including a 10% increase in one six-month period, January-June 1996), with more anticipated as exhibits and programs continue and information technology developments are completed for the North Carolina Information Highway. The regional museums are engaged in planning and executing capital projects which will enhance their ability to serve regional audiences and promote heritage tourism. The Museum of the Cape Fear is completing renovation of the historic Poe House in Fayetteville, with related projects at the adjacent Arsenal Park and museum. The Museum of the Albemarle is preparing a major capital campaign to assist with funding for its new building for which the state purchased property and initiated design work in 1993. The Mountain Gateway Museum has completed ADA upgrades to its main building and is adding terracing to its landscape—primarily through the labor of staff. Overall the level of activity in the four museums places the greatest strain on its human resources as they move forward to create a comprehensive statewide museum program.

Within the framework of preserving and promoting historical properties, the Museum's overall objective is to increase the percentage of visitors who express an enhanced appreciation of North Carolina History. The primary strategies involved are to complete capital projects now in progress, improve the management and coordination of Museum resources through constant evaluation, and continue to develop the four museums as an effective statewide organization.

DEPARTMENT OF CULTURAL RESOURCES NORTH CAROLINA MUSEUM OF HISTORY



DCR 140

MUSEUM OF HISTORY DIVISION POSITIONS
(96 Total Positions)

Director's Office (4)

State History Museum Director (1)
State History Museum Associate Director (1)
State History Museum Assistant Administrator (1)
Administrative Assistant I

Administrative Services (25)

Security Guard (11)
Office Assistant III (2)
Museum Guard Coordinator (1)
General Utility Worker (2)
Public Information Assistant III (1)
Public Information Assistant IV (1)
Administrative Officer I (2)
Librarian II (1)
Computing Consultant III (1)
Library Technical Assistant I (1)
Administrative Secretary II (1)
Head, Museum Guard (1)

Collections (13)

Art Handler (3)
Museum Technician (2)
History Museum Specialist (3)
Office Assistant III (1)
History Museum Preservationist (2)
Administrative Officer I (1)
History Museum Curator (1)

Curation (10)

History Museum Specialist (3)
History Museum Curator (3)
History Museum Associate Curator (2)
History Museum Research Assistant (1)
Office Assistant III (1)

Design (13)

Photographer I (2)
Museum Technician (3)
Painter (1)
Artist Illustrator II (2)
Photographer II (1)
History Museum Specialist (1)
Artist Illustrator (1)
Carpenter II (1)
Office Assistant III (1)

Education (15)

Associate Curator (2)
Staff Development Technician II (2)
History Museum Specialist (5)
History Museum Curator (1)
State Historical Publications Editor III (1)
State Historical Publications Editor II (1)
State Historical Publications Editor I (1)
Office Assistant IV (2)

Museum of the Albemarle (6)

History Museum Curator (1)
History Museum Specialist (2)
Carpenter II (1)
Office Assistant IV (1)
General Utility Worker (1)

Museum of the Cape Fear (7)

History Museum Curator (1)
History Museum Specialist (3)
Office Assistant IV (1)
Carpenter II (1)
General Utility Worker (1)

Mountain Gateway Museum (3)

History Museum Curator (1)
Carpenter II (1)
Historical Interpreter I (1)

DEPARTMENT OF CULTURAL RESOURCES

MUSEUM OF HISTORY - FUND 1500

Fiscal Data

		1995-96 <u>Actual</u>		1996-97 <u>Authorized</u>		1997-98 <u>Recommended</u>		1998-99 <u>Recommended</u>
Total Requirements	\$	4,079,379	\$	4,169,288	\$	4,197,982	\$	4,201,368
Receipts	\$	142,834	\$	20,990	\$	20,990	\$	20,990
General Fund Appropriation	\$	3,936,545	\$	4,148,298	\$	4,176,992	\$	4,180,378
<u>Number of Positions</u>		96.00		98.00		98.00		98.00

Source: 1997-99 Continuation Budget Document

DEPARTMENT OF CULTURAL RESOURCES

INDIRECT RESERVE - FUND 1991

Fiscal Data

		1995-96 <u>Actual</u>		1996-97 <u>Authorized</u>		1997-98 <u>Recommended</u>		1998-99 <u>Recommended</u>
Total Requirements	\$	109,468	\$	168,770	\$	168,770	\$	168,770
Receipts	\$	109,469	\$	168,770	\$	168,770	\$	168,770
General Fund Appropriation	\$	(1)	\$	0	\$	0	\$	0
<u>Number of Positions</u>		0.00		0.00		0.00		0.00

Source: 1997-99 Continuation Budget Document

DEPARTMENT OF CULTURAL RESOURCES

CONTINUATION RESERVE - FUND 1992

Fiscal Data

		1995-96 <u>Actual</u>		1996-97 <u>Authorized</u>		1997-98 <u>Recommended</u>		1998-99 <u>Recommended</u>
Total Requirements	\$	0	\$	0	\$	1,418,363	\$	1,563,151
Receipts	\$	0	\$	0	\$	0	\$	0
General Fund Appropriation	\$	0	\$	0	\$	1,418,363	\$	1,563,151
<u>Number of Positions</u>		0.00		0.00		0.00		0.00

Source: 1997-99 Continuation Budget Document

THE ROANOKE ISLAND COMMISSION, an independent commission situated within the NC Department of Cultural Resources for historic resource management, organizational and budgetary purposes was established by legislation in 1994 (GS 143B-131.1). The Commission was created to protect, preserve, develop and interpret the historical and cultural assets of Roanoke Island, the birthplace of America.

To avoid any confusion, the Roanoke Island Historical Association, the non-profit organization that has operated "The Lost Colony" since 1937, is a separate organization.

Roanoke Island Festival Park, home to the "Elizabeth II" and the Outer Banks History Center, is in the midst of a capital improvement project to expand existing facilities and the educational, historical and cultural programs offered.

In 1993 the General Assembly appropriated \$250,000 for the development of a master plan. In 1994 \$5,000,000 was appropriated and in 1995 the remaining \$5,000,000 to undertake the project. Construction began on the site in August 1996 and the total project is now approximately 38% complete.

Opening summer 1997: Meeting room/Gallery, boardwalks, interpretive dressing areas, maintenance facilities and administrative office.

Opening fall 1997: Outdoor programming and performance space designed for educational, historical and cultural programming.

Opening spring 1998: Film theatre, exhibit hall and museum shop.

The current staff of this 24 acre site consists of:

4 full-time, 3 temps (24 seasonal temps)	Elizabeth II program serves 70,000 paid visitors annually through interpretive tours, exhibits, an audio visual presentation and a small gift shop area. This 69' representative 16th century sailing vessel also offers off-site education through visits to other ports within the region. Current facilities: 8,000 sq. ft.
2 full-time, 2 temps	Administrative operations for the total site are in development. In addition to the Executive Director and Operations Officer, a Programming Development staff person and a Corridor Administrator are in place. (The Commission also has legislative responsibility for the Roanoke Voyages Corridor.)

Continuation Budget request outstanding:

32 positions	The following types of positions will be required to operate the additional 37,000 sq. ft. of facilities: Site Specialists responsible for educational, historical and cultural programming, visitor services, marketing and promotion. Visitor services personnel i.e. costumed interpreters, ticket sales persons and museum shop staff. Maintenance positions for facilities, ship, grounds, security and housekeeping. Museum, Light and sound technicians for 238 seat film theatre, exhibits, audio visual program, and performance areas.

Average annual admission revenue at the Elizabeth II since 1984 has been \$129,681 based on average of 70,000 annual paid visitors. Because the site is located in a major tourism area, visitation is projected at 250,000 within five years of completion.

Also located on this 24 acre site is the Outer Banks History Center, a 6,200 sq. ft. public research library and manuscript repository which has served the region since 1988. This facility is administered separately under NCD Division of Archives and History.

DEPARTMENT OF CULTURAL RESOURCES

ROANOKE ISLAND COMMISSION - FUND 1584

Fiscal Data

		1995-96 <u>Actual</u>		1996-97 <u>Authorized</u>		1997-98 <u>Recommended</u>		1998-99 <u>Recommended</u>
Total Requirements	\$	229,882	\$	287,769	\$	287,769	\$	287,769
Receipts	\$	0	\$	0	\$	0	\$	0
General Fund Appropriation	\$	229,882	\$	287,769	\$	287,769	\$	287,769
<u>Number of Positions</u>		0.00		0.00		0.00		0.00

Source: 1997-99 Continuation Budget Document

DEPARTMENT OF CULTURAL RESOURCES

RESERVE - ROANOKE ISLAND COMMISSION - FUND 1992

Fiscal Data

		1995-96 <u>Actual</u>		1996-97 <u>Authorized</u>		1997-98 <u>Recommended</u>		1998-99 <u>Recommended</u>
Total Requirements	\$	0	\$	0	\$	1,326,947	\$	1,326,947
Receipts	\$	0	\$	0	\$	0	\$	0
General Fund Appropriation	\$	0	\$	0	\$	1,326,947	\$	1,326,947
<u>Number of Positions</u>		0.00		0.00		0.00		0.00

Source: 1997-99 Continuation Budget Document

DEPARTMENT OF CULTURAL RESOURCES

ROANOKE ISLAND COMMISSION - FUND 2584

Fiscal Data

		1995-96 <u>Actual</u>	1996-97 <u>Authorized</u>	1997-98 <u>Recommended</u>	1998-99 <u>Recommended</u>
Total Requirements	\$	327,809	\$ 390,712	\$ 390,712	\$ 390,712
Receipts	\$	329,229	\$ 390,712	\$ 390,712	\$ 390,712
Inc(Dec) in Cash Balance	\$	1,420	\$ 0	\$ 0	\$ 0
Beginning Cash Balance	\$	0	\$ 1,420	\$ 1,420	\$ 1,420
Ending Cash Balance	\$	1,420	\$ 1,420	\$ 1,420	\$ 1,420
General Fund Appropriation	\$	0	\$ 0	\$ 0	\$ 0
<u>Number of Positions</u>		6.00	6.00	6.00	6.00

Source: 1997-99 Continuation Budget Document

DEPARTMENT OF CULTURAL RESOURCES

ROANOKE ISLAND COMMISSION ENDOWMENT - FUND 2585

Fiscal Data

		1995-96 <u>Actual</u>		1996-97 <u>Authorized</u>		1997-98 <u>Recommended</u>		1998-99 <u>Recommended</u>
Total Requirements	\$	0	\$	0	\$	0	\$	0
Receipts	\$	35,072	\$	34,314	\$	34,314	\$	34,314
Inc(Dec) in Cash Balance	\$	35,072	\$	34,314	\$	34,314	\$	34,314
Beginning Cash Balance	\$	0	\$	35,072	\$	34,314	\$	34,314
Ending Cash Balance	\$	35,072	\$	69,386	\$	103,700	\$	138,014
General Fund Appropriation	\$	0	\$	0	\$	0	\$	0
<u>Number of Positions</u>		0.00		0.00		0.00		0.00

Source: 1997-99 Continuation Budget Document

REPORT OF THE ROANOKE ISLAND COMMISSION
to the General Assembly
February, 1997

ENABLING LEGISLATION:

The Roanoke Island Commission was established under Section 12.5, G.S. 143B-131, as an independent Commission located within the Department of Cultural Resources for historic resource management, organizational and budgetary purposes.

Its purpose is "to combine various existing entities in the spirit of cooperation for a cohesive body to protect, preserve, develop and interpret the historical and cultural assets of Roanoke Island. The Commission is further created to operate and administer the ELIZABETH II State Historic Site and Visitor Center, the ELIZABETH II, Ice Plant Island, and all other properties under the administration of the Department of Cultural Resources located on Roanoke Island having historical significance to the State of North Carolina, Dare County, or the Town of Manteo, except as otherwise determined by the Commission."

The Commission consists of six members appointed by the Governor, six members appointed by the President Pro Tempore of the Senate, six members appointed by the Speaker of the House of Representatives, and six ex-officio members including the Governor, the Attorney General, the Secretary of the Department of Transportation, the Chair of the Dare County Board of Commissioners and the Mayor of Manteo, or their designees. A listing of current members is attached.

IN ACCORDANCE WITH SECTION 143B-131.4, the Commission is pleased to present this report to the General Assembly for its 1997 regular session. In accordance with our legislation, this report will profile the following three key areas.

SUMMARY OF ACTIONS TAKEN BY COMMISSION CONSISTENT WITH ITS POWERS AND DUTIES AS INDICATED BY LEGISLATION.

1. To advise the Secretary of Transportation and adopt rules on matters pertaining to, affecting and encouraging restoration, preservation and enhancement of the appearance, maintenance and aesthetic quality of U.S. Highway 64/264 and NC 400 travel corridors on Roanoke Island and the grounds on Ice Plant Island.

The Roanoke Voyages Corridor is currently in its 13th year. The success of this on-going effort is apparent along the Roanoke Island travel corridors. Plantings originally installed as part of America's 400th anniversary of the birthplace of English-speaking America have continued to grow and thrive. A video was created by the Commission in 1996 utilizing DOT footage from 1970 illustrating what existed prior to the establishment of this scenic

travel corridor coupled with footage of today's corridor. This tool was utilized to reacquaint the public with the success of this effort. The video is also widely requested by other areas attempting to embark on such a project. This video was prepared at minimal cost due to donated services by Commission member, Angel Khoury, and narration by volunteer, Andy Griffith.

During 1996 the Roanoke Voyages Corridor applied for and was named a NC Scenic Byway.

The Commission worked jointly with DOT, Dare County Tourist Bureau, and NC Power to place powerlines underground on two key sections of the corridor. This work has occurred over the past two years.

A quarterly beautification award program has been initiated recognizing outstanding contributions to this effort by individuals and businesses.

A landscaping committee comprised of DOT state and local representatives, and the Corridor Administrator has been established to insure good communication and focus on this effort.

A Corridor Administrator is now employed 16 hours per week to oversee this effort. The Administrator's responsibilities include public information and education, application and permit issuance and enforcement.

A NC Trails Grant has been awarded for 1997 to add to an existing trail and develop a map of trail opportunities for visitors to Roanoke Island.

A new bridge is proposed for a portion of US Highway 64/264 which crosses Roanoke Island. A current request is before the General Assembly to insure the eastern approach will also be designated part of the Roanoke Voyages Corridor.

2. To operate the ELIZABETH II State Historic Site and Visitor Center and the ELIZABETH II as permanent memorials commemorating the Roanoke Voyages, 1584-1587.

The ELIZABETH II State Historic Site began serving visitors in 1984. The visitor experience includes a reception area, a small exhibit area, a 20-minute audio-visual orientation to the ship, and a tour of the ELIZABETH II, a 69 foot representative 16th century sailing vessel. When possible the ELIZABETH II sails to other ports to provide this history experience to a larger audience. Until engines were installed in 1993, voyages were extremely expensive due to the costs of tugboat assistance.

When the Commission began operating this site in 1995 its objectives were to continually improve the visitor experience and to serve a larger audience both locally and through voyages. Visitation statistics are attached.

A marketing study was commissioned in 1996 to define current successes and areas in need of improvement and to develop criteria for upcoming enhancements and development.

The Commission has focused on the upgrade of existing interpretive programming through personnel training and upgrade of interpretive apparel and props. The visitor experience is also being enhanced by the development of a new audio-visual program to better meet the needs of our audience, and new exhibits are in development for the new exhibit area currently under construction.

An innovative interpretive program will be offered on our new boardwalk facilities with the historic character, Thomas Harriott, beginning April, 1997. This program has been made possible by a grant from the Dare County Tourist Bureau.

The site is now operating additional hours to better serve the visiting public and additional days such as holidays when visitation is extremely high in this area.

As further support to program development, much needed technological upgrades have been pursued with the replacement of outdated computers and the improvement from original rotary-dial phone system.

Great efforts have been made to increase the visibility of the current program through local, regional and statewide events. A wonderful cooperative effort with the Museum of the Albemarle was held fall, 1996 during which time the ELIZABETH II toured for 9 days, its most extensive voyage in many years, and served 4,000 visitors, 3,000 of those being students. A July seminar for 25 outstanding teachers was held in cooperation with the North Carolina Center for the Advancement of Teachers at the site.

A joint promotion to school groups combining the talents and energies of other local sites such as THE LOST COLONY, the NC Aquarium, Ft. Raleigh NHS and the Elizabethan Gardens coupled with improved follow-up, has resulted in increased school group bookings for this spring.

The Friends of the ELIZABETH II, the non-profit support group for the site, continues to play a vital role. In January, 1997, this group voted to broaden its mission to become the non-profit support for the entire site including new facilities. This organization provides countless hours of service including the volunteer crew for the ELIZABETH II vessel.

Due to current construction on the site, the ELIZABETH II program was not open this January and February to allow for the major construction work that had to be accomplished at the visitor entrances. The site reopens March 1st.

Construction began in August, 1996 and has had some adverse impact on visitation. Through slight revision of admission fees, the site has maintained revenue levels.

3. To supervise the development of Ice Plant Island and to manage future facilities.

Construction on new facilities began in August, 1996. Actual construction activities are monitored by both State Construction and Department Capital Projects Coordinator. On-going site input is provided by the Facilities Maintenance Supervisor and the Executive Director.

Special recognition needs to be given to the Outer Banks History Center which is also located at the site. This Division of Archives and History facility has provided the Commission with office space since its establishment and until such time as facilities are completed.

One of the first steps by the Commission was to determine an appropriate title for the much expanded site. Following marketing recommendations and public input the name "**ROANOKE ISLAND FESTIVAL PARK**" was selected. Festival Park will be a celebration of education, history and the arts in furtherance of the goals of the State and the Department. The need for this expanded umbrella identity will become apparent below as new facilities are profiled. Logo development is in process at this time.

With the new site funded and ready to begin construction, infrastructure needed to be put in place. A permanent Executive Director was hired in December, 1995; an Operations Officer was hired in May, 1996; and a temp Special Projects Coordinator came on in December, 1996. Current budget requests continue to develop staff and operating funds for these new facilities.

Diagrams of new site facilities are attached. The facilities are scheduled to come on-line as follows:

Boardwalks:	April, 1997
Meeting room/Gallery and Office space:	July, 1997
Maintenance and Interpretive area:	July, 1997
Outdoor performance area:	Fall, 1997
Film theatre, Exhibit Area, Gift Shop:	December, 1997

BOARDWALKS: These new visitor areas will enhance the use of this beautiful island site. In addition to signage about what the visitor views from these areas, programs will also occur.

MEETING ROOM/GALLERY: In much smaller facilities, the Outer Banks History Center annually hosted up to 90 meetings per year. The state, regional and local communities are already planning usage of this space. In addition cooperative efforts with state and local arts organizations plan multiple art shows and receptions for this space upon completion. This portion of the facility will provide 3,000 sq. ft. of flexible, usable space.

OFFICES: The offices in this area will provide work space for the needed staff positions.

MAINTENANCE BUILDING: The original maintenance area to the site sustained severe damage a number of years ago. This new facility replaces that building. For the first time, it will provide space for proper maintenance of the ship and the ship's boat in addition to all facilities.

INTERPRETERS' AREA: Much needed dressing areas and interpretive clothing and prop storage will be provided in the maintenance building. Additional storage space, currently contracted off site, will be available.

OUTDOOR PERFORMANCE AREA: The bandstand will provide much needed program space for the site. A proposal is currently outstanding with the North Carolina School of the Arts to utilize this space for a 10 week, 5 days per week, Summer Institute. This institute will provide more widespread performance opportunity for the School of the Arts while providing the visitor to the site with on-going, high quality, arts programming. This space will also be used for site programming and general arts programming in collaboration with state and local arts groups in addition to general concert programming and community events.

FILM THEATRE: The primary purpose of this 238 seat film theatre is to present to our visitors a high-quality motion picture of 40 minutes in length dealing with the Native American culture prior to colonization attempts and the changes resulting when colonization begins. This venue will provide our visitors with a more in-depth understanding of this region's role in the development of this nation. A proposal has been received from the NC School of the Arts, School of Filmmaking to produce this film. A script has previously been developed working with professional scriptwriter, Carl Waldman.

The expertise of Commission member, Robert Girolami, has been utilized. Dr. David Phelps of ECU and the Commission of Indian Affairs will be asked to consult on this important piece. The film is to be installed April, 1998.

Commission member, and renowned theatre consultant, Robert Long has consulted on both the film theatre and the bandstand as has theatre consultants Boston Sound and Light to insure the effectiveness of both performance spaces.

EXHIBIT AREA: After two years of work by Committees, an exhibit consultant has been contracted to develop the Committee's goals for the exhibit program and bids have been let to exhibit design firms. As of January, a contract has been awarded and exhibit design is in process. The exhibit consultant continues to oversee exhibit development and the Commission feels most fortunate to have this expertise. Exhibits will be installed in the exhibit space by April, 1998.

GIFT SHOP: The Friends non-profit group has operated a very small gift shop at the ELIZABETH II for some time. This new facility will allow the further development of this important component of the site.

4. To advise the Secretary of the Department of Cultural Resources on matters pertinent to historical and cultural events on Roanoke Island.

The ELIZABETH II has hosted a number of historical and cultural events at the site over the years. The Commission has begun to actively pursue events which can be added to the site's offerings once new facilities are in place.

5. With the assistance of the Department of Cultural Resources, to identify, protect, preserve and protect properties on Roanoke Island having historical significance to the State of North Carolina, Dare County, or the Town of Manteo consistent with applicable State laws and rules.

The Commission is currently working in collaboration with the Town of Manteo to determine the best manner to preserve the rich maritime heritage of this area. An oral history was done during 1996 with a key member of that heritage. Possibilities are being explored utilizing the expertise of the NC Maritime Museum at Beaufort and the upcoming opportunity provided by Manteo's 100th anniversary. A goal is to establish a maritime position in order to begin such as effort.

6. To establish and collect a charge for admission to any property or event operated by the Commission.

The Commission voted a small increase in admission charges for the ELIZABETH II site. This action is outlined in the attached admission report.

7. To solicit and accept gifts, grants and donations.

The Commission has applied and received the following grants:

1. To place powerlines underground on causeway section of Roanoke Voyages Corridor.

Source: Dare County Tourist Bureau

Amount: \$30,000.

Date: Awarded 1995, Completed 1996

2. To develop a shoulder-season program to increase visitation and expand programming opportunities to our visitors.

Source: Dare County Tourist Bureau

Amount: \$7,000.

Date: January, 1997

3. To extend trailway system on site and develop map for visitors to

Roanoke Island in order to increase awareness and usage by visiting public.

Source: Adopt-A-Trail

Amount: \$11,140.

Date: January, 1997

4. Other donations received as per attached report.

8. To cooperate with the Secretary and Department of Cultural Resources and Department of Transportation and the Secretary and Department of Environment Health, and Natural Resources and other governmental agencies, officials and entities and provide them with assistance and advise.

This is a daily cooperative effort throughout our work on various projects.

9. To adopt and enforce such bylaws, rules and guidelines that the Commission deems to be reasonably necessary in order to carry out its powers and duties.

Current bylaws are attached.

10. To establish and maintain a "Roanoke Island Commission" separate fund composed of moneys which may come into its hands from gifts, donations, grants or bequests which funds will be used by the Commission for purposes of carrying out its duties and purposes herein set forth. The Commission may also establish a reserve fund to be maintained and used for contingencies and emergencies.

A report of this account is attached.

11. By cooperative arrangement with other agencies, groups, individuals, and other entities, to coordinate and schedule historical and cultural events on Roanoke Island.

We are currently working with local groups to present a Shakespeare Festival on Roanoke Island. Increased participation in such events will be possible as new facilities come on line. Cooperative arrangements are currently in process with NC School of the Arts, Dare County Arts Council, joint promotion between sites, and programs such as NC Center for the Advancement of Teachers.

12. Make recommendations to the Secretary of Cultural Resources concerning personnel and budgetary matters.

Staff development and supporting budgets for existing and facilities under construction have been recommended and submitted.

13. To acquire real and personal property by purchase, gift, bequest, devise and exchange.

Since the establishment of the Commission, no such action has occurred.

14. To administer the Roanoke Island Commission Fund and the Roanoke Island Commission Endowment Funds as provided in G.S. 143B-131.8.

Reports on these funds are attached.

15. To procure supplies, services, and property as appropriate and to enter into contracts, leases and other legal agreements consistent with State laws and Department rules to carry out the purposes of this Part and the duties of the Commission.

Contracts have been entered for the purposes of scriptwriting, exhibit development, programming, purchasing, etc. and have been entered utilizing Department and State policies and procedures.

RECOMMENDATIONS FOR LEGISLATION AND ADMINISTRATIVE ACTION TO PROMOTE AND DEVELOP THE ELIZABETH II STATE HISTORIC SITE AND VISITOR CENTER.

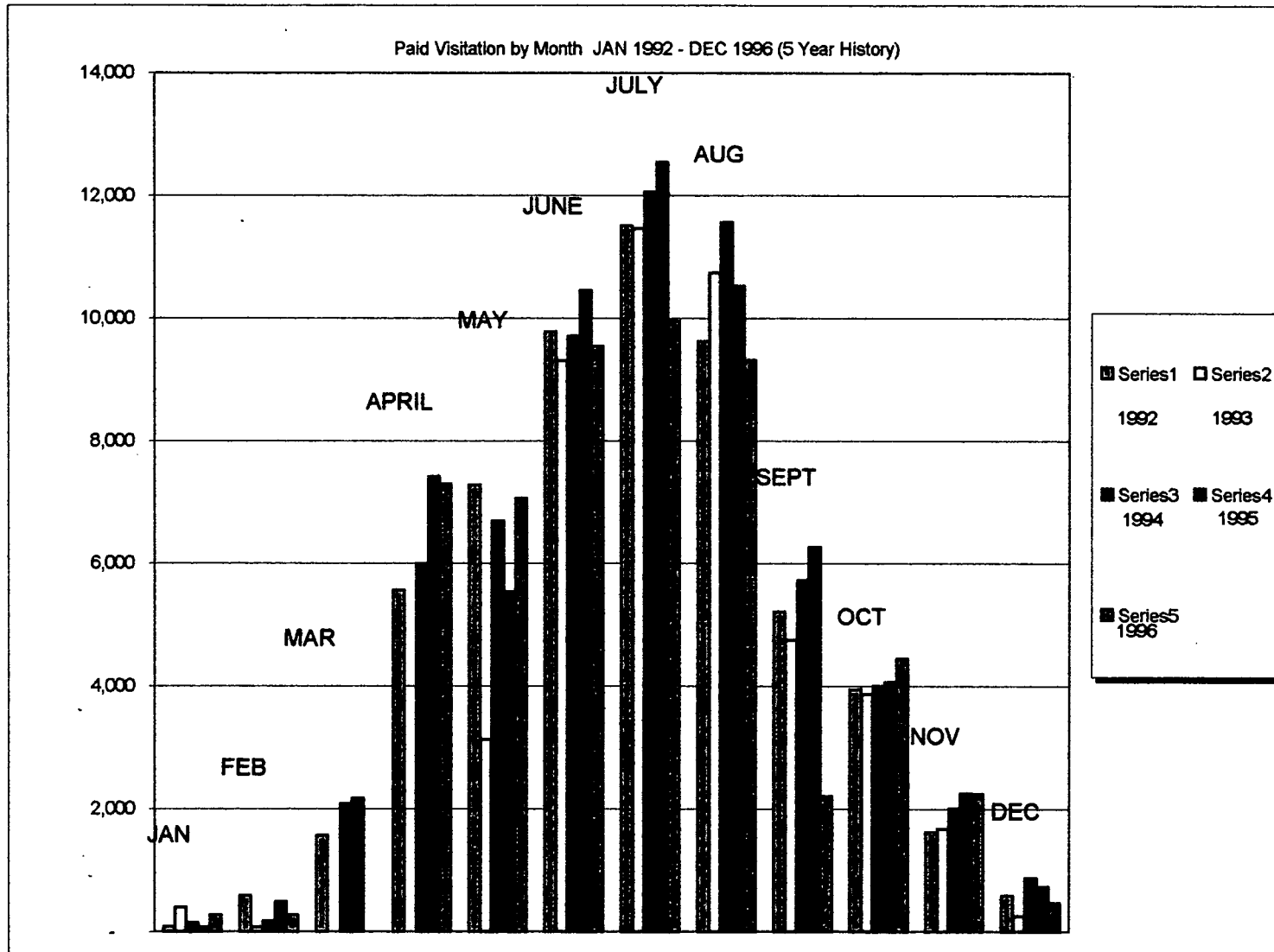
With construction in progress the site has developed budget requests for the needed infrastructure to operate the new facilities upon completion. Funding of pending budget requests is critical to the operation of this facility.

AN ACCOUNTING OF FUNDS RECEIVED AND EXPENDED.

Reports on all funds are attached.

As you review the progress of the Commission, it becomes apparent that the accomplishments made and goals set are achievable through the combined efforts of many. The Commission is most appreciative of the visit by the Advisory Budget Committee in September. The Commission is indebted to the support of the Department of Cultural Resources and the Department of Transportation and their respective staff members who work with this project. At this point in development, State Construction also plays a vital role as do many departments.

Thank you, as legislators, for your support of this important state site. Public awareness and understanding of the importance of this area and State as the birthplace of English-speaking America will result. In addition the State will have further established a facility that will provide educational, historical and arts opportunities to visitors from throughout the state, country and even internationally.



THE ELIZABETH II PAID VISITATION HISTORY

CHART#.XLS

YEAR	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TLT PAID	TLT PAID
	PAID	PAID	PAID	PAID	PAID	PAID	PAID	PAID	PAID	PAID	PAID	PAID	VISITORS	VISITORS
	VISITS	VISITS	VISITS	VISITS	VISITS	VISITS	VISITS	VISITS	VISITS	VISITS	VISITS	VISITS	JAN - DEC	JULY - JUNE
1984	-	-	-	-	-	-	14,735	25,228	9,496	7,701	3,117	1,149	61,426	84,214
1985	492	575	1,552	4,552	5,583	10,034	16,230	17,221	4,253	730	1,039	394	62,655	57,526
1986	281	398	737	2,830	5,362	8,051	11,989	10,124	3,933	-	956	361	45,002	40,538
1987	230	296	-	-	4,379	8,290	12,055	11,298	4,628	1,431	546	289	43,442	47,295
1988	-	281	871	2,088	5,508	8,300	10,385	11,071	5,202	3,505	1,545	498	49,254	51,491
1989	167	331	1,401	2,658	5,994	8,734	10,857	12,044	4,883	3,848	1,209	344	52,470	52,907
1990	191	589	1,301	4,939	5,630	7,072	11,905	11,182	4,940	3,761	1,301	390	53,201	60,068
1991	136	549	1,950	5,006	7,893	11,055	13,817	11,406	6,107	4,726	1,272	498	64,415	62,671
1992	83	583	1,567	5,564	7,277	9,771	11,501	9,622	5,208	3,948	1,626	586	57,336	45,394
1993	398	76	-	-	3,124	9,305	11,454	10,741	4,754	3,870	1,674	250	45,646	57,525
1994	148	168	2,083	5,992	6,688	9,703	12,051	11,557	5,721	4,007	2,012	877	61,007	62,344
1995	72	485	2,171	7,406	5,534	10,451	12,539	10,521	6,261	4,070	2,255	730	62,495	60,807
1996	268	271	-	7,297	7,058	9,537	9,951	9,310	2,210	4,440	2,247	471	53,060	28,629
1985-96TOT	2,466	4,602	13,633	48,332	70,030	110,303	144,714	136,097	58,100	38,336	17,682	5,688	649,983	513,697
5YR TOT	969	1,583	5,821	26,259	29,681	48,767	57,496	51,751	24,154	20,335	9,814	2,914	222,208	166,464
AVG 85-96 TOT	206	384	1,136	4,028	5,836	9,192	13,156	12,372	5,282	3,485	1,607	517	57,200	59,036
AVG 5 YR TOT	194	317	1,164	5,252	5,936	9,753	11,499	10,350	4,831	4,067	1,963	583	55,909	33,293
OTE : 1984 FIGURES ARE NOT INCLUDED IN THE TOTALS														
OTE: ALL TOTALS DO NOT AGREE DUE TO AVERAGING. ALL TOTALS ARE ADDED ACROSS WORKSHEET.														
OTE: NO VOYAGE VISITORS OR REVENUE IS INCLUDED IN THESE FIGURES.														
OTE: INCREASED ADMISSION PRICES 8/10/96														
OTE: SHIP ON VOYAGE FROM 9/19 - 9/29/96.														
OTE: SITE HOSTED OPEN HOUSE 12/7/96 - ADMISSION FREE - 131 VISITORS NOT REFLECTED ABOVE														

**REPORT FROM ROANOKE ISLAND COMMISSION
ADMISSION FEES
JANUARY 27, 1997**

The *Elizabeth II* State Historic Site transferred administratively and operationally to the Roanoke Island Commission by legislation in 1995. This independent commission is located within the Department of Cultural Resources. The commission's duties include a directive "to establish and collect a charge for admission to any property or event operated by the Commission."

The *Elizabeth II* has charged admission since opening in 1984. Since 1984 the site has generated admission revenue of \$1,556,171, or an average of \$129,681 in annual admission revenue.

In August 1996 the Roanoke Island Commission authorized the following increase in admission fees:

	<u>Existing</u>	<u>Revised</u>
Adult	\$ 3.00	\$ 4.00
Senior	2.00	4.00
Children (over 6)	1.50	2.00
Adult Group (10 or more)	2.50	3.00
Senior Group	1.50	3.00
Children/School Groups	1.00	1.50

The following results have occurred:

10-year average paid visitation August - December	21,565
1996 paid visitation August - December	<u>18,676</u>
	= 2,887

10-year average admission revenue August - December	\$53,741
1996 admission revenue August - December	<u>59,593</u>
	\$+5,852

It is significant to note that visitation is down following this increase; however, it is also important to note that this site began a major capital improvement project on August 1, 1996. The construction activity is believed to have had a more adverse impact on visitation than the admission increase. Careful tracking of customer satisfaction has also revealed that the only unfavorable comments about the increase relate to the senior increase. We believe the positioning by the Commission with increased admission rates allows the site to maintain revenue levels, thereby continuing the quality of programming and keeping operating appropriation requests at the lowest possible level.

It should be noted that the *Elizabeth II* site is in a unique location. Visitation in this major tourist destination area is extremely strong and provides a large pool from which to draw. This same situation would not apply at many historic site locations.

Deloris Harrell

ROANOKE ISLAND COMMISSION

COMOCT.XLS

Summary of the Continuation Budget, Endowment, Revenue and Capital Improvement Accounts
CONTINUATION BUDGET JULY 1, 1996 - January 31, 1997
APPROPRIATIONS/INCOME

Carry over from 1995-96	\$ 1,427.88	
1996-97 Appropriations	\$ 312,769.00	
Sale of Surplus	\$ 647.22	
Salary Increase (State wide raise)	\$ 6,221.00	
Revenues as of 1/31/97 w/o endowment	\$ 63,087.40	(Actual Revenue \$83,091.45 - Endowment \$20,004.05 = Revenue available for expenditures \$63,087.40)

Total Income

\$ 384,152.50
EXPENDITURES

Personal Services	\$ 180,029.72
Purchased Services	\$ 24,501.32
Supplies	\$ 1,569.63
Property, Plant and Equipment	\$ 8,274.06
Other Expenses & Adj.	\$ 375.00
Cash adjustment (payroll taxes)	\$ (10.52)
Encumbrances	\$ 9,028.77

Total Expenditures

\$ 223,767.98
BALANCE AS OF 1/31/97
\$ 160,384.52
ENDOWMENT ACCOUNT JULY 1, 1996 - JANUARY 31, 1997

Contribution as of June 30, 1996	\$ 33,120.99
Contributions 7/1/96 - 1/31/97	\$ 20,004.05
Interest earned 7/1/95 - 1/31/97	\$ 8,903.13

BALANCE AS OF 1/31/97

\$ 62,028.17
ACTUAL REVENUE JULY 1, 1996-JAN. 31, 1997

Balance as reported by NC Depart. of Cultural Resources

\$ 83,091.45

ROANOKE ISLAND COMMISSION ACCOUNT

January 1, 1995 - December 31, 1995

INCOME

Beginning Balance	\$ 4,676.96
Transfer of Roanoke Voyages and Ell Committee	\$ 1,504.55
Drink Machine Contribution	\$ 287.17
Correction to expenses	\$ 240.07
Donation	\$ 5.00

TOTAL INCOME \$ **6,713.75**

EXPENDITURES

Postage	\$ 96.00
Misc. Subsistence	\$ 2,126.81
Supplies	\$ 350.40
Entertainment	\$ 90.00
Flowers	\$ 111.30
Gifts	\$ 45.00
Travel	\$ 308.89
Brochures/Advertisement	\$ 266.06

TOTAL EXPENDITURES \$ **3,394.46**

BALANCE AS OF 12/31/95**\$ 3,319.29****ROANOKE ISLAND COMMISSION CHECKING ACCOUNT**

AS OF 12/31/95

Beginning Balance	\$ 5,117.56	
Additions	\$ 2,036.79	
Reductions	\$ 3,782.06	
Sub Total	\$ 3,372.29	Statement Balance
Outstanding Deposits	\$ -	
Outstanding Checks	\$ 53.00	

Balance as of 12/31/95**\$ 3,319.29**

Outstanding checks

1019 Island Florist \$53.00

ROANOKE ISLAND COMMISSION ACCOUNT

January 1, 1996 - December 31, 1996

INCOME

Beginning Balance	\$ 3,319.29
Sale of Video	\$ 10.00
Tourist Bureau (N.C. Power pmt)	\$ 30,000.00
Check # 1019 voided	\$ 53.00

TOTAL INCOME \$ **33,382.29**

EXPENDITURES

Postage	\$ 29.03	
Misc Subsistence	\$ 2,342.32	
Flowers	\$ 95.40	(\$53.00 ck replaced from 1995)
Gifts	\$ 163.27	
Travel	\$ 163.00	
Donations	\$ 50.00	
Video for Corridor	\$ 54.06	
N.C. Power Grant	\$ 30,000.00	

TOTAL EXPENDITURES \$ **32,897.08**

BALANCE AS OF 12/31/96

\$ 485.21

ROANOKE ISLAND COMMISSION CHECKING ACCOUNT

AS OF 12/31/96

Beginning Balance	\$ 601.29	
Additions	\$ -	
Reductions	\$ 116.08	
Sub Total	\$ 485.21	Statement Balance
Outstanding Deposits	\$ -	
Outstanding Checks	\$ -	

Balance as of 12/31/96

\$ 485.21

Outstanding checks

NONE

\$0.00

EAST ELEVATION

DOVE-KNIGHT AND ASSOCIATES - ARCHITECTS, P.A.
 3136 ZEBULON ROAD - ROCKY MOUNT, NORTH CAROLINA - 919-443-3173/FAX 919-443-7288

ELIZABETH II HISTORIC SITE
 OUTER BANKS HISTORY CENTER
 Manteo, North Carolina



93-102
 1

Scale: 1/8" = 1'-0"

**ROANOKE ISLAND COMMISSION
BY-LAWS**

Article I. PURPOSE

The Roanoke Island Commission (the "Commission") is an independent commission of the State of North Carolina, located within the North Carolina Department of Cultural Resources for historic resource management, organizational, and budgetary purposes. Pursuant to applicable portions of the North Carolina General Statutes ("NCGS"), the primary purposes of the Commission are:

To combine various existing commissions, committees and entities in the spirit of cooperation for a cohesive body to protect, preserve, develop and interpret the historical and cultural assets of Roanoke Island;

To advise the Secretary of the Department of Transportation and adopt rules and policies on matters pertinent to and affecting and encouraging restoration, preservation and enhancement of the appearance and aesthetic quality of the US Highway 64-264 and NC 400 travel corridors on Roanoke Island;

To advise the Secretary of the Department of Cultural Resources and establish policies on matters pertinent to the operation and maintenance of the Elizabeth II State Historic Site and Visitors Center as permanent memorials commemorating the Roanoke Voyages, 1584-1587;

To advise the Secretary of the Department of Cultural Resources and establish policies on matters pertinent to the development of Ice Plant Island and to manage future facilities in cooperation with the Department of Cultural Resources;

To identify, preserve and protect properties located on Roanoke Island having historical significance to the State of North Carolina, Dare County or the Town of Manteo with the assistance of the Department of Cultural Resources;

To maintain appropriate and proper attention to Roanoke Island, its history and culture through cooperation with the Governor and the General Assembly;

These purposes are to be carried out for the benefit and enjoyment of the citizens of North Carolina and those from across the country who visit the English speaking birthplace of our nation, Roanoke Island.

Article II. GOVERNING STATUTES, RULES AND GUIDELINES

Statutory authority for the Commission is set forth in Part 27A of Chapter 143B of NCGS. The Commission has adopted Rules and these Bylaws in accordance with NCGS Section 143B-131.2(9). The Commission may also adopt such guidelines and policies as are deemed necessary from time to time to carry out the purposes of the Commission.

Article III. OFFICES

The Offices of the Commission shall be located on Roanoke Island, North Carolina.

Article IV. MEETINGS

Section 1. Conduct of Meetings

Meetings shall be conducted according to the most current revision of Roberts Rules of Order, the Governing Statutes, and these By-laws.

Section 2. Commission Meetings

The Commission shall meet semiannually in the Spring and the Fall at such time and in such place as may be determined from time to time by the Commission. The Fall meeting shall be the annual meeting, the purposes of which shall include, but not be limited to, the election of all officers (except the Chair) and the transaction of such business as may come before the Commission.

Special meetings of the voting members may be called by the Chair, or any three voting members of the Commission. All meetings of the Commission may be held within or without the State of North Carolina.

Section 3. Quorum

A majority of the members of the Commission shall constitute a quorum for the transaction of business. The affirmative vote of a majority of the members present at meetings of the Commission shall be necessary for action to be taken by the Commission.

Section 4. Proxies

At all meetings of voting members, a voting member may vote by proxy executed in writing by the voting members. Such proxy shall be filed with the Executive Director of the Commission before or at the time of the meeting. No proxy shall be valid after the meeting for which it is given.

Article V. MEMBERS

Section 1. Members and Selection

The Roanoke Island commission shall consist of 24 voting members appointed as follows: six members appointed by the governor; six members appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate, at least two of whom reside in Dare County; six members appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives, at least two of whom reside in Dare County; and the following persons, or their designees, ex officio:

- a) The Governor;
- b) The Attorney General;
- c) The Secretary of the Department of Cultural Resources;
- d) The Secretary of the Department of Transportation;
- e) The Chair of the Dare County Board of Commissioners;
- f) The Mayor of Manteo.

Section 2. Terms of Members

Members shall serve for two-year terms, with no prohibition against being reappointed, except initial appointments shall be for terms as follows:

- 1) The Governor shall initially appoint three members for a term of two years and three members for a term of three years;
- 2) The General Assembly upon the recommendation of the President Pro Tempore of the Senate shall initially appoint three members for a term of two years and three members for a term of three years.
- 3) The General Assembly upon the recommendation of the Speaker of the House of Representatives shall initially appoint three members for a term of two years and three members for a term of three years.

Initial terms shall commence October 1, 1994. On or before September 15 of each year the Commission shall make such recommendations as it deems appropriate for new appointments or re-appointments.

Section 3. Vacancies

A vacancy in the Commission resulting from the resignation of a member or otherwise, shall be filled in the same manner in which the original appointment was made, and the term shall be for the balance of the unexpired term. Vacancies in appointments made by the General Assembly shall be filled in accordance with G.S. 120-122.

Section 4. Removal

Members may be removed by the Governor in accordance with G.S. 143B-13 for misfeasance, malfeasance or nonfeasance.

Section 5. Compensation

The Commission shall receive no salary as a result of serving on the Commission but shall receive per diem, subsistence and travel expenses in accordance with the provision of G.S. 138-5 and G.S. 138-6, as applicable. When approved by the Commission, members may be reimbursed for subsistence and travel expenses in excess of the statutory amount.

Article VI. OFFICERS

Section 1. Officers

The officers of the Commission shall be and include:

The Governor shall appoint a chair biennially from among the membership of the Commission.

The Commission shall elect from its membership a Vice Chair, Secretary, and Treasurer to serve two-year terms.

The Commission in its discretion may appoint a historian to serve at its pleasure. Initial terms shall commence on October 1, 1994.

Section 2. Powers and Duties

CHAIR. The Chair shall preside at the meetings of the Commission.

The Chair, shall sign all written contracts and obligations of the Commission; shall be an ex-officio member of all committees; shall name and appoint such committees as may be needed, each committee to have its duties clarified unless the nature of it seems routine; shall schedule and give notice of the dates of Commission and committee meetings for the succeeding twelve month period; and shall perform such other duties as the Commission may assign.

VICE-CHAIR. The Vice-Chair shall perform such duties as may be assigned by the Chair.

SECRETARY. The Secretary shall review and approve the minutes of all business meetings, may sign all written contracts and obligations of the Commission with the Chair, and shall perform such other duties as may be assigned by the Chair.

TREASURER. The Treasurer and Executive Director shall, under the direction of the Chair and the Commission, administer the Roanoke Island Commission Fund and the Roanoke Island Commission Endowment Fund in accordance with NCGS Section 143B-131.8.

Section 3. Vacancy

A vacancy in any office other than the Chair because of death, resignation, removal, disqualification or otherwise, may be filled by the voting members for the unexpired portion of the term. The Governor shall fill any vacancy in the office of Chair; however, recommendations from the Commission may be submitted.

Article VII. COMMITTEES

Section 1. Standing Committees

There shall be four standing committees which are the:

- 1) Roanoke Voyages Corridor Committee;
- 2) Visual and Performing Arts Committee;
- 3) Elizabeth II Committee;
- 4) Maritime History Committee.

The Chair shall appoint three or more voting members to the standing committees, shall select a chair for each standing committee and shall assign the committee's duties unless otherwise assigned by the Commission. Any standing committee chair may recommended two additional non-voting committee members for approval by the Chair. Standing committees shall meet at least quarterly to carry out assigned duties. Quarterly reports following such meetings shall be made to the Chair for distribution to the full Commission.

Section 2. Standing Committee Responsibilities and Authorities

1) Roanoke Voyages Corridor Committee

Responsibility: To affect and encourage restoration, preservation and enhancement of the appearance and aesthetic quality of the U.S. 64/264 and N.C. 400 Corridor through Roanoke Island.

Authority: The Commission has delegated to the Corridor Committee authority to administer and enforce the Commission's Regulations and Standards which are related to Corridor restoration, preservation and enhancement.

2) Visual and Performing Arts Committee

Responsibility: To insure all visual and performing spaces on Ice Plant Island are built correctly and used appropriately to their maximum benefit.

Authority: Expenditures over \$1,000 require prior approval by the Executive Committee.

3) Elizabeth II Committee

Responsibility: To insure interactive history exhibition space and films are of the highest quality and to continually review and oversee the quality of the operation of the site.

Authority: Expenditures over \$1,000 require prior approval by the Executive Committee

4) Maritime History Committee

Responsibility: Initially, to explore the opportunities for a maritime history museum.

Section 3. Executive Committee

The Executive Committee shall consist of:

- 1) The Commission Chair;
- 2) The Chairs of the four standing committees;
- 3) The Secretary of the North Carolina Department of Cultural Resources, or the Secretary's designee, who shall be a voting member of the Executive Committee;
- 4) The legal counsel assigned by the Attorney General shall provide legal advice to the Executive Committee;
- 5) The Executive Director shall be a non-voting member of the Executive Committee.

Between meetings, the Executive Committee shall have authority to act on behalf of the Roanoke Island Commission on such matters as the Chair may determine to be necessary and shall submit

reports of such actions to the full Commission in quarterly reports. The Executive Committee shall have no authority to amend or repeal the Regulations and Standards or these By-laws, or to amend or repeal any guideline, policy or resolution of the Commission.

Section 4. Other Committees

The Chair shall appoint three or more voting members to such other committees as the Chair deems appropriate or as may be created by motion and adopted by the voting members. The Chair shall select a chair of such other committees and shall assign its duties unless its duties are otherwise assigned by the Commission.

Article VIII. RECORDS

Each committee shall keep a written record of its proceedings and shall submit such records in quarterly reports to the voting membership. The Executive Director shall have the responsibility to ensure that accurate records and minutes of all Commission proceedings are maintained.

Article IX. FINANCES

All funds of the Commission shall be deposited to the credit of the Commission in such banks as are designated by the Executive Director, after consultation with the Chair and Treasurer. All checks and drafts issued against funds held by the Commission shall be signed by the Executive Director or the designated finance officer and shall be countersigned by either the Chair or Treasurer if the amount of the check or draft exceeds \$5,000.

Article X. AMENDMENTS TO BY-LAWS

Except as may be provided otherwise by law, these by-laws may be altered, amended or repealed, and new by-laws may be adopted by an affirmative vote of two thirds of the voting members present at any regular or at any special meeting of the Commission at which a quorum is present.

Article XI. EXECUTIVE DIRECTOR

The Executive Director of the Roanoke Island Commission shall be appointed by the Commission as the professional and managing official of the Commission. The salary of the Executive Director shall be set by the Commission.

Under the direction of the Chair the Executive Director shall manage the operations of the Commission to insure protection, preservation, development and interpretation of the historical and cultural assets of Roanoke Island.

The Executive Director's work involves significant contact with State personnel and Commission members to promote operations and the historical significance of Roanoke Island.

The Executive Director shall perform additional duties which shall include, but not be limited to:

Planning: Employee oversees the development of long-range plans for the operation of all aspects of the Commission's work on Ice Plant Island and Roanoke Island. Based on long-range planning efforts, employee sets short range goals and objectives and recommends staffing and budgetary needs.

Organizing and directing: Employee carries out the directives of the Commission in regard to hiring staff and establishing the organizational structure to manage the work. Employee, together with the Chair, makes decisions in the selection, promotion, dismissal, and salary adjustment of employees based upon guidelines established by the Commission.

Budgeting: Employee works with the Business Officer of the Department of Cultural Resources and the Office of State Budget to prepare the budget based on input from the Chair, the previous year's budget and the program plan for the coming year.

Employee is accountable to the Commission for the budgeting and expenditure of non-state funds.

Setting Work Standards: With input from the Chair, employee establishes the guidelines and develops the procedures for evaluating employee performance. Employee oversees and insures that performance standards are monitored.

Reviewing Work: Employee reviews the work and accomplishments of all functions and insures the planning goals are being met. Employee monitors the educational and interpretative activities through the satisfaction and feedback from Commission members, participants, and the public.

Facilities Management: Employee works to insure that facilities are constructed, managed and maintained to the highest quality and continually reviews the operations of the site.

Extent of supervision received: Employee works with considerable independence and is guided by general instructions from the Chair and Commission.

Recruitment Procedure: The Chair shall make recommendations to the Commission regarding the selection, promotion, dismissal or salary adjustments of the Executive Director.

The House APPROPRIATIONS/General Government Subcommittee Meeting

Minutes

May 19, 1997

The House APPROPRIATIONS/General Government Subcommittee met on Monday, May 19, 1997 at 2:00 PM in Room 425 of the Legislative Office Building. The following members were present: Representatives Sherrill (Cochair), Ellis, Jeffus, Esposito (APPROPRIATIONS Chair), Howard (Majority Whip) and Representative Ives (Cochair) presiding. Representative Ives called the meeting to order at 2:16 PM.

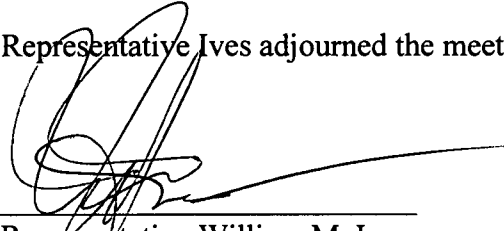
Representative Ives introduced Ms. Alice Barkley who gave a brief history of the federal funds the State Humanities Council has received in the past (see attachment #1). Representative Ellis asked who is promising to match funds? Ms. Barkley replied that the first column represents the outright award they receive from the NEH and the Treasury Funds in the second column (see attachment #1) to make the total amount of funds they receive. Representative Ellis asked if the Humanities Council stopped raising money in the mid 1980s. Ms. Barkley answered no that they raise over and above the figure in the parentheses. Representative Ives asked who are the beneficiaries of the Council's grants? Mrs. Barkley responded that the beneficiaries are the people of North Carolina including libraries, colleges, Choices programs, A&T, Motherhead in 62 counties, literacy programs and a program called Let's Talk About It which benefits mainly rural areas. Representative Ives asked if the Humanities Council is in the Senate Budget and Ms. Barkley replied yes for \$100,000. Representative Sherrill asked Ms. Barkley if they still do not know how much the Federal Funds will be and Ms. Barkley said that they do not and that it is given to them year by year. Ms. Barkley also responded that they have been told not to expect more than last year and maybe less than before which is \$588,700. Ms. Barkley added that Motherhead has been exported to four other states: California, Utah, Washington and Minnesota. Representative Jeffus moved to leave \$100,000 in the House Budget for the Humanities Council. Representative Ellis made a substitute motion to not include \$100,000 in the House Budget because the Council has had 25 years to get going and has been successful in it's fundraising. The motion failed. The question was called on the original motion and the motion carried.

Mr. Jim Brown of the State Ports Authority addressed the committee. Mr. Brown gave an overview of the legislation on the State Ports Authority tax credit. Mr. Brown stated that the tax credit means additional business for the ports which helps impact the economy favorably. Representative Ellis asked when the subsidization of the State Ports Authority was scheduled to end and does North Carolina have a market? Mr. Brown replied that North Carolina has a good market share in bulk cargo, but not in container

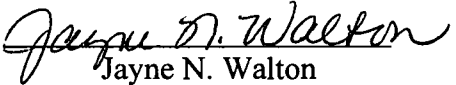
cargo. He also said that North Carolina is 30 years behind other states and it needs to be continued until the State Ports Authority can attract more business. Representative Sherrill asked how North Carolina Ports compared to the South Carolina and Virginia Ports? Mr. Brown responded that neither of those two states have a similar incentive because they do not need it and because they have a 20 to 30 year jump on North Carolina. Mr. Brown also said that states with similar incentives are Massachusetts, Mississippi, Maryland and Indiana. Representative Sherrill asked if this tax credit is really helping since North Carolina Ports are already so far behind? Mr. Brown responded that it has already begun to help and referred to a handout outlining a four year history of the agency through 1996 (see attachment #2). Mr. Brown also handed out information on examples of various scenarios that are applicable to the tax credit (see attachment #3). Representative Ellis asked what was the original anticipation for the sunset on the tax credit? Mr. Brown responded it was originally for 1995, then extended to 1998 and now recent legislation will remove the sunset. Mr. Brown said the tax credit is working and the North Carolina State Ports Authority is seeking to extend the tax credit indefinitely. A discussion with staff determined that this agency should be moved to Commerce or Finance. Representative Ives asked the staff for more direction in moving this agency to the appropriate committee.

Representative Ives introduced Mr. Jack Harper to give an overview of allowing Corporate Annual Reports to be filed with the Secretary of Revenue (SB 727 & SB 157) instead of the Secretary of State's Office. The Department of Revenue has requested \$178,000 to implement this transfer (see attachment #4). Mr. Harper explained the items of handout #4 and said that of the \$178,000; \$112,000 is recurring and \$66,000 is non-recurring. Mr. Evan Rodewald offered a fiscal note stating that \$66,000 could be cut from the Secretary of State's Office and later was revised to \$76,000 and this cut was not included in the Senate Budget. Secretary of State Elaine Marshall spoke to the committee that this change was for convenience reasons for the citizens of the State and not necessarily for saving money. Secretary Marshall said that the Corporate Annual Report filing would be made simpler by requiring the reports to be filed at one place on one date rather than at two different agencies on two separate dates which would make the system more user friendly and eliminate confusion. Representative Ives thanked Secretary Marshall and Mr. Harper for their attendance.

Representative Ives adjourned the meeting at 3:02 PM.



Representative William M. Ives
CoChairman



Jayne N. Walton
Committee Clerk

Mr. Jim Brown

att: #1 5-19-97



North Carolina Humanities Council
Weaving Cultures and Communities

425 Spring Garden Street

Greensboro, NC 27401

910-334-5325

Fax 910-334-5052

The North Carolina Humanities Council (NCHC) is North Carolina's affiliate of the National Endowment for the Humanities (NEH). We are one of 56 humanities councils found in each of the 50 states and in the 6 U. S. territories. The NCHC is made up of 18 elected citizens and humanities scholars and 5 gubernatorial appointees. The Council meets 3 to 4 times yearly to make decisions regarding community-initiated grants and special projects of the NCHC.

Since its founding in 1972, NCHC grant recipients have included both traditional, established institutions and organizations and smaller, lesser known groups, especially those from the state's African American and Native American communities. The public humanities programs which these groups sponsor share several common threads: they are local; they encourage active participation through discussion; and they enhance citizens' education while cultivating and renewing an appreciation for the shared civic life so critical for a healthy democracy.

Over the years, local sponsors have shown an endless creativity in designing humanities programs for their communities. These programs are unique because they must include humanities scholars from NC's colleges and universities. The value of this requirement, the exchange of ideas between the public at large and the state's scholars, has proven meaningful to both groups because it brings the ideas of scholarship to bear upon the experience of citizens' everyday lives. In return it asks citizens to use the lived experience of their lives to "critique" ideas generated in the academy. These exchanges foster a dialogue around the most fundamental human questions, and they suggest thoughtful approaches to many of the complicated issues which concern North Carolinians as we anticipate our future.

Among the many community-initiated grants that have nurtured democratic citizenship over the last few years are the following. In Siler City, NCHC funded a program that explored the recent emergence of the Latino community and its implications for race relations in that town. In New Bern, a group of older citizens formed themselves into a committee to do an oral history to preserve a sense of their community before it began to change as it has attracted retirees from all over the country. In Mebane, NCHC funded a major oral history and photographic exhibit on the human consequences of the closure of that town's largest employer, White Furniture, 1881-1993. And in Franklin, NCHC funded a project which asked residents to examine the role of tourism in shaping perceptions of Appalachian culture. The object of all this grant-making was to enable local community groups to define humanities questions according to their own particular needs and interests and to develop programs that respond to those issues. More recently, the Council has issued a thematic Request for Proposals (RFP) to communities, challenging North Carolinians to think in a variety of ways about "Democratic Vistas: Communities and Citizenship in the 21st Century."

-2-

Several NCHC projects are initiatives that involve a commitment of time as well as funds. During the past several years these projects have included unprecedented support of MOTHEREAD/FATHEREAD, the Raleigh-based literacy program designed specifically to address the literacy skills of parents and children. Through the Council's work with MOTHEREAD/FATHEREAD Literacy Institutes, NCHC trained hundreds of literacy workers who now work in communities all across the state. Now, with LITERACY CONNECTIONS, a new NCHC project, NCHC offers assistance to those literacy workers to become better established and more effective in their home communities. Since 1983, the NCHC also has worked hard to improve public education through support of intensive Teachers' Institutes for the state's teachers. From 1992-5, for example, the Council worked closely with educators in Robeson County on how that area's multicultural history could be used as a source of strength in public life instead of as a source of conflict. Currently, we are in the first year of a similar three-year project in Hoke and Scotland Counties on the same issues. Further, NCHC provides easy access to humanities scholars for NC's non-profits through its speakers' bureau, "Humanities Forum." And finally, for more than a decade, the Council has supported a library-based reading-and-discussion program called "Let's Talk About It," extraordinarily effective and popular with our state's rural communities.

During its 25 year history, the Council has put more than 12 million federal dollars into NC communities. Each of these dollars was matched by the citizens of North Carolina, largely through in-kind contributions but also through private monies raised within the state. Since 1980, well over a million North Carolinians have participated in public humanities programs that reached into every North Carolina county, this for 9 cents, or less, per citizen, per year.

As is well known, the inclination of the federal government during the past two years has been to eliminate outright or to phase-out the NEH and the NEA. For more than half of the state humanities councils in the continental U. S., this threat is buffered by appropriations from their state legislatures. For example, of the five states designated by NEH as Region 7, those whose populations fall between 6 and 9.9 million, North Carolina is the only state which does not receive state funds. The appropriations of our regional colleagues in 1996 range from \$150,000 in Georgia, to \$10,000 in Michigan, to \$396,300 in Virginia. New Jersey, the fifth state in the region, received \$125,000, and Ohio has received funds in five previous years. Currently, 92% of NCHC's budget comes from the NEH. The NCHC has made a strong commitment to diversifying its funding base and is currently seeking its first appropriation from the North Carolina Legislature.

North Carolina is well known among our colleagues at the NEH and in the other state humanities councils for its leadership in many areas of public education, for its wealth of fine colleges and universities, for its innovative secondary schools for the arts and sciences. The NC General Assembly's recognition of the value of public humanities programs for North Carolina communities and citizens through an appropriation of state funds would be yet another example of how creatively our state uses its powerful educational resources to invigorate, educate, and care for the civic and cultural dimensions of our life together.

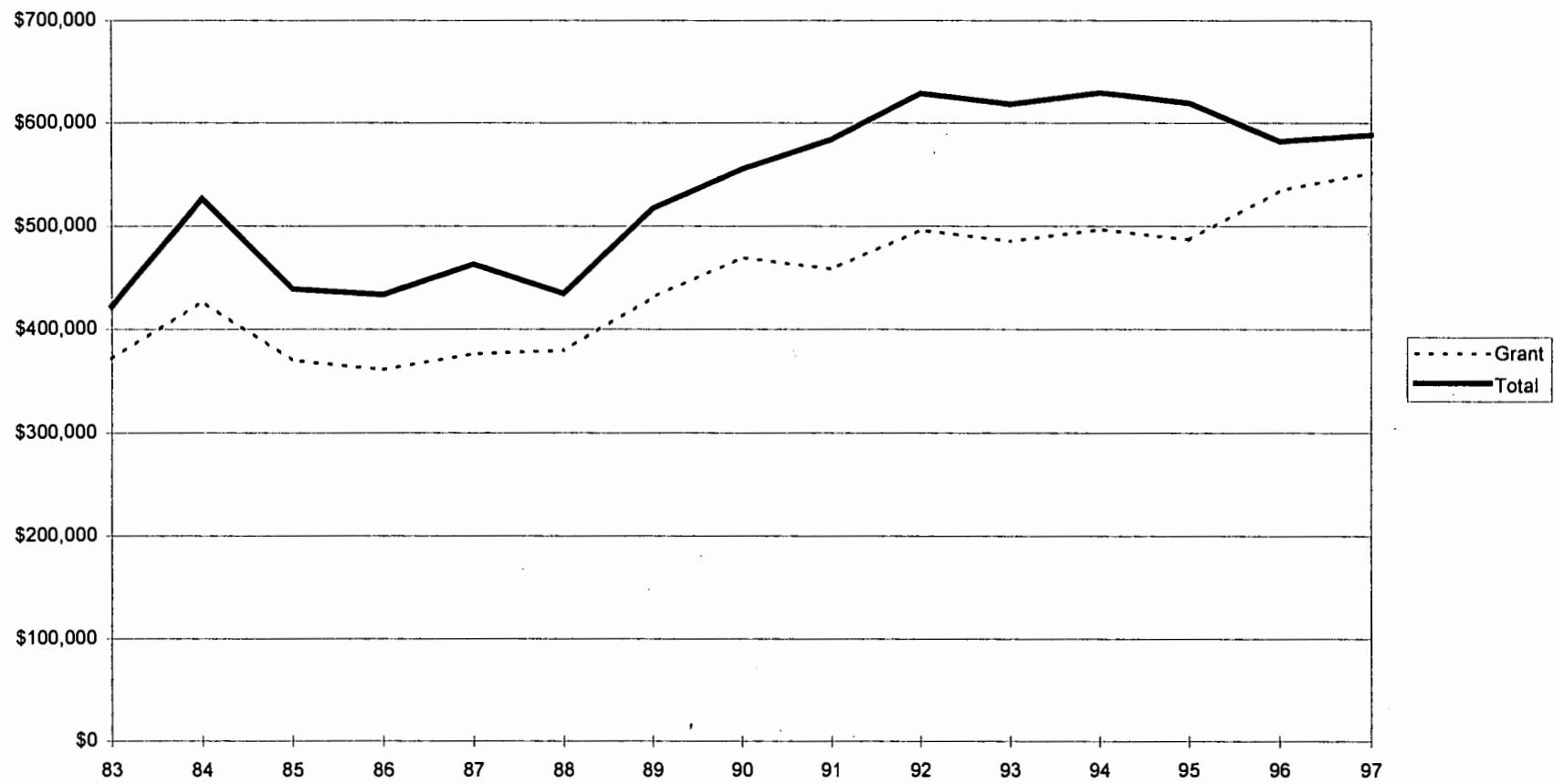
NEH Grants to North Carolina Humanities Council

Grant Period	Grant Number	Match Outright	Match Promise	Match Certified	Total
Apr. 72 to Mar. 73	SO-7092-72-207	\$152,098	-	-	\$152,098
Apr. 73 to Mar. 74	SO-9142-73-272	275,000	(50,000)	12,000	287,000
Apr. 74 to Mar. 75	SO-20736-74-334	275,000	(50,000)	17,000	292,000
Apr. 75 to Mar. 76	SO-22198-75-289	350,000	(80,000)	18,900	368,900
Apr. 76 to Sept. 77	SO-25025-76-397	570,416	(50,000)	7,400	577,816
Oct. 77 to Mar. 79	SO-29137-77-1054	611,400	(50,000)	17,717	629,117
Apr. 79 to Mar. 80	SO-0006-79-405	419,170	(40,000)	29,350	448,520
Apr. 80 to Mar. 81	SO-0006-79-405	434,000	(80,000)	57,610	491,610
Apr. 81 to Mar. 82	SO-20070-81-0829	502,567	(80,000)	28,300	545,867
Apr. 82 to Oct. 82	SO-20070-81-0829	405,660	(63,500)	16,715	407,375
Nov. 82 to Oct. 83	SO-20070-81-0829	372,000	(50,000)	50,000	422,000
Nov. 83 to Oct. 84	SO-20432-84	427,000	(100,000)	100,000	527,000
Nov. 84 to Oct. 85	SO-20432-84	370,000	(68,800)	68,800	438,800
Nov. 85 to Oct. 86	SO-20649-86	361,170	(72,000)	72,000	433,170
Nov. 86 to Oct. 87	SO-20649-86	376,279	(86,400)	86,400	462,679
Nov. 87 to Oct. 88	SO-20815-88	379,875	(86,400)	54,614	434,489
Nov. 88 to Oct. 89	SO-20926-89	430,875	(86,400)	86,400	517,275
Nov. 89 to Oct. 90	SO-20973-90	469,257	(86,400)	86,400	555,657
Nov. 90 to Oct. 91	SO-21084-91	458,099	(126,400)	126,400	584,499
Nov. 91 to Oct. 92	SO-21134-92	496,303	(132,800)	132,800	629,103
Nov. 92 to Oct. 93	SO-21134-92	485,500	(132,800)	132,800	618,300
Nov. 93 to Oct. 94	SO-21134-92	496,900	(132,800)	132,800	629,700
Nov. 94 to Oct. 95	SO-21368-95	486,900	(132,800)	132,800	619,700
FY'96	SO-21368-95	534,500	(47,600)	47,600	582,500
FY'97	SO-21368-95	552,000	(36,700)	36,700	588,700
TOTAL					12,243,875

North Carolina Humanities Council
Private Funds from Gifts and Grants

1992	\$156,559
1993	163,769
1994	187,889
1995	60,787
1996	96,654

Federal Funding for NCHC, FY 83-97



**SUMMARY OF RESULTS OF THE N.C. TAX CREDIT
FOR INCREASED USE OF N.C. STATE PORTS
(CY 1993 - CY 1996)**

	CY 1993	CY 1994	CY 1995	CY 1996	TOTAL
Additional Tons of Cargo Via N.C. Ports	11,399	160,428	270,274	318,273	760,374
Additional Fees (Revenues) for N.C. Ports	\$ 43,425	\$512,003	\$643,965	\$980,578	\$2,179,971
Tax Credits Certified for N.C. Ports Users	\$ 43,425	\$512,003	\$643,965	\$854,645	\$2,054,038



att #3 5-17-97

STATE OF NORTH CAROLINA INCOME TAX CREDIT AVAILABLE FOR TAXPAYERS INCREASING MARINE CARGO SHIPMENTS VIA THE NORTH CAROLINA STATE PORTS



Businesses and individuals who use the North Carolina State Ports at Morehead City and Wilmington and who are subject to payment of North Carolina income taxes can apply and qualify for a tax credit. This tax credit can be earned on cargo wharfage and handling (in or out) fees exceeding the average for the last three years inclusive of the current tax year. The excess of those fees for wharfage and handling (in or out) charged by the North Carolina State Ports Authority can be credited against the taxes due the state, up to 50 percent of the total tax liability for each tax year. The maximum cumulative credit that may be taken may not exceed \$1 million. Any unused credit may be carried forward for the succeeding five years.

In order for the North Carolina State Ports Authority to assist the taxpayer in securing the tax credit due him, the taxpayer must provide the following documentation to the North Carolina State Ports Authority:

- 1) North Carolina Income Tax Credit form CD-414C including taxpayer name, federal I.D. number and tax year.
- 2) Exports - Ocean bill(s) of lading (copy) for current year and two preceding years. Two preceding years not needed if taxpayer filed for a tax credit in previous year.
- Imports - Bill(s) of lading - ocean, truck or rail (copy) for current year and two preceding years. Two preceding years not needed if taxpayer filed for a tax credit in previous year.

The certification of tax credit preceding its submission to the N.C. Department of Revenue will be administered by Thomas J. Green, Director of Administration and Finance, North Carolina State Ports Authority, 1-800-334-0682 or (910) 763-1621. Mailing address is P.O. Box 9002, Wilmington, NC 28402.

EXAMPLE #1 - CURRENT NORTH CAROLINA STATE PORT USER INCREASES VOLUME

	Year #1	Year #2	Year #3 (current year)
Wharfage & Handling (In or Out) Fees	\$50,000	\$100,000	\$100,000
Average fees = $\frac{\$50,000 + \$100,000 + \$100,000}{3 \text{ years}}$ = \$83,333			

Year #3 fee paid	\$ 100,000
less average fees	- 83,333
Tax Credit *	\$ 16,667

EXAMPLE #2 - NEW NORTH CAROLINA STATE PORT USER

	Year #1	Year #2	Year #3
Wharfage & Handling (In or Out) Fees	-0-	-0-	\$100,000
Average fees = $\frac{\$100,000}{3 \text{ years}}$ = \$33,000			

Year #3 fee paid	\$ 100,000
less average fees	- 33,000
Tax Credit *	\$ 67,000

EXAMPLE #3 - CURRENT NORTH CAROLINA STATE PORT USER DECREASES VOLUME

	Year #1	Year #2	Year #3
Wharfage & Handling (In or Out) Fees	\$200,000	\$100,000	\$30,000
Average fees = $\frac{\$200,000 + \$100,000 + \$30,000}{3 \text{ years}}$ = \$110,000			

Year #3 fee paid	\$ 30,000
less average fees	- 110,000
Tax Credit *	-0-

***NOTE:** This credit cannot exceed 50% of your liability per year.

EXCEPTION: Bulk (Dry or Liquid) cargo not classified as forest products cargo and shipped via the State Ports Wilmington Terminal is not eligible for a tax credit.

Revised
September 1996



North Carolina Department of Revenue

James B. Hunt, Jr.
Governor

Muriel K. Offerman
Secretary

May 8, 1997

Transfer Annual Report Filing Responsibilities to Department of Revenue

Impact of Legislation

The proposed bill is modified to require that corporations file their annual report with the Department of Revenue instead of with the Office of the Secretary of State. The annual report would be filed by the due date of the applicable tax return. Approximately 190,000 corporations would file annual reports each year with the Department. Annual reports of limited liability companies and certain other corporations (insurance companies) would continue to be filed with the Secretary of State. The \$200 LLC fee would be collected by the Secretary of State. Corporations filing the report with the Department, would pay Revenue the \$20 annual report fee, and these fees would be considered collections of tax revenues.

Management Information Systems Division

- Creation of a shared data base between DOR and SOS to exchange information on tax due dates, extensions processed, number of returns filed, and number of corporations registered.
- Modifications to ITAS to establish a new tax type to accept the \$20 annual report payment.
- Annual file transfers and maintenance.

Applications Development	\$51,200 (NR)
SIPS Development Costs	15,000 (NR)
SIPS Computer Charges	12,000 (R)

Corporate Tax Division

- Design and printing of annual report form with instructions, and inclusion in corporate booklet to be mailed to taxpayers.

Tax Forms and Postage	\$20,000 (R)

Accounting Division

- Deposit the \$20 fees remitted by corporations.
- Screen approximately 190,000 tax returns to separate the annual reports from corporate tax returns. (Locating the report in a typical 10-50 page return will require additional resources since the annual reports will be filed during the annual tax rush period).
- Sort the tax returns and annual reports. Prepare annual reports with remittances for the deposit process.
- Red ring, write substitute documents or perform tasks associated with manual deposit of the remittance.
- Reconcile the bundles of reports to the funds deposited from this fee.
- Perform research of remittances upon request of taxpayers and the Secretary of State's Office.

(1) Processing Assistant III	\$22,350 (R)
Temporary Funds	30,000 (R)

Office Examinations & Office Services Division

- Coordinate the content of data transferred between the two agencies.
- Perform an ongoing reconciliation of the number of corporations on file with the Secretary of State's Office to the number of corporations filing tax returns with the Department of Revenue.
- Transport annual report forms to Secretary of State's Office.
- Assisting with requests for letters of good standing, delinquent returns, and the process of recommendation for dissolution.
- Research files to ascertain that the annual report was or was not attached to the tax return.
- Follow up with companies that do not remit payment with the annual report.
- Answer telephone calls from taxpayers regarding the annual report.
- Resolve any issues with Secretary of State's Office regarding the annual report.

Tax Technician	\$27,821 (R)

Total Projected Costs

The total projected costs to the Department associated with administering the proposed bill is \$178,371. Of that amount \$112,171 is recurring and \$66,200 is non recurring.

VISITOR REGISTRATION SHEET

Yusef I. Youssef Pm # 425 05-19-97

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY
1. <u>George & Monty</u>	<u>OSC</u>
2. <u>Bernard Allen</u>	<u>SOS</u>
3. <u>Jack Harper</u>	<u>DOR</u>
4. <u>Keith McConley</u>	<u>AOR</u>
5. <u>Mike Hodges</u>	<u>DOR</u>
6. <u>Wm. D. Gorman</u>	<u>DOR</u>
7. <u>Alvin Barker</u>	<u>NC Humanities Council</u>
8. <u>Theresa Hutzler</u>	<u>STRONG</u>
9. <u>Jim Brown</u>	<u>N.C. State Ports</u>
10. <u>Cherylne Darlings</u>	<u>SOS</u>
11. <u>David Massey</u>	<u>Secretary of State</u>
22. <u>Kathie Austin (Adgett)</u>	<u>OSPL</u>
23. <u>Heather Fiel</u>	<u>OSPA</u>
24. <u>Jim Maxwell</u>	<u>OSBM</u>
25. <u>Ernest E. Halladay</u>	<u>"</u>
26. <u>Norma Reedfield</u>	<u>DCL</u>
27. <u>William R. Rick</u>	<u>DOR</u>
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HOUSE APPROPRIATIONS SUBCOMMITTEE
ON
GENERAL GOVERNMENT

May 20, 1997
Room 425 - 8:30 A.M.

The House Appropriations Subcommittee on General Government met on May 20, 1997 in Room 425 of the Legislative Office Building at 8:30 A.M.

The following members were present: Representative Sherrill, Representative Ives, Representative Braswell, Representative Decker, Representative Ellis, Representative Culpepper, Representative Jeffus, and Representative Wainwright.

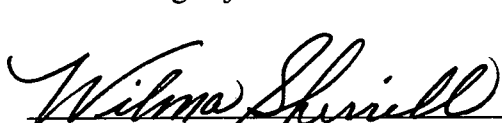
The meeting was called to order by Representative Sherrill and the discussion relative to the Department of Cultural Resources continued.

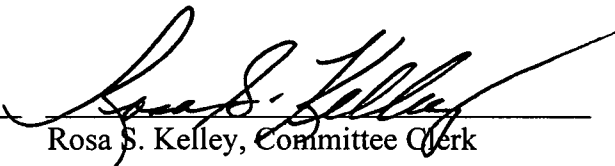
Representative Culpepper moved to appropriation 3.1 million dollars of non-recurring money for the purposes outlined in the budget. MOTION CARRIED.

State Board of Elections discussion followed and there were no motions or suggestions relative to this discussion.

Office of Administrative Hearings discussion was heard and there were no motions or suggestions relative to this matter.

The meeting adjourned at 8:45 A.M.


Representative Wilma Sherrill, Cochair


Rosa S. Kelley, Committee Clerk

(Note: The tape was damaged and could not be heard following this meeting.)

VISITOR REGISTRATION SHEET

General Government 5/20/97

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY
1. Robert Pawee	OSBM
2. Willie Riddick	DOR
3. ~~James Thomas~~	~~Pro: Assoc.~~
4. ~~George L. Hunt~~	DSC
5. Heather Lail	OSA
6. Martha Glass	DOA
7. Jandy Cooper	DCR/state library
8. Honna Rosfield	DCR
9. Bob Joyce	DOT SHPPA
10. Kathie Austin Padgett	OSPL
11. Betsy Buford	DCR
22. ~~Bernard Allen~~	SOS
23. Mike Hodges	DOR
24. Keith McCombs	DOR
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Gen. Gov. 5/20/97

DRAFT

House Subcommittee on General Government

Governor

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$5,286,620		\$5,302,348	
Legislative Changes				
(0000) Departmentwide				
1 Purchased Contractual Services	(\$22,367)	R	(\$22,367)	R
(1130) Office of Intergovernmental Relatio				
2 Eliminate Military Liaison Position	(\$25,220)	R	(\$25,220)	R
Eliminate the position and associated benefits for Military Liaison. This position has been vacant since 10-01-94.	-1.00		-1.00	
(1631) Raleigh Executive Residence				
3 Transfer to CC & PS	(\$6,099)	R	(\$6,099)	R
This transfer repays Crime Control & Public Safety (CC & PS) the costs of supplying the Governor's guards. \$6,099 was the amount of the requested increase from last year. The money will be saved by using guards with the same salaries as the current guards are earning.				
Total Legislative Changes	(\$53,686)	R	(\$53,686)	R
Total Position Changes	-1.00		-1.00	
Revised Budget	\$5,232,934		\$5,248,662	

State Budget and Management

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$3,855,400		\$3,938,220	
Legislative Changes				
(1022) 1997 Special Appropriations				
4 Women's Memorial Funds				
This is a State Donation to the Women in Military Service for America Memorial Foundation, Inc., for the purpose of creating a memorial to women veterans of the armed services.	\$50,000	NR		
5 NC Humanities Council				
Provides a grant to the North Carolina Humanities Council, a not-for-profit organization.	\$100,000	NR		
6 Fire Protection Grant Funds	\$3,080,000	R	\$3,080,000	R
Creates the State Fire Protection Grant Fund, to compensate local fire districts and political subdivisions for providing fire protection to State-owned buildings. Requires the Office of State Budget and Management to develop a statewide method for distributing these funds to the State's local fire districts and political subdivisions.				
(1310) Office of State Budget and Manage				
7 Property, Plant & Equipment	(\$32,372)	R	(\$32,372)	R
Department will save money by deferring purchase of new items of equipment.				
8 Reduce Employee Costs	(\$5,010)	R	(\$5,010)	R
Reduce objects Employee Benefit Cost and Supplement to Regular Wage. Department plans that this money will not be needed due to savings accrued while vacancies exist.				
Total Legislative Changes	\$3,042,618	R	\$3,042,618	R
	\$150,000	NR		
Total Position Changes				
Revised Budget	\$7,048,018		\$6,980,838	

Office of State Planning

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$1,820,279		\$1,833,679	
Legislative Changes				
(1412) Geodetic Survey				
9 Make One-Half Position Receipt-Supported	(\$17,829)	R	(\$17,829)	R
Office of State Planning has one position which receives one-half of its funding from the General Fund. This position will become entirely receipt-supported.	-0.50		-0.50	
Total Legislative Changes	(\$17,829)	R	(\$17,829)	R
Total Position Changes	-0.50		-0.50	
Revised Budget	\$1,802,450		\$1,815,850	

Lieutenant Governor

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$612,176		\$612,336	
Legislative Changes				
(1110) Administration				
10 Miscellaneous Expenses, Equipment, and Services	(\$2,946)	R	(\$2,946)	R
Reductions in Registration Fees, Other Employee Educational Expenses, Maintenance Agreement-Equipment, DP Equipment, Repairs-Computer Equipment, General Office Expenses, Cellular Phone Service, Postage, and Telephone Service.				
Total Legislative Changes	(\$2,946)	R	(\$2,946)	R
Total Position Changes				
Revised Budget	\$609,230		\$609,390	

Secretary of State

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$5,243,012		\$5,230,680	
Legislative Changes				
(0000) Departmentwide				
11 New Computer System	\$80,000	R	\$80,000	R
Replaces old computer equipment with new local area network, new imaging system, new relational database software. Funds include money for a project manager and for computer consultants.	\$1,230,000	NR	\$0	NR
	1.00		1.00	
Total Legislative Changes	\$80,000	R	\$80,000	R
	\$1,230,000	NR	\$0	NR
Total Position Changes	1.00		1.00	
Revised Budget	\$6,553,012		\$5,310,680	

Auditor**GENERAL FUND**

	FY 97-98		FY 98-99	
Recommended Budget	\$9,495,886		\$9,504,085	
Legislative Changes				
(1120) Support Services				
12 Maintenance on Printing Equipment	\$38,600	R	\$38,600	R
Provides funds to maintain printing and duplicating equipment. Recommended by the Governor.				
(1210) Field Audit Division				
13 Equipment Replacement Reserve	\$175,000	R	\$175,000	R
Recurring funds would allow the Auditor to replace computers every three years. Recommended by the Governor.				
14 Audit Software	\$0	R	\$15,000	R
	\$159,000	NR	\$0	NR
15 EDP Audit Positions	\$123,606	R	\$123,606	R
Additional electronic data processing auditors.				
	\$12,980	NR	\$0	NR
	2.00		2.00	
16 Additional Audit Positions	\$160,322	R	\$160,322	R
Additional performance and financial auditors				
	\$19,470	NR	\$0	NR
	3.00		3.00	
Total Legislative Changes	\$497,528	R	\$512,528	R
	\$191,450	NR	\$0	NR
Total Position Changes	5.00		5.00	
Revised Budget	\$10,184,864		\$10,016,613	

Treasurer

GENERAL FUND

	FY 97-98	FY 98-99
Recommended Budget	\$18,432,034	\$18,434,193

Legislative Changes

(0000) All Divisions

17 Rent for State-Owned Office Space	\$281,487	R	\$281,487	R

This appropriation was excluded from the Senate budget due to a technical oversight. However, this budget item is consistent with actions taken by the Senate.

Expenditures: \$836,230
 Receipts: \$554,743
 Appropriations: \$281,487

Non-Tax Revenue: \$281,487

(1110) General Administration

18 Strengthen Personnel Function	\$0	R	\$0	R

Funds a Personnel Officer I position in the department. Recommended by the Governor. Expenditures of \$44,558 in 1997-98 and \$42,127 in 1998-99 would be covered by increased receipts.

1.00	1.00

(1150) Information Systems

19 Maintenance of Automated Programs	\$0	R	\$0	R

Increased staffing to maintain automation in the department. Recommended by the Governor. Expenditures of \$240,968 in 1997-98 and \$230,264 in 1998-99 will be covered by increased receipts.

5.00	5.00

(1210) Investment Management

20 Strengthen Investment Administration	\$74,889	R	\$56,065	R

Additional Portfolio Manager to handle increased volumes of investments. Recommended by the Governor. These appropriations from the General Fund would be offset by increases in non-tax revenues.

1.00	1.00

(1310) Local Government Operations

21 Improve Ability to Manage Debt Approval	\$101,901	R	\$101,023	R

Additional staff to respond to increased demands for technical assistance. Recommended by the Governor. These appropriations from the General Fund would be offset by increases in non-tax revenues.

2.00	2.00

House Subcommittee on General Government

Total Legislative Changes	\$458,277	R	\$438,575	R
Total Position Changes	9.00		9.00	
Revised Budget	\$18,890,311		\$18,872,768	

Insurance

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$19,880,965		\$19,909,612	

Legislative Changes

(0000) Departmentwide

22 Rent for State-Owned Space	\$511,225	R	\$511,225	R
The Insurance Department occupies 40,898 square feet of space in the Dobbs Building. If the Insurance Department paid rent to the Department of Administration, at \$12.50 per square foot the total would be \$511,225 annually. This money would be used to reduce Administration's General Fund appropriation.				

(1200) Company Services

23 Additional Financial Analysts	\$103,555	R	\$111,104	R
Hire additional financial analysts with HMO expertise to handle mergers and acquisitions. Not included in the Governor's recommendations.				
	2.00		2.00	

(1300) Technical Services

24 Seniors' Health Insurance Information Program	\$32,311	R	\$31,357	R
Hire additional employee to handle phone calls. Not included in Governor's recommendations.				
	1.00		1.00	
25 Additional Market Practices Examiners	\$313,314	R	\$333,174	R
Adds two three-person teams to monitor market practices. One of the teams will monitor Life and Health Insurance companies; the other will monitor the practices of Health Maintenance Organizations (HMOs).				
	6.00		6.00	

(1500) Safety Services

26 Upgrade and Increase Fire and Rescue Services	\$96,000	R	\$96,000	R
Computer software for counties to submit Fire Incident Reports and implement Rescue Reporting Program.				
27 Additional Employees for Manufactured Housing	\$237,622	R	\$217,972	R
Hire additional inspectors for manufactured housing and buildings. Not included in Governor's recommendations.				
	3.00		3.00	

(1900) Reserves and Transfers

28 Consumer Protection Fund	\$200,000	R	\$200,000	R
Additional funds to hire outside contractual services for legal proceedings in ratesetting cases. Not included in Governor's recommendations.				

House Subcommittee on General Government

29 Pay for Revenue Workers

\$99,270 R \$99,270 R

Transfers \$99,270 in FY 1997-98 and \$99,270 in FY 1998-99 to pay the Department of Revenue for collecting the gross premiums tax and the Regulatory Charge which supports the Department of Insurance. This item is a technical correction of the Senate budget, in which the transfer was approved but through inadvertence was not listed as an expansion item.

30 Transfer Fire Protection Grant Program

(\$1,450,000) R (\$1,450,000) R

The Fire Protection Grant Program is transferred to the Office of State Budget and Management. The Department of Insurance will not need an appropriation to fund this program.

31 Fire and Rescue Workers' Comp

\$4,500,000 R \$4,500,000 R

Provides a recurring grant to the Fire and Rescue Workers' Comp Fund. Intent is for the State to contribute to the Fund until its reserves (projected time: about 8 years) are sufficient to let it be self-supporting.

Total Legislative Changes

\$4,643,297 R \$4,650,102 R

Total Position Changes

12.00 12.00

Revised Budget

\$24,524,262 \$24,559,714

Administration

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$59,567,213		\$60,961,819	
Legislative Changes				
(0000) All Divisions				
32 Personnel Reductions	(\$527,405)	R	(\$527,405)	R
Reductions recommended by the Governor, including one painter supervisor, nine painters, one vacant office assistant position in Facilities Management, a vacant position in the Council for Person's with Disabilities, and an office assistant position in the Board of Science and Technology. Reduction also includes \$105,014 in salary reserve money.	-13.00		-13.00	
(1121) Fiscal Management				
33 Reduced Data Processing Services	(\$7,000)	R	(\$7,000)	R
(1225) State Health Plan Purchasing Allian				
34 Reversions From Previous Operating Budgets	\$0	R	\$0	R
Under the statutory language creating the State Health Plan Purchasing Alliance Fund, left over balances from the Board's operating budget have not been reverting to the General Fund. These past balances and the interest earned on them should be transferred from the State Health Plan Purchasing Alliance Fund to the General Fund at the end of 1996-97. This transfer will increase funds available for 1997-98 by \$648,718.				
35 Eliminate Vacant Position	(\$46,517)	R	(\$46,517)	R
Eliminates vacant policy development analyst position. Position vacant since January, 1997.	-1.00		-1.00	
(1241) Management Information Systems				
36 Reductions in Operating Expenses	(\$3,463)	R	(\$3,463)	R
Reductions in data processing maintenance and office furniture and equipment				
(1264) Agency for Public Telecommunicati				
37 Reductions in contractual services and travel	(\$8,920)	R	(\$8,920)	R

House Subcommittee on General Government

(1311) Office of State Personnel

38 Staff for Personnel Mgmt Information System (PMIS)

\$137,934	R	\$137,934	R
\$15,000	NR		
3.00		3.00	

The Governor recommends funding to provide two (2) computer analyst programmers and a support position to enable the Office to respond to increased mainframe data collection and analytical needs, and to continue to efficiently respond to PMIS users.

39 Operating Budget Reductions

Reduce funds in the following line items in FY 97-98:

(\$70,406) NR

(531572) Unemp Comp Payments to ES	(\$ 7,016)
(531625) St Disability Payment	(15,000)
(532199) Misc Contractual Svs	(26,000)
(532850) Printing	(2,390)
(532942) Other Emp Educational Ex	(10,000)
(536905) Employer OJT Incentive	(5,000)
(537102) Res Emp Survey	(5,000)

(1421) Facility Management

40 Delays in Operating New Buildings

Reductions recommended by the Governor due to delays in the opening of the new SBI Laboratory; the Old Revenue Building and the Natural Science Museum.

(\$678,000) NR (\$370,000) NR

41 Additional Delays in Operating New Buildings

Additional reductions beyond those recommended by the Governor due to additional delays in the opening of the new SBI Laboratory, the Old Revenue Building and the Natural Science Museum.

(\$215,773) NR (\$371,920) NR

42 Increase Rental Receipts

Increases receipts to the Department of Administration by charging rent to the State Treasurer and to the Department of Insurance. The rent paid by these agencies is offset by increases in the receipts they collect and in the non-tax revenues their operations generate. The Treasurer will be charged \$645,025. Insurance will be charged \$511,225.

(\$1,156,250) R (\$1,156,250) R

43 Reduce Operating Budget for New Buildings

Reduces amount budgeted for indirect costs in operating new buildings.

(\$496,440) R (\$518,437) R

(1623) State Capitol Police

44 Eliminate Two Vacant Property Guard Positions

(\$42,524)	R	(\$42,524)	R
-2.00		-2.00	

(1741) Human Relations Council

45 Reduction in Miscellaneous Line Items

(\$11,938)	R	(\$11,938)	R

House Subcommittee on General Government

(1761) Youth Involvement Office

46 Increase Wages for Interns

\$77,616 R \$77,616 R

Increases hourly wage for interns from \$5.00 to \$6.75 per hour. Increase is recommended by the Governor.

(1771) Veteran Affairs

47 Reductions in Expenses

(\$65,124) R (\$65,124) R

Two veterans cemetery maintenance positions will be converted to receipts-supported positions, and motor vehicle replacements will be reduced.

(1781) Domestic Violence Program

48 Additional Position

\$50,000 R \$50,000 R

Administrative assistant position to monitor batterers treatment programs. Recommended by Governor.

1.00 1.00

49 Funds for Local Domestic Violence Programs

Provides additional one-time funding to local domestic violence programs.

\$1,100,000 NR \$0 NR

(1811) Advocacy for Disabled

50 Reduced Operating Expenses

(\$8,600) R (\$8,600) R

Reductions in contractual services, and board member travel and subsistence

(1861) Commission of Indian Affairs

51 Delete Match for Title XX

(\$15,000) R (\$15,000) R

Title XX federal funds for Indian Day Care have been discontinued. Therefore, matching funds are no longer needed.

(1862) Low-Level Radioactive Waste

52 Reductions in Communication Expense and Travel

(\$11,018) R (\$11,018) R

(1871) Board of Science and Technology

53 Reduction in Communications Expense

(\$13,110) R (\$13,110) R

House Subcommittee on General Government

Total Legislative Changes	(\$2,147,759)	R	(\$2,169,756)	R
	\$150,821	NR	(\$741,920)	NR
Total Position Changes	-12.00		-12.00	
Revised Budget	\$57,570,275		\$58,050,143	

State Controller

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$16,053,306		\$16,056,630	
Legislative Changes				
(1000) Divisionwide				
54 Year 2000 Computer Conversion				
Nonrecurring funding is recommended by the Governor to assist state government departments and agencies in the conversion of computer applications to accommodate year 2000 requirements.	\$5,000,000	NR		
55 Additional Operating Budget Reductions				
Reduce the following line items in FY 97-98:	(\$147,433)	NR		
(532821) Data Processing Services (\$94,055)				
(5369AA) NCIH (53,378)				
56 532700 Travel/Subsistence				
Reduce the following line items each fiscal year:	(\$13,100)	R	(\$13,100)	R
(532714) In-State transportation (\$10,000)				
(532724) In-State meals (\$ 3,100)				
57 5369AA Information Highway				
Provide non-recurring support in FY 97-98 for 101 existing sites - 52 high schools; 30 Community Colleges, including 1 data only site; two (2) campuses in the University System; and 17 State and local agencies. Additionally, appropriates to the Office of State Controller funds for long distance services and Data Hubs.	(\$5,337,824)	R	(\$5,337,824)	R
Funding for FY 98-99 to be considered in the 1998 Session.	\$5,337,824	NR		
Total Legislative Changes	(\$5,350,924)	R	(\$5,350,924)	R
	\$10,190,391	NR		
Total Position Changes				
Revised Budget	\$20,892,773		\$10,705,706	

Revenue

GENERAL FUND

	FY 97-98	FY 98-99
Recommended Budget	\$68,045,123	\$68,862,535

Legislative Changes

(0000) Departmentwide

58 Salary Reductions/Span of Control

(\$592,976)	R	(\$592,976)	R

Reduce positions in the department as a result of the study authorized per Section 10.1, Chapter 324, 1995 Session Laws. The approach for the Department is three-fold with the elimination of nine (9) positions; reduction of salary reserve created by lowering the budgeted level of fifteen (15) revenue officer and revenue tax auditor trainee positions to the first step; and reduction of operating line items.

-9.00

-9.00

(1600) Administration

59 Administrative Program Reductions

(\$200,000)	R	(\$200,000)	R

Reduce funds for data processing equipment and for repairs to buildings each year of the biennium:

FY 97-98

(532310) Repairs - Buildings (\$100,000)

(534522) Equipment - Computers (\$100,000)

FY 98-99

(532310) Repairs - Buildings (\$100,000)

(534522) Equipment - Computers (\$100,000)

(1620) Tax Administration

60 Assist New Audit Positions

\$31,305	R	\$62,609	R

Add an Administrative Officer III, as recommended by the Governor, to offset increased workload resulting from the new audit positions, effective January 1, 1998.

\$8,500

NR

1.00

1.00

(1640) Tax Compliance

61 Premiums Tax Positions

(\$99,270)	R	(\$99,270)	R

Funds transferred from the Department of Insurance regulatory charge to provide continued support for the two (2) positions that are responsible for collection of the gross premiums tax. For the Department of Revenue the transfer of funds increases receipts, reducing the General Fund appropriation.

-2.00

-2.00

House Subcommittee on General Government

(1660) Field Operations

62 Additional Interstate Audit Personnel

\$298,192	R	\$629,977	R
\$94,000	NR		
9.00		9.00	

Appropriate funds for seven (7) new auditor positions and two (2) Tax Technicians in the Interstate Audit Division per the recommendation of the Governor. Positions are effective January 1, 1998.

(1680) Legal and Administrative Services

63 Reductions to Postage and Printing

(\$263,800)	R	(\$263,800)	R

Adjust appropriations for the following line items each fiscal year:

(532840) Postage	(\$251,800)
(532850) Printing	(\$ 12,000)

Total Legislative Changes

(\$826,549)	R	(\$463,460)	R
\$102,500	NR		

Total Position Changes

-1.00	-1.00

Revised Budget

\$67,321,074	\$68,399,075

Cultural Resources

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$52,608,363		\$52,922,221	

Legislative Changes

(0000) Departmentwide

64 Salary Reductions/Span of Control

(\$610,262)	R	(\$610,262)	R

Reduce positions in the department as a result of the study authorized per Section 10.1, Chapter 324, 1995 Session Laws. The Department will eliminate 21 positions, including three (3) supervisory positions; reduce Reserve Funds for the Museum of History and Home Creek Farm; and reduce budgets of Archives and Records, Historic Sites, and the State Library.

-21.00

-21.00

(1210) Division of Archives and History -A

65 Maritime Museum

\$792,227	R	\$786,713	R

Transfer funds and personnel from the Department of Agriculture to the Department of Cultural Resources, Division of Archives and History (Fund 1210) for the Maritime Museum.

17.25

17.25

(1241) State Historic Sites

66 Reductions in Travel and Equipment

(\$30,000)	R

Reduce the following line items in FY 98-99:

FY 98-99:

(532714) In-State transportation (\$15,000)

(534549) Other Motorized Vehicles (\$15,000)

(1410) State Library Services

67 Library and Learning Resources

(\$6,000)	R

Reduce funds in line item 534630 in FY 98-99.

(1480) Statewide Programs & Grants

68 NC LIVE - Statewide Electronic Library

\$950,000	R	\$950,000	R

Funding to support NC-Live (North Carolina Libraries and Virtual Education), a collaborative effort among the State Library and public libraries statewide in partnership with libraries in the University of North Carolina system and the Community College system recommended by the Governor to expand access to library and information resources. Initial funds will support statewide licensing of on-line reference and research materials.

House Subcommittee on General Government

69 6960 Aid to Counties

\$2,250,000 R \$2,250,000 R

Increase funds for grants to public libraries in accordance with the formula for State-Aid to libraries.

(1500) Museum of History

70 Equipment

(\$30,000) R

Reduce funds in line item 534522 in FY 98-99.

(1992) Continuation Reserves

71 Reduce Funds in Operating Reserves

(\$100,000) R (\$34,000) R

Reduce funds in the reserves both years of the biennium as follows:

FY 97-98

(537102) Museum of History

2 Hist Mus Specs, Gr. 65, eff. 9/97	(\$39,720)
1 Pub Info Asst III, Gr. 57, eff 9/97	(14,490)
Social Security	(4,022)
Retirement	(5,694)
Med Ins	(1,560)
In-State Trans	(3,000)
In-State Subsistence	(2,200)
Training and Registration	(1,000)
Printing, Binding, etc.	(1,000)
Other Mat & Supplies	(483)
Office Furniture	(1,000)

(537110) Tryon Palace

1 Painter	(\$20,336)
Social Security	(1,556)
Retirement	(2,203)
Med Ins	(1,736)

FY 98-99

(537103) Historic Sites

Hist Halifax Tap Room	
Misc Contractual Services	(\$ 5,000)
Enrg Ser - Electrical	(3,000)
Enrg - Water & Sewer	(200)
Repairs - Other	(3,500)
In-State Trans	(200)
In-State Lodging	(100)
In-State Subsistence	(100)
Telephone Service	(550)
Postage, etc.	(200)
Print, Binding, etc.	(6,250)
Other Emp Educ Exp	(100)
Other Mat & Supplies	(800)
Equip - Other	(9,000)
Art & Artifacts	(5,000)

House Subcommittee on General Government

Total Legislative Changes	\$3,281,965	R	\$3,276,451	R
Total Position Changes	-3.75		-3.75	
Revised Budget	\$55,890,328		\$56,198,672	

State Board of Elections

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$1,052,787		\$1,046,381	
Legislative Changes				
(0000) Departmentwide				
72 Computerized Voter Registration System	\$500,000	R	\$1,089,000	R
Funding to supplement the \$5.0 million computer reserves appropriated to design and implement the statewide voter registration system. Additional funds may be required to maintain the voter registration system in later years.				
Total Legislative Changes	\$500,000	R	\$1,089,000	R
Total Position Changes				
Revised Budget	\$1,552,787		\$2,135,381	

Office of Administrative Hearings

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$2,217,486		\$2,217,486	
Legislative Changes				
(1100) Administration and Operations				
73 Administrative Law Judge Salaries	\$103,206	R	\$103,206	R
Sets salaries for Administrative Law Judges at 90% of the salary of the Chief Administrative Law Judge, and establishes that Administrative Law Judges shall receive longevity pay.				
74 LAN Administrator	\$47,387	R	\$47,387	R
Provides funds to hire one person to administer local-area-network (LAN) system. Not included in Governor's recommendations.				
	1.00		1.00	
75 Reduce Services and Equipment	(\$10,690)	R	(\$10,690)	R
Reductions in Maintenance Agreements, Data Processing Services, Furniture & Equipment, and Printing.				
Total Legislative Changes	\$139,903	R	\$139,903	R
Total Position Changes	1.00		1.00	
Revised Budget	\$2,357,389		\$2,357,389	

Rules Review Commission

GENERAL FUND

	FY 97-98	FY 98-99
Recommended Budget	\$281,892	\$273,441
Legislative Changes		
(1100) Administration		
76 Other Expenses		
Appropriate funds to support legal expenses resulting from the lawsuit.	\$240,000	NR
Total Legislative Changes	\$240,000	NR
Total Position Changes		
Revised Budget	\$521,892	\$273,441

Att. 1

1997 Session

House Appropriations Subcommittee on General Government

Special Provisions

**State Controller
Cultural Resources**

**Fiscal Research Division
May 21, 1997**

CODE NO. 97AUD-H001

Requested by:

PERFORMANCE AUDIT OF SIPS

1 Section @. The State Auditor shall conduct a
2 performance audit of State Information Processing Services
3 (SIPS). In conducting the audit, the State Auditor shall
4 consider the growth in the number of SIPS employees, the
5 distribution of work within SIPS, increases in employees'
6 salaries, use of SIPS receipts, and all other indicators of cost
7 of services in relation to service delivery, including a review
8 of the business plan and rate setting process. The State Auditor
9 shall report the results of this audit to the Joint Legislative
10 Commission on Governmental Operations prior to April 15, 1998.

11

Requested by: Representative

NORTH CAROLINA INFORMATION HIGHWAY

1 Section @. (a) The funds appropriated in this act to
2 the Office of State Controller for the operation of the North
3 Carolina Information Highway shall be used only for costs
4 incurred by the Office of State Controller related to the
5 operations and support of the North Carolina Information Highway.
6 No funds appropriated in this act shall be expended to pay
7 Minimum Monthly usage charges for North Carolina Information
8 Highway Services.

9 (b) Of the funds appropriated to the Office of State
10 Controller for the North Carolina Information Highway (NCIH), an
11 amount not to exceed five hundred thousand dollars (\$500,000) for
12 fiscal year 1997-98 shall be used to support long distance
13 capacity and provide for the establishment of regional hubs in
14 each of the seven Local Access Transport Areas (LATAs) in North
15 Carolina. The remaining funds shall be used to help defray the
16 costs of existing NCIH sites except those located at university
17 sites other than East Carolina University academic affairs
18 campus. Any savings accrued shall be placed in reserve in the
19 Office of State Controller for consideration by the 1997 General
20 Assembly at its session in 1998.

21 (c) In the interim, the Office of State Controller is
22 encouraged to consider new technologies and capabilities as a
23 means of providing NCIH users access to information and
24 resources. The Office of State Controller shall report to the
25 General Assembly in 1998 before the reconvening of the Regular
26 Session on its findings.

27 (d) The State Controller shall report quarterly to the
28 Joint Legislative Commission on Governmental Operations regarding
29 the costs incurred by the Office of State Controller related to
30 the operations and support of the North Carolina Information
31 Highway and the savings placed in reserve in the Office of State
32 Controller.

Requested by: Representative

FUNDS FOR YEAR 2000 CONVERSION OF THE STATE'S COMPUTER SYSTEM

1 Section @. (a) The Office of State Controller shall
2 include in its charges for data processing services costs of
3 converting computer applications to operate properly at the turn
4 of the century. The State Controller shall develop procedures
5 for managing the year 2000 conversion.

6 (b) The State Controller shall analyze the needs of
7 State agencies for funds to convert their systems. In the course
8 of the analysis, the State Controller shall consider an agency's
9 need for each system it wishes to covert and the most cost-
10 effective manner in which to manage conversion. The State
11 Controller shall certify to the Office of State Budget and
12 Management the cost of each State agency for the year 2000
13 conversion.

14 (c) The Director of the Budget may use up to twenty
15 million dollars \$20,000,000 of projected 1997-98 General Fund
16 reversions to cover the cost of the year 2000 conversion in
17 General Fund agencies during the 1997-98 fiscal year.

18 (d) Beginning October 1, 1997, and quarterly
19 thereafter, the Office of State Controller shall report to the
20 Joint Legislative Commission on Governmental Operations on the
21 status of the conversion and cost projections.

CODE NO. 97CULRES-H002-S

Requested by:

DEPARTMENT OF CULTURAL RESOURCES RETAIN HISTORICAL PUBLICATIONS
RECEIPTS

1 Section @. The Historical Publications Section,
2 Division of Archives and History, Department of Cultural
3 Resources, may retain the receipts, including over-realized
4 receipts, from the sale of its publications during each year of
5 the 1997-99 biennium. The receipts from the sale of those
6 publications retained by the Historical Publications Section
7 shall not revert, but shall be used to reprint the publications.

LEGISLATIVE

MAY 20 1997

DRAFTING

4

CODE NO. 97CULRES-H003-S

Requested by:

MODIFY THE AREAS OF RESPONSIBILITY OF THE ROANOKE ISLAND
COMMISSION

1 Section @. G.S. 143B-131.2(b)(1) reads as rewritten:
2 "(1) To advise the Secretary of Transportation and adopt
3 rules on matters pertaining to, affecting, and
4 encouraging restoration, preservation, and
5 enhancement of the appearance, maintenance, and
6 aesthetic quality of U.S. Highway 64/264 and the
7 U.S. 64/264 Bypass and N.C. 400 travel corridors on
8 Roanoke Island and the grounds on ~~Ice Plant Island~~
9 Roanoke Island Festival Park."

LEGISLATIVE

MAY 20 1997

DRAFTING

CODE NO. 97CULRES-H005-S

Requested by:

MUSEUM OF HISTORY RESTAURANT

1 Section @. Within the funds available, the Secretary of
2 Cultural Resources may contract with any person, firm, or
3 corporation to provide restaurant services in the North Carolina
4 Museum of History, as provided in subdivisions (16) and (17) of
5 G.S. 121-4.

LEGISLATIVE

MAY 20 1997

DRAFTING

6

House Version

Requested by:

PROCEDURE FOR AWARD OF CULTURAL RESOURCES GRANTS

1 Section @. Of the funds appropriated to the Department
2 of Cultural Resources, the sum of one million dollars
3 (\$1,000,000) for the 1997-98 fiscal year shall be used for grants
4 to nonprofit organizations or local governmental entities
5 throughout the State for cultural, historical, or artistic
6 organizations, for cultural, historical, or artistic projects,
7 and for local museums, in accordance with administrative
8 guidelines issued by the Secretary of the Department of Cultural
9 Resources. Grants shall be limited to amounts of one hundred
10 thousand dollars (\$100,000) or less; and the Secretary of
11 Cultural Resources may require a match of non-State funds as
12 deemed appropriate for local museums.

13 In awarding grants, the Secretary shall consider the
14 merits of the project, the cultural, historical, or artistic
15 significance of the project, the benefit to the State and local
16 communities of the project, and the cost of the project. Prior
17 to awarding grants, the Secretary shall consult with the Joint
18 Legislative Commission on Governmental Operations.

LEGISLATIVE

MAY 20 1997

DRAFTING

Senate Version

Requested by:

PROCEDURE FOR AWARD OF CULTURAL RESOURCES GRANTS

1 Section @. Of the funds appropriated to the Department
2 of Cultural Resources, the sum of eight million dollars
3 (\$8,000,000) for the 1997-98 fiscal year shall be used for grants
4 to nonprofit organizations or local governmental entities
5 throughout the State for cultural, historical, or artistic
6 organizations, for cultural, historical, or artistic projects,
7 and for museums. The Secretary of the Department of Cultural
8 Resources shall establish a process for the review, evaluation,
9 and consideration of applications for these grants.

10 In awarding grants, the Secretary shall consider the
11 merits of the project, the cultural, historical, or artistic
12 significance of the project, the benefit to the State and local
13 communities of the project, and the cost of the project. Prior
14 to awarding grants, the Secretary shall consult with the Joint
15 Legislative Commission on Governmental Operations. These grants
16 are not subject to review by the Historical Commission.

LEGISLATIVE

MAY 20 1997

DRAFTING

1995 Session

Requested by: Senators Warren, Gulley, Representatives Ives, Lemmond, Culpepper
GRANTS TO LOCAL MUSEUMS

Sec. 12.5. (a) Funds in the amount of two million dollars (\$2,000,000) appropriated in this act to the Department of Cultural Resources for the 1995-96 fiscal year shall be used as grants-in-aid for local museums. The Secretary of Cultural Resources may require a match by non-State funds as deemed appropriate.

(b) The Department of Cultural Resources shall report to the Fiscal Research Division by December 1, 1995, regarding the grants made in accordance with this section.

Requested by: Senators Warren, Gulley, Representatives Ives, Lemmond, Culpepper
LOCAL HISTORICAL ORGANIZATIONS GRANTS

Sec. 27.5. Of the funds appropriated in this act for the 1995-96 fiscal year to the Department of Cultural Resources the sum of three million dollars (\$3,000,000) shall be distributed as grants-in-aid to nonprofit historical organizations, nonprofit museums, or local governmental entities in accordance with administrative guidelines issued by the Secretary of the Department of Cultural Resources. The purpose of the grants shall be to encourage, through the use of grants-in-aid, the protection, preservation, and interpretation of historic assets with local or regional significance. Priority consideration shall be given to the local historical organization's educational objectives. Grants shall be limited to amounts of one hundred thousand dollars (\$100,000) or less.

Requested by: Senators Warren, Gulley, Representatives Ives, Lemmond, Culpepper
LOCAL CULTURAL AND ARTISTIC ORGANIZATIONS GRANTS

Sec. 27.6. Of the funds appropriated in this act for the 1995-96 fiscal year to the Department of Cultural Resources the sum of three million dollars (\$3,000,000) shall be distributed as grants-in-aid to nonprofit local cultural or artistic organizations or local governmental entities in accordance with administrative guidelines issued by the Secretary of the Department of Cultural Resources. The purpose of the grants shall be to support and promote, through the use of grants-in-aid, local cultural and artistic organizations with local or regional significance. Priority consideration shall be given to the local cultural or artistic organization's educational objectives. Grants shall be limited to amounts of one hundred thousand dollars (\$100,000) or less.

CODE NO. 97GA-H002-S

Requested by: Representatives Ives, McCombs, Sherrill

ANALYSIS OF STATE BUDGET DURING THE INTERIM

1 Section 19. (a) The President Pro Tempore of the Senate
2 shall authorize the standing Appropriations Committees and
3 standing Appropriations Subcommittees of the Senate and the
4 Speaker of the House of Representatives shall authorize the
5 standing Appropriations Committees and standing Appropriations
6 Subcommittees of the House of Representatives to meet separately
7 or jointly during the interim between the Regular 1997 and 1998
8 Sessions of the General Assembly to review matters related to the
9 State budget, the organization of State government, and any other
10 matter as they deem appropriate. The review shall include, but
11 not be limited to, an analysis of the budget of each agency to
12 determine:

- 13 (1) The cost savings that could be realized from
14 improvements in administrative structure,
15 practices, and procedures in State agencies;
16 (2) Ways to increase efficiency in budgeting and use of
17 resources; and
18 (3) Instances in which functions of agencies are
19 duplicative, overlapping, obsolete, incomplete in
20 scope or coverage, or fail to accomplish
21 legislative objectives, and should be abolished,
22 transferred, or modified to accomplish cost
23 savings.

24 d (b) The President Pro Tempore of the Senate shall
25 appoint an oversight committee comprised of the Senate
26 Appropriations Committee Chairs and one member of each Senate
27 Appropriations Subcommittee and the Speaker of the House of
28 Representatives shall appoint an oversight committee comprised of
29 the House Appropriations Committee Chairs and one member of each
30 House Appropriations Subcommittee to meet separately or jointly
31 to oversee the work of the Appropriations Committees and
32 Subcommittees during the interim.

Requested by: Representatives Ives, McCombs, Sherrill

HEALTH CARE OVERSIGHT COMMITTEE

1
2 Section @. (a) Of the funds appropriated in this act to
3 the General Assembly, the sum of fifty thousand dollars (\$50,000)
4 for the 1997-98 fiscal year and the sum of fifty thousand dollars
5 (\$50,000) for the 1998-99 fiscal year shall be allocated by the
6 Legislative Services Commission for the Joint Legislative Health
7 Care Oversight Committee established under subsection (b) of this
8 section.

9 (b) Chapter 120 of the General Statutes is amended by
10 adding the following new Article to read:

11 "ARTICLE 12K.

12 "Joint Legislative Health Care Oversight Committee.

13 "§ 120-70.96. Creation and membership of Joint Legislative
14 Health Care Oversight Committee.

15 There is established the Joint Legislative Health Care
16 Oversight Committee. The Committee consists of 14 members as
17 follows:

18 (1) Seven members of the Senate appointed by the
19 President Pro Tempore of the Senate, at least three
20 of whom are members of the minority party; and

21 (2) Seven members of the House of Representatives
22 appointed by the Speaker of the House of
23 Representatives, at least three of whom are members
24 of the minority party.

25 Terms on the Committee are for two years and begin on the
26 convening of the General Assembly in each odd-numbered year,
27 except the terms of the initial members, which begin on
28 appointment. Members may complete a term of service on the
29 Committee even if they do not seek reelection or are not
30 reelected to the General Assembly, but resignation or removal
31 from service in the General Assembly constitutes resignation or
32 removal from service on the Committee.

33 A member continues to serve until the member's successor is
34 appointed. A vacancy shall be filled within 30 days by the
35 officer who made the original appointment.

36 "§ 120-70.97. Purpose and powers of Committee.

37 (a) The Joint Legislative Health Care Oversight Committee shall
38 review, on a continuing basis, the provision of health care and
39 health care coverage to the citizens of this State, in order to

1 make ongoing recommendations to the General Assembly on ways to
2 improve health care for North Carolinians. To this end, the
3 Committee shall study the delivery, availability, and cost of
4 health care in North Carolina. The Committee may also study
5 other matters related to health care and health care coverage in
6 this State.

7 (b) The Committee may make interim reports to the General
8 Assembly on matters for which it may report to a regular session
9 of the General Assembly. A report to the General Assembly may
10 contain any legislation needed to implement a recommendation of
11 the Committee.

12 "§ 120-70.98. Organization of Committee.

13 (a) The President Pro Tempore of the Senate and the Speaker of
14 the House of Representatives shall each designate a cochair of
15 the Joint Legislative Health Care Oversight Committee. The
16 Committee shall meet at least once a quarter and may meet at
17 other times upon the joint call of the cochairs.

18 (b) A quorum of the Committee is eight members. No action may
19 be taken except by a majority vote at a meeting at which a quorum
20 is present. While in the discharge of its official duties, the
21 Committee has the powers of a joint committee under G.S. 120-19
22 and G.S. 120-19.1 through G.S. 120-19.4.

23 (c) Members of the Committee receive subsistence and travel
24 expenses as provided in G.S. 120-3.1. The Committee may contract
25 for consultants or hire employees in accordance with G.S. 120-
26 32.02. The Legislative Services Commission, through the
27 Legislative Services Officer, shall assign professional staff to
28 assist the Committee in its work. Upon the direction of the
29 Legislative Services Commission, the Supervisors of Clerks of the
30 Senate and of the House of Representatives shall assign clerical
31 staff to the Committee. The expenses for clerical employees shall
32 be borne by the Committee."

33

34

35

36

Requested by: Representatives Ives, McCombs, Sherrill

FIRE PROTECTION GRANT FUNDS

1 Section 20.1. (a) Chapter 58 of the General Statutes is
2 amended by adding a new Article to read:

3 "ARTICLE 85A.

4 "State Fire Protection Grant Fund.

5 "§ 58-85A-1. Creation of Fund; allocation to local fire
6 districts and political subdivisions of the State.

7 (a) There is created in the Office of State Budget and
8 Management the State Fire Protection Grant Fund. The purpose of
9 the Fund is to compensate local fire districts and political
10 subdivisions of the State for providing local fire protection to
11 State-owned buildings and their contents.

12 (b) The Office of State Budget and Management shall develop and
13 implement an equitable and uniform statewide method for
14 distributing any funds to the State's local fire districts and
15 political subdivisions.

16 Upon the request of the Director of the Budget, the Department
17 of Insurance shall provide the Office of State Budget and
18 Management all information necessary to develop and implement the
19 formula.

20 (c) It is the intent of the General Assembly to appropriate
21 annually to the State Fire Protection Grant Fund at least three
22 million eighty thousand dollars (\$3,080,000) from the General
23 Fund, one hundred fifty thousand dollars (\$150,000) from the
24 Highway Fund, and nine hundred seventy thousand dollars
25 (\$970,000) from University of North Carolina receipts to the
26 State Fire Protection Fund. Funds received from the General Fund
27 shall be allocated only for providing local fire protection for
28 State-owned property supported by the General Fund; funds
29 received from the Highway Fund shall be allocated only for
30 providing local fire protection for State-owned property
31 supported by the Highway Fund; and funds received from University
32 of North Carolina receipts shall be allocated only for providing
33 local fire protection for State-owned property supported by
34 University of North Carolina receipts."

35 (b) G.S. 143-3.7 is repealed.

36 (c) Of the funds appropriated from the General Fund to
37 the Office of State Budget and Management, the sum of three
38 million eighty thousand dollars (\$3,080,000) for the 1997-98
39 fiscal year and the sum of three million eighty thousand dollars

1 (\$3,080,000) for the 1998-99 fiscal year shall be used for the
2 State Fire Protection Grant Fund.

3 (d) Of the funds appropriated from the Highway Fund to
4 the Office of State Budget and Management, the sum of one hundred
5 fifty thousand dollars (\$150,000) for the 1997-98 fiscal year and
6 the sum of one hundred fifty thousand dollars (\$150,000) for the
7 1998-99 fiscal year shall be used for the State Fire Protection
8 Grant Fund.

9 (e) Of the funds available to The University of North
10 Carolina from federal receipts, the sum of nine hundred seventy
11 thousand dollars (\$970,000) for the 1997-98 fiscal year and the
12 sum of nine hundred seventy thousand dollars (\$970,000) for the
13 1998-99 fiscal year shall be transferred to the State Fire
14 Protection Grant Fund for the State Fire Protection Grant Fund.

CODE NO. 97INS-H001

Requested by: Representative Ives

CONSTRUCTION CODE RECEIPTS

1 Section 23. Departmental receipts realized by the
2 Department of Insurance in excess of amounts approved for
3 expenditure by the General Assembly, as adjusted by the Office of
4 State Budget and Management to reflect the distribution of
5 statewide reserves, shall revert to the General Fund at the end
6 of each fiscal year. This section shall not apply to receipts
7 realized by the Department from the sale of copies of the State
8 construction code if the receipts are used for the purchase of
9 copies of the code for sale to the public, except that unspent
10 construction code receipts shall revert to the General Fund at
11 the end of each fiscal year.

Requested by: Representative Ives

EXPAND USE OF INSURANCE REGULATORY FUND

1 Section 23.1. G.S. 58-6-25(d) reads as rewritten:

2 "(d) Use of Proceeds. -- The Insurance Regulatory Fund is
3 created in the State treasury, under the control of the Office of
4 State Budget and Management. The proceeds of the charge levied in
5 this section and all fees collected under Articles 69 through 71
6 of this Chapter and under Articles 9 and 9C of Chapter 143 of the
7 General Statutes shall be credited to the Fund. The Fund shall be
8 placed in an interest-bearing account and any interest or other
9 income derived from the Fund shall be credited to the Fund.
10 Moneys in the Fund may be spent only pursuant to appropriation by
11 the General Assembly and in accordance with the line item budget
12 enacted by the General Assembly. The Fund is subject to the
13 provisions of the Executive Budget Act, except that no unexpended
14 surplus of the Fund shall revert to the General Fund. All money
15 credited to the Fund shall be used to reimburse the General Fund
16 for the following:

17 (1) Money appropriated to the Department of Insurance
18 to pay its expenses incurred in regulating the
19 insurance industry and other industries in this
20 State.

21 (2) Money appropriated to State agencies to pay the
22 expenses incurred in regulating the insurance
23 industry, in certifying statewide data processors
24 under Article 11A of Chapter 131E of the General
25 Statutes, and in purchasing reports of patient data
26 from statewide data processors certified under that
27 Article.

28 (3) Money appropriated to the Department of Revenue to
29 pay the expenses incurred in collecting and
30 administering the taxes on insurance companies
31 levied in Article 8B of Chapter 105 of the General
32 Statutes."

Att. 3

CODE NO. 970AH-H001A

Requested by: Representatives Ives, McCombs, Sherrill.

ADMINISTRATIVE LAW JUDGE SALARY

1 Section @. G.S. 7A-751 reads as rewritten:

2 "§ 7A-751. Agency head; powers and ~~duties~~; salaries of
3 Chief Administrative Law Judge and other administrative law
4 judges.

5 (a) The head of the Office of Administrative Hearings is the
6 Chief Administrative Law Judge. ~~He~~ The Chief Administrative Law
7 Judge shall serve as Director and have the powers and duties
8 conferred on him or her by this Chapter and the Constitution and
9 laws of this State. ~~His~~ The salary of the Chief Administrative
10 Law Judge shall be fixed by the General Assembly in the Current
11 Operations Appropriations Act. *5 2 9 10 Cr. J.*

12 In lieu of merit and other increment raises, the Chief
13 Administrative Law Judge shall receive longevity pay on the same
14 basis as is provided to employees of the State who are subject to
15 the State Personnel Act.

16 (b) The salary of other administrative law judges shall be
17 fixed by the General Assembly ~~in the Current Operations~~ *at the 2 9 10 Cr. J.*
18 ~~Appropriations Act at an amount no less than ninety percent (90%)~~
19 ~~of the salary of the Chief Administrative Law Judge.~~

20 In lieu of merit and other increment raises, an administrative
21 law judge shall receive longevity pay on the same basis as is
22 provided to employees who are subject to the State Personnel
23 Act."

CODE NO. 97SEC-H001

Requested by: Representatives Ives, McCombs, and Sherrill
INFORMATION RESOURCES MANAGEMENT COMMISSION

1 Section @. (a) Effective July 1, 1997, G.S. 143B-
2 426.21(a) reads as rewritten:

3 "(a) Creation; Membership. -- The Information Resource
4 Management Commission is created in the Office of the State
5 Controller. The Commission consists of the following members:

6 (1) Four members of the Council of State, appointed by
7 the Governor.

8 (1a) The Secretary of State.

9 (2) The Secretary of Administration.

10 (3) The State Budget Officer.

11 (4) Two members of the Governor's cabinet, appointed by
12 the Governor.

13 (5) One citizen of the State of North Carolina with a
14 background in and familiarity with information
15 systems or telecommunications, appointed by the
16 General Assembly upon the recommendation of the
17 President Pro Tempore of the Senate in accordance
18 with G.S. 120-121.

19 (6) One citizen of the State of North Carolina with a
20 background in and familiarity with information
21 systems or telecommunications, appointed by the
22 General Assembly upon the recommendation of the
23 Speaker of the House of Representatives in
24 accordance with G.S. 120-121.

25 (7) The Chair of the Governor's Committee on Data
26 Processing and Information Systems.

27 (8) The Chair of the State Information Processing
28 Services Advisory Board.

29 (9) The Chair of the Criminal Justice Information
30 Network Governing Board.

31 Members of the Commission shall not be employed by or serve on
32 the board of directors or other corporate governing body of any
33 information systems, computer hardware, computer software, or
34 telecommunications vendor of goods and services to the State of
35 North Carolina.

36 The two initial cabinet members appointed by the Governor and
37 the two initial citizen members appointed by the General Assembly
38 shall each serve a term beginning September 1, 1992, and expiring
39 on June 30, 1995. Thereafter, their successors shall be appointed
40 for four-year terms, commencing July 1. Members of the Governor's

1 cabinet shall be disqualified from completing a term of service
2 of the Commission if they are no longer cabinet members.

3 The appointees by the Governor from the Council of State shall
4 each serve a term beginning on September 1, 1992, and expiring on
5 June 30, 1993. Thereafter, their successors shall be appointed
6 for four-year terms, commencing July 1. Members of the Council of
7 State shall be disqualified from completing a term of service on
8 the Commission if they are no longer members of the Council of
9 State.

10 Vacancies in the two legislative appointments shall be filled
11 as provided in G.S. 120-122.

12 The Commission chair shall be elected in the first meeting of
13 each calendar year from among the appointees of the Governor from
14 the Council of State and shall serve a term of one year. The
15 Secretary of Administration shall be secretary to the Commission.

16 No member of the Information Resource Management Commission
17 shall vote on an action affecting solely his or her own State
18 agency."

19 (b) This section expires June 30, 2001.

Requested by: Representatives Ives, McCombs, Sherrill

COMBINE PROGRAMS TO HELP WOMEN AND CHILDREN

1 Section @. The Office of State Budget and Management
2 shall study the feasibility of consolidating the budgets and
3 services and the administration of federal and State grants for
4 domestic violence programs and rape crisis programs in the State,
5 including those programs currently administered by the Council
6 for Women, Department of Administration, the Governor's Crime
7 Commission, Department of Crime Control and Public Safety, and
8 the Division of Social Services, Department of Human Resources.
9 This study shall include an analysis of the feasibility of
10 combining budgets and services of the NC Council for Women (Fund
11 1731), the Domestic Violence Program (Fund 1781), the Domestic
12 Violence Center (Fund 1782), the Displaced Homemakers Program
13 (Fund 1732), and the Rape Crisis Program (Fund 1734) and an
14 analysis of ways to promote more efficient and effective
15 coordination of resources and services at the State and local
16 levels. The Office of State Budget and Management shall report
17 the findings and recommendations of the study to the House and
18 Senate Appropriations Subcommittees on General Government and the
19 Fiscal Research Division by March 31, 1998.

Requested by: Representative Ives, McCombs, Sherrill

PROCUREMENT CARD PILOT PROGRAM

1 Section @. (a) Except as provided by this section, no
2 State agency, community college, constituent institution of The
3 University of North Carolina, or local school administrative unit
4 shall use procurement cards for the purchase of equipment or
5 supplies prior to July 1, 1998.

6 (b) The Secretary of Administration shall designate not
7 more than 15 governmental entities to participate in a pilot
8 program on the purchase of supplies and equipment by procurement
9 card. Those designated shall represent a cross-section of
10 governmental entities and shall include at least one State
11 agency, one community college, two constituent institutions of
12 The University of North Carolina, and one local school
13 administrative unit.

14 (c) The Division of Purchase and Contract and the State
15 Controller shall report to the Joint Legislative Commission on
16 Governmental Operations on March 1, 1998, on this pilot program.
17 The report shall include estimates from the pilot program of how
18 many purchasing and accounts payable personnel hours could be
19 saved or redirected or both as a result of the procurement card,
20 and the impact of the procurement card on accounting and
21 budgeting records and on purchasing history records. The report
22 shall also include a discussion of the effect of the procurement
23 card on the State's ability to track both out-of-state sales
24 taxes and North Carolina State and local sales tax payments by
25 county. Finally, the report shall include a discussion of any
26 other costs and benefits of the procurement card.

27 (d) This section does not affect contracts for
28 procurement cards entered into prior to March 31, 1997.

Requested by: Representatives Ives, McCombs, Sherrill

STATE HEALTH PLAN PURCHASING ALLIANCE BOARD OPERATING FUNDS
REVERT

1 Section @. (a) G.S. 143-635(c) reads as rewritten:
2 "(c) Moneys appropriated by the General Assembly ~~shall be~~
3 ~~deposited in the Fund and shall become part of the continuation~~
4 ~~budget of the Department of Administration.~~ for operations of
5 the State Health Plan Purchasing Alliance Board shall not be part
6 of the State Health Plan Purchasing Alliance Fund."

7 (b) The sum of six hundred forty-eight thousand seven
8 hundred eighteen dollars (\$648,718) for the 1996-97 fiscal year
9 shall be transferred from the State Health Plan Purchasing
10 Alliance Fund to the General Fund.

11 (c) All monies for operations of the State Health Plan
12 Purchasing Alliance Board unexpended at the end of the 1996-97
13 fiscal year shall revert to the General Fund.

14 (d) This section becomes effective June 30, 1997.

15
16
17
18

STATE BOARD OF ELECTIONS

Requested by: Representatives Ives, McCombs, and Sherrill
STATEWIDE DATA ELECTIONS MANAGEMENT SYSTEM

Section @. (a) The State Board of Elections shall establish a statewide data elections management system. The system shall prescribe data format standards, data communication standards, and data content standards. The State Board of Elections shall establish the system no later than November 1, 1997. Counties shall adhere to the standards prescribed by the system no later than August 31, 1998. The State Board of Elections may adopt rules to implement this section. Chapter 150B of the General Statutes governs the adoption of rules by the State Board of Elections.

(b) Of the funds appropriated in this act to the State Board of Elections for a statewide data elections management system, the sum of one hundred fifty thousand dollars (\$150,000) may be used by the State Board of Elections to hire a project manager, to research and determine the needs of the local boards of election in each county, and to develop a needs assessment report.

(c) The remainder of the funds appropriated in Section 13.2 of Chapter 597 of the 1995 Session Laws shall be used to develop, implement, and operate a statewide data elections management system, which will include voter registration, campaign reporting, and election night returns. These funds shall be used only after the State Board of Elections and the Information Resource Management Commission have jointly approved and submitted a written, detailed implementation plan for statewide data elections management to the Joint Legislative Commission on Governmental Operations. That implementation plan shall include:

- (1) A description of the system being implemented;
- (2) A description of the system's capabilities, including user-friendliness;

- (3) An itemized estimate of the costs of the system, with a justification for each item, including a plan for implementing the system within the funds appropriated;
- (4) A list of the counties to be brought into the system during the fiscal year; and
- (5) A proposed project management plan.

After their initial joint report, the State Board of Elections and the Information Resource Management Commission shall make written quarterly joint reports to the Joint Legislative Commission on Governmental Operations, describing the status of the project, listing the counties that have been brought into the system and that are planned to be brought into the system, and the costs.

(d) To the extent that this section conflicts with G.S. 163-82.11 through G.S. 163-82.13, with Section 16 of Chapter 769 of the 1993 Session Laws, or with Section 13.2 of Chapter 507 of the 1995 Session Laws, this section prevails to the extent of the conflict. Except to the extent of the conflict, Section 16 of Chapter 769 of the 1993 Session Laws remains in effect.

1 CODE NO. 97ADMIN-H007-S

2

3 Requested by: Representatives Ives, McCombs, Sherrill

4

5 FEES FOR USE OF STATE-OWNED OFFICE SPACE

1 Section 24.4. G.S. 143-342.1 reads as rewritten:

2 "\$ 143-342.1. State-owned office space; fees for use by
3 self-supporting agencies.

4 The Department shall determine equitable fees for the use of
5 State owned and operated office space, and it shall assess the
6 Department of State Treasurer, the Department of Insurance, and
7 all self-supporting agencies using any of this office space for
8 payment of these fees. For the purposes of this section,
9 self-supporting agencies are those agencies designated by the
10 Director of the Budget as being primarily funded from sources
11 other than State appropriations. Fees assessed under this section
12 shall be paid to the General Fund."

CODE NO. 97ADMIN-H005-S

not voted on

Requested by: Representatives Ives, McCombs, Sherrill

PARKING REVENUES

- 1 Section 24.5. The Secretary of Administration may use
- 2 funds from parking revenues that are in excess of parking system
- 3 expense requirements to fund the fifteen dollar (\$15.00) per
- 4 month subsidies for vanpools and transit passes.

1 CODE NO. 97ADMIN-H008-S

2

3 Requested by: Representatives Ives, McCombs, Sherrill

4

5 GOVERNOR'S ADVOCACY COUNCIL FOR PERSONS WITH DISABILITIES

1 Section 24.3. The Department of Human Resources shall
2 continue to provide the current office space for the four
3 regional offices of the Governor's Advocacy Council for Persons
4 with Disabilities or office space that is comparable to that now
5 used by the Council.

10

1 CODE NO. 97AUD-H002-S

2

3 Requested by: Representatives Ives, McCombs, Sherrill

4

5 ADVICE OF GOVERNMENTAL OPERATIONS ON PRIORITIZING REQUESTS FOR
6 ASSISTANCE

1 Section 22. G.S. 147-64.5(b) reads as rewritten:

2 "(b) Requests for Auditor Assistance. -- Committees of the
3 General Assembly, the Governor, and other State officials may
4 make written requests that the Auditor undertake, to the extent
5 deemed practicable and within the resources provided, a specific
6 audit or investigation; provide technical assistance and advice;
7 and provide recommendations on management systems, finance,
8 accounting, auditing, and other areas of management interest.
9 The Auditor may request the advice of the Joint Legislative
10 Commission on Governmental Operations in prioritizing these
11 requests and in determining whether the requests are practicable
12 and can be undertaken within the resources provided."

Att .5

CODE NO. 97TREAS-H001

Requested by: Representatives Ives, McCombs, and Sherrill

RETIREMENT SYSTEM ADMINISTRATIVE EXPENSES TO COMPLY WITH SUPREME COURT DECISIONS

1 Section @. The Board of Trustees of the Teachers' and
2 State Employees' Retirement System may expend ~~for 1997-98-99-00~~ an aggregate total
3 of not more than five hundred thousand dollars (\$500,000) for
4 fiscal year 1997-98 and an aggregate total of not more than two
5 hundred thousand dollars (\$200,000) for fiscal year 1998-99 from
6 assets of the Teachers' and State Employees' Retirement System
7 and the Local Governmental Employees Retirement System to meet
8 administrative expenses to comply with Supreme Court decisions.

Requested by: Representative Ives

STATE CONSTRUCTION STUDY COMMISSION

- 1 Section @. (a) The State Construction Study Commission
2 is created. The Commission shall consist of 11 members:
3 (1) Two members of the House of Representatives
4 appointed by the Speaker of the House of
5 Representatives,
6 (2) Two members of the Senate appointed by the
7 President Pro Tempore,
8 (3) One representative of the Office of State
9 Construction appointed by the Secretary of
10 Administration,
11 (4) One representative of the Department of Insurance
12 appointed by the Commissioner of Insurance, *and his or her*
13 (5) One representative of the State Building Commission *designee.*
14 appointed by the Commission,
15 (6) One representative from the American Institute of
16 Architects appointed by the Speaker of the House of
17 Representatives,
18 (7) One representative from the Carolina's AGC, Inc.,
19 appointed by the President Pro Tempore of the
20 Senate,
21 (8) One representative of Consulting Engineers Council
22 of North Carolina appointed by the Speaker of the
23 House of Representatives, and
24 (9) One representative of the North Carolina
25 Association of Plumbing, Heating and Cooling
26 Contractors appointed by the President Pro Tempore
27 of the Senate.
28 (b) The President Pro Tempore of the Senate shall
29 designate one Senator as cochairman and the Speaker of the House
30 of Representatives shall designate one Representative as
31 cochairman.
32 (c) The Commission shall study:
33 (1) Ways to streamline the review and approval
34 processes for State projects; and
35 (2) Ways to eliminate duplication of effort and
36 overlapping responsibilities among State agencies
37 involved in the review and approval processes.
38 (d) The Commission shall submit a final report of its
39 findings and recommendations to the Regular 1998 Session of the

1 1997 General Assembly by filing the report with the President Pro
2 Tempore of the Senate and the Speaker of the House of
3 Representatives. Upon filing its final report, the Commission
4 shall terminate.

5 (e) The Commission, while in the discharge of official
6 duties, may exercise all the powers provided for under the
7 provisions of G.S. 120-19, and G.S. 120-19.1 through G.S.
8 120-19.4. The Commission may meet at any time upon the joint
9 call of the cochairmen. The Commission may meet in the
10 Legislative Building or the Legislative Office Building.

11 (f) Members of the Commission shall receive subsistence
12 and travel expenses at the rates set forth in G.S. 120-3.1.

13 (g) The Commission may contract for professional,
14 clerical, or consultant services as provided by G.S. 120-32.02.
15 The Legislative Services Commission, through the Legislative
16 Administrative Officer, shall assign professional staff to assist
17 in the work of the Commission. The House of Representatives' and
18 the Senate's Supervisor of Clerks shall assign clerical staff to
19 the commission or committee, upon the direction of the
20 Legislative Services Commission. The expenses relating to
21 clerical employees shall be borne by the Commission.

22 (h) When a vacancy occurs in the membership of the
23 Commission the vacancy shall be filled by the same appointing
24 officer who made the initial appointment.

25 (i) All State departments and agencies and local
26 governments and their subdivisions shall furnish the Commission
27 with any information in their possession or available to them.

APPROPRIATIONS Subcommittee on General Government

Minutes

May 21, 1997

The APPROPRIATIONS Subcommittee on General Government met on May 21, 1997 in Room 425 of the Legislative Office Building at 8:00 AM. The following members were present: Representatives Sherrill (Cochair), Braswell, Culpepper, Decker, Ellis, Jeffus and Wainwright. Representative Ives (Cochair) presided and called the meeting to order at 8:55 AM.

Representative Ives greeted everyone and reported that Representative Creech had asked that the HB 1208 be held until later. Representative Culpepper asked if Representative Creech would explain that to him after the meeting. Representative Ives then led a discussion on possible special provisions. Representative Sherrill asked the committee if there was any interest in a study commission to review the need for carpooling in the State Motor Pool and a having a system to track State Employees destinations so more carpooling could be arranged. Ms. Martha Glass, Assistant Secretary of the Department of Administration said that she would be glad to look into this matter and get more information for the committee.

Ms. Michele Nelson then referred the committee to the 1997 Session House Appropriations Subcommittee on General Government, Special Provisions for the State Controller and Cultural Resources (see attachment #1) and explained page 1 concerning the proposed audit of SIPS. Representative Ellis moved to accept the special provision to authorize a performance audit of SIPS. The motion carried.

Ms. Nelson explained the special provision on page 2 of attachment #1, concerning the Information Highway. Many questions were asked regarding the fairness of the site selection, allocation of funds and what that process is for site selection. Representative Sherrill asked for changes in the language of the special provision. Representative Braswell suggested using a percentage of the funds for new sites and the rest for user fees of existing sites. Ms. Nelson responded that some adjustments would have to be made to give the sites some forewarning of funds being cut. Representative Ellis made the suggestion of basing the funding on greatest public access of the site. Representative Decker suggested checking the utilization of the sites and Ms. Nelson said that she would get that information for him. Mr. Jim Nowell of the Office of State Budget and Management said that the issue is too large to answer with a special provision and that if such a plan were put into effect then the sites would need some lead time to plan for it. Representative Ives asked Mr. Nowell if he would assist the State Controllers Office in working out a formula for such a plan. Mr. Nowell said he would and added that SIPS was on the table to be transferred to the Department of Commerce and that some new ideas might be forthcoming to handle this issue. Representative Culpepper asked if this item was being expanded, how many sites there are and how were they selected? Ms.

Nelson replied that there are 101 sites and the sites were selected by an application process through grants handled by the Office of the State Controller. The sites selected were the sites ready to come on line. Representative Ellis asked for more information from staff on the population of the counties. Representative Wainwright asked how many new sites are ready to come on line? Ms. Nelson responded there are 6 or 7 that they know of. Representative Wainwright followed up by asking if there were no new sites ready to come on line and a new formula were in place, what would happen to the surplus money? Ms. Nelson responded that it would revert at the end of the year unless that is handled by using language to specifically govern the money during the fiscal year. Representative Braswell commented that the committee's main focus should be looking at the cost of bringing new sites on to the system. Representative Decker suggested that with the limit on time and the complexity of the issue at hand, a study commission might be a good idea. Representative Ives interjected that a special provision for the General Government Committee to meet during the interim was included in the packet and that a subcommittee could be formed to look into this issue more in depth. Mr. Marvin Dorman addressed the committee and stated that a subcommittee was the best way to go to make deliberate and proper decisions. Mr. Dorman also suggested other avenues to follow for funding for the Information Highway. Representative Wainwright asked the representative for SPRINT what they are doing to aid areas in getting the necessary fiber optics in place. Ms. Brenda Dougherty replied that their main job is to help sites go on line when they become ready. She said she did not know the answer to Representative Wainwright's question on running the fiber optics and that she mainly works with the State Controller's Office. Ms. Dougherty added that in recent years the appropriation of funds were mainly given to existing sites. Representative Wainwright asked Ms. Dougherty what is the cost for fiber optics and Ms. Dougherty answered that she would get that information for him. Representative Ives asked if there was a consensus to rewrite the special provision for the Information Highway with new language as previously discussed to find a new formula to allocate funds to allow more new sites and to establish a study commission for the next year to specifically work out the budget for this item. The members agreed.

Ms. Nelson explained the special provision for the Funds For Year 2000 Conversion Of The State's Computer System on page 3 of attachment #1 was being held because of a revision to the Senate version of the special provision. Representative Ives explained that there are many different sources of funding that need to be looked into and studied before adding it to the budget. Representative Culpepper stated that the special provision should be included in the report to Full APPROPRIATIONS. Representative Ives said that this issue would have to be revisited at a later time to include the correct figure.

Representative Ellis moved to accept the special provision on page 4 of attachment #1, Department of Cultural Resources Retrain Historical Publications Receipts. The motion carried.

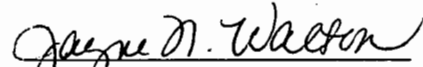
Representative Culpepper moved to accept the special provision on page 5 of attachment #1, Modify The Areas Of Responsibility Of The Roanoke Island Commission. The motion carried.

Ms. Nelson then gave an explanation of the special provision on page 6 of attachment #1, Museum Of History Restaurant to outfit the restaurant. Representative Jeffus moved to accept the special provision for the Museum Of History Restaurant. Representative Ellis asked if a public bid process would be used for this project and Ms. Nelson replied that it would. The motion carried.

Representative Ives adjourned the meeting at 9:50 AM.



Representative William M. Ives
Cochairman



Jayne N. Walton
Committee Clerk

1997 Session

House Appropriations Subcommittee on General Government

Special Provisions

**State Controller
Cultural Resources**

**Fiscal Research Division
May 21, 1997**

CODE NO. 97AUD-H001

Requested by:

PERFORMANCE AUDIT OF SIPS

1 Section @. The State Auditor shall conduct a
2 performance audit of State Information Processing Services
3 (SIPS). In conducting the audit, the State Auditor shall
4 consider the growth in the number of SIPS employees, the
5 distribution of work within SIPS, increases in employees'
6 salaries, use of SIPS receipts, and all other indicators of cost
7 of services in relation to service delivery, including a review
8 of the business plan and rate setting process. The State Auditor
9 shall report the results of this audit to the Joint Legislative
10 Commission on Governmental Operations prior to April 15, 1998.

11

Requested by: Representative

NORTH CAROLINA INFORMATION HIGHWAY

1 Section @. (a) The funds appropriated in this act to
2 the Office of State Controller for the operation of the North
3 Carolina Information Highway shall be used only for costs
4 incurred by the Office of State Controller related to the
5 operations and support of the North Carolina Information Highway.
6 No funds appropriated in this act shall be expended to pay
7 Minimum Monthly usage charges for North Carolina Information
8 Highway Services.

9 (b) Of the funds appropriated to the Office of State
10 Controller for the North Carolina Information Highway (NCIH), an
11 amount not to exceed five hundred thousand dollars (\$500,000) for
12 fiscal year 1997-98 shall be used to support long distance
13 capacity and provide for the establishment of regional hubs in
14 each of the seven Local Access Transport Areas (LATAs) in North
15 Carolina. The remaining funds shall be used to help defray the
16 costs of existing NCIH sites except those located at university
17 sites other than East Carolina University academic affairs
18 campus. Any savings accrued shall be placed in reserve in the
19 Office of State Controller for consideration by the 1997 General
20 Assembly at its session in 1998.

21 (c) In the interim, the Office of State Controller is
22 encouraged to consider new technologies and capabilities as a
23 means of providing NCIH users access to information and
24 resources. The Office of State Controller shall report to the
25 General Assembly in 1998 before the reconvening of the Regular
26 Session on its findings.

27 (d) The State Controller shall report quarterly to the
28 Joint Legislative Commission on Governmental Operations regarding
29 the costs incurred by the Office of State Controller related to
30 the operations and support of the North Carolina Information
31 Highway and the savings placed in reserve in the Office of State
32 Controller.

Requested by: Representative

FUNDS FOR YEAR 2000 CONVERSION OF THE STATE'S COMPUTER SYSTEM

1 Section @. (a) The Office of State Controller shall
2 include in its charges for data processing services costs of
3 converting computer applications to operate properly at the turn
4 of the century. The State Controller shall develop procedures
5 for managing the year 2000 conversion.

6 (b) The State Controller shall analyze the needs of
7 State agencies for funds to convert their systems. In the course
8 of the analysis, the State Controller shall consider an agency's
9 need for each system it wishes to covert and the most cost-
10 effective manner in which to manage conversion. The State
11 Controller shall certify to the Office of State Budget and
12 Management the cost of each State agency for the year 2000
13 conversion.

14 (c) The Director of the Budget may use up to twenty
15 million dollars \$20,000,000 of projected 1997-98 General Fund
16 reversions to cover the cost of the year 2000 conversion in
17 General Fund agencies during the 1997-98 fiscal year.

18 (d) Beginning October 1, 1997, and quarterly
19 thereafter, the Office of State Controller shall report to the
20 Joint Legislative Commission on Governmental Operations on the
21 status of the conversion and cost projections.

CODE NO. 97CULRES-H002-S

Requested by:

DEPARTMENT OF CULTURAL RESOURCES RETAIN HISTORICAL PUBLICATIONS RECEIPTS

1 Section @. The Historical Publications Section,
2 Division of Archives and History, Department of Cultural
3 Resources, may retain the receipts, including over-realized
4 receipts, from the sale of its publications during each year of
5 the 1997-99 biennium. The receipts from the sale of those
6 publications retained by the Historical Publications Section
7 shall not revert, but shall be used to reprint the publications.

LEGISLATIVE

MAY 20 1997

DRAFTING

4

CODE NO. 97CULRES-H003-S

Requested by:

MODIFY THE AREAS OF RESPONSIBILITY OF THE ROANOKE ISLAND
COMMISSION

1 Section @. G.S. 143B-131.2(b)(1) reads as rewritten:
2 "(1) To advise the Secretary of Transportation and adopt
3 rules on matters pertaining to, affecting, and
4 encouraging restoration, preservation, and
5 enhancement of the appearance, maintenance, and
6 aesthetic quality of U.S. Highway 64/264 and the
7 U.S. 64/264 Bypass and N.C. 400 travel corridors on
8 Roanoke Island and the grounds on ~~Ice Plant Island~~.
9 Roanoke Island Festival Park."

LEGISLATIVE

MAY 20 1997

DRAFTING

CODE NO. 97CULRES-H005-S

Requested by:

MUSEUM OF HISTORY RESTAURANT

1 Section @. Within the funds available, the Secretary of
2 Cultural Resources may contract with any person, firm, or
3 corporation to provide restaurant services in the North Carolina
4 Museum of History, as provided in subdivisions (16) and (17) of
5 G.S. 121-4.

LEGISLATIVE

MAY 20 1997

DRAFTING

6

House Version

Requested by:

PROCEDURE FOR AWARD OF CULTURAL RESOURCES GRANTS

1 Section @. Of the funds appropriated to the Department
2 of Cultural Resources, the sum of one million dollars
3 (\$1,000,000) for the 1997-98 fiscal year shall be used for grants
4 to nonprofit organizations or local governmental entities
5 throughout the State for cultural, historical, or artistic
6 organizations, for cultural, historical, or artistic projects,
7 and for local museums, in accordance with administrative
8 guidelines issued by the Secretary of the Department of Cultural
9 Resources. Grants shall be limited to amounts of one hundred
10 thousand dollars (\$100,000) or less; and the Secretary of
11 Cultural Resources may require a match of non-State funds as
12 deemed appropriate for local museums.

13 In awarding grants, the Secretary shall consider the
14 merits of the project, the cultural, historical, or artistic
15 significance of the project, the benefit to the State and local
16 communities of the project, and the cost of the project. Prior
17 to awarding grants, the Secretary shall consult with the Joint
18 Legislative Commission on Governmental Operations.

LEGISLATIVE

MAY 20 1997

DRAFTING

Senate Version

Requested by:

PROCEDURE FOR AWARD OF CULTURAL RESOURCES GRANTS

1 Section @. Of the funds appropriated to the Department
2 of Cultural Resources, the sum of eight million dollars
3 (\$8,000,000) for the 1997-98 fiscal year shall be used for grants
4 to nonprofit organizations or local governmental entities
5 throughout the State for cultural, historical, or artistic
6 organizations, for cultural, historical, or artistic projects,
7 and for museums. The Secretary of the Department of Cultural
8 Resources shall establish a process for the review, evaluation,
9 and consideration of applications for these grants.

10 In awarding grants, the Secretary shall consider the
11 merits of the project, the cultural, historical, or artistic
12 significance of the project, the benefit to the State and local
13 communities of the project, and the cost of the project. Prior
14 to awarding grants, the Secretary shall consult with the Joint
15 Legislative Commission on Governmental Operations. These grants
16 are not subject to review by the Historical Commission.

LEGISLATIVE

MAY 20 1997

DRAFTING

1995 Session

Requested by: Senators Warren, Gulley, Representatives Ives, Lemmond, Culpepper
GRANTS TO LOCAL MUSEUMS

Sec. 12.5. (a) Funds in the amount of two million dollars (\$2,000,000) appropriated in this act to the Department of Cultural Resources for the 1995-96 fiscal year shall be used as grants-in-aid for local museums. The Secretary of Cultural Resources may require a match by non-State funds as deemed appropriate.

(b) The Department of Cultural Resources shall report to the Fiscal Research Division by December 1, 1995, regarding the grants made in accordance with this section.

Requested by: Senators Warren, Gulley, Representatives Ives, Lemmond, Culpepper
LOCAL HISTORICAL ORGANIZATIONS GRANTS

Sec. 27.5. Of the funds appropriated in this act for the 1995-96 fiscal year to the Department of Cultural Resources the sum of three million dollars (\$3,000,000) shall be distributed as grants-in-aid to nonprofit historical organizations, nonprofit museums, or local governmental entities in accordance with administrative guidelines issued by the Secretary of the Department of Cultural Resources. The purpose of the grants shall be to encourage, through the use of grants-in-aid, the protection, preservation, and interpretation of historic assets with local or regional significance. Priority consideration shall be given to the local historical organization's educational objectives. Grants shall be limited to amounts of one hundred thousand dollars (\$100,000) or less.

Requested by: Senators Warren, Gulley, Representatives Ives, Lemmond, Culpepper
LOCAL CULTURAL AND ARTISTIC ORGANIZATIONS GRANTS

Sec. 27.6. Of the funds appropriated in this act for the 1995-96 fiscal year to the Department of Cultural Resources the sum of three million dollars (\$3,000,000) shall be distributed as grants-in-aid to nonprofit local cultural or artistic organizations or local governmental entities in accordance with administrative guidelines issued by the Secretary of the Department of Cultural Resources. The purpose of the grants shall be to support and promote, through the use of grants-in-aid, local cultural and artistic organizations with local or regional significance. Priority consideration shall be given to the local cultural or artistic organization's educational objectives. Grants shall be limited to amounts of one hundred thousand dollars (\$100,000) or less.

VISITOR REGISTRATION SHEET

General Government 5-21-97

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY
1. Kathie Austin Padgett	OSPL
2. David Brook	ACR
3. Gary Mount	OSC
4. Jim Newell	OSBM
5. Robert Brewer	OSBM
6. Roslyn Smith	NC Coalition Against DV
7. Martha Glass	DOA
8. Beckie Stunt	PPAB
9. Willie Riddick	DOR
10. Heather Lail	OSA
11. ~~Detmond Allen~~	SOS
22. Norma Rosefield	DCR
23. Vida May	DOA / YAIU
24. Pam Deardorff	DOA
25. Mike Hodgen	DOR
26. Brenda Dougherty	Spirit
27. John Verhuden	SLP - Easter Seals
28. Anne Williams	Bone Assoc.
29. Ed Brackett	Asheville Citizen-Times
30.	
31.	

HOUSE APPROPRIATIONS SUBCOMMITTEE
ON
GENERAL GOVERNMENT

May 22, 1997
Room 425 - 8:30 A.M.

The House Appropriations Subcommittee on General Government met on May 22, 1997 in Room 425 of the Legislative Office Building at 8:30 A.M.

The following members were present: Representative Sherrill, Representative Ives, Representative Braswell, Representative Decker, Representative Ellis, Representative Jeffus and Representative Wainwright.

The meeting was called to order by Representative Sherrill who called on Michele Nelson, Staff, to explain the special provisions as requested by the cochairs of the committee as follows beginning with PROCEDURE FOR AWARD OF CULTURAL RESOURCES GRANTS (page 7). Representative Ives asked Ms. Nelson if Item 7(a) accomplished the same purpose as the original. She answered "yes". Representative Sherrill asked if this provision is the same as 1995 and Ms. Nelson answered "yes". Representative Jeffus said she agreed with the \$1,000,000 but she hoped that at some point in time the committee would raise that amount to fund further grants. Representative Sherrill stated that she wanted the grants to be divided equal among the organizations involved. Representative Braswell agreed. Representative Ives moved to accept the recommendation page 7(a). Motion carried.

ANALYSIS OF STATE BUDGET DURING THE INTERIM was explained by staff member, Bill Spencer. After some discussion, Representative Ives moved that they adopt No. 2, 3, 4, 5, and 6 of this recommendation. Motion carried.

ADMINISTRATIVE LAW JUDGE SALARY was explained by staff member, Bill Spencer. After discussion, Representative Braswell moved that the language on line 9 and 10 be changed to read "that the salary of the Administrative Law Judge be the same as District Court Judges, and that item (b) be changed to read "The salary of other administrative law judges shall be fixed by the General Assembly at the same amount as District Court Judges." Motion carried.

INFORMATION RESOURCES MANAGEMENT COMMISSION, COMBINE PROGRAMS TO HELP WOMEN AND CHILDREN, PROCUREMENT CARD PILOT PROGRAM, STATE HEALTH PLAN PURCHASING ALLIANCE BOARD OPERATING FUNDS REVERT, STATE BOARD OF ELECTIONS, STATEWIDE DATA ELECTIONS MANAGEMENT SYSTEM, FEES FOR USE OF STATE-OWNED OFFICE SPACE, PARKING REVENUES, GOVERNOR'S ADVOCACY

COUNCIL FOR PERSONS WITH DISABILITIES, AND ADVICE OF GOVERNMENTAL OPERATIONS ON PRIORITIZING REQUESTS FOR ASSISTANCE was explained by staff member, Evan Rodewald.

After discussion, Representative Ives moved to adopt the first 6 items (pp. 1-7) The motion carried.

PARKING REVENUES (P.9) Representative Ellis asked the department who operates the van pools. The department answered that he was not sure. Representative Braswell asked the department if the van pools were transporting employees to their offices from isolated areas. Answer "yes". Representative also asked the department how many employees use this service. The department answered that he did not have the answer but could get it from the department. Representative Ellis asked if they could put off voting on this. Representative Sherrill said they needed to vote it up or down but that he could ask for a change at a later time which this is all reviewed. She agreed they needed further information. The Chair ruled that this item would not be voted on at this time.

GOVERNOR'S ADVOCACY COUNCIL FOR PERSONS WITH DISABILITIES AND ADVICE OF GOVERNMENTAL OPERATIONS ON PRIORITIZING REQUESTS FOR ASSISTANCE was explained by staff member, Evan Rodewald. (p.10) After discussion Representative Ives moved that they adopt the last 2 items on pp. 10 and 11. Motion carried.

RETIREMENT SYSTEM ADMINISTRATIVE EXPENSES TO COMPLY WITH SUPREME COURT DECISIONS - Representative Ellis moved that on line 3 remove the \$500,000 and on line 5 remove the \$200,000 and insert "as required" and that the State Treasurer shall report to Governmental Operations. Representative Sherrill suggested that the committee not vote on the final document until they can review it Representative Jeffus agreed that the committee should wait until this is completed before voting on it. Representative Braswell suggested saying that they it read to make necessary expenditures in order to comply with the Supreme Court decisions. Motion carried.

STATE CONSTRUCTION STUDY COMMISSION was explained by staff member, Evan Rodewald. After some discussion, Representative Sherrill stated that this item will be worked on and brought back to the committee.

Representative Sherrill then introduced Dennis Ducker, Administration Director of the State Retirement System. Mr. Decker said he was the deputy state treasurer of the Department of the State Treasurer and a native of Transylvania County. What we have is a request for an appropriation to comply with the recent decision by the State Supreme Court. That decision addressed three lawsuits - Hawkenberry, Woodard and Peele. Three issues combined and heard together by the courts. Just a very brief background. This involves the changes in disability benefits that have occurred over many years. Prior to 1982 and that is a key date, July 1, 1982, when a person became disabled the benefit from the Retirement System was calculated as though they worked to age 65. After 1982

by act of the General Assembly, there was a cap put on that projection to 30 years. A person who came to work prior to age 35 (35 to 65 would be 30 years) had a projection of more than 30 years to calculate the benefits. The General Assembly put a cap on that projection and capped the benefits. Then effective January 1988, the General Assembly took disability retirement benefits out of the Retirement System for people retiring on disability after that date include the new plan, the disability income plan with a completely different set of benefits, more akin to what you see in the private sector. The plaintiffs in these cases went to court and they contended that this had violated a contractual right that they had when they accrued five years of service. By virtue of five years of service, they were vested and therefore entitled to these disability benefits at the time they acquired five years of service. It was our position that, and our attorney's position, that the vesting of a disability benefit occurred at the time the person became disabled, that the five years was simply a threshold point at which the person underwrite to the benefit if they later became disabled. The Supreme Court disagreed with us and held that the member's benefit should be based on the fact that they had accrued five years of service. That is the crux of these lawsuits. What we are going to have to do to comply with the court is we are going to have to go back and calculate retirement disability benefits for some people in as many as three different ways and give them the greatest of those three or two different ways and give them the greater of those two. It will become very complex for the disability income plan because in some cases that is the superior benefit depending on the age of the person. What this money would do and again, it is from the trust fund. No general fund appropriation - it is from the trust fund appropriating as you do our normal operating expenses from the trust fund. Anything that is not spent then of course reverts to the trust fund. This money would allow us to gear up and pay in a timely manner all of those retroactive disability benefits. We have already determined that we could be talking about a substantial number of people and some substantial retroactive payments. That's what this is to allow us to operationally comply with the court.

Representative Sherrill asked if there is a chance that this would threaten the fund. Mr. Decker said they did not believe it would. The paying of these benefits is essentially paying the benefits that were in effect and it would essentially eliminate a savings that had occurred since those changes.

Representative Jeffus ask if there were any more lawsuits to follow. Mr. Decker said that they did not. He said they believed that this would resolve and dictates to us all how we are to treat benefits and that is when a person is vested in a right then it is not to be changed and there are no other instances that we are aware of where this has happened.

Mr. Decker further stated that the one big question still before the Superior Court is how much interest is to be added to these retroactive payments. But we have already identified 18 million dollars that we will be paying out on just the initial group and with interest it could be double that. We want to go ahead and pay these people in a timely manner and get it behind us and go forward.

Representative Ellis moved that they adopt the amendment as worded - "The Board of Trustees of the State Employees Retirement System may expend for the fiscal year 1997-98 and for fiscal year 1998-99 from the assets of the State Employees Retirement System in amounts as required to meet administrative expenses to comply with the Supreme Court decisions. The Treasurer's office shall report to Gov. Op. in the General Assembly prior to convening of the 1998 Session.

Rep. Sherrill said that if it pleased the committee is to vote to amend these provisions but not vote on the final document until we have it before us.

Motion carried.


Representative Wilma Sherrill, Cochair


Rosa S. Kelley, Committee Clerk

VISITOR REGISTRATION SHEET

General Government 5/22/97

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY
1. Robert Puzell	OSBM
2. Willie Riddle	DOR
3. George Mount	OSC
4. Heather Cail	OSA
5. A.B. Echanham, Jr.	Arts North Carolina
6. Bob Maddrey	Arts North Carolina
7. Keith McCoubie	DOR
8. Jim Newell	OSBM
9. Mike Hodges	DOR
10. Ruth Cook	Arts North Carolina
11. Deborah Ross	ACLU
22. Roslyn Smith	NC Coalition Against Domestic Violence
23. Donna Rosefield	DCR
24. Brenda Dougherty	Sprint
25. Glen Peterson	DOA
26. Martha Glass	DOA
27.	
28.	
29.	
30.	
31.	

MINUTES

HOUSE APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT

May 27, 1997

The House Appropriations Subcommittee on General Government met on May 27, 1997 at 8:30 a.m. in Room 425 of the Legislative Office Building. Representative McCombs presided and the following members were present: Representative Ives, Cochair; Representative Sherrill, Cochair; Representatives Culpepper, Decker, Ellis, Jeffus and Wainwright. Also present were fiscal research staff advisors Even Rodewald, Michele Nelson and Bill Spencer. For visitors in attendance, see the attached Visitors Sheet.

Representative McCombs called the meeting to order and introduced pages Abigail McKinney from Mitchell County and Jessica Stroud from Duplin County. He then asked Evan Rodewald to lead the discussion of ballots provided to counties by the State Board of Elections. The handout entitled Paper Ballots in North Carolina was distributed to members (Attachment 1). Evan stated that Rep. Ives had requested that this item be put on the agenda. Discussion had been about whether the subcommittee wanted the State Board of Elections to continue printing ballots for the counties. Should the subcommittee choose to discontinue this practice, the amount of savings to the general fund would be about \$196,621. Mr. Gary Bartlett of the State Board of Elections stated that it was his personal desire that all counties have certified voting machines. He asked the subcommittee to consider grants-in-aid to allow all counties to be fully automated. Should the subcommittee choose not to approve grants-in-aid, Mr. Bartlett asked them to consider phasing paper ballots out gradually so that the county budgets would not be impacted immediately. Rep. McCombs asked for clarification on the grants-in-aid. Mr. Bartlett stated that this would be using money that was appropriated for paper ballots to purchase a voting machine. Rep. McCombs asked for an estimate on what this would cost. Mr. Bartlett stated that it would be approximately \$3,000 to \$4,500, depending on how high-tech you would go. Rep. Ives asked how many counties rely solely on paper ballots. Mr. Bartlett responded that it is approximately 8 1/2 counties. Rep. Ives asked if the subcommittee followed Mr. Bartlett's plan for a 5-year phase-down, what amount could be cut this year. Mr. Bartlett responded that the first thing that he would cut would be the supplemental absentee ballots. Rep. Ives asked how much that would save. Mr. Bartlett stated that the savings would be a little more than 1/3. Rep. McCombs asked for clarification on counties that ordered a large number of ballots but only used a few of

them. Mr. Bartlett explained that this is a tradition that was carried over from his predecessor, and that something should be done about it. Rep. Ives then moved that the committee accept the director's suggestion for a 5-year phase-down and put in a special provision to that effect. The motion passed without objection.

Evan Rodewald then discussed the revised special provision for the Department of Administration's State Construction Study Commission with the aid of Attachment 2. Rep. Sherrill stated that in item 10 on page 1 of Attachment 2, she didn't think it was fair. She thinks that one member should be appointed from the list recommended by the North Carolina Association of Electrical Contractors, Inc. and a second member should be appointed from the list recommended by the Carolinas Electrical Contractor's Association, Inc., bringing the total number of commission members to 14. Rep. Ives said if that is the case then they should go back to item 9 on page 1 (Attachment 1) and make one of the members a representative of the plumbing contractors and one of the members a representative of the heating and cooling contractors. Rep. Ellis recommended that in item 9 there should be three members, one representing plumbing, one representing heating and cooling and one representing fire and sprinklers, making the total number of commission members 15. Mr. Henry James, representative for the North Carolina Association of Plumbing-Heating-Cooling Contractors, stated that the fire and sprinkler contractors have a separate organization that is licensed by the same board. Secretary Katie Dorsett of the Department of Administration stated that her department would welcome the opportunity to have the study commission. Mr. Speros Fleggas, Director of the State Construction Office, stated that the membership is fine with the recommendations made by Rep. Ellis. Rep. Ives asked Mr. Fleggas if there is already a commission that is competent to do the study. Mr. Fleggas stated that the State Building Commission has not looked at the process and it has other duties related to design or selection and alternative contracting methods. The study commission would look at how to streamline the process of getting the project through the system from appropriation to construction to completion. Rep. Ellis stated his concern that the Speaker and the President Pro Tempore have balanced appointment powers. Rep. Ellis' recommendation was voted on by the subcommittee, and passed without objection.

Evan then discussed subsidies for van pools and transit passes under the Department of Administration. He clarified information given earlier that the program would cost about \$35,000 for the next fiscal year. That was assuming that the rates would not go up. In fact, the rates will go up from \$20-\$30 and so the cost will be approximately \$47,000 next year. Rep. Ellis asked, since Triangle Transit will bill the Department of Administration for the balance on transit passes, what method will be used to insure that employees are riding and that the department is not being billed for someone who is not riding any longer. Evan stated that he did not know and would have to refer the question to the department. Ed Chambers of the Facility Management Division stated that the bill

is sent monthly so that at the most it would be one month where this would occur. Evan distributed copies of the special provision as it appears in the Senate budget (Attachment 3). Rep. Ellis asked when state employees stop bringing their cars to use the transit system, who benefits from their parking spaces. Mr. Chambers answered that those spaces are normally used by other state employees. Rep. Ellis stated that he would rather that the money be used to provide greater public parking in the area. Rep. Sherrill then made a motion to leave this item as it is and to ask the department to come back to the subcommittee with some recommendations on real parking spaces. Rep. Ellis made a motion to take this provision out so that the funds will be available to use for the greater public benefit. Evan stated that if the money is not used, it will go to retire the debt on the bonds that were sold to pay for the parking garages. Evan asked if anyone from the Dept. of Administration could comment on the cost of building new parking spaces. Mr. Fleggas stated that the latest projections for 550 parking spaces underground was \$13 million (\$10,000 a space). Above-ground parking spaces are around \$8-9,000 a space. Rep. Decker asked when the History Museum was built how many parking spaces were built underneath. Mr. Fleggas responded that there were a little over 600 spaces. Rep. Culpepper inquired if there is a shortage of parking spaces for state employees. Mr. Chambers responded that there is. The motion was to leave the item as it is so no vote was taken.

The next item for consideration was a discussion of the special provision, retirement system administrative expenses to comply with Supreme Court Decisions under the Department of State Treasurer. Evan Rodewald distributed copies of the revised draft (Attachment 4) to the subcommittee members. Steve Albright of the Treasurer's Office noted that this is just administration expenses. The money itself will come out of the state fund. They have no idea how many people are involved, but everyone must be checked for what they would get as disability retirees and what they would get from the disability income plan of North Carolina. Rep. Culpepper asked what Supreme Court decision was referred to in this special provision. Mr. Albright asked Mr. Tim Bryan of the Retirement Systems Division to address this. Mr. Bryan stated that in April the North Carolina Supreme Court rendered a decision relative to disability benefits that were payable to teachers and state employees. In 1982 the North Carolina General Assembly enacted legislation to change disability retirement benefits and the amount of service that was used to project those benefits. In 1988 provisions changes from a disability retirement to a disability income plan. In the court case *Falkenberry vs. The Department of State Treasurer*, it stated that there was a contractual arrangement and that these people were eligible for the greater benefits depending upon when they attained five years of service. Rep. Culpepper asked if there was just one court case and Mr. Bryan stated that it was three cases that were combined into one. Rep. Decker made a motion to cite the *Falkenberry* case in the Senate version of the special provision, and if other decisions are rendered they can be dealt with at that time. Rep. Sherrill stated that she was not

ready to vote, that more information was needed. She made an amended motion to put this issue aside until she can review the minutes to look at what the subcommittee did. The motion passed without objection.

The next item on the agenda was a discussion of Administrative Law Judges salaries under the Office of Administrative Hearings. Bill Spencer asked Phyllis Pickett from bill drafting to discuss some legal information. Ms. Pickett stated that there are four alternative ways to carry out the provision. In regard to bringing the salaries of administrative law judges in line with the salaries of district court judges as they were at the last budget bill, does the subcommittee want to use that amount and have it set in the current appropriations act. There is a regular line in the act now for the Office of Administrative Hearings. This would entail adding another line for administrative law judges generally and set it up for that amount to last for the budget cycle. The other alternative is to state the amount right in the statute. Rep. Ellis stated that the concern was that it be applied relative to the district court judge salary, that those two be equalized and then make the chief administrative law judge 100% of the chief district court judge salary and the others would be 90% of that salary. Bill Spencer stated that the version that the House received from the Senate set the chief administrative law judge salary equal to a district court judge salary and the administrative law judge salary equal to 90% of the chief's salary. Bill stated that Rep. Braswell had suggested tying in the salaries at an equal level with administrative law judges and district court judges so that chief administrative law judges and chief district court judges would have equal salaries and administrative law judges and district court judges would have equal salaries. Bill stated that Rep. Ellis had suggested, rather than tying them in at the same level, that administrative law judge raises would lag one year behind the district court judges. Rep. Culpepper stated that the department was satisfied with the first special provision in which the General Assembly sets the salary of the chief administrative law judge each long session. All the department is requesting is that all other administrative law judges be paid 90% of what the chief makes. Judge Mann stated that he would be happy to abide by whatever was the decision of the subcommittee. Rep. Ellis stated that the problem is that the provision only speaks to fixing the salaries at 90% of the chief administrative judge, it does not fix the salary. His concern is that the administrative law judges will already be receiving substantial raises by bringing them up to 90% of the chief administrative law judge. He doesn't want to leave the provision in without establishing the dollar amount. Rep. Wainwright stated that he is trying to understand the difference between the two formulas. Bill Spencer stated that for the next fiscal year the chief district court judge salary is proposed at \$85,032 and the chief administrative law judge salary is proposed at \$82,331. Next year, district court judges salaries are proposed at \$82,341. Administrative law judges currently range between \$57,025 and \$69,167. The average is \$61,482. The effect of raising them to match a district court judge would

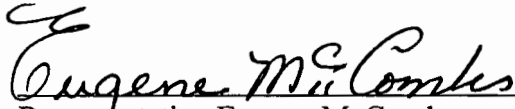
be an average raise from \$61,482 to \$82,341. Rep. Culpepper stated that part of the problem is that several sessions ago there was a substantial increase in the judicial salaries. At that time, the chief administrative law judge got a bump but the other administrative law judges did not. This is trying to get them into a position where they should have been on the first go-round. Rep. Wainwright that he agreed with Rep. Culpepper. Judge Mann reiterated that that is exactly what happened. Rep. Culpepper stated that the Senate has the 90% figure in their proposed budget. The special provision would get the formula in the statute so that you don't have to come back every year. Rep. Ellis stated that there are two different issues. One is the parity between the chief and the administrative law judges. The other issues is that the disparity between them has been increased disproportionately recently. Rep. Ives made a motion that the chief administrative law judge be paid the same as the chief district court judge and that the other administrative law judges be paid 90% of that amount. The motion passed without objection. Rep. Ellis stated that as this thing moves along, he would like to have a report of the impact of this provision.

The next item on the agenda was the historic rehabilitation tax credit under the Department of Cultural Resources. Betsy Buford, Deputy Secretary, discussed the process that this tax credit will go through, with the aid of Attachment 5. Rep. McCombs asked what the tax credit is now. Ms. Buford responded that now there is no residential tax credit. Michelle Nelson stated that, if the legislation passes through the House, there may need to be an appropriation for the Dept. of Cultural Resources for staff. Rep. McCombs asked, if this bill passes, when would it take effect. Michelle responded that it would be in January of 1998. Rep. Ellis asked how many properties are being considered for this tax credit. Mr. David Brook, head of the State Historic Preservation office, stated that there are about 30,000 - 40,000 properties at present on the national register. The National Park Service estimates that about 6% of those are income-producing. Rep. Ellis asked what percentage of these properties do they anticipate will apply for this credit. Mr. Brook stated that they anticipate that the caseload will go from 32 up to about 70 for the first year. After about five years, it will increase up to about 200. Rep. Ellis then asked if a \$54,000 position is need to handle applications for 32-70 properties. Mr. Brook said that a qualified architect is needed to assist the people in identifying what is historic and working with their design professionals and contractors and putting their packets together.

Page 6 - General Government Minutes
May 27, 1997

The meeting was adjourned at 9:55 a.m., to reconvene tomorrow morning at 8:30 a.m.

Respectfully submitted,



Representative Eugene McCombs
Subcommittee Cochair

Suzanne M. Erskine
Subcommittee Clerk

Paper Ballots in North Carolina

	1993	1994			1996		
	Special Election	1st Primary	2nd Primary	General	1st Primary	2nd Primary	General
Number of Ballots	550,000	357,100	270,000	897,450	265,760	233,599	1,044,395
Cost	\$60,911	\$69,890	\$57,672	\$183,695	\$55,412	\$44,028	\$196,621
Cost per ballot	\$0.11	\$0.20	\$0.21	\$0.20	\$0.21	\$0.19	\$0.19

Under state law, the State Board of Elections prints and provides paper ballots for state and federal elections to those counties utilizing paper ballots. In 1996, this process was conducted at a cost to the state of \$296,060.00. The number of counties using paper ballots has declined in the last decade. However, many counties still use paper ballots for absentee voting (see listing below). A handful of counties still use paper ballots for all of their voting (see listing at right). Upon reviewing

records for those counties using paper ballots for all precincts or for selected precincts, the State Board office estimates the cost for purchasing voting machines for all paper ballot precincts ranges from approximately \$540,000 to \$1.5 million. Several factors affect the cost of this purchase, including the number of registered voters in each precinct, the number of precincts, and the type of voting equipment considered (e.g., direct record, optical scan, etc.).

Paper Ballot Counties in 1996 Presidential Race*

County	Ballots Ordered	Affected Voters
Beaufort	2,600	2,393
Caswell	12,000	12,687
Clay	6,500	6,256
Davie	17,500	18,149
Gates	5,500	5,857
Graham	5,700	5,797
Hyde	3,600	3,436
Perquimans	6,800	6,971
Tyrrell	2,235	2,268
Yadkin	18,700	18,361
Yancey	5,500	12,958
Total	86,635	95,133

Non-Paper Ballot Counties Ordering Paper Ballots for 1996 General Election (Presidential Race)*

County	Ballots Ordered	Total Absentee	County	Ballots Ordered	Total Absentee	County	Ballots Ordered	Total Absentee
Alleghany	5	267	Edgecombe	100	446	New Hanover	100	2,094
Ashe	10	539	Forsyth	10	3,940	Orange	100	2,066
Bertie (a)	7,000	106	Gaston	100	1,457	Pasquotank (a)	500	380
Bladen	17,000	266	Granville	50	216	Pender	10	352
Brunswick	25	824	Harnett	10	508	Pitt	500	1,089
Cabarrus	10	1,195	Hertford (a)	1,500	164	Randolph	25	883
Caldwell	25	784	Hoke (a)	1,000	163	Robeson	100	544
Chatham	10	638	Jackson (a)	3,000	490	Rockingham	100	848
Cherokee (a)	3,500	606	Lenoir (a)	3,700	516	Scotland (a)	3,000	155
Chowan (a)	600	178	Lincoln	100	887	Stokes	100	431
Cleveland	100	760	Macon (a)	2,500	727	Surry (a)	3,500	673
Craven (a)	5,000	1,351	Madison (a)	1,100	691	Swain (a)	1,000	269
Cumberland	100	2,211	Mecklenburg	200	9,628	Wake	150	7,876
Davidson	10	1,270	Moore (a)	20,000	1,364	Wayne	50	948
Durham	130	1,249	Nash	25	667	Total	76,155	52,716

(a) Counties that use paper ballots as their primary method of absentee voting (15 of 44)

*Figures reflect ballots for Presidential race only; other styles also provided by State Board

Attachment 1
General Government
May 8, 1997
(State Bd. of Elections)

Attachment 2
General Government
May 27, 1997
(Dept. of Administration)

CODE NO. 97ADMIN-H006

Requested by: Representative Ives

STATE CONSTRUCTION STUDY COMMISSION

- 1 Section @. (a) The State Construction Study Commission
2 is created. The Commission shall consist of 13 members:
3 (1) Two members of the House of Representatives
4 appointed by the Speaker of the House of
5 Representatives,
6 (2) Two members of the Senate appointed by the
7 President Pro Tempore,
8 (3) The Secretary of Administration or a designee,
9 (4) The Commissioner of Insurance or a designee,
10 (5) The chair of the State Building Commission or a
11 designee,
12 (6) One member appointed by the Speaker of the House of
13 Representatives from a list of at least three
14 persons recommended by the American Institute of
15 Architects, Inc., North Carolina Chapter,
16 (7) One member appointed by the President Pro Tempore
17 of the Senate from a list of at least three persons
18 recommended by Carolina's AGC, Inc.,
19 (8) One member appointed by the Speaker of the House of
20 Representatives from a list of at least three
21 persons recommended by the Consulting Engineers
22 Council of North Carolina, Inc.,
23 (9) Two members, one of whom is appointed by the
24 President Pro Tempore of the Senate and one of whom
25 is appointed by the Speaker of the House of
26 Representatives from a list of at least six persons
27 recommended by the North Carolina Association of
28 Plumbing-Heating-Cooling Contractors, Incorporated;
29 and
30 (10) One member appointed by the President Pro Tempore
31 of the Senate from a list of at least three persons
32 recommended jointly by the North Carolina
33 Association of Electrical Contractors, Inc., and
34 the Carolinas Electrical Contractor's Association,
35 Inc.
36 (b) The President Pro Tempore of the Senate shall
37 designate one Senator as cochairman and the Speaker of the House
38 of Representatives shall designate one Representative as
39 cochairman.

1 (c) The Commission shall study:
2 (1) Ways to streamline the review and approval
3 processes for State projects; and
4 (2) Ways to eliminate duplication of effort and
5 overlapping responsibilities among State agencies
6 involved in the review and approval processes.
7 (d) The Commission shall submit a final report of its
8 findings and recommendations to the Regular 1998 Session of the
9 1997 General Assembly by filing the report with the President Pro
10 Tempore of the Senate and the Speaker of the House of
11 Representatives. Upon filing its final report, the Commission
12 shall terminate.
13 (e) The Commission, while in the discharge of official
14 duties, may exercise all the powers provided for under the
15 provisions of G.S. 120-19, and G.S. 120-19.1 through G.S.
16 120-19.4. The Commission may meet at any time upon the joint
17 call of the cochairmen. The Commission may meet in the
18 Legislative Building or the Legislative Office Building.
19 (f) Members of the Commission shall receive subsistence
20 and travel expenses at the rates set forth in G.S. 120-3.1.
21 (g) The Commission may contract for professional,
22 clerical, or consultant services as provided by G.S. 120-32.02.
23 The Legislative Services Commission, through the Legislative
24 Administrative Officer, shall assign professional staff to assist
25 in the work of the Commission. The House of Representatives' and
26 the Senate's Supervisor of Clerks shall assign clerical staff to
27 the commission or committee, upon the direction of the
28 Legislative Services Commission. The expenses relating to
29 clerical employees shall be borne by the Commission.
30 (h) When a vacancy occurs in the membership of the
31 Commission the vacancy shall be filled by the same appointing
32 officer who made the initial appointment.
33 (i) All State departments and agencies and local
34 governments and their subdivisions shall furnish the Commission
35 with any information in their possession or available to them.
36 (j) Of the funds appropriated to the General Assembly
37 for the 1997-98 fiscal year, the sum of twenty-five thousand
38 dollars (\$25,000) shall be allocated to implement the provisions
39 of this section.

Attachment 3
General Government
May 27, 1997
(Dept. of Administration)

CODE NO. 97ADMIN-H005-S

Requested by: Representatives Ives, McCombs, Sherrill

PARKING REVENUES

1 Section 24.5. The Secretary of Administration may use
2 funds from parking revenues that are in excess of parking system
3 expense requirements to fund the fifteen dollar (\$15.00) per
4 month subsidies for vanpools and transit passes.

Attachment 4
General Government
May 27, 1997
(State Treasurer)
House Version

CODE NO. 97TREAS-H001A-S30.20

Requested by: Representatives Ives, McCombs, and Sherrill

RETIREMENT SYSTEM ADMINISTRATIVE EXPENSES TO COMPLY WITH SUPREME COURT DECISIONS

1 Section @. The Board of Trustees of the Teachers' and
2 State Employees' Retirement System may expend an amount as
3 required for fiscal year 1997-98 and for fiscal year 1998-99 from
4 assets of the Teachers' and State Employees' Retirement System
5 and the Local Governmental Employees Retirement System to meet
6 administrative expenses to comply with Supreme Court decisions.
7 The State Treasurer shall report prior to reconvening of the 1997
8 Regular Session in 1998 to the Joint Legislative Commission on
9 Governmental Operations and to the General Assembly on
10 expenditures under this section.

CODE NO. 97TREAS-H001

Requested by: Representatives Ives, McCombs, and Sherrill

RETIREMENT SYSTEM ADMINISTRATIVE EXPENSES TO COMPLY WITH SUPREME COURT DECISIONS

1 Section @. The Board of Trustees of the Teachers' and
2 State Employees' Retirement System may expend an aggregate total
3 of not more than five hundred thousand dollars (\$500,000) for
4 fiscal year 1997-98 and an aggregate total of not more than two
5 hundred thousand dollars (\$200,000) for fiscal year 1998-99 from
6 assets of the Teachers' and State Employees' Retirement System
7 and the Local Governmental Employees Retirement System to meet
8 administrative expenses to comply with Supreme Court decisions.



Attachment 3
General Government
May 27, 1997
(Cultural Resources)

North Carolina Department of Cultural Resources
Office of the Secretary

James B. Hunt, Jr., Governor

Betty Ray McCain, Secretary

MEMORANDUM

TO: Michele Nelson

FROM: Betsy Buford *Betsy Buford*

DATE: May 21, 1997

SUBJECT: SB 323 – Historic Preservation Tax Credits/ Procedure for Individual to Receive Tax Credit

Over 20 years ago, Congress determined the best way to handle federal preservation credit applications was to have qualified state historians and architects guide applicants in assembling their application package. **This is uniform for all 50 states.**

Under current law and SB 323, the state tax credit for income-producing properties piggybacks on to the federal tax credit. The procedure for receiving this tax credit is as follows:

- Property owner contacts the State Preservation Office to secure appropriate forms.
- State Preservation Office staff advises property owner on property qualification and appropriateness/eligibility of work being considered and assists property owner in completing application package.
- Property owner compiles information for application packet and **submits it to the State Preservation Office.**
- **State Preservation Office prepares recommendation for Federal government; the application package and recommendation are then sent to National Park Service in Washington, DC.**
- Secretary of the Interior makes final decision on whether project is certified for the tax credit.
- **Certification is sent to applicant as proof to IRS (or person preparing tax return) that they qualify for tax credit.**

cc: Secretary Betty Ray McCain
Donna Rosefield

May 21, 1997

Federal requirements for DCR staff to serve in the federal tax incentive program for rehabilitating historic structures.

THE DCR CONNECTION

- Over twenty years ago, Congress decided to run federal tax credit through state preservation agencies: National Historic Preservation Act and 36 C. F. R. 67.
- All states now participate in the federal program.
- Historic preservation staff in DCR help applicants develop application packages: tell if have a qualified historic building, review plans, keep in federal guidelines, make field visits.
- DCR staff sends the applications to the National Park Service with the state's official recommendations for approval.
- The Secretary of the Interior makes the final decision on whether the project is certified for the tax credit.
- Applicants use the certification as proof to the IRS that they qualify for the 20 percent tax credit.

THE PROCESS AND S. B. 323

- * - Income-producing properties. Under current law and under S. B. 323, the state tax credit piggybacks onto the federal credit. Avoids duplication of effort.
- * - Non-income producing properties. For consistency, equal treatment of applicants, and for quality control, DCR plays the same role (as with income producing properties) under S. B. 323. No federal credit to help out the homeowner. The states are leading the way.

Attachments

VISITOR REGISTRATION SHEET

General Government 5/27/97

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

	NAME	FIRM OR AGENCY
1.	Frank J. Mills	Ser. of State
2.	Vida A. Nays	DOA/Health, Democracy & Involvement
3.	Walter Cook	DOA/Fiscal Mgmt.
4.	Colony Mary	DOA/Capitol Police
5.	George E. Morris	OSC
6.	Carl Goodwin	OSP
7.	Robert Reed	OSBM
8.	JW Raul	OSBM
9.	Jim Maxwell	OSBN
10.	Willie Riddick	DOR
11.	Keith McCord	DOR
22.	Sid Chambers	DOA Facility Management
23.	Jeffrey J. Cross	DCR
24.	David Brook	KCR
25.	Patsy Bussell	DCR
26.	Betty Kay McLean	DCR
27.	Hanna Rosefield	DCR
28.	Roe Moseley	Arts NC
29.	Pam Deardorff	GAIO/DOA
30.	Heather Cain	OSA
31.	Alice Sharpe	State Construction Office

VISITOR REGISTRATION SHEET

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY
1. <u>Jackson Mamm</u>	<u>Office of Administrative Hearings</u>
2. <u>Dennis McCarty</u>	<u>OSC/SIPS</u>
3. <u>Martha Glass</u>	<u>DOA</u>
4. <u>Kathie Austin PADGETT</u>	<u>OSPL</u>
5. <u>SEROS FLETCHER</u>	<u>STATE CONST. OFFICE</u>
6. _____	_____
7. _____	_____
8. _____	_____
9. _____	_____
10. _____	_____
11. _____	_____
22. _____	_____
23. _____	_____
24. _____	_____
25. _____	_____
26. _____	_____
27. _____	_____
28. _____	_____
29. _____	_____
30. _____	_____
31. _____	_____

APPROPRIATIONS Subcommittee on General Government

Minutes

May 28, 1997 AM

The APPROPRIATIONS Subcommittee on General Government met on May 28, 1997 at 8:30 AM in room 425 of the Legislative Office Building. Members present included: Representatives McCombs (Cochair), Sherrill (Cochair), Braswell, Culpepper, Decker, Ellis, Jeffus and Wainwright. Representative Ives (Cochair) presided.

Representative Ives called the meeting to order at 8:43 AM. Representative Ives called on Mr. Evan Rodewald of Fiscal Research to go over the General Government Report (see attachment #1) to aid the members in the approval process. Mr. Rodewald said the committee is 684K over target and the main problem exists in the non-recurring money. A discussion ensued over the problem areas.

Representative Ives called on the Fiscal Research staff to go over the budget report. Mr. Spencer reported no changes in the Governor's budget and no changes in the Office of State Budget and Management. Representative Ellis asked the staff to flag 100K in non-recurring money in the Office of State Budget and Management. Mr. Spencer continued and stated there were no changes in State Planning and the Lt. Governor's budget. Mr. Rodewald stated there were no changes in the Secretary of State's budget. Representative Decker asked that the expenditures on the new computers be flagged for further discussion in the Secretary of State's budget. Mr. Rodewald continued with the Office of the Auditor and the Treasurer's Office budgets and stated there were no changes. Representative Ellis asked to flag 175K in the Office of the Auditor. Mr. Spencer reported one change in the Department of Insurance budget. He said item 27 did not count against the dollar amount because it is receipt supported. Mr. Rodewald reported no changes in the Department of Administration budget. Representative Ives spoke about the transfer of officers from the Department of Administration to the Department of Revenue and how it would be at no cost. Representative Ives then introduced Mr. John Massey of the State Police and Mr. Keith McCombs of the Department of Revenue who both reported that their understanding was that the transfer would be at no cost. Representative Sherrill asked why the transfer needed to occur and Mr. Massey replied it is to bring the Department of Revenue into compliance with rules set out by the Internal Revenue Service regarding confidentiality. Ms. Michele Nelson of Fiscal Research reported that the Senate would like to study this in the interim. Representative Ellis moved to include the transfer in the budget and the motion carried (item #44). Ms. Nelson explained items #55 in the State Controllers Office budget and item #61 concerning the transfer of State Police to the Department of Revenue. Representative

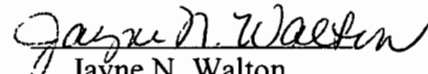
Decker asked if a slight reduction had occurred in the Secretary of State's Office due to the handling of reports and Mr. Rodewald replied there has not been a reduction. Representative Decker asked that that item be flagged. Ms. Nelson reported on Cultural Resources budget and brought to the committee's attention items 66, 67, 68, 70. Representative Ellis asked to flag 8 million to local agencies. Representative Ives flagged Blackbeard's Ship. Mr. Rodewald explained items 77 and 78 in the State Board of Elections. Mr. Spencer explained the change in wording for item #81 in the Office of Administrative Hearings. Ms. Nelson explained that a law suit may be dropped so item #82 may not be needed under the Rules Review budget. Representative Ives asked to flag item #82. Representative Decker asked Mr. Spencer for more information on longevity pay for the judges.

Representative Ives then directed the committee to page 24 (attachment 1) to go over the Special Provisions to be included in the budget. Mr. Spencer reported no changes in special provisions on pages 24,25 and 27. Mr. Rodewald reported no changes in special provisions on pages 29 and 31. Ms. Nelson reported no change in the special provision on page 32. Representative Wainwright stated that he did not see why an audit was imposed on SIPS if not imposed on others and further stated that the audit of SIPS should be removed from the package. Representative Sherrill said she opposed removing the audit of SIPS from the package. Representative Braswell stated that the Department of Revenue should be treated the same as SIPS concerning an audit. Representative Braswell also said independent auditors should be used and he had a special provision for this when it was the appropriate time. Ms. Heather Lail of the State Office of the Auditor spoke to a question Representative Wainwright had regarding the difference between an in house audit versus an independent audit and said she would get more information for the committee. The State Controller Ed Renfrow addressed the committee and explained the audit process that follows the Yellow Book Standard and supported the audit which will be the most rigorous of any agencies this session. Representative Ellis questioned the need for the Governmental Operations special provision on page 31. After an explanation from Mr. Rodewald and Ms Heather Lail, Representative Sherrill moved to delete page 31 from the report and the motion carried. Mr. Rodewald gave an explanation of the special provision on page 33 and Representative Sherrill moved to adopt the special provision with caps. The motion carried. Mr. Spencer reported that special provisions on pages 34 and 35 were unchanged. Mr. Rodewald reported no changes in the Senate package for special provisions on pages 36,37,38,39,40 and 41. Mr. Rodewald presented the latest changes for the State Construction Study Commission on page 42 and Representative Sherrill moved to approve the special provision as changed. The motion carried. Ms. Nelson gave an explanation of special provision on page 45. A rewrite of the special provision for the Information Highway was handed out (see attachment #2). The State Controller, Mr. Ed Renfrow addressed the committee and said that the rewritten version would be preferable. Representative Sherrill added that section (e) from the original special provision on page 45 should be included in the short version and adopt it. Mr. Renfrow said if the intent of the committee was to include section (e), then the long version of the special provision would be better.

Representative Ives concluded by saying the Information Highway special provision would be further discussed at the following meeting that afternoon. The meeting adjourned at 9:54 AM.



Representative William M. Ives
Cochairman



Jayne N. Walton
Committee Clerk

House Subcommittee on General Government

Governor

GENERAL FUND

	FY 97-98		FY 98-99
Recommended Budget	\$5,286,620		\$5,302,348
Legislative Changes			
(0000) Departmentwide			
1 Purchased Contractual Services	(\$22,367)	R	(\$22,367) R
(1130) Office of Intergovernmental Relations			
2 Eliminate Military Liaison Position	(\$25,220)	R	(\$25,220) R
Eliminate the position and associated benefits for Military Liaison. This position has been vacant since 10-01-94.	-1.00		-1.00
(1631) Raleigh Executive Residence			
3 Transfer to CC & PS	(\$6,099)	R	(\$6,099) R
This transfer repays Crime Control & Public Safety (CC & PS) the costs of supplying the Governor's guards. \$6,099 was the amount of the requested increase from last year. The money will be saved by using guards with the same salaries as the current guards are earning.			
Total Legislative Changes	(\$53,686)	R	(\$53,686) R
Total Position Changes	-1.00		-1.00
Revised Budget	\$5,232,934		\$5,248,662

State Budget and Management

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$3,855,400		\$3,938,220	
Legislative Changes				
(1022) 1997 Special Appropriations				
4 Fire Protection Grant Funds	\$3,080,000	R	\$3,080,000	R
Creates the State Fire Protection Grant Fund, to compensate local fire districts and political subdivisions for providing fire protection to State-owned buildings. Requires the Office of State Budget and Management to develop a statewide method for distributing these funds to the State's local fire districts and political subdivisions.				
5 NC Humanities Council	\$100,000	NR		
Provides a grant to the North Carolina Humanities Council, a not-for-profit organization.				
6 Women's Memorial Funds	\$50,000	NR		
This is a State Donation to the Women in Military Service for America Memorial Foundation, Inc., for the purpose of creating a memorial to women veterans of the armed services.				
(1310) Office of State Budget and Manage				
7 Property, Plant & Equipment	(\$32,372)	R	(\$32,372)	R
Department will save money by deferring purchase of new items of equipment.				
8 Reduce Employee Costs	(\$5,010)	R	(\$5,010)	R
Reduce objects Employee Benefit Cost and Supplement to Regular Wage. Department plans that this money will not be needed due to savings accrued while vacancies exist.				
Total Legislative Changes	\$3,042,618	R	\$3,042,618	R
	\$150,000	NR		
Total Position Changes				
Revised Budget	\$7,048,018		\$6,980,838	

Office of State Planning

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$1,820,279		\$1,833,679	
Legislative Changes				
(1412) Geodetic Survey				
9 Make One-Half Position Receipt-Supported	(\$17,829)	R	(\$17,829)	R
Office of State Planning has one position which receives one-half of its funding from the General Fund. This position will become entirely receipt-supported.	-0.50		-0.50	
Total Legislative Changes	(\$17,829)	R	(\$17,829)	R
Total Position Changes	-0.50		-0.50	
Revised Budget	\$1,802,450		\$1,815,850	

Lieutenant Governor

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$612,176		\$612,336	
Legislative Changes				
(1110) Administration				
10 Miscellaneous Expenses, Equipment, and Services	(\$2,946)	R	(\$2,946)	R
Reductions in Registration Fees, Other Employee Educational Expenses, Maintenance Agreement-Equipment, DP Equipment, Repairs-Computer Equipment, General Office Expenses, Cellular Phone Service, Postage, and Telephone Service.				
Total Legislative Changes	(\$2,946)	R	(\$2,946)	R
Total Position Changes				
Revised Budget	\$609,230		\$609,390	

Secretary of State

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$5,243,012		\$5,230,680	
Legislative Changes				
(0000) Departmentwide				
11 New Computer System	\$80,000	R	\$80,000	R
Replaces old computer equipment with new local area network, new imaging system, new relational database software. Funds include money for a project manager and for computer consultants.	\$1,230,000	NR	\$0	NR
	1.00		1.00	
Total Legislative Changes	\$80,000	R	\$80,000	R
	\$1,230,000	NR	\$0	NR
Total Position Changes	1.00		1.00	
Revised Budget	\$6,553,012		\$5,310,680	

Auditor

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$9,495,886		\$9,504,085	
Legislative Changes				
(1120) Support Services				
12 Maintenance on Printing Equipment	\$38,600	R	\$38,600	R
Provides funds to maintain printing and duplicating equipment. Recommended by the Governor.				
(1210) Field Audit Division				
13 Equipment Replacement Reserve	\$175,000	R	\$175,000	R
Recurring funds would allow the Auditor to replace computers every three years. Recommended by the Governor.				
14 Audit Software	\$0	R	\$15,000	R
	\$159,000	NR	\$0	NR
15 EDP Audit Positions	\$123,606	R	\$123,606	R
Additional electronic data processing auditors.				
	\$12,980	NR	\$0	NR
	2.00		2.00	
16 Additional Audit Positions	\$160,322	R	\$160,322	R
Additional performance and financial auditors				
	\$19,470	NR	\$0	NR
	3.00		3.00	
Total Legislative Changes	\$497,528	R	\$512,528	R
	\$191,450	NR	\$0	NR
Total Position Changes	5.00		5.00	
Revised Budget	\$10,184,864		\$10,016,613	

Treasurer

GENERAL FUND

Recommended Budget

FY 97-98

\$18,432,034

FY 98-99

\$18,434,193

Legislative Changes

(0000) All Divisions

17 Rent for State-Owned Office Space

\$281,487

R

\$281,487

R

This appropriation was excluded from the Senate budget due to a technical oversight. However, this budget item is consistent with actions taken by the Senate.

Expenditures: \$836,230

Receipts: \$554,743

Appropriations: \$281,487

Non-Tax Revenue: \$281,487

(1110) General Administration

18 Strengthen Personnel Function

\$0

R

\$0

R

Funds a Personnel Officer I position in the department. Recommended by the Governor. Expenditures of \$44,558 in 1997-98 and \$42,127 in 1998-99 would be covered by increased receipts.

1.00

1.00

(1150) Information Systems

19 Maintenance of Automated Programs

\$0

R

\$0

R

Increased staffing to maintain automation in the department. Recommended by the Governor. Expenditures of \$240,968 in 1997-98 and \$230,264 in 1998-99 will be covered by increased receipts.

5.00

5.00

(1210) Investment Management

20 Strengthen Investment Administration

\$74,889

R

\$56,065

R

Additional Portfolio Manager to handle increased volumes of investments. Recommended by the Governor. These appropriations from the General Fund would be offset by increases in non-tax revenues.

1.00

1.00

(1310) Local Government Operations

21 Improve Ability to Manage Debt Approval

\$101,901

R

\$101,023

R

Additional staff to respond to increased demands for technical assistance. Recommended by the Governor. These appropriations from the General Fund would be offset by increases in non-tax revenues.

2.00

2.00

Total Legislative Changes	\$458,277	R	\$438,575	R
Total Position Changes	9.00		9.00	
Revised Budget	\$18,890,311		\$18,872,768	

Insurance

GENERAL FUND

	FY 97-98	FY 98-99
Recommended Budget	\$19,880,965	\$19,909,612

Legislative Changes

(0000) Departmentwide

22 Rent for State-Owned Space

\$511,225	R	\$511,225	R

The Insurance Department occupies 40,898 square feet of space in the Dobbs Building. If the Insurance Department paid rent to the Department of Administration, at \$12.50 per square foot the total would be \$511,225 annually. This money would be used to reduce Administration's General Fund appropriation.

(1200) Company Services

23 Additional Financial Analysts

\$103,555	R	\$111,104	R

Hire additional financial analysts with HMO expertise to handle mergers and acquisitions. Not included in the Governor's recommendations.

2.00	2.00

(1300) Technical Services

24 Seniors' Health Insurance Information Program

\$32,311	R	\$31,357	R

Hire additional employee to handle phone calls. Not included in Governor's recommendations.

1.00	1.00

25 Additional Market Practices Examiners

\$313,314	R	\$333,174	R

Adds two three-person teams to monitor market practices. One of the teams will monitor Life and Health Insurance companies; the other will monitor the practices of Health Maintenance Organizations (HMOs).

6.00	6.00

(1500) Safety Services

26 Upgrade and Increase Fire and Rescue Services

\$96,000	R	\$96,000	R

Computer software for counties to submit Fire Incident Reports and implement Rescue Reporting Program.

House Subcommittee on General Government

27 Additional Employees for Manufactured Housing

\$0 R \$0 R

Hire additional inspectors for manufactured housing and buildings. Not included in Governor's recommendations. These positions are 100% receipt-supported.

3.00 3.00

FY 97-98

Expenditures: \$237,622

Receipts: 237,622

Appropriations: 0

FY 98-99

Expenditures: \$217,972

Receipts: 217,972

Appropriations: 0

(1900) Reserves and Transfers

28 Consumer Protection Fund

\$200,000 R \$200,000 R

Additional funds to hire outside contractual services for legal proceedings in ratesetting cases. Not included in Governor's recommendations.

29 Pay for Revenue Workers

\$99,270 R \$99,270 R

Transfers \$99,270 in FY 1997-98 and \$99,270 in FY 1998-99 to pay the Department of Revenue for collecting the gross premiums tax and the Regulatory Charge which supports the Department of Insurance. This item is a technical correction of the Senate budget, in which the transfer was approved but through inadvertence was not listed as an expansion item.

30 Transfer Fire Protection Grant Program

(\$1,450,000) R (\$1,450,000) R

The Fire Protection Grant Program is transferred to the Office of State Budget and Management. The Department of Insurance will not need an appropriation to fund this program.

31 Fire and Rescue Workers' Comp

\$4,500,000 R \$4,500,000 R

Provides a recurring grant to the Fire and Rescue Workers' Comp Fund. Intent is for the State to contribute to the Fund until its reserves (projected time: about 8 years) are sufficient to let it be self-supporting.

Total Legislative Changes

\$4,405,675 R \$4,432,130 R

Total Position Changes

12.00 12.00

Revised Budget

\$24,286,640 \$24,341,742

Administration

GENERAL FUND

	FY 97-98	FY 98-99
Recommended Budget	\$59,567,213	\$60,961,819

Legislative Changes

(0000) All Divisions

32 Personnel Reductions

(\$527,405)	R	(\$527,405)	R

Reductions recommended by the Governor, including one painter supervisor, nine painters, one vacant office assistant position in Facilities Management, a vacant position in the Council for Person's with Disabilities, and an office assistant position in the Board of Science and Technology. Reduction also includes \$105,014 in salary reserve money.

-13.00	-13.00

(1121) Fiscal Management

33 Reduced Data Processing Services

(\$7,000)	R	(\$7,000)	R

(1225) State Health Plan Purchasing Allian

34 Reversions From Previous Operating Budgets

\$0	R	\$0	R

Under the statutory language creating the State Health Plan Purchasing Alliance Fund, left over balances from the Board's operating budget have not been reverting to the General Fund. These past balances and the interest earned on them should be transferred from the State Health Plan Purchasing Alliance Fund to the General Fund at the end of 1996-97. This transfer will increase funds available for 1997-98 by \$648,718.

35 Miscellaneous Line Item Reductions

(\$47,000)	R	(\$47,000)	R

Reductions in operating budget:

Rent/Lease:	(\$10,000)
Transportation:	(\$5,000)
Data Processing:	(\$10,000)
Printing, binding, duplicating:	(\$17,000)
Registration Fees:	(\$1,000)
Office Equipment:	(\$4,000)

(1241) Management Information Systems

36 Reductions in Operating Expenses

(\$3,463)	R	(\$3,463)	R

Reductions in data processing maintenance and office furniture and equipment

House Subcommittee on General Government

(1264) Agency for Public Telecommunicati

37 Reductions in contractual services and travel (\$8,920) R (\$8,920) R

(1311) Office of State Personnel

38 Operating Budget Reductions

Reduce funds in the following line items in FY 97-98: (\$70,406) NR

(531572) Unemp Comp Payments to ES (\$ 7,016)
(531625) St Disability Payment (15,000)
(532199) Misc Contractual Svs (26,000)
(532850) Printing (2,390)
(532942) Other Emp Educational Ex (10,000)
(536905) Employer OJT Incentive (5,000)
(537102) Res Emp Survey (5,000)

39 Staff for Personnel Mgmt Information System (PMIS) \$137,934 R \$137,934 R

The Governor recommends funding to provide two (2) computer analyst programmers and a support position to enable the Office to respond to increased mainframe data collection and analytical needs, and to continue to efficiently respond to PMIS users.

\$15,000 NR
3.00 3.00

(1421) Facility Management

40 Delays in Operating New Buildings

Reductions recommended by the Governor due to delays in the opening of the new SBI Laboratory, the Old Revenue Building and the Natural Science Museum.

(\$678,000) NR (\$370,000) NR

41 Additional Delays in Operating New Buildings

Additional reductions beyond those recommended by the Governor due to additional delays in the opening of the new SBI Laboratory, the Old Revenue Building and the Natural Science Museum.

(\$215,773) NR (\$371,920) NR

42 Increase Rental Receipts

Increases receipts to the Department of Administration by charging rent to the State Treasurer and to the Department of Insurance. The rent paid by these agencies is offset by increases in the receipts they collect and in the non-tax revenues their operations generate. The Treasurer will be charged \$645,025. Insurance will be charged \$511,225.

(\$1,156,250) R (\$1,156,250) R

43 Reduce Operating Budget for New Buildings

Reduces amount budgeted for indirect costs in operating new buildings.

(\$496,440) R (\$518,437) R

(1623) State Capitol Police

44 Eliminate Two Vacant Property Guard Positions

(\$42,524) R (\$42,524) R

-2.00

-2.00

House Subcommittee on General Government

(1741) Human Relations Council

45 Reduction in Miscellaneous Line Items	(\$11,938)	R	(\$11,938)	R

(1761) Youth Involvement Office

46 Increase Wages for Interns	\$77,616	R	\$77,616	R

Increases hourly wage for interns from \$5.00 to \$6.75 per hour. Increase is recommended by the Governor.

(1771) Veteran Affairs

47 Reductions in Expenses	(\$65,124)	R	(\$65,124)	R

Two veterans cemetery maintenance positions will be converted to receipts-supported positions, and motor vehicle replacements will be reduced.

(1781) Domestic Violence Program

48 Additional Position	\$50,000	R	\$50,000	R

Administrative assistant position to monitor batterers treatment programs. Recommended by Governor.

1.00

1.00

49 Funds for Local Domestic Violence Programs	\$1,100,000	NR	\$0	NR

Provides additional one-time funding to local domestic violence programs.

(1811) Advocacy for Disabled

50 Reduced Operating Expenses	(\$8,600)	R	(\$8,600)	R

Reductions in contractual services, and board member travel and subsistence

(1861) Commission of Indian Affairs

51 Delete Match for Title XX	(\$15,000)	R	(\$15,000)	R

Title XX federal funds for Indian Day Care have been discontinued. Therefore, matching funds are no longer needed.

(1862) Low-Level Radioactive Waste

52 Reductions in Communication Expense and Travel	(\$11,018)	R	(\$11,018)	R

(1871) Board of Science and Technology

53 Reduction in Communications Expense	(\$13,110)	R	(\$13,110)	R

House Subcommittee on General Government

Total Legislative Changes	(\$2,148,242)	R	(\$2,170,239)	R
	\$150,821	NR	(\$741,920)	NR
Total Position Changes	-11.00		-11.00	
Revised Budget	\$57,569,792		\$58,049,660	

State Controller

GENERAL FUND

	FY 97-98		FY 98-99
Recommended Budget	\$16,053,306		\$16,056,630
Legislative Changes			
(1000) Divisionwide			
54 Additional Operating Budget Reductions			
Reduce the following line items in FY 97-98:	(\$147,433)	NR	
(532821) Data Processing Services (\$94,055)			
(5369AA) NCIH (53,378)			
55 North Carolina Information Highway	(\$5,337,824)	R	(\$5,337,824) R
Provide non-recurring support in FY 97-98 for 101 existing sites - 52 high schools; 30 Community Colleges, including 1 data only site; two (2) campuses in the University System; and 17 State and local agencies. Additionally, the \$224,000 in savings that accrued in FY 96-97 may be used to fund seven (7) new sites in FY 97-98; and the Office is allowed to continue funding for long distance services and Data Hubs. Funding for FY 98-99 to be considered in the 1998 Session.	\$5,561,824	NR	
56 Year 2000 Computer Conversion			
Nonrecurring funding is recommended by the Governor to assist state government departments and agencies in the conversion of computer applications to accommodate year 2000 requirements.	\$5,000,000	NR	
57 532700 Travel/Subsistence	(\$13,100)	R	(\$13,100) R
Reduce the following line items each fiscal year:			
(532714) In-State transportation (\$10,000)			
(532724) In-State meals (\$ 3,100)			
Total Legislative Changes	(\$5,350,924)	R	(\$5,350,924) R
	\$10,414,391	NR	
Total Position Changes			
Revised Budget	\$21,116,773		\$10,705,706

Revenue

GENERAL FUND

	FY 97-98	FY 98-99
Recommended Budget	\$68,045,123	\$68,862,535

Legislative Changes

(0000) Departmentwide

58 Salary Reductions/Span of Control

(\$592,976)	R	(\$592,976)	R

Reduce positions in the department as a result of the study authorized per Section 10.1, Chapter 324, 1995 Session Laws. The approach for the Department is three-fold with the elimination of nine (9) positions; reduction of salary reserve created by lowering the budgeted level of fifteen (15) revenue officer and revenue tax auditor trainee positions to the first step; and reduction of operating line items.

-9.00

-9.00

(1600) Administration

59 Administrative Program Reductions

(\$200,000)	R	(\$200,000)	R

Reduce funds for data processing equipment and for repairs to buildings each year of the biennium:

FY 97-98

(532310) Repairs - Buildings	(\$100,000)
(534522) Equipment - Computers	(\$100,000)

FY 98-99

(532310) Repairs - Buildings	(\$100,000)
(534522) Equipment - Computers	(\$100,000)

(1620) Tax Administration

60 Assist New Audit Positions

\$31,305	R	\$62,609	R

Add an Administrative Officer III, as recommended by the Governor, to offset increased workload resulting from the new audit positions, effective January 1, 1998.

\$8,500	NR

1.00

1.00

61 Annual Corporate Reports

\$87,073	R	\$112,144	R

Provide funds for personnel and operating costs as department assumes responsibility for collection of annual corporate reports.

\$74,200	NR

3.00

3.00

House Subcommittee on General Government

(1640) Tax Compliance

62 Premiums Tax Positions

(\$99,270) R (\$99,270) R

Funds transferred from the Department of Insurance regulatory charge to provide continued support for the two (2) positions that are responsible for collection of the gross premiums tax. For the Department of Revenue the transfer of funds increases receipts, reducing the General Fund appropriation.

-2.00 -2.00

(1660) Field Operations

63 Additional Interstate Audit Personnel

\$298,192 R \$629,977 R

Appropriate funds for seven (7) new auditor positions and two (2) Tax Technicians in the Interstate Audit Division per the recommendation of the Governor. Positions are effective January 1, 1998.

\$94,000 NR 9.00 9.00

(1680) Legal and Administrative Services

64 Reductions to Postage and Printing

(\$263,800) R (\$263,800) R

Adjust appropriations for the following line items each fiscal year:

(532840) Postage (\$251,800)
(532850) Printing (\$ 12,000)

Total Legislative Changes

(\$665,276) R (\$351,316) R
\$102,500 NR

Total Position Changes

2.00 2.00

Revised Budget

\$67,482,347 \$68,511,219

Cultural Resources

GENERAL FUND

	FY 97-98	FY 98-99
Recommended Budget	\$52,608,363	\$52,922,221

Legislative Changes

(0000) Departmentwide

65 Salary Reductions/Span of Control

(\$610,262)	R	(\$610,262)	R

Reduce positions in the department as a result of the study authorized per Section 10.1, Chapter 324, 1995 Session Laws. The Department will eliminate 21 positions, including three (3) supervisory positions; reduce Reserve Funds for the Museum of History and Home Creek Farm; and reduce budgets of Archives and Records, Historic Sites, and the State Library.

-21.00	-21.00

(1110) Office of the Secretary

66 Grants to Local Organizations

Provide funds to local arts, cultural, and historical organizations; and local museums as grants-in-aid.

\$1,000,000	NR

(1210) Archives and History - Admin

67 Blackbeard's Flagship

Appropriate funds for the surveillance, preservation, and protection of the shipwreck of Blackbeard's flagship, Queen Anne's Revenge.

\$1,300,000	NR

68 Newbold-White House

Realign funds in the continuation budget by moving \$47,887 in Fund 1110, line (536930) to Fund 1210, line (536934) to support Newbold-White House.

\$0	R	\$0	R

69 Maritime Museum

Transfer positions, operating support, equipment, property, and other assets of the North Carolina Maritime Museum from the Department of Agriculture to the Department of Cultural Resources, Division of Archives and History (Fund 1210).

\$792,227	R	\$786,713	R

17.25	17.25

	FY 1997-98	FY 1998-99
Requirements	\$ 792,527	\$ 787,013
Receipts	(\$ 300)	(\$ 300)
Appropriation	\$ 792,227	\$ 786,713

(1230) Archives and Records

70 North Carolina Postal History Commission

Appropriates funds to establish the NC Postal History Commission to advise the department on the collection, preservation, cataloging, publication, and exhibition of material associated with North Carolina's postal history.

\$35,000	NR

House Subcommittee on General Government

(1241) State Historic Sites

71 Reductions in Travel and Equipment

(\$30,000) R

Reduce the following line items in FY 98-99:

FY 98-99:

(532714) In-State transportation (\$15,000)

(534549) Other Motorized Vehicles (\$15,000)

(1410) State Library Services

72 Library and Learning Resources

(\$6,000) R

Reduce funds in line item 534630 in FY 98-99.

(1480) Statewide Programs & Grants

73 6960 Aid to Counties

\$2,200,000 R \$2,200,000 R

Increase funds for grants to public libraries in accordance with the formula for State-Aid to libraries.

74 NC LIVE - Statewide Electronic Library

\$1,000,000 R \$1,000,000 R

Funding to support NC-Live (North Carolina Libraries and Virtual Education), a collaborative effort among the State Library and public libraries statewide in partnership with libraries in the University of North Carolina system and the Community College system recommended by the Governor to expand access to library and information resources. Initial funds will support statewide licensing of on-line reference and research materials.

(1500) Museum of History

75 Equipment

(\$30,000) R

Reduce funds in line item 534522 in FY 98-99.

House Subcommittee on General Government

(1992) Continuation Reserves

76 Reduce Funds in Operating Reserves

(\$100,000) R

(\$34,000) R

Reduce funds in the reserves both years of the biennium as follows:

FY 97-98

(537102) Museum of History

2 Hist Mus Specs, Gr. 65, eff. 9/97	(\$39,720)
1 Pub Info Asst III, Gr. 57, eff 9/97	(14,490)
Social Security	(4,022)
Retirement	(5,694)
Med Ins	(1,560)
In-State Trans	(3,000)
In-State Subsistence	(2,200)
Training and Registration	(1,000)
Printing, Binding, etc.	(1,000)
Other Mat & Supplies	(483)
Office Furniture	(1,000)

(537110) Tryon Palace

1 Painter	(\$20,336)
Social Security	(1,556)
Retirement	(2,203)
Med Ins	(1,736)

FY 98-99

(537103) Historic Sites

Hist Halifax Tap Room	
Misc Contractual Services	(\$ 5,000)
Enrg Ser - Electrical	(3,000)
Enrg - Water & Sewer	(200)
Repairs - Other	(3,500)
In-State Trans	(200)
In-State Lodging	(100)
In-State Subsistence	(100)
Telephone Service	(550)
Postage, etc.	(200)
Print, Binding, etc.	(6,250)
Other Emp Educ Exp	(100)
Other Mat & Supplies	(800)
Equip - Other	(9,000)
Art & Artifacts	(5,000)

Total Legislative Changes

\$3,281,965 R

\$3,276,451 R

\$2,335,000 NR

Total Position Changes

-3.75

-3.75

Revised Budget

\$58,225,328

\$56,198,672

State Board of Elections

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$1,052,787		\$1,046,381	
Legislative Changes				
(0000) Departmentwide				
77 Computerized Voter Registration System	\$500,000	R	\$1,089,000	R
Funding to supplement the \$5.0 million computer reserves appropriated to design and implement the statewide voter registration system. Additional funds may be required to maintain the voter registration system in later years.				
(1100) Administration				
78 Reduce Printing Expenditures	(\$65,000)	R	(\$65,000)	R
Reduce the printing line item as a result of discontinuing the practice of providing absentee and supplemental ballots to county boards of elections.				
Total Legislative Changes	\$435,000	R	\$1,024,000	R
Total Position Changes				
Revised Budget	\$1,487,787		\$2,070,381	

Office of Administrative Hearings

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$2,217,486		\$2,217,486	
Legislative Changes				
(1100) Administration and Operations				
79 LAN Administrator	\$47,387	R	\$47,387	R
Provides funds to hire one person to administer local-area-network (LAN) system. Not included in Governor's recommendations.	1.00		1.00	
80 Reduce Services and Equipment	(\$10,690)	R	(\$10,690)	R
Reductions in Maintenance Agreements, Data Processing Services, Furniture & Equipment, and Printing.				
81 Administrative Law Judge Salaries	\$103,206	R	\$103,206	R
Sets salary for the Chief Administrative Law Judge equal to that fixed for District Court Judges. Sets the salaries of Administrative Law Judges at 90% of the salary of the Chief Administrative Law Judge. Establishes that the Chief Administrative Law Judge and Administrative Law Judges shall receive longevity pay.				
Total Legislative Changes	\$139,903	R	\$139,903	R
Total Position Changes	1.00		1.00	
Revised Budget	\$2,357,389		\$2,357,389	

Rules Review Commission

GENERAL FUND

	FY 97-98	FY 98-99
Recommended Budget	\$281,892	\$273,441
Legislative Changes		
(1100) Administration		
82 Other Expenses		
Appropriate funds to support legal expenses resulting from the lawsuit.	\$240,000	NR
Total Legislative Changes	\$240,000	NR
Total Position Changes		
Revised Budget	\$521,892	\$273,441

CODE NO. 97GA-H002-S

Requested by: Representatives Ives, McCombs, Sherrill

ANALYSIS OF STATE BUDGET DURING THE INTERIM

1 Section 19. (a) The President Pro Tempore of the Senate
2 shall authorize the standing Appropriations Committees and
3 standing Appropriations Subcommittees of the Senate and the
4 Speaker of the House of Representatives shall authorize the
5 standing Appropriations Committees and standing Appropriations
6 Subcommittees of the House of Representatives to meet separately
7 or jointly during the interim between the Regular 1997 and 1998
8 Sessions of the General Assembly to review matters related to the
9 State budget, the organization of State government, and any other
10 matter as they deem appropriate. The review shall include, but
11 not be limited to, an analysis of the budget of each agency to
12 determine:

13 (1) The cost savings that could be realized from
14 improvements in administrative structure,
15 practices, and procedures in State agencies;
16 (2) Ways to increase efficiency in budgeting and use of
17 resources; and
18 (3) Instances in which functions of agencies are
19 duplicative, overlapping, obsolete, incomplete in
20 scope or coverage, or fail to accomplish
21 legislative objectives, and should be abolished,
22 transferred, or modified to accomplish cost
23 savings.

24 d (b) The President Pro Tempore of the Senate shall
25 appoint an oversight committee comprised of the Senate
26 Appropriations Committee Chairs and one member of each Senate
27 Appropriations Subcommittee and the Speaker of the House of
28 Representatives shall appoint an oversight committee comprised of
29 the House Appropriations Committee Chairs and one member of each
30 House Appropriations Subcommittee to meet separately or jointly
31 to oversee the work of the Appropriations Committees and
32 Subcommittees during the interim.

Requested by: Representatives Ives, McCombs, Sherrill

HEALTH CARE OVERSIGHT COMMITTEE

1

2

3 Section e. (a) Of the funds appropriated in this act to
4 the General Assembly, the sum of fifty thousand dollars (\$50,000)
5 for the 1997-98 fiscal year and the sum of fifty thousand dollars
6 (\$50,000) for the 1998-99 fiscal year shall be allocated by the
7 Legislative Services Commission for the Joint Legislative Health
8 Care Oversight Committee established under subsection (b) of this
9 section.

10 (b) Chapter 120 of the General Statutes is amended by
11 adding the following new Article to read:

12 "ARTICLE 12K.

13 "Joint Legislative Health Care Oversight Committee.

14 "§ 120-70.96. Creation and membership of Joint Legislative
15 Health Care Oversight Committee.

16 There is established the Joint Legislative Health Care
17 Oversight Committee. The Committee consists of 14 members as
18 follows:

19 (1) Seven members of the Senate appointed by the
20 President Pro Tempore of the Senate, at least three
21 of whom are members of the minority party; and

22 (2) Seven members of the House of Representatives
23 appointed by the Speaker of the House of
24 Representatives, at least three of whom are members
25 of the minority party.

26 Terms on the Committee are for two years and begin on the
27 convening of the General Assembly in each odd-numbered year,
28 except the terms of the initial members, which begin on
29 appointment. Members may complete a term of service on the
30 Committee even if they do not seek reelection or are not
31 reelected to the General Assembly, but resignation or removal
32 from service in the General Assembly constitutes resignation or
33 removal from service on the Committee.

34 A member continues to serve until the member's successor is
35 appointed. A vacancy shall be filled within 30 days by the
36 officer who made the original appointment.

37 "§ 120-70.97. Purpose and powers of Committee.

38 (a) The Joint Legislative Health Care Oversight Committee shall
39 review, on a continuing basis, the provision of health care and
health care coverage to the citizens of this State, in order to

1 make ongoing recommendations to the General Assembly on ways to
2 improve health care for North Carolinians. To this end, the
3 Committee shall study the delivery, availability, and cost of
4 health care in North Carolina. The Committee may also study
5 other matters related to health care and health care coverage in
6 this State.

7 (b) The Committee may make interim reports to the General
8 Assembly on matters for which it may report to a regular session
9 of the General Assembly. A report to the General Assembly may
10 contain any legislation needed to implement a recommendation of
11 the Committee.

12 "§ 120-70.98. Organization of Committee.

13 (a) The President Pro Tempore of the Senate and the Speaker of
14 the House of Representatives shall each designate a cochair of
15 the Joint Legislative Health Care Oversight Committee. The
16 Committee shall meet at least once a quarter and may meet at
17 other times upon the joint call of the cochairs.

18 (b) A quorum of the Committee is eight members. No action may
19 be taken except by a majority vote at a meeting at which a quorum
20 is present. While in the discharge of its official duties, the
21 Committee has the powers of a joint committee under G.S. 120-19
22 and G.S. 120-19.1 through G.S. 120-19.4.

23 (c) Members of the Committee receive subsistence and travel
24 expenses as provided in G.S. 120-3.1. The Committee may contract
25 for consultants or hire employees in accordance with G.S. 120-
26 32.02. The Legislative Services Commission, through the
27 Legislative Services Officer, shall assign professional staff to
28 assist the Committee in its work. Upon the direction of the
29 Legislative Services Commission, the Supervisors of Clerks of the
30 Senate and of the House of Representatives shall assign clerical
31 staff to the Committee. The expenses for clerical employees shall
32 be borne by the Committee."

33

34

35

36

Requested by: Representatives Ives, McCombs, Sherrill

FIRE PROTECTION GRANT FUNDS

1 Section 20.1. (a) Chapter 58 of the General Statutes is
2 amended by adding a new Article to read:

3 "ARTICLE 85A.

4 "State Fire Protection Grant Fund.

5 "\$ 58-85A-1. Creation of Fund; allocation to local fire
6 districts and political subdivisions of the State.

7 (a) There is created in the Office of State Budget and
8 Management the State Fire Protection Grant Fund. The purpose of
9 the Fund is to compensate local fire districts and political
10 subdivisions of the State for providing local fire protection to
11 State-owned buildings and their contents.

12 (b) The Office of State Budget and Management shall develop and
13 implement an equitable and uniform statewide method for
14 distributing any funds to the State's local fire districts and
15 political subdivisions.

16 Upon the request of the Director of the Budget, the Department
17 of Insurance shall provide the Office of State Budget and
18 Management all information necessary to develop and implement the
19 formula.

20 (c) It is the intent of the General Assembly to appropriate
21 annually to the State Fire Protection Grant Fund at least three
22 million eighty thousand dollars (\$3,080,000) from the General
23 Fund, one hundred fifty thousand dollars (\$150,000) from the
24 Highway Fund, and nine hundred seventy thousand dollars
25 (\$970,000) from University of North Carolina receipts to the
26 State Fire Protection Fund. Funds received from the General Fund
27 shall be allocated only for providing local fire protection for
28 State-owned property supported by the General Fund; funds
29 received from the Highway Fund shall be allocated only for
30 providing local fire protection for State-owned property
31 supported by the Highway Fund; and funds received from University
32 of North Carolina receipts shall be allocated only for providing
33 local fire protection for State-owned property supported by
34 University of North Carolina receipts."

35 (b) G.S. 143-3.7 is repealed.

36 (c) Of the funds appropriated from the General Fund to
37 the Office of State Budget and Management, the sum of three
38 million eighty thousand dollars (\$3,080,000) for the 1997-98
39 fiscal year and the sum of three million eighty thousand dollars

1 (\$3,080,000) for the 1998-99 fiscal year shall be used for the
2 State Fire Protection Grant Fund.

3 (d) Of the funds appropriated from the Highway Fund to
4 the Office of State Budget and Management, the sum of one hundred
5 fifty thousand dollars (\$150,000) for the 1997-98 fiscal year and
6 the sum of one hundred fifty thousand dollars (\$150,000) for the
7 1998-99 fiscal year shall be used for the State Fire Protection
8 Grant Fund.

9 (e) Of the funds available to The University of North
10 Carolina from federal receipts, the sum of nine hundred seventy
11 thousand dollars (\$970,000) for the 1997-98 fiscal year and the
12 sum of nine hundred seventy thousand dollars (\$970,000) for the
13 1998-99 fiscal year shall be transferred to the State Fire
14 Protection Grant Fund for the State Fire Protection Grant Fund.

Requested by: Representatives Ives, McCombs, and Sherrill
INFORMATION RESOURCES MANAGEMENT COMMISSION

1 Section @. (a) Effective July 1, 1997, G.S. 143B-
2 426.21(a) reads as rewritten:

3 "(a) Creation; Membership. -- The Information Resource
4 Management Commission is created in the Office of the State
5 Controller. The Commission consists of the following members:

6 (1) Four members of the Council of State, appointed by
7 the Governor.

8 (1a) The Secretary of State.

9 (2) The Secretary of Administration.

10 (3) The State Budget Officer.

11 (4) Two members of the Governor's cabinet, appointed by
12 the Governor.

13 (5) One citizen of the State of North Carolina with a
14 background in and familiarity with information
15 systems or telecommunications, appointed by the
16 General Assembly upon the recommendation of the
17 President Pro Tempore of the Senate in accordance
18 with G.S. 120-121.

19 (6) One citizen of the State of North Carolina with a
20 background in and familiarity with information
21 systems or telecommunications, appointed by the
22 General Assembly upon the recommendation of the
23 Speaker of the House of Representatives in
24 accordance with G.S. 120-121.

25 (7) The Chair of the Governor's Committee on Data
26 Processing and Information Systems.

27 (8) The Chair of the State Information Processing
28 Services Advisory Board.

29 (9) The Chair of the Criminal Justice Information
30 Network Governing Board.

31 Members of the Commission shall not be employed by or serve on
32 the board of directors or other corporate governing body of any
33 information systems, computer hardware, computer software, or
34 telecommunications vendor of goods and services to the State of
35 North Carolina.

36 The two initial cabinet members appointed by the Governor and
37 the two initial citizen members appointed by the General Assembly
38 shall each serve a term beginning September 1, 1992, and expiring
39 on June 30, 1995. Thereafter, their successors shall be appointed
40 for four-year terms, commencing July 1. Members of the Governor's

1 cabinet shall be disqualified from completing a term of service
2 of the Commission if they are no longer cabinet members.

3 The appointees by the Governor from the Council of State shall
4 each serve a term beginning on September 1, 1992, and expiring on
5 June 30, 1993. Thereafter, their successors shall be appointed
6 for four-year terms, commencing July 1. Members of the Council of
7 State shall be disqualified from completing a term of service on
8 the Commission if they are no longer members of the Council of
9 State.

10 Vacancies in the two legislative appointments shall be filled
11 as provided in G.S. 120-122.

12 The Commission chair shall be elected in the first meeting of
13 each calendar year from among the appointees of the Governor from
14 the Council of State and shall serve a term of one year. The
15 Secretary of Administration shall be secretary to the Commission.

16 No member of the Information Resource Management Commission
17 shall vote on an action affecting solely his or her own State
18 agency."

19 (b) This section expires June 30, 2001.

1 CODE NO. 97AUD-H002-S

2

3 Requested by: Representatives Ives, McCombs, Sherrill

4

5 ADVICE OF GOVERNMENTAL OPERATIONS ON PRIORITIZING REQUESTS FOR
6 ASSISTANCE

1 Section 22. G.S. 147-64.5(b) reads as rewritten:

2 "(b) Requests for Auditor Assistance. -- Committees of the
3 General Assembly, the Governor, and other State officials may
4 make written requests that the Auditor undertake, to the extent
5 deemed practicable and within the resources provided, a specific
6 audit or investigation; provide technical assistance and advice;
7 and provide recommendations on management systems, finance,
8 accounting, auditing, and other areas of management interest.
9 The Auditor may request the advice of the Joint Legislative
10 Commission on Governmental Operations in prioritizing these
11 requests and in determining whether the requests are practicable
12 and can be undertaken within the resources provided."

CODE NO. 97AUD-H001A

Requested by: Representatives Ives, McCombs, and Sherrill

PERFORMANCE AUDIT OF SIPS

1 Section @. The State Auditor shall conduct a
2 performance audit of State Information Processing Services
3 (SIPS). In conducting the audit, the State Auditor shall
4 consider the growth in the number of SIPS employees, the
5 distribution of work within SIPS, increases in employees'
6 salaries, use of SIPS receipts, and all other indicators of cost
7 of services in relation to service delivery, including a review
8 of the business plan and rate setting process. The State Auditor
9 shall report the results of this audit to the Joint Legislative
10 Commission on Governmental Operations prior to April 15, 1998.

CODE NO. 97TREAS-H001B-S30.20

Requested by: Representatives Ives, McCombs, and Sherrill

RETIREMENT SYSTEM ADMINISTRATIVE EXPENSES TO COMPLY WITH SUPREME COURT DECISIONS

1 Section @. The Board of Trustees of the Teachers' and
2 State Employees' Retirement System may expend an aggregate total
3 of not more than five hundred thousand dollars (\$500,000) for
4 fiscal year 1997-98 and an aggregate total of not more than two
5 hundred thousand dollars (\$200,000) for fiscal year 1998-99 from
6 assets of the Teachers' and State Employees' Retirement System
7 and the Local Governmental Employees Retirement System to meet
8 administrative expenses to comply with the Faulkenberry, Woodard
9 and Peel cases (109PA96) decided by the Supreme Court on April
10 11, 1997.

CODE NO. 97INS-H001

Requested by: Representative Ives

CONSTRUCTION CODE RECEIPTS

1 Section 23. Departmental receipts realized by the
2 Department of Insurance in excess of amounts approved for
3 expenditure by the General Assembly, as adjusted by the Office of
4 State Budget and Management to reflect the distribution of
5 statewide reserves, shall revert to the General Fund at the end
6 of each fiscal year. This section shall not apply to receipts
7 realized by the Department from the sale of copies of the State
8 construction code if the receipts are used for the purchase of
9 copies of the code for sale to the public, except that unspent
10 construction code receipts shall revert to the General Fund at
11 the end of each fiscal year.

Requested by: Representative Ives

EXPAND USE OF INSURANCE REGULATORY FUND

1 Section 23.1. G.S. 58-6-25(d) reads as rewritten:

2 "(d) Use of Proceeds. -- The Insurance Regulatory Fund is
3 created in the State treasury, under the control of the Office of
4 State Budget and Management. The proceeds of the charge levied in
5 this section and all fees collected under Articles 69 through 71
6 of this Chapter and under Articles 9 and 9C of Chapter 143 of the
7 General Statutes shall be credited to the Fund. The Fund shall be
8 placed in an interest-bearing account and any interest or other
9 income derived from the Fund shall be credited to the Fund.
10 Moneys in the Fund may be spent only pursuant to appropriation by
11 the General Assembly and in accordance with the line item budget
12 enacted by the General Assembly. The Fund is subject to the
13 provisions of the Executive Budget Act, except that no unexpended
14 surplus of the Fund shall revert to the General Fund. All money
15 credited to the Fund shall be used to reimburse the General Fund
16 for the following:

17 (1) Money appropriated to the Department of Insurance
18 to pay its expenses incurred in regulating the
19 insurance industry and other industries in this
20 State.

21 (2) Money appropriated to State agencies to pay the
22 expenses incurred in regulating the insurance
23 industry, in certifying statewide data processors
24 under Article 11A of Chapter 131E of the General
25 Statutes, and in purchasing reports of patient data
26 from statewide data processors certified under that
27 Article.

28 (3) Money appropriated to the Department of Revenue to
29 pay the expenses incurred in collecting and
30 administering the taxes on insurance companies
31 levied in Article 8B of Chapter 105 of the General
32 Statutes."

CODE NO. 97ADMIN-H003-S

Requested by: Representatives Ives, McCombs, Sherrill

COMBINE PROGRAMS TO HELP WOMEN AND CHILDREN

1 Section @. The Office of State Budget and Management
2 shall study the feasibility of consolidating the budgets and
3 services and the administration of federal and State grants for
4 domestic violence programs and rape crisis programs in the State,
5 including those programs currently administered by the Council
6 for Women, Department of Administration, the Governor's Crime
7 Commission, Department of Crime Control and Public Safety, and
8 the Division of Social Services, Department of Human Resources.
9 This study shall include an analysis of the feasibility of
10 combining budgets and services of the NC Council for Women (Fund
11 1731), the Domestic Violence Program (Fund 1781), the Domestic
12 Violence Center (Fund 1782), the Displaced Homemakers Program
13 (Fund 1732), and the Rape Crisis Program (Fund 1734) and an
14 analysis of ways to promote more efficient and effective
15 coordination of resources and services at the State and local
16 levels. The Office of State Budget and Management shall report
17 the findings and recommendations of the study to the House and
18 Senate Appropriations Subcommittees on General Government and the
19 Fiscal Research Division by March 31, 1998.

Requested by: Representative Ives, McCombs, Sherrill

PROCUREMENT CARD PILOT PROGRAM

1 Section @. (a) Except as provided by this section, no
2 State agency, community college, constituent institution of The
3 University of North Carolina, or local school administrative unit
4 shall use procurement cards for the purchase of equipment or
5 supplies prior to July 1, 1998.

6 (b) The Secretary of Administration shall designate not
7 more than 15 governmental entities to participate in a pilot
8 program on the purchase of supplies and equipment by procurement
9 card. Those designated shall represent a cross-section of
10 governmental entities and shall include at least one State
11 agency, one community college, two constituent institutions of
12 The University of North Carolina, and one local school
13 administrative unit.

14 (c) The Division of Purchase and Contract and the State
15 Controller shall report to the Joint Legislative Commission on
16 Governmental Operations on March 1, 1998, on this pilot program.
17 The report shall include estimates from the pilot program of how
18 many purchasing and accounts payable personnel hours could be
19 saved or redirected or both as a result of the procurement card,
20 and the impact of the procurement card on accounting and
21 budgeting records and on purchasing history records. The report
22 shall also include a discussion of the effect of the procurement
23 card on the State's ability to track both out-of-state sales
24 taxes and North Carolina State and local sales tax payments by
25 county. Finally, the report shall include a discussion of any
26 other costs and benefits of the procurement card.

27 (d) This section does not affect contracts for
28 procurement cards entered into prior to March 31, 1997.

CODE NO. 97ADMIN-H002

Requested by: Representatives Ives, McCombs, Sherrill

STATE HEALTH PLAN PURCHASING ALLIANCE BOARD OPERATING FUNDS
REVERT

1 Section @. (a) G.S. 143-635(c) reads as rewritten:
2 "(c) Moneys appropriated by the General Assembly ~~shall be~~
3 ~~deposited in the Fund and shall become part of the continuation~~
4 ~~budget of the Department of Administration.~~ for operations of
5 the State Health Plan Purchasing Alliance Board shall not be part
6 of the State Health Plan Purchasing Alliance Fund."

7 (b) The sum of six hundred forty-eight thousand seven
8 hundred eighteen dollars (\$648,718) for the 1996-97 fiscal year
9 shall be transferred from the State Health Plan Purchasing
10 Alliance Fund to the General Fund.

11 (c) All monies for operations of the State Health Plan
12 Purchasing Alliance Board unexpended at the end of the 1996-97
13 fiscal year shall revert to the General Fund.

14 (d) This section becomes effective June 30, 1997.
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16
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18

1 CODE NO. 97ADMIN-H008-S

2

3 Requested by: Representatives Ives, McCombs, Sherrill

4

5 GOVERNOR'S ADVOCACY COUNCIL FOR PERSONS WITH DISABILITIES

1 Section 24.3. The Department of Human Resources shall
2 continue to provide the current office space for the four
3 regional offices of the Governor's Advocacy Council for Persons
4 with Disabilities or office space that is comparable to that now
5 used by the Council.

1 CODE NO. 97ADMIN-H007-S

2

3 Requested by: Representatives Ives, McCombs, Sherrill

4

5 FEES FOR USE OF STATE-OWNED OFFICE SPACE

1 Section 24.4. G.S. 143-342.1 reads as rewritten:

2 "§ 143-342.1. State-owned office space; fees for use by
3 self-supporting agencies.

4 The Department shall determine equitable fees for the use of
5 State owned and operated office space, and it shall assess the
6 Department of State Treasurer, the Department of Insurance, and
7 all self-supporting agencies using any of this office space for
8 payment of these fees. For the purposes of this section,
9 self-supporting agencies are those agencies designated by the
10 Director of the Budget as being primarily funded from sources
11 other than State appropriations. Fees assessed under this section
12 shall be paid to the General Fund."

CODE NO. 97ADMIN-H005-S

Requested by: Representatives Ives, McCombs, Sherrill

PARKING REVENUES

1 Section 24.5. The Secretary of Administration may use
2 funds from parking revenues that are in excess of parking system
3 expense requirements to fund the fifteen dollar (\$15.00) per
4 month subsidies for vanpools and transit passes.

Requested by: Representative Ives

STATE CONSTRUCTION STUDY COMMISSION

1 Section @. (a) The State Construction Study Commission
2 is created. The Commission shall consist of 15 members:

- 3 (1) Two members of the House of Representatives
4 appointed by the Speaker of the House of
5 Representatives,
- 6 (2) Two members of the Senate appointed by the
7 President Pro Tempore,
- 8 (3) The Secretary of Administration or a designee,
- 9 (4) The Commissioner of Insurance or a designee,
- 10 (5) The chair of the State Building Commission or a
11 designee,
- 12 (6) One member appointed by the Speaker of the House of
13 Representatives on the recommendation of the
14 American Institute of Architects, Inc., North
15 Carolina Chapter,
- 16 (7) One member appointed by the President Pro Tempore
17 of the Senate on the recommendation of Carolina's
18 AGC, Inc.,
- 19 (8) One member appointed by the Speaker of the House of
20 Representatives on the recommendation of the
21 Consulting Engineers Council of North Carolina,
22 Inc.,
- 23 (9) One member who is a plumbing contractor appointed
24 by the President Pro Tempore of the Senate on the
25 recommendation of the North Carolina Association of
26 Plumbing-Heating-Cooling Contractors, Incorporated,
- 27 (10) One member who is a heating-cooling contractor
28 appointed by the Speaker of the House of
29 Representatives on the recommendation of the North
30 Carolina Association of Plumbing-Heating-Cooling
31 Contractors, Incorporated,
- 32 (11) One member appointed by the President Pro Tempore
33 of the Senate on the recommendation of the
34 Carolinas Electrical Contractor's Association,
35 Inc., and
- 36 (12) One member appointed by the Speaker of the House of
37 Representatives on the recommendation of the North
38 Carolina Association of Electrical Contractors,
39 Inc.,

1 (13) One member appointed by the President Pro Tempore
2 of the Senate on the recommendation of the American
3 Fire Sprinkler Association Carolinas Chapter,
4 Incorporated.

5 (b) The President Pro Tempore of the Senate shall
6 designate one Senator as cochairman and the Speaker of the House
7 of Representatives shall designate one Representative as
8 cochairman.

9 (c) The Commission shall study:

10 (1) Ways to streamline the review and approval
11 processes for State projects; and
12 (2) Ways to eliminate duplication of effort and
13 overlapping responsibilities among State agencies
14 involved in the review and approval processes.

15 (d) The Commission shall submit a final report of its
16 findings and recommendations to the Regular 1998 Session of the
17 1997 General Assembly by filing the report with the President Pro
18 Tempore of the Senate and the Speaker of the House of
19 Representatives. Upon filing its final report, the Commission
20 shall terminate.

21 (e) The Commission, while in the discharge of official
22 duties, may exercise all the powers provided for under the
23 provisions of G.S. 120-19, and G.S. 120-19.1 through G.S.
24 120-19.4. The Commission may meet at any time upon the joint
25 call of the cochairmen. The Commission may meet in the
26 Legislative Building or the Legislative Office Building.

27 (f) Members of the Commission shall receive subsistence
28 and travel expenses at the rates set forth in G.S. 120-3.1.

29 (g) The Commission may contract for professional,
30 clerical, or consultant services as provided by G.S. 120-32.02.
31 The Legislative Services Commission, through the Legislative
32 Administrative Officer, shall assign professional staff to assist
33 in the work of the Commission. The House of Representatives' and
34 the Senate's Supervisor of Clerks shall assign clerical staff to
35 the commission or committee, upon the direction of the
36 Legislative Services Commission. The expenses relating to
37 clerical employees shall be borne by the Commission.

38 (h) When a vacancy occurs in the membership of the
39 Commission the vacancy shall be filled by the same appointing
40 officer who made the initial appointment.

41 (i) All State departments and agencies and local
42 governments and their subdivisions shall furnish the Commission
43 with any information in their possession or available to them.

1 (j) Of the funds appropriated to the General Assembly
2 for the 1997-98 fiscal year, the sum of twenty-five thousand
3 dollars (\$25,000) shall be allocated to implement the provisions
4 of this section.

Requested by: Representatives Ives, McCombs, Sherrill

NORTH CAROLINA INFORMATION HIGHWAY

1 Section @. (a) The funds appropriated in this act to
2 the Office of State Controller for the operation of the North
3 Carolina Information Highway shall be used only for costs
4 incurred by the Office of State Controller related to the
5 operations and support of the North Carolina Information Highway.
6 No funds appropriated in this act shall be expended to pay
7 Minimum Monthly usage charges for North Carolina Information
8 Highway Services.

9 (b) Of the funds appropriated in this act, the Office
10 of the State Controller may use the two hundred twenty-four
11 thousand dollars (\$224,000) in savings that accrued in fiscal
12 year 1996-97 to fund seven new sites in fiscal year 1997-98.

13 (c) The Office of State Controller is encouraged to
14 consider new technologies and capabilities as a means of
15 providing NCIH users access to information and resources. The
16 Office of State Controller shall report to the General Assembly
17 in 1998 before the reconvening of the Regular Session on its
18 findings.

19 (d) The State Controller shall report quarterly to the
20 Joint Legislative Commission on Governmental Operations regarding
21 the costs incurred by the Office of State Controller related to
22 the operations and support of the North Carolina Information
23 Highway.

24 (e) Given the appropriations subcommittees meet in the
25 interim, the House and Senate Appropriations Subcommittees on
26 General Government will consider information leading to a
27 recommendation to adopt an alternate approach to State funding of
28 sites, effective in fiscal year 1998-99. The subcommittee is
29 not limited to the information that may be considered, and may
30 include in the review cost sharing measures that require sites to
31 participate in the annual cost of network charges; the phasing-
32 out of 100% State funding of site network charges; and the cost
33 of adding new sites with a specific period of time designated for
34 State funding of network charges.

35

CODE NO. 97CONT-H002A-S

Requested by: Representatives Ives, McCombs, and Sherrill

FUNDS FOR YEAR 2000 CONVERSION OF THE STATE'S COMPUTER SYSTEM

1 Section @. (a) The Office of State Controller shall
2 include in its charges for data processing services costs of
3 converting computer applications to operate properly at the turn
4 of the century. The State Controller shall develop procedures
5 for managing the year 2000 conversion.

6 (b) The State Controller shall analyze the needs of
7 State agencies for funds to convert their systems. In the course
8 of the analysis, the State Controller shall consider an agency's
9 need for each system it wishes to covert and the most cost-
10 effective manner in which to manage conversion. The State
11 Controller shall certify to the Office of State Budget and
12 Management the cost of each State agency for the year 2000
13 conversion.

14 (c) The Director of the Budget may use up to twenty
15 million dollars (\$20,000,000 of projected 1997-98 General Fund
16 reversions to cover the cost of the year 2000 conversion in
17 General Fund agencies during the 1997-98 fiscal year.

18 (d) Beginning October 1, 1997, and quarterly
19 thereafter, the Office of State Controller shall report to the
20 Joint Legislative Commission on Governmental Operations on the
21 status of the conversion and cost projections.

CODE NO. 97CULRES-H002-S

Requested by: Representatives Ives, McCombs, Sherrill

DEPARTMENT OF CULTURAL RESOURCES RETAIN HISTORICAL PUBLICATIONS
RECEIPTS

1 Section @. The Historical Publications Section,
2 Division of Archives and History, Department of Cultural
3 Resources, may retain the receipts, including over-realized
4 receipts, from the sale of its publications during each year of
5 the 1997-99 biennium. The receipts from the sale of those
6 publications retained by the Historical Publications Section
7 shall not revert, but shall be used to reprint the publications.

CODE NO. 97CULRES-H003-S

Requested by: Representatives Ives, McCombs, Sherrill

MODIFY THE AREAS OF RESPONSIBILITY OF THE ROANOKE ISLAND
COMMISSION

1 Section @. G.S. 143B-131.2(b)(1) reads as rewritten:
2 "(1) To advise the Secretary of Transportation and adopt
3 rules on matters pertaining to, affecting, and
4 encouraging restoration, preservation, and
5 enhancement of the appearance, maintenance, and
6 aesthetic quality of U.S. Highway 64/264 and the
7 U.S. 64/264 Bypass and N.C. 400 travel corridors on
8 Roanoke Island and the grounds on ~~Ice Plant Island~~
9 Roanoke Island Festival Park."

CODE NO. 97CULRES-H005B

Requested by: Representatives Ives, McCombs, Sherrill

MUSEUM OF HISTORY RESTAURANT

1 Section @. Within the funds available, the Secretary of
2 Cultural Resources may contract with any person, firm, or
3 corporation to provide restaurant services in the North Carolina
4 Museum of History, as provided in subdivisions (16) and (17) of
5 G.S. 121-4. The Secretary shall negotiate a contract based on
6 marketable prices for the leased space and a percentage of gross
7 income. The contract shall provide that any agreed upon profits
8 are payable only to the Department of Cultural Resources.
9 Proceeds derived from the contract shall be reflected in the
10 Museum of History's budget as a receipt to reduce the General
11 Fund appropriation.

CODE NO. 97CULRES-H010B

Requested by: Representatives Ives, McCombs, Sherrill

PROCEDURE FOR AWARD OF CULTURAL RESOURCES GRANTS

1 Section @. Of the funds appropriated to the Department
2 of Cultural Resources, the sum of one million dollars
3 (\$1,000,000) for the 1997-98 fiscal year shall be equally divided
4 for grants for cultural, historical, or artistic projects, and
5 for local museums. Grants shall be allocated to nonprofit
6 organizations or local governmental entities throughout the State
7 for cultural, historical, or artistic organizations, in
8 accordance with administrative guidelines issued by the Secretary
9 of the Department of Cultural Resources. Grants shall be limited
10 to amounts of one hundred thousand dollars (\$100,000) or less;
11 and the Secretary of Cultural Resources may require a match of
12 non-State funds as deemed appropriate for local museums.

13 In awarding grants, the Secretary shall consider the
14 merits of the project, the cultural, historical, or artistic
15 significance of the project, the benefit to the State and local
16 communities of the project, and the cost of the project. Prior
17 to awarding grants, the Secretary shall consult with the Joint
18 Legislative Commission on Governmental Operations.

Requested by: Representatives Ives, McCombs, Sherrill, Decker

NORTH CAROLINA POSTAL HISTORY COMMISSION

1 Section @. Chapter 143 of the General Statutes is
2 amended by adding a new Article to read:

3 "ARTICLE 71.

4 "North Carolina Postal History Commission.

5 "§ 143-675. Commission established; purpose; members; terms of
6 office; quorum; compensation; termination.

7 (a) Establishment. -- There is established the North Carolina
8 Postal History Commission. The Commission shall be located within
9 the Department of Cultural Resources for organizational,
10 budgetary, and administrative purposes.

11 (b) Purpose. -- The purpose of the Commission is to advise the
12 Secretary of Cultural Resources on the collection, preservation,
13 cataloging, publication, and exhibition of material associated
14 with North Carolina's postal history.

15 (c) Membership. -- The Commission shall consist of 16 members,
16 as follows:

17 (1) Four persons appointed by the Governor, two of whom
18 shall be recommended by the President of the North
19 Carolina Postal History Society.

20 (2) Four persons appointed by the President Pro Tempore
21 of the Senate, two of whom shall be recommended by
22 the President of the North Carolina Postal History
23 Society.

24 (3) Four persons appointed by the Speaker of the House
25 of Representatives, two of whom shall be
26 recommended by the President of the North Carolina
27 Postal History Society.

28 (4) Four persons appointed by the Secretary of Cultural
29 Resources, two of whom shall be recommended by the
30 President of the North Carolina Postal History
31 Society.

32 The members appointed to the North Carolina Postal History
33 Commission shall be chosen from among individuals who have
34 education or experience in the fields of archives preservation,
35 North Carolina history, historical administration, museum
36 administration, or a knowledge of North Carolina's postal
37 history.

38 (d) Terms. -- Members shall serve for the duration of the
39 Commission. Initial terms shall commence July 1, 1997.

1 (e) Chair. -- The chair shall be elected biennially from the
2 membership of the Commission from among its members. The initial
3 term shall commence July 1, 1997.

4 (f) Vacancies. -- Vacancies resulting from the resignation of
5 a member or otherwise shall be filled in the same manner in which
6 the original appointment was made, and the term shall be for the
7 balance of the unexpired term.

8 (g) Compensation. -- The Commission members shall receive no
9 salary as a result of serving on the Commission but shall receive
10 per diem, subsistence, and travel expenses in accordance with the
11 provisions of G.S. 120-3.1, 138-5, and 138-6, as applicable.

12 (h) Removal. -- Members may be removed in accordance with G.S.
13 143B-13.

14 (i) Meetings. -- The chair shall convene the Commission. The
15 Commission shall meet at least quarterly until an exhibit on
16 postal history is mounted and at least semiannually thereafter.

17 (j) Quorum. -- A majority of the members of the Commission
18 shall constitute a quorum for the transaction of business. The
19 affirmative vote of a majority of the members present at meetings
20 of the Commission shall be necessary for action to be taken by
21 the Commission.

22 (k) Termination of Commission. -- The Commission shall
23 terminate June 30, 2000.

24 "§ 143-676. Powers and duties of the Commission.

25 (a) Powers and Duties. -- The Commission shall have the
26 following powers and duties:

27 (1) To advise the Secretary of Cultural Resources on
28 the collection, preservation, cataloging,
29 publication, and exhibition of materials associated
30 with North Carolina's postal history in cooperation
31 with the North Carolina Museum of History.

32 (2) To adopt bylaws by a majority vote of the
33 Commission.

34 (3) To accept grants, contributions, devises, bequests,
35 gifts, and services for the purpose of providing
36 support to the Commission. The funds and property
37 shall be retained by the Commission, and the
38 Commission shall prescribe rules under which the
39 Commission may accept donations of money, property,
40 or personal services, and determine the value of
41 donations of property or personal services.

42 (b) Contract Authority. -- The Commission may procure
43 supplies, services, and property as appropriate and may enter
44 into contracts, leases, or other legal agreements within funds

1 available to carry out the purposes of this Article. All
2 contracts, leases, or legal agreements entered into by the
3 Commission shall terminate on the date of termination of the
4 Commission. Termination shall not affect any disputes or causes
5 of action of the Commission that arise before the date of
6 termination, and the Department of Cultural Resources may
7 prosecute or defend any causes of action arising before the date
8 of termination. All property acquired by the Commission that
9 remains in the possession of the Commission on the date of
10 termination shall become the property of the Department of
11 Cultural Resources.

12 "§ 143-677. Assignment of property; offices.

13 (a) Assignment of Property. -- Upon request of the Commission,
14 the head of any State agency may assign property, equipment, and
15 personnel of such agency to the Commission to assist the
16 Commission in carrying out its duties under this Article.
17 Assignments under this subsection shall be without reimbursement
18 by the Commission to the agency from which the assignment was
19 made. Property and equipment that remains in the possession of
20 the Commission on the date of the termination of the Commission
21 shall revert to the agency from which the property was acquired.

22 (b) Office Space. -- The Department of Cultural Resources
23 shall provide office space in Raleigh for use as offices by the
24 North Carolina Postal History Commission, and the Department of
25 Cultural Resources shall receive no reimbursement from the
26 Commission for the use of the property during the life of the
27 Commission.

28 "§ 143-678. Commission reports.

29 (a) Annual Report. -- Before July 1, 1998, the Commission shall
30 submit to the General Assembly a comprehensive report
31 incorporating specific recommendations of the Commission. After
32 the initial report, the Commission shall submit a report to the
33 General Assembly within 30 days of the convening of each regular
34 session of the General Assembly.

35 (b) Final Report. -- The Commission shall submit a final report
36 to the General Assembly no later than June 30, 2002. The final
37 report shall include:

- 38 (1) A summary of the activities of the Commission.
39 (2) A final accounting of funds received and expended
40 by the Commission.

41 "§ 143-679. Application of Article.

42 The provisions of Article 1 of Chapter 121 of the General
43 Statutes apply to the Commission."

CODE NO. 97CULRES-H001

Requested by: Representatives Ives, McCombs, Sherrill

SCHOOL VISIT/BALLET THEATER PROGRAM

1 Section @. The School Visit/Ballet Theater Program is
2 established in the Department of Cultural Resources. The program
3 shall offer educational programming through the provision of
4 preparatory classroom instructional materials and teacher
5 training and a live, professional, in-theater performance
6 experience for school children in conjunction with a school visit
7 to the City of Raleigh.

CODE NO. 97CULRES-H009

Requested by: Representatives Ives, McCombs, Sherrill,
Culpepper

PRESERVATION OF BLACKBEARD'S FLAGSHIP

1 Section @. Of the funds appropriated in this act for
2 the 1997-98 fiscal year to the Department of Cultural Resources,
3 the sum of one million three hundred thousand dollars
4 (\$1,300,000) shall be used for the surveillance, preservation,
5 and protection of the shipwreck of Blackbeard's flagship, Queen
6 Anne's Revenge, and a systematic underwater archaeological
7 recovery of cargo, tackle, and artifacts for preservation,
8 interpretation, and display.

CODE NO. 97CULRES-H011A

Requested by: Representatives Ives, McCombs, Sherrill,
Culpepper

NEWBOLD-WHITE HOUSE FUNDS

1 Section @. Of the funds appropriated to the Department
2 of Cultural Resources in Fund 1110 (Code 536930), the sum of
3 forty-seven thousand eight hundred eighty-seven dollars (\$47,887)
4 shall be used for support of the Newbold-White House for each
5 year of the 1997-99 biennium.

STATE BOARD OF ELECTIONS

Requested by: Representatives Ives, McCombs, and Sherrill

STATEWIDE DATA ELECTIONS MANAGEMENT SYSTEM

Section @. (a) The State Board of Elections shall establish a statewide data elections management system. The system shall prescribe data format standards, data communication standards, and data content standards. The State Board of Elections shall establish the system no later than November 1, 1997. Counties shall adhere to the standards prescribed by the system no later than August 31, 1998. The State Board of Elections may adopt rules to implement this section. Chapter 150B of the General Statutes governs the adoption of rules by the State Board of Elections.

(b) Of the funds appropriated in this act to the State Board of Elections for a statewide data elections management system, the sum of one hundred fifty thousand dollars (\$150,000) may be used by the State Board of Elections to hire a project manager, to research and determine the needs of the local boards of election in each county, and to develop a needs assessment report.

(c) The remainder of the funds appropriated in Section 13.2 of Chapter 597 of the 1995 Session Laws shall be used to develop, implement, and operate a statewide data elections management system, which will include voter registration, campaign reporting, and election night returns. These funds shall be used only after the State Board of Elections and the Information Resource Management Commission have jointly approved and submitted a written, detailed implementation plan for statewide data elections management to the Joint Legislative Commission on Governmental Operations. That implementation plan shall include:

- (1) A description of the system being implemented;
- (2) A description of the system's capabilities, including user-friendliness;

- (3) An itemized estimate of the costs of the system, with a justification for each item, including a plan for implementing the system within the funds appropriated;
- (4) A list of the counties to be brought into the system during the fiscal year; and
- (5) A proposed project management plan.

After their initial joint report, the State Board of Elections and the Information Resource Management Commission shall make written quarterly joint reports to the Joint Legislative Commission on Governmental Operations, describing the status of the project, listing the counties that have been brought into the system and that are planned to be brought into the system, and the costs.

(d). To the extent that this section conflicts with G.S. 163-82.11 through G.S. 163-82.13, with Section 16 of Chapter 769 of the 1993 Session Laws, or with Section 13.2 of Chapter 507 of the 1995 Session Laws, this section prevails to the extent of the conflict. Except to the extent of the conflict, Section 16 of Chapter 769 of the 1993 Session Laws remains in effect.

CODE NO. 97SBE-H003A

Requested by: Representative Ives

STATE TO SUPPLY ABSENTEE BALLOTS TO COUNTY ONLY IF IT IS
SUPPLYING BALLOTS FOR THAT COUNTY FOR USE AT THE PRECINCTS

1 Section @. (a) G.S. 163-136 is amended by adding a new
2 subsection to read:

3 "(e) Notwithstanding any other provision of law, the State
4 Board of Elections shall supply absentee and supplemental ballots
5 for use by a county board of elections only if the State is
6 supplying all the ballots to the county for all elections."

7 (b) This section applies to elections conducted on or
8 after January 1, 1998.

Requested by: Representatives Ives, McCombs, Sherrill

ADMINISTRATIVE LAW JUDGE SALARY

1 Section @. G.S. 7A-751 reads as rewritten:

2 "§ 7A-751. Agency head; powers and ~~duties~~, duties; salaries of
3 Chief Administrative Law Judge and other administrative law
4 judges.

5 (a) The head of the Office of Administrative Hearings is the
6 Chief Administrative Law Judge. ~~He~~ The Chief Administrative Law
7 Judge shall serve as Director and have the powers and duties
8 conferred on him or her by this Chapter and the Constitution and
9 laws of this State. ~~His~~ The salary of the Chief Administrative
10 Law Judge shall be fixed by the General Assembly in the Current
11 Operations Appropriations Act, the same as that fixed from time
12 to time for district court judges.

13 In lieu of merit and other increment raises, the Chief
14 Administrative Law Judge shall receive longevity pay on the same
15 basis as is provided to employees of the State who are subject to
16 the State Personnel Act.

17 (b) The salary of other administrative law judges shall be
18 ninety percent (90%) of the salary of the Chief Administrative
19 Law Judge.

20 In lieu of merit and other increment raises, an administrative
21 law judge shall receive longevity pay on the same basis as is
22 provided to employees who are subject to the State Personnel
23 Act."

NORTH CAROLINA INFORMATION HIGHWAY

Section (a) The funds appropriated in this act to the Office of the State Controller for the operation of the North Carolina Information Highway shall be used only for costs incurred by the Office of the State Controller related to the operations and support of the North Carolina Information Highway. The funds shall be used to help defray the costs of existing or new sites. In addition any savings accrued in operating the North Carolina Information Highway shall also be available to defray the costs of existing or new sites. No funds appropriated in this act shall be expended to pay Minimum Monthly usage charges for North Carolina Information Highway Services.

(b) The Office of the State Controller is encouraged to consider new technologies and capabilities as a means of providing North Carolina Information Highway users access to the existing ATM backbone network of the North Carolina Information Highway for accessing information and resources. The Office of the State Controller shall report to the General Assembly in 1998 before the convening of the Regular Session on its findings.

(c) The State controller shall report quarterly to the Joint Legislative Commission on Governmental Operations regarding the costs incurred by the Office of the State Controller related to the operations and support of the North Carolina Information Highway.

VISITOR REGISTRATION SHEET

General Government 5/28/97

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY
1. <u>Willie Riddick</u>	<u>DOR</u>
2. <u>Ed Brackett</u>	<u>Ashville Citizen-Times</u>
3. <u>George Morris</u>	<u>OSL</u>
4. <u>Jim Richardson</u>	<u>DOA</u>
5. <u>Walter Glass</u>	<u>DOA</u>
6. <u>Johnnie McLean</u>	<u>St. Bd. of Elections</u>
7. <u>Boyz Best</u>	<u>State Capito Police</u>
8. <u>John My</u>	<u>DOA/State Cap. Police</u>
9. <u>Jim Maxwell</u>	<u>OSBM</u>
10. <u>Rob Nelson</u>	<u>OSBM</u>
11. <u>Keith McCould</u>	<u>DOR</u>
22. <u>Ernest E. Holloway</u>	<u>OSBM</u>
23. <u>Kathie Austin PADGETT</u>	<u>OSPL</u>
24. <u>Heather Jil</u>	<u>OSA</u>
25. <u>Rob Madeney</u>	<u>Ante NC</u>
26. <u>Starb H. McKenney</u>	<u>NC DOT</u>
27. <u>Dougail Propper</u>	<u>NC DOT</u>
28. <u>Vida Hays</u>	<u>DOA/4A10</u>
29. <u>Pam Deardorff</u>	<u>DOA/4A10</u>
30. <u>Jim Paterson</u>	<u>DOA</u>
31. <u>Naschein Propper</u>	<u>DOI</u>

VISITOR REGISTRATION SHEET

General Government 5/28/97

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY
1. <u>Supreme Williams</u>	<u>Borne & Assoc -</u>
2. <u>Boys & Boys</u>	<u>1 " " Fireman</u>
3. <u>Bill Ray McCain</u>	<u>DCR</u>
4. <u>Jeffrey J. Cron</u>	<u>DCR</u>
5. <u>Wanda Brook</u>	<u>DCR</u>
6. <u>Alice Shange</u>	<u>State Construction</u>
7. <u>Steve Albright</u>	<u>State Treasurer</u>
8. <u>Jim Broadwell</u>	<u>State Controller</u>
9. <u>Renfrow</u>	<u>OSC</u>
10. <u>RICHARD KELLY</u>	<u>OSC</u>
11. <u>Queen Cana</u>	<u>OSC</u>
12. <u>Fatin L. Berseft</u>	<u>DOA</u>
13. <u>Bernard Allen</u>	<u>SOS</u>
14. _____	_____
15. _____	_____
16. _____	_____
17. _____	_____
18. _____	_____
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20. _____	_____
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30. _____	_____
31. _____	_____

The House APPROPRIATIONS Subcommittee on General Government

MINUTES

May 28, 1997 PM

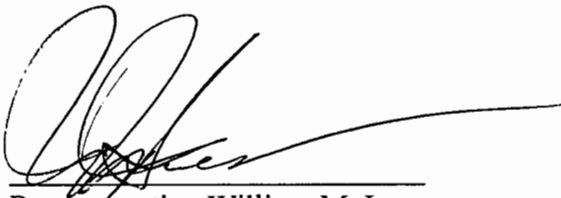
The House APPROPRIATIONS Subcommittee on General Government met on May 28, 1997 in room 425 of the Legislative Office Building at 1:00 PM. The following members were present: Representatives Sherrill (Cochair), McCombs (Cochair), Braswell, Culpepper, Decker, Ellis and Wainwright. Representative Ives (Cochair) presided.

Representative Ives called the meeting to order at 1:09 PM. Ms. Michele Nelson of Fiscal Research continued with special provisions of the budget report on General Government on page 45. Ms. Nelson reported that there are no changes in pages 45 through 48. Representative Sherrill moved to delete page 48 and then withdrew the motion. Ms. Nelson explained the special provision on page 49 concerning the restaurant proposal for the Museum of History and how the lease would be drawn. Representative Ellis asked about the specifics of the lease agreement. Representative Ives explained that the lessee would pay a monthly rent and a percentage of their gross profits. Representative Sherrill moved to approve the special provision on page 49 for the Museum of History restaurant. The motion carried. Ms. Nelson continued with page 50 and reported no changes. Representative Ellis offered an amendment for page 50 concerning Arts Council Grants (see attachment #1). Representative Ellis explained that this would give local governing bodies control of the arts offered in their communities. A discussion followed concerning the ability of governing bodies to set art standards. Representative Ives asked for Representative Ellis' permission to hold the amendment until later for a fuller debate considering the controversial nature of the amendment and Representative Ellis agreed.

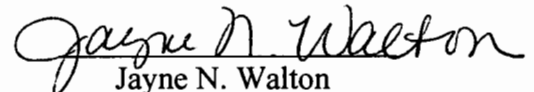
Ms. Nelson continued with an explanation of pages 51 through 53 and stated that those pages were adopted in the Postal History Commission Bill. Ms. Nelson covered the special provision on page 54 and said a cost is involved and Representative McCombs moved to delete it. The motion carried. Ms. Nelson moved on to page 55. Representative Ives explained that the Blackbeard's Ship provision was causing the budget to go over target and that this provision is vulnerable. A discussion followed on the details of the cost of the ship's preservation. Representative Culpepper answered questions concerning the ship's location. Mr. Jeffrey Crow of Cultural Resources Archives addressed the committee and said that part of the 1.3 million is designated for capital improvements. Representative Sherrill asked if all the money is needed this year. Mr. Crow responded that \$823,000 is needed this year. Representative Braswell asked what if General Government passes a budget over the recommended cap. Representative

Ives responded that he would talk with Representative Holmes the following morning about that and get the information to Representative Braswell. Representative Braswell followed up by asking if another committee would make the cuts and Representative Ives answered that it could go to Full Appropriations. Representative Decker asked Mr. Crow if Cultural Resources is planning to bring up the Monitor and could Blackbeards' Ship be a continuation of that project . Mr. Crow replied that the Monitor is not in State waters and the state of Virginia is managing it much to the chagrin of many North Carolinians.

Representative Ives promised to get more instructions in dealing with the budget and recessed the meeting at 1:45 PM until 5:00 PM subject to a Full Appropriations meeting.



Representative William M. Ives
Cochairman



Jayne N. Walton
Committee Clerk

CODE NO. 97CULRES-H012

Requested by: Representative Ellis

ARTS COUNCIL GRANTS

1 Section @. Chapter 143B of the General Statutes is
2 amended by adding a new section to read:

3 "\$ 143B-87.8. Arts council grants; criteria.

4 (a) Arts Council grants that are to be used for artworks shall
5 include as a term of each grant that the artwork created with the
6 grant funds shall not be displayed or performed in a facility if
7 the governing body of the community that would have zoning
8 jurisdiction over the facility adopts a resolution objecting to
9 the display or performance of the artwork in that community. For
10 the purposes of this section, 'artwork' means any artistic
11 creation or production in any form, including displays and
12 performances.

13 (b) The Department of Cultural Resources upon receipt of a
14 grant application shall notify the applicant of the grant terms
15 set out in subsection (a) of this section. The notification
16 shall also indicate that failure to comply with the grant terms
17 is a breach of contract and shall result in the revocation of the
18 grant in addition to other legal remedies. No grant shall be
19 issued to an applicant for artwork unless the applicant agrees in
20 writing to comply with the terms of the grant."

House General Government Expansion Budget Totals

	1997-98		1998-99	
	<u>R</u>	<u>NR</u>	<u>R</u>	<u>NR</u>
Draft House Subcommittee Report*	15,281,420	15,775,974	16,274,819	-
Subcommittee Target	14,600,000	12,000,000	No new expansion	-
Balance (Deficit)	(681,420)	(3,775,974)	-	-

* As of May 28, 12:30 p.m. Includes \$50,000 for Budget Office, does not include increase in Information Highway expenditures.

VISITOR REGISTRATION SHEET

General Government

5/28/97 ^{afternoon}

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY
1. <u>Bernard Allen</u>	<u>SOS</u>
2. <u>Roger Bone</u>	<u>Bone & Assoc - Fremont</u>
3. <u>Stevie Williams</u>	<u>" " "</u>
4. <u>John Bowdich</u>	<u>Zeb Alley P.A.</u>
5. <u>Tom Monro</u>	<u>Sprint</u>
6. <u>Brenda Dougherty</u>	<u>Sprint</u>
7. <u>Heather Fink</u>	<u>OSA</u>
8. <u>Martin Glass</u>	<u>DOA</u>
9. <u>Alice Sharpe</u>	<u>State Construction</u>
10. <u>Jim Newell</u>	<u>OSBM</u>
11. <u>Kathie Austin Pedgett</u>	<u>OSPL</u>
22. <u>Johnnie McLean</u>	<u>S.B.O.E.</u>
23. <u>George Mann</u>	<u>OSC</u>
24. <u>Juanita Morris</u>	<u>Office of Admin. Hearings</u>
25. <u>Ed Leaville</u>	<u>" " "</u>
26. <u>Jim Broadwell</u>	
27. <u>Charla H. McKenney</u>	<u>NC DOI</u>
28. <u>Dascreil Pappas</u>	<u>NC DOI</u>
29. <u>Robert Redford</u>	
30. <u>Willie Riddick</u>	<u>DOR</u>
31. <u>Kith Macomber</u>	<u>DOR</u>

VISITOR REGISTRATION SHEET

General Government 5/28/97

afternoon

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY
1. <u>Bruce Lamm</u>	<u>Sec of State</u>
2. <u>JOE DELUCA</u>	<u>RRC</u>
3. <u>Gina Carol</u>	<u>OSC</u>
4. <u>Ed O'Connell</u>	<u>OSC</u>
5. <u>RICHARD KELLY</u>	<u>OSC</u>
6. _____	_____
7. _____	_____
8. _____	_____
9. _____	_____
10. _____	_____
11. _____	_____
22. _____	_____
23. _____	_____
24. _____	_____
25. _____	_____
26. _____	_____
27. _____	_____
28. _____	_____
29. _____	_____
30. _____	_____
31. _____	_____

HOUSE APPROPRIATIONS SUBCOMMITTEE
ON
GENERAL GOVERNMENT

May 29, 1997
Room 425 - 5:30 A.M.

The House Appropriations Subcommittee on General Government met on May 29, 1997 in Room 425 of the Legislative Office Building at 8:30 A.M.

The following members were present: Representative Sherrill, Representative Ives, Representative McCombs, Representative Braswell, Representative Ellis, Representative Jeffus, Representative Culpepper and Representative Wainwright.

The meeting was called to order by Representative Sherrill who stated that the business of the day was further discussion of the Budget Report.

Evan Rodewald, Staff, called to the attention of the Committee on page 57 a provision relative to STATEWIDE DATA ELECTIONS MANAGEMENT SYSTEM with no changes. Also on page 59 a new draft relative ABSENTEE BALLOTS was presented. Evan moved to adopt these two proposals. Motion carried.

Bill Spencer, Staff, moved to adopt the provision on page 60 relative to the ADMINISTRATIVE LAW JUDGE SALARY. Motion carried.

Michele Nelson, Staff, moved to adopt the provision on page 56 relative to NEWBOLD-WHITE HOUSE FUNDS. Motion carried.

Evan Rodewald presented the provision relative to TRANSFER OF POSITIONS FROM CAPITOL POLICE TO REVENUE. Motion made and carried.

Michele Nelson, Staff, moved to adopt the provision relative to PRINCEVILLE CEMETERY OVERSIGHT. Motion carried.

Evan Rodewald moved to repeal the provision relative to FLEXIBILITY IN VOTING EQUIPMENT ALLOCATION. Motion carried.

Representative Sherrill called the Committee's attention to a provision entitled CONSOLIDATE YOUTH COUNCILS. Representative Moore explained this request of Representative Ives. Representative Jeffus said that she had some opposition letters to this provision and Representative Moore said these individuals now were supportive of

the changes. Representative Culpepper moved that we adopt this provision. Motion carried.

After Michele Nelson, Staff, explained the changes in NORTH CAROLINA INFORMATION HIGHWAY, Representative McCombs moved to adopt it. Motion carried.

Michele Nelson, Staff, pointed out on page 15 of a change in the State Controller's budget by changing \$5,561,824 to \$5,337,824. Representative McCombs moved to adopt the provision. Motion carried.

Bill Spencer, Staff, presented a provision relative to FIRE PROTECTION AND RESCUE GRANT FUNDS. The president of the North Carolina Volunteer Fire Department said that he hoped the Committee would support this legislation inasmuch as it was really needed. Representative Culpepper moved to adopt the provision. Motion carried.

Representative Sherrill called for a report of our money. Evan Rodewald responded. A handout to the Committee of the HOUSE GENERAL GOVERNMENT EXPANSION BUDGET TOTALS was discussed. Representative Ives then moved that the General Assembly approved the cuts of \$500,000. Motion carried.

Representative McCombs then moved to cut out of Cultural Resources the amount for "Blackbeard's Flagship" in the amount of \$1,300.00 Representative Culpepper made a substitute motion to leave \$200,000 in the budget for this purpose. Representative Sherrill asked Secretary McCain if \$200,000 would do what was needed. She responded that they would appreciate it if the Committee would leave in \$200,000. Representative McCombs accepted Representative Culpepper's substitute motion. Motion carried.

Staff advised that we had cut about 1.6 million dollars.

Representative Ellis moved that they remove \$100,000 from the North Carolina Humanities Council (State Budget and Management). Motion carried.

Representative Ellis moved to cut 1.1 million dollars in funds for "Local Domestic Violence Program". Representative Sherrill stated she did not feel it would be fair since the representatives for that agency were not present today.

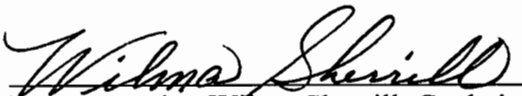
Representative Ellis then offered a special provision relative to the ARTS COUNCIL GRANTS which would allow the Arts Council to decide what type of art to display and where and stated this did not affect any money. Representative Braswell and Representative Jeffus objected to this special provision. Motion failed for lack of a majority. (4 to 4)

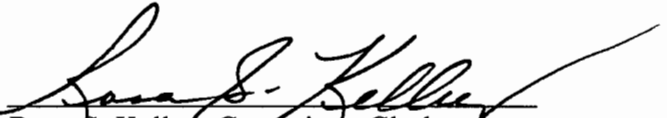
Representative McCombs moved to eliminate a Deputy Chief of Staff of Staff from the office of State Budget and Management in the amount of \$100,000. Motion carried.

Representative Ives moved to reconsider the SCHOOL VISIT/BALLET THEATER PROGRAM which was deleted on Wednesday. Motion carried. Representative Culpepper moved to restore the provision SCHOOL VISIT/BALLET THEATER PROGRAM. Motion carried.

Representative McCombs moved to cut \$50,000 from State Budget and Management for Women's Memorial Funds. Motion carried.

The meeting adjourned at 9:50 A.M.


Representative Wilma Sherrill, Cochair


Rosa S. Kelley, Committee Clerk

Att-1

P.59

CODE NO. 97SBE-H003B

Requested by: Representative Ives

STATE TO SUPPLY ABSENTEE BALLOTS TO COUNTY ONLY IF IT IS
SUPPLYING BALLOTS FOR THAT COUNTY FOR USE AT THE PRECINCTS

1 Section @. (a) G.S. 163-136 is amended by adding a new
2 subsection to read:

3 "(e) Notwithstanding any other provision of law, the State
4 Board of Elections shall supply absentee and supplemental ballots
5 for use by a county board of elections only if the State is
6 supplying ballots to the county for use in the precincts as
7 provided by G.S. 163-136(b)(3)."

8 (b) This section applies to elections conducted on or
9 after January 1, 1998.

Att 12

CODE NO. 97ADMIN-H009

Requested by: Representatives Ives, McCombs, and Sherrill

TRANSFER POSITIONS FROM CAPITOL POLICE TO REVENUE

1 Section @. The positions of ten property guards are
2 transferred from the Capitol Police in the Department of
3 Administration to the Department of Revenue. The funds,
4 equipment, supplies, records, and other property to support the
5 positions transferred by this section are also transferred from
6 the Capitol Police in the Department of Administration to the
7 Department of Revenue. Any disputes arising out of this transfer
8 shall be resolved by the Director of the Budget.

CODE NO. 97CULRES-H013

Att. 3

Requested by: Representatives Ives, McCombs, Sherrill, Mercer

PRINCEVILLE CEMETERY OVERSIGHT

1 Section @. Within funds available, the Department of
2 Cultural Resources shall provide oversight and guidance to the
3 Town of Princeville and the Princeville Cemetery Commission with
4 regard to the restoration of the Princeville Cemetery and the
5 preparation of documents for the Princeville Cemetery to be
6 placed on the National Register of Historic Places.

CODE NO. 97SBE-H002

Att-4

FLEXIBILITY IN VOTING EQUIPMENT ALLOCATION

1 Section @. G.S. 163-166 is repealed.

Att. 5

Requested by: Representative Ives

CONSOLIDATE YOUTH COUNCILS

1 Section @. (a) Part 18 of Article 9 of Chapter 143B of
2 the General Statutes is repealed.

3 (b) G.S. 143B-414 reads as rewritten:

4 "§ 143B-414. Governor's ~~Advocacy~~ Council on Children and Youth --
5 creation; powers and duties.

6 (a) There is hereby created the Governor's ~~Advocacy~~ Council on
7 Children and Youth of the Department of Administration.

8 (b) The Council shall have the following functions and duties:

9 (1) To act as an advocate for children and youth within
10 State and local governments, and with private
11 agencies serving children and youth;

12 (2) To provide assistance ~~in the development and~~
13 ~~coordination of~~ to individuals and children in
14 child advocacy systems at the regional and local
15 levels within the State;

16 (3) To perform a continuing review of existing programs
17 of State government for children and youth and
18 their families;

19 (4) To, in cooperation with State, local or private
20 agencies, identify needs of children and youth and
21 their families that are not currently being met and
22 recommend new programs or improvement of existing
23 programs;

24 (5) To review any new programs affecting children and
25 youth proposed by any State agency and recommend
26 changes to avoid duplication of services, to
27 promote better planning, or otherwise to make more
28 effective use of available resources;

29 (5.1) To screen applications for student internships
30 and select from these applications the
31 recipients of student internships;

32 (5.2) To determine the appropriateness of proposals
33 for projects for student interns submitted by
34 the offices and departments enumerated in
35 subdivision (5.3) of this subsection;

36 (5.3) To determine the number of student interns to
37 be allocated to each of the following offices
38 or departments:

39 a. Office of the Governor

- b. Department of Administration
c. Department of Correction
d. Department of Cultural Resources
e. Department of Revenue
f. Department of Transportation
g. Department of Environment, Health, and Natural Resources
h. Department of Commerce
i. Department of Crime Control and Public Safety
j. Department of Human Resources
k. Office of the Lieutenant Governor
l. Office of the Secretary of State
m. Office of the State Auditor
n. Office of the State Treasurer
o. Department of Public Instruction
p. Department of Agriculture
q. Department of Labor
r. Department of Insurance
s. Office of the Speaker of the House of Representatives
t. Justices of the Supreme Court and Judges of the Court of Appeals
u. Department of Community Colleges
v. Office of State Personnel
w. Office of the Senate President Pro Tempore;
(5.4) To receive on behalf of the Department of Administration and to recommend expenditure of gifts and grants from public and private donors and to award grants;
(5.5) To suggest, monitor, and impact legislation affecting children and youth;
(6) To ~~meet at least annually with the Governor and present a written~~ an annual report to the Governor concerning the health and well-being of North Carolina's children and youth and the effectiveness of current programs and the need for new programs for children and youth;
(7) To provide information to the general public and State, local and private agencies serving children and youth and their families concerning the activities and findings of the Council; and
(8) To ~~perform other advisory functions assigned by~~ advise the Secretary of Administration or a

1 legislative committee. upon any matter the
2 Secretary may refer to it; and

- 3 (9) To adopt bylaws, guidelines, and policies necessary
4 to carry out its powers and duties and to recommend
5 rules to the Secretary of Administration that the
6 Secretary may adopt. This function shall not
7 require the Secretary to adopt rules nor prevent
8 the Secretary from adopting rules when the
9 Secretary believes them to be necessary or
10 desirable."

11 (c) G.S. 143B-415 reads as rewritten:

12 "§ 143B-415. Governor's Advocacy Council on Children and Youth
13 -- members; selection; quorum; compensation.

14 (a) The Governor's Advocacy Council on Children and Youth
15 shall consist of 18 members. The composition of the Council shall
16 be as follows: two members appointed by the President Pro Tempore
17 of the Senate from the membership of the Senate; two members
18 selected by the Speaker of the House of Representatives from the
19 membership of the House of Representatives; 14 members appointed
20 by the Governor. 20 members as follows:

21 (1) One Senator appointed by the General Assembly upon
22 the recommendation of the President Pro Tempore of
23 the Senate.

24 (2) One representative of a child or youth organization
25 appointed by the General Assembly upon the
26 recommendation of the President Pro Tempore of the
27 Senate.

28 (3) One Representative appointed by the General
29 Assembly upon the recommendation of the Speaker of
30 the House of Representatives.

31 (4) One representative of a child or youth organization
32 appointed by the General Assembly upon the
33 recommendation of the Speaker of the House of
34 Representatives.

35 (5) Sixteen members appointed by the Governor as
36 follows:

37 a. An attorney.

38 b. Two young adults, each of whom is over 18
39 years old but less than 25 years old at the
40 time of appointment and who have an interest
41 in and knowledge of children or youth services
42 or programs.

43 c. Two public college or university
44 representatives, one of whom must represent an

- 1 historically African-American college or
2 university.
3 d. A private college or university
4 representative.
5 e. A community college representative.
6 f. Two male and two female youths, each of whom
7 is 18 years old or younger at the time of
8 appointment.
9 g. Five representatives of children and youth
10 organizations.

11 ~~Of the members appointed by the Governor, at least one shall~~
12 ~~come from each congressional district in accordance with G.S.~~
13 ~~147-12(3)b.~~

14 ~~In selecting the 14 members of the Council, the Governor shall~~
15 ~~select 10 public-spirited adult citizens who have an interest in~~
16 ~~and knowledge of children and youth, persons who work with~~
17 ~~children or representatives of organizations concerned with~~
18 ~~problems of children and youth. The remaining four members to be~~
19 ~~appointed by the Governor shall consist of two youths of each sex~~
20 ~~who are 18 years of age or under at the time of their~~
21 ~~appointments.~~

22 (b) ~~The initial members of the Council shall be the members of~~
23 ~~the former Governor's Advocacy Council on Children and Youth of~~
24 ~~the Department of Human Resources whose terms shall expire on the~~
25 ~~date they would have, had said Council of the Department of Human~~
26 ~~Resources not been transferred. At the end of the respective~~
27 ~~terms of office of the initial members of the Council, the~~
28 ~~appointment of all members shall be as provided in this section~~
29 ~~and for terms of four years and until their successors are~~
30 ~~appointed and qualify. Any appointment to fill a vacancy on the~~
31 ~~Council created by the resignation, death, dismissal, or~~
32 ~~disability of a member shall be for the balance of the unexpired~~
33 ~~term. The members appointed by the General Assembly upon the~~
34 ~~recommendation of the President Pro Tempore of the Senate and~~
35 ~~upon the recommendation of the Speaker of the House of~~
36 ~~Representatives shall serve for two-year terms to commence as of~~
37 ~~July 1. The youth members 18 years old or younger appointed by~~
38 ~~the Governor shall serve two-year terms to commence as of July 1.~~
39 ~~The initial term for six of the remaining members appointed by~~
40 ~~the Governor shall be one year to commence as of July 1. The~~
41 ~~initial terms of the remaining six members appointed by the~~
42 ~~Governor shall be two years to commence as of July 1. At the end~~
43 ~~of the respective terms of office of these last 12 members~~
44 ~~appointed by the Governor, the appointment of their successors~~

1 shall be for terms of two years and until their successors are
2 appointed and qualify.

3 Of the members appointed by the Governor, at least one shall
4 come from each congressional district in accordance with G.S.
5 147-12(3b).

6 Vacancies in appointments made by the General Assembly shall be
7 filled in accordance with G.S. 120-122. Other vacancies shall be
8 filled in the same manner as the original appointment.

9 (c) ~~The Governor~~ Each appointing officer may remove any member
10 of the Council appointed by ~~the Governor.~~ that officer.

11 The Governor shall designate from the membership of the Council
12 a ~~chairman~~ chair and a ~~vice-chairman~~ vice-chair to serve at his
13 ~~the Governor's pleasure.~~ pleasure for not more than two terms.

14 ~~The Council shall meet at least quarterly and upon the call of~~
15 ~~the chairman or upon written request of at least nine members.~~

16 The members of the Council shall receive per diem and necessary
17 travel and subsistence expenses in accordance with the provisions
18 of G.S. 138-5.

19 A majority of the Council shall constitute a quorum for the
20 transaction of business.

21 (d) All administrative, management, clerical and other
22 functions and services required by the Council shall be supplied
23 by the Secretary of Administration."

24 (d) G.S. 143B-416 reads as rewritten:

25 "§ 143B-416. Governor's Advocacy Council on Children and Youth --
26 access to information.

27 Unless otherwise prohibited by law, every State and local
28 agency, department, board, commission, school, or corporation
29 that supervises, administers, or otherwise directs programs or
30 services for children and youth shall provide the Council with
31 any requested information relating to such programs and
32 services."

33 (e) G.S. 143B-385 and G.S. 143B-386 are repealed.

34 (f) G.S. 143B-387 reads as rewritten:

35 "§ 143B-387. State Youth Council. North Carolina Council for
36 Youth -- creation; powers and duties.

37 ~~(a) There shall be a State Youth Council. It shall be~~
38 ~~established within one year of July 1, 1975, in accordance with~~
39 ~~the methods and procedures established by the Youth Advisory~~
40 ~~Council. The State Youth Council is authorized and empowered to~~
41 ~~do the following:~~ There is created the North Carolina Council for
42 Youth in the Department of Administration.

43 (b) The Council shall have the following functions and duties:

1 (1) To consider problems affecting youth and recommend
2 solutions or approaches to these problems to State
3 and local governments and their officials;
4 (2) To promote statewide activities for the benefit of
5 youth; and,
6 (3) ~~To elect the youth representatives to the Youth~~
7 ~~Advisory Council.~~ To encourage the establishment
8 and support of local youth councils in every county
9 of the State;
10 (4) To receive on behalf of the Department of
11 Administration and to recommend to the Secretary of
12 Administration the expenditure of gifts and grants
13 from public and private donors and to award grants;
14 (5) To advise the Secretary of Administration upon any
15 matter the Secretary may refer to it; and
16 (6) To perform any other duties as may be assigned to
17 it by the Secretary of Administration."
18 (g) Part 7 of Article 9 of Chapter 143B is amended by
19 adding a new section to read:
20 "§ 143B-387.1. North Carolina Council for Youth -- members;
21 selection; quorum; compensation.
22 (a) The North Carolina Council for Youth shall consist of 12
23 members appointed by the Governor. Each member shall be 18 years
24 old or younger at the time of appointment. The Governor may
25 remove any member of the Council.
26 (b) The initial term of six of the members shall be one year
27 to commence as of July 1. The initial terms of the remaining six
28 members shall be two years to commence as of July 1. At the end
29 of the respective terms of office of the initial members of the
30 Council, the appointment of their successors shall be for terms
31 of two years and until their successors are appointed and
32 qualify.
33 At least one member shall come from each congressional district
34 in accordance with G.S. 147-12(3b).
35 Any appointment to fill a vacancy on the Council shall be for
36 the balance of the unexpired term.
37 (c) The Governor shall designate from the initial membership
38 of the Council a chair and a vice-chair to serve at the
39 Governor's pleasure for no more than one year. After this
40 initial first-year appointment, the Council shall elect annually
41 a chair and a vice-chair to serve a one-year term in their
42 respective offices.

1 The members of the Council shall receive per diem and necessary
2 travel and subsistence expenses in accordance with the provisions
3 of G.S. 138-5.

4 A majority of the Council shall constitute a quorum for the
5 transaction of business.

6 (d) All administrative, management, clerical, and other
7 functions and services required by the Council shall be supplied
8 by the Secretary of Administration."

9 (h) The terms of all current members of the Governor's
10 Advocacy Council on Children and Youth and the State Youth
11 Council shall terminate on June 30, 1997, no matter the
12 expiration date of their terms, and the terms of all new
13 appointees to the Governor's Council on Children and Youth and
14 the North Carolina Council for Youth shall begin on July 1, 1997.

15 (i) The Revisor of Statutes is authorized to delete any
16 reference to the Governor's Advocacy Council on Children and
17 Youth in any portion of the General Statutes to which conforming
18 amendments are not made by this section and to substitute, as
19 appropriate and consistent with this section, the Governor's
20 Council on Children and Youth.

21 (j) The Revisor of Statutes is authorized to delete any
22 reference to the State Youth Council in any portion of the
23 General Statutes to which conforming amendments are not made by
24 this section and to substitute, as appropriate and consistent
25 with this section, the North Carolina Council for Youth.

Att. 6

CODE NO. 97CONT-H001F

Requested by: Representatives Ives, McCombs, Sherrill

NORTH CAROLINA INFORMATION HIGHWAY

1 Section @. (a) The funds appropriated in this act to
2 the Office of State Controller for the operation of the North
3 Carolina Information Highway shall be used only for costs
4 incurred by the Office of State Controller related to the
5 operations and support of the North Carolina Information Highway.
6 No funds appropriated in this act shall be expended to pay
7 Minimum Monthly usage charges for North Carolina Information
8 Highway Services.

9 (b) The Office of the State Controller may use the two
10 hundred twenty-four thousand dollars (\$224,000) in savings that
11 accrued in fiscal year 1996-97 to fund new sites in fiscal year
12 1997-98.

13 (c) The Office of State Controller is encouraged to
14 consider new technologies and capabilities as a means of
15 providing NCIH users access to information and resources. The
16 Office of State Controller shall report to the General Assembly
17 in 1998 before the reconvening of the Regular Session on its
18 findings.

19 (d) The State Controller shall report quarterly to the
20 Joint Legislative Commission on Governmental Operations regarding
21 the costs incurred by the Office of State Controller related to
22 the operations and support of the North Carolina Information
23 Highway.

24 (e) Given the appropriations subcommittees meet in the
25 interim, the House and Senate Appropriations Subcommittees on
26 General Government will consider information leading to a
27 recommendation to adopt an alternate approach to State funding of
28 sites, effective in fiscal year 1998-99. The subcommittee is
29 not limited to the information that may be considered, and may
30 include in the review cost sharing measures that require sites to
31 participate in the annual cost of network charges; the phasing-
32 out of 100% State funding of site network charges; and the cost
33 of adding new sites with a specific period of time designated for
34 State funding of network charges.

35

Att 17

Requested by: Representatives Ives, McCombs, Sherrill, R. Hunter

FIRE PROTECTION AND RESCUE GRANT FUNDS

1 Section 20.1. (a) Chapter 58 of the General Statutes is
2 amended by adding a new Article to read:

3 "ARTICLE 85A.

4 "State Fire Protection and Rescue Grant Fund.

5 "§ 58-85A-1. Creation of Fund; allocation to local fire
6 districts, political subdivisions of the State, volunteer fire
7 departments, and volunteer rescue squads.

8 (a) Creation; Purpose. -- There is created in the Office of
9 State Budget and Management the State Fire Protection Grant Fund.
10 The purposes of the Fund are:

11 (1) To compensate local fire districts and political
12 subdivisions of the State for providing local fire
13 protection to State-owned buildings and their
14 contents.

15 (2) To reimburse volunteer fire departments and
16 volunteer rescue squads for highway use tax they
17 pay on their fire trucks and emergency services
18 vehicles.

19 The Office of State Budget and Management shall develop and
20 implement an equitable and uniform statewide method for
21 distributing any funds to the State's local fire districts,
22 political subdivisions, and volunteer fire departments and
23 volunteer rescue squads. Upon the request of the Director of the
24 Budget, the Department of Insurance shall provide the Office of
25 State Budget and Management all information necessary to develop
26 and implement the formula.

27 (b) Definitions. -- The following definitions apply in this
28 section:

29 (1) Fire truck. -- A fire truck, a pump truck, a tanker
30 truck, or a ladder truck used to suppress fire; or
31 a four-wheel drive vehicle intended to be mounted
32 with a water tank and hose and used for forest fire
33 fighting.

34 (2) Highway use tax. -- The tax imposed in Article 5A
35 of Chapter 105 of the General Statutes.

36 (3) Volunteer fire department. -- A fire department
37 that is not part of a unit of local government, has

1 no more than two paid employees, and is exempt from
2 State income tax under G.S. 105-130.11.

3 (4) Volunteer rescue squad. -- An organization that
4 provides rescue services, emergency medical
5 services, or both, is not part of a unit of local
6 government, has no more than two paid employees,
7 and is exempt from State income tax under G.S.
8 105-130.11.

9 (c) Funds; Use. -- It is the intent of the General Assembly to
10 appropriate annually to the State Fire Protection Grant Fund at
11 least three million eighty thousand dollars (\$3,080,000) from the
12 General Fund, one hundred fifty thousand dollars (\$150,000) from
13 the Highway Fund, and nine hundred seventy thousand dollars
14 (\$970,000) from University of North Carolina receipts to the
15 State Fire Protection Fund. Funds received from the General Fund
16 shall be allocated only for (i) providing local fire protection
17 for State-owned property supported by the General Fund and (ii)
18 grants to volunteer fire departments and volunteer rescue squads
19 to reimburse them for for highway use tax they pay on their fire
20 trucks and emergency services vehicles; funds received from the
21 Highway Fund shall be allocated only for providing local fire
22 protection for State-owned property supported by the Highway
23 Fund; and funds received from University of North Carolina
24 receipts shall be allocated only for providing local fire
25 protection for State-owned property supported by University of
26 North Carolina receipts."

27 (b) G.S. 143-3.7 is repealed.

28 (c) Of the funds appropriated from the General Fund to
29 the Office of State Budget and Management, the sum of three
30 million eighty thousand dollars (\$3,080,000) for the 1997-98
31 fiscal year and the sum of three million eighty thousand dollars
32 (\$3,080,000) for the 1998-99 fiscal year shall be used for the
33 State Fire Protection Grant Fund.

34 (d) Of the funds appropriated from the Highway Fund to
35 the Office of State Budget and Management, the sum of one hundred
36 fifty thousand dollars (\$150,000) for the 1997-98 fiscal year and
37 the sum of one hundred fifty thousand dollars (\$150,000) for the
38 1998-99 fiscal year shall be used for the State Fire Protection
39 Grant Fund.

40 (e) Of the funds available to The University of North
41 Carolina from federal receipts, the sum of nine hundred seventy
42 thousand dollars (\$970,000) for the 1997-98 fiscal year and the
43 sum of nine hundred seventy thousand dollars (\$970,000) for the

1 1998-99 fiscal year shall be transferred to the State Fire
2 Protection Grant Fund for the State Fire Protection Grant Fund.

Att-8

House General Government Expansion Budget Totals

	1997-98		1998-99	
	<u>R</u>	<u>NR</u>	<u>R</u>	<u>NR</u>
Draft House Subcommittee Report*	15,281,420	15,775,974	16,274,819	-
Subcommittee Target	14,600,000	12,000,000	No new expansion	-
Balance (Deficit)	(681,420)	(3,775,974)	-	-

* As of May 28, 12:30 p.m. Includes \$50,000 for Budget Office, does not include increase in Information Highway expenditures.

Att. 9

Synopsis

The discovery of the early 18th century vessel thought to be the *Queen Anne's Revenge* provides unparalleled raw material for both North Carolina public history studies and coastal heritage tourism. Processing this material into useful form, however, requires a significant undertaking, and while the Division of Archives and History is professionally competent to perform the work, it currently has neither adequate facilities nor sufficient operating funds to support this endeavor.

In planning what it has named the "QAR Project," the division has developed a series of interrelated budgets that seek to make best use of its existing resources and to accommodate the many unknowns involved. This has resulted in several "bottom lines":

- A maximum of \$41,000 is needed this fiscal year (FY 1996-97) in order either to begin exploration and recovery operations or to "mothball" the wreck until some later date.
- If exploration and recovery is to be undertaken now, approximately \$823,000 will be needed in FY 1997-98, allocated as follows:

• Capital facilities and equipment:	409,000
• Outgoing grant for capital facilities:	300,000
• Continuation reserves:	114,000
	823,000
- Approximately \$421,000 in continuation funds will be required in FY 1998-99 and in each year of the succeeding biennium (FY 1999-2001). Based on present estimates of the time required to recover and preserve all significant portions of the wreck, this amount can be significantly reduced beginning in FY 2001-02.

The above amounts, coupled with other resources already available within the division, also support "Pirates' Path," a heritage tourism program. Pirates' Path envisions the cooperative display and interpretation of wreck materials at various public and private/non-profit historic attractions in coastal North Carolina, with central support for all participating organizations.

Overview

In November of 1996, an underwater research firm, Intersal, Inc., working under a permit from the North Carolina Department of Cultural Resources, discovered a shipwreck in the waters near Beaufort Inlet. The large, early 18th century wreck is believed to be the pirate Blackbeard's flagship, the *Queen Anne's Revenge*, lost in 1718 while attempting to enter the inlet.

The department and Intersal have agreed that the department's Division of Archives and History will have the primary responsibility for investigating and documenting the wreck site, and for recovering and preserving its artifactual materials. The division will retain title to these materials, accessioning them as a single collection. Intersal, Inc. and their non-profit partner, the Maritime Research Institute (MRI), are to hold certain term-limited, exclusive rights related to public presentation of the discovery (e.g., a documentary film; artifact replicas). A formal agreement detailing these rights is now being negotiated.

Given the relative ease of accessing the underwater site by even amateur divers, and the possibility that a future storm might shoal over the wreck, the Division of Archives and History believes it important that intensive investigation and recovery procedures begin as soon as possible. Meanwhile, a number of coastal history groups have expressed a desire to host interpretive displays of the anticipated artifacts. Thus, the division also sees the immediate need to establish a planning and development entity, tentatively titled "Pirates' Path," as a cooperative venture uniting the efforts of these groups, the division, its parent department, and related historical professions and academic institutions.

It is important to note that all the potential benefits of the QAR project—to state citizens, students, coastal communities, regional museums, heritage tourism, historians, etc.—depend largely on the division's ability to perform practical, technically oriented tasks. The division, with the assistance of others, must explore and document the wreck site, recover and study artifacts and information from that site, and properly clean, accession, and conserve recovered materials.

CODE NO. 97CULRES-H012

Ellis

Att 10

Requested by: Representative Ellis

ARTS COUNCIL GRANTS

1 Section @. Chapter 143B of the General Statutes is
2 amended by adding a new section to read:

3 "§ 143B-87.8. Arts council grants; criteria.

4 (a) Arts Council grants that are to be used for artworks shall
5 include as a term of each grant that the artwork created with the
6 grant funds shall not be displayed or performed in a facility if
7 the governing body of the community that would have zoning
8 jurisdiction over the facility adopts a resolution objecting to
9 the display or performance of the artwork in that community. For
10 the purposes of this section, 'artwork' means any artistic
11 creation or production in any form, including displays and
12 performances.

13 (b) The Department of Cultural Resources upon receipt of a
14 grant application shall notify the applicant of the grant terms
15 set out in subsection (a) of this section. The notification
16 shall also indicate that failure to comply with the grant terms
17 is a breach of contract and shall result in the revocation of the
18 grant in addition to other legal remedies. No grant shall be
19 issued to an applicant for artwork unless the applicant agrees in
20 writing to comply with the terms of the grant."

HOUSE APPROPRIATIONS SUBCOMMITTEE
ON
GENERAL GOVERNMENT

May 22, 1997
Room 425 - 8:30 A.M.

The House Appropriations Subcommittee on General Government met on May 22, 1997 in Room 425 of the Legislative Office Building at 8:30 A.M.

The following members were present: Representative Sherrill, Representative Ives, Representative Braswell, Representative Decker, Representative Ellis, Representative Jeffus and Representative Wainwright.

The meeting was called to order by Representative Sherrill who called on Michele Nelson, Staff, to explain the special provisions as requested by the cochairs of the committee as follows beginning with PROCEDURE FOR AWARD OF CULTURAL RESOURCES GRANTS (page 7). Representative Ives asked Ms. Nelson if Item 7(a) accomplished the same purpose as the original. She answered "yes". Representative Sherrill asked if this provision is the same as 1995 and Ms. Nelson answered "yes". Representative Jeffus said she agreed with the \$1,000,000 but she hoped that at some point in time the committee would raise that amount to fund further grants. Representative Sherrill stated that she wanted the grants to divided equal among the organizations involved. Representative Braswell agreed. Representative Ives moved to accept the recommendation page 7(a). Motion carried.

ANALYSIS OF STATE BUDGET DURING THE INTERIM was explained by staff member, Bill Spencer. After some discussion, Representative Ives moved that they adopt No. 2, 3, 4, 5, and 6 of this recommendation. Motion carried.

ADMINISTRATIVE LAW JUDGE SALARY was explained by staff member, Bill Spencer. After discussion, Representative Braswell moved that the language on line 9 and 10 be changed to read "that the salary of the Administrative Law Judge be the same as District Court Judges, and that item (b) be changed to read "The salary of other administrative law judges shall be fixed by the General Assembly at the same amount as District Court Judges." Motion carried.

INFORMATION RESOURCES MANAGEMENT COMMISSION, COMBINE PROGRAMS TO HELP WOMEN AND CHILDREN, PROCUREMENT CARD PILOT PROGRAM, STATE HEALTH PLAN PURCHASING ALLIANCE BOARD OPERATING FUNDS REVERT, STATE BOARD OF ELECTIONS, STATEWIDE DATA ELECTIONS MANAAGEMENT SYSTEM, FEES FOR USE OF STATAE-OWNED OFFICE SPACE, PARKING REVENUES, GOVERNOR'S ADVOCACY

COUNCIL FOR PERSONS WITH DISABILITIES, AND ADVICE OF GOVERNMENTAL OPERATIONS ON PRIORITIZING REQUESTS FOR ASSISTANCE was explained by staff member, Evan Rodewald.

After discussion, Representative Ives moved to adopt the first 6 items (pp. 1-7) The motion carried.

PARKING REVENUES (P.9) Representative Ellis asked the department who operates the van pools. The department answered that he was not sure. Representative Braswell asked the department if the van pools were transporting employees to their offices from isolated areas. Answer "yes". Representative also asked the department how many employees use this service. The department answered that he did not have the answer but could get it from the department. Representative Ellis asked if they could put off voting on this. Representative Sherrill said they needed to vote it up or down but that he could ask for a change at a later time which this is all reviewed. She agreed they needed further information. The Chair ruled that this item would not be voted on at this time.

GOVERNOR'S ADVOCACY COUNCIL FOR PERSONS WITH DISABILITIES AND ADVICE OF GOVERNMENTAL OPERATIONS ON PRIORITIZING REQUESTS FOR ASSISTANCE was explained by staff member, Evan Rodewald. (p.10) After discussion Representative Ives moved that they adopt the last 2 items on pp. 10 and 11. Motion carried.

RETIREMENT SYSTEM ADMINISTRATIVE EXPENSES TO COMPLY WITH SUPREME COURT DECISIONS - Representative Ellis moved that on line 3 remove the \$500,000 and on line 5 remove the \$200,000 and insert "as required" and that the State Treasurer shall report to Governmental Operations. Representative Sherrill suggested that the committee not vote on the final document until they can review it Representative Jeffus agreed that the committee should wait until this is completed before voting on it. Representative Braswell suggested saying that they it read to make necessary expenditures in order to comply with the Supreme Court decisions. Motion carried.

STATE CONSTRUCTION STUDY COMMISSION was explained by staff member, Evan Rodewald. After some discussion, Representative Sherrill stated that this item will be worked on and brought back to the committee.

Representative Sherrill then introduced Dennis Ducker, Administration Director of the State Retirement System. Mr. Decker said he was the deputy state treasurer of the Department of the State Treasurer and a native of Transylvania County. What we have is a request for an appropriation to comply with the recent decision by the State Supreme Court. That decision addressed three lawsuits - Hawkenberry, Woodard and Peele. Three issues combined and heard together by the courts. Just a very brief background. This involves the changes in disability benefits that have occurred over many years. Prior to 1982 and that is a key date, July 1, 1982, when a person became disabled the benefit from the Retirement System was calculated as though they worked to age 65. After 1982

by act of the General Assembly, there was a cap put on that projection to 30 years. A person who came to work prior to age 35 (35 to 65 would be 30 years) had a projection of more than 30 years to calculate the benefits. The General Assembly put a cap on that projection and capped the benefits. Then effective January 1988, the General Assembly took disability retirement benefits out of the Retirement System for people retiring on disability after that date include the new plan, the disability income plan with a completely different set of benefits, more akin to what you see in the private sector. The plaintiffs in these cases went to court and they contended that this had violated a contractual right that they had when they accrued five years of service. By virtue of five years of service, they were vested and therefore entitled to these disability benefits at the time they acquired five years of service. It was our position that, and our attorney's position, that the vesting of a disability benefit occurred at the time the person became disabled, that the five years was simply a threshold point at which the person underwrite to the benefit if they later became disabled. The Supreme Court disagreed with us and held that the member's benefit should be based on the fact that they had accrued five years of service. That is the crux of these lawsuits. What we are going to have to do to comply with the court is we are going to have to go back and calculate retirement disability benefits for some people in as many as three different ways and give them the greatest of those three or two different ways and give them the greater of those two. It will become very complex for the disability income plan because in some cases that is the superior benefit depending on the age of the person. What this money would do and again, it is from the trust fund. No general fund appropriation - it is from the trust fund appropriating as you do our normal operating expenses from the trust fund. Anything that is not spent then of course reverts to the trust fund. This money would allow us to gear up and pay in a timely manner all of those retroactive disability benefits. We have already determined that we could be talking about a substantial number of people and some substantial retroactive payments. That's what this is to allow us to operationally comply with the court.

Representative Sherrill asked if there is a chance that this would threaten the fund. Mr. Decker said they did not believe it would. The paying of these benefits is essentially paying the benefits that were in effect and it would essentially eliminate a savings that had occurred since those changes.

Representative Jeffus ask if there were any more lawsuits to follow. Mr. Decker said that they did not. He said they believed that this would resolve and dictates to us all how we are to treat benefits and that is when a person is vested in a right then it is not to be changed and there are no other instances that we are aware of where this has happened.

Mr. Decker further stated that the one big question still before the Superior Court is how much interest is to be added to these retroactive payments. But we have already identified 18 million dollars that we will be paying out on just the initial group and with interest it could be double that. We want to go ahead and pay these people in a timely manner and get it behind us and go forward.

Representative Ellis moved that they adopt the amendment as worded - "The Board of Trustees of the State Employees Retirement System may expend for the fiscal year 1997-98 and for fiscal year 1998-99 from the assets of the State Employees Retirement System in amounts as required to meet administrative expenses to comply with the Supreme Court decisions. The Treasurer's office shall report to Gov. Op. in the General Assembly prior to convening of the 1998 Session.

Rep. Sherrill said that if it pleased the committee is to vote to amend these provisions but not vote on the final document until we have it before us.

Motion carried.

Representative Wilma Sherrill, Cochair

Rosa S. Kelley, Committee Clerk

Governor

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$5,286,620		\$5,302,348	
Legislative Changes				
(0000) Departmentwide				
1 Purchased Contractual Services	(\$22,367)	R	(\$22,367)	R
(1130) Office of Intergovernmental Relatio				
2 Eliminate Military Liaison Position	(\$25,220)	R	(\$25,220)	R
Eliminate the position and associated benefits for Military Liaison. This position has been vacant since 10-01-94.	-1.00		-1.00	
(1631) Raleigh Executive Residence				
3 Transfer to CC & PS	(\$6,099)	R	(\$6,099)	R
This transfer repays Crime Control & Public Safety (CC & PS) the costs of supplying the Governor's guards. \$6,099 was the amount of the requested increase from last year. The money will be saved by using guards with the same salaries as the current guards are earning.				
Total Legislative Changes	(\$53,686)	R	(\$53,686)	R
Total Position Changes	-1.00		-1.00	
Revised Budget	\$5,232,934		\$5,248,662	

State Budget and Management

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$3,855,400		\$3,938,220	
Legislative Changes				
(1022) 1997 Special Appropriations				
4 Fire Protection Grant Funds	\$3,080,000	R	\$3,080,000	R
Creates the State Fire Protection Grant Fund; to compensate local fire districts and political subdivisions for providing fire protection to State-owned buildings. Requires the Office of State Budget and Management to develop a statewide method for distributing these funds to the State's local fire districts and political subdivisions.				
5 NC Humanities Council	\$100,000	NR		
Provides a grant to the North Carolina Humanities Council, a not-for-profit organization.				
6 Women's Memorial Funds	\$50,000	NR		
This is a State Donation to the Women in Military Service for America Memorial Foundation, Inc., for the purpose of creating a memorial to women veterans of the armed services.				
(1310) Office of State Budget and Manage				
7 Property, Plant & Equipment	(\$32,372)	R	(\$32,372)	R
Department will save money by deferring purchase of new items of equipment.				
8 Reduce Employee Costs	(\$5,010)	R	(\$5,010)	R
Reduce objects Employee Benefit Cost and Supplement to Regular Wage. Department plans that this money will not be needed due to savings accrued while vacancies exist.				
Total Legislative Changes	\$3,042,618	R	\$3,042,618	R
	\$150,000	NR		
Total Position Changes				
Revised Budget	\$7,048,018		\$6,980,838	

Office of State Planning

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$1,820,279		\$1,833,679	
Legislative Changes				
(1412) Geodetic Survey				
9 Make One-Half Position Receipt-Supported	(\$17,829)	R	(\$17,829)	R
Office of State Planning has one position which receives one-half of its funding from the General Fund. This position will become entirely receipt-supported.	-0.50		-0.50	
Total Legislative Changes	(\$17,829)	R	(\$17,829)	R
Total Position Changes	-0.50		-0.50	
Revised Budget	\$1,802,450		\$1,815,850	

Lieutenant Governor

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$612,176		\$612,336	
Legislative Changes				
(1110) Administration				
10 Miscellaneous Expenses, Equipment, and Services	(\$2,946)	R	(\$2,946)	R
Reductions in Registration Fees, Other Employee Educational Expenses, Maintenance Agreement-Equipment, DP Equipment, Repairs-Computer Equipment, General Office Expenses, Cellular Phone Service, Postage, and Telephone Service.				
Total Legislative Changes	(\$2,946)	R	(\$2,946)	R
Total Position Changes				
Revised Budget	\$609,230		\$609,390	

Secretary of State

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$5,243,012		\$5,230,680	
Legislative Changes				
(0000) Departmentwide				
11 New Computer System	\$80,000	R	\$80,000	R
Replaces old computer equipment with new local area network, new imaging system, new relational database software. Funds include money for a project manager and for computer consultants.	\$1,230,000	NR	\$0	NR
	1.00		1.00	
Total Legislative Changes	\$80,000	R	\$80,000	R
	\$1,230,000	NR	\$0	NR
Total Position Changes	1.00		1.00	
Revised Budget	\$6,553,012		\$5,310,680	

Auditor**GENERAL FUND****FY 97-98****FY 98-99****Recommended Budget****\$9,495,886****\$9,504,085****Legislative Changes****(1120) Support Services****12 Maintenance on Printing Equipment****\$38,600****R****\$38,600****R**

Provides funds to maintain printing and duplicating equipment. Recommended by the Governor.

(1210) Field Audit Division**13 Equipment Replacement Reserve****\$175,000****R****\$175,000****R**

Recurring funds would allow the Auditor to replace computers every three years. Recommended by the Governor.

14 Audit Software**\$0****R****\$15,000****R****\$159,000****NR****\$0****NR****15 EDP Audit Positions****\$123,606****R****\$123,606****R**

Additional electronic data processing auditors.

\$12,980**NR****\$0****NR****2.00****2.00****16 Additional Audit Positions****\$160,322****R****\$160,322****R**

Additional performance and financial auditors

\$19,470**NR****\$0****NR****3.00****3.00****Total Legislative Changes****\$497,528****R****\$512,528****R****\$191,450****NR****\$0****NR****Total Position Changes****5.00****5.00****Revised Budget****\$10,184,864****\$10,016,613**

Treasurer

GENERAL FUND

	FY 97-98	FY 98-99
Recommended Budget	\$18,432,034	\$18,434,193

Legislative Changes

(0000) All Divisions

17 Rent for State-Owned Office Space

\$281,487	R	\$281,487	R

This appropriation was excluded from the Senate budget due to a technical oversight. However, this budget item is consistent with actions taken by the Senate.

Expenditures: \$836,230
 Receipts: \$554,743
 Appropriations: \$281,487

Non-Tax Revenue: \$281,487

(1110) General Administration

18 Strengthen Personnel Function

\$0	R	\$0	R

Funds a Personnel Officer I position in the department. Recommended by the Governor. Expenditures of \$44,558 in 1997-98 and \$42,127 in 1998-99 would be covered by increased receipts.

1.00		1.00	

(1150) Information Systems

19 Maintenance of Automated Programs

\$0	R	\$0	R

Increased staffing to maintain automation in the department. Recommended by the Governor. Expenditures of \$240,968 in 1997-98 and \$230,264 in 1998-99 will be covered by increased receipts.

5.00		5.00	

(1210) Investment Management

20 Strengthen Investment Administration

\$74,889	R	\$56,065	R

Additional Portfolio Manager to handle increased volumes of investments. Recommended by the Governor. These appropriations from the General Fund would be offset by increases in non-tax revenues.

1.00		1.00	

(1310) Local Government Operations

21 Improve Ability to Manage Debt Approval

\$101,901	R	\$101,023	R

Additional staff to respond to increased demands for technical assistance. Recommended by the Governor. These appropriations from the General Fund would be offset by increases in non-tax revenues.

2.00		2.00	

House Subcommittee on General Government

Total Legislative Changes	\$458,277	R	\$438,575	R
Total Position Changes	9.00		9.00	
Revised Budget	\$18,890,311		\$18,872,768	

Insurance

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$19,880,965		\$19,909,612	

Legislative Changes**(0000) Departmentwide****22 Rent for State-Owned Space**

\$511,225	R	\$511,225	R

The Insurance Department occupies 40,898 square feet of space in the Dobbs Building. If the Insurance Department paid rent to the Department of Administration, at \$12.50 per square foot the total would be \$511,225 annually. This money would be used to reduce Administration's General Fund appropriation.

(1200) Company Services**23 Additional Financial Analysts**

\$103,555	R	\$111,104	R

Hire additional financial analysts with HMO expertise to handle mergers and acquisitions. Not included in the Governor's recommendations.

2.00

2.00

(1300) Technical Services**24 Seniors' Health Insurance Information Program**

\$32,311	R	\$31,357	R

Hire additional employee to handle phone calls. Not included in Governor's recommendations.

1.00

1.00

25 Additional Market Practices Examiners

\$313,314	R	\$333,174	R

Adds two three-person teams to monitor market practices. One of the teams will monitor Life and Health Insurance companies; the other will monitor the practices of Health Maintenance Organizations (HMOs).

6.00

6.00

(1500) Safety Services**26 Upgrade and Increase Fire and Rescue Services**

\$96,000	R	\$96,000	R

Computer software for counties to submit Fire Incident Reports and implement Rescue Reporting Program.

House Subcommittee on General Government

27 Additional Employees for Manufactured Housing

Hire additional inspectors for manufactured housing and buildings. Not included in Governor's recommendations. These positions are 100% receipt-supported.

\$0	R	\$0	R
3.00		3.00	

FY 97-98

Expenditures: \$237,622

Receipts: 237,622

Appropriations: 0

FY 98-99

Expenditures: \$217,972

Receipts: 217,972

Appropriations: 0

(1900) Reserves and Transfers

28 Consumer Protection Fund

Additional funds to hire outside contractual services for legal proceedings in ratesetting cases. Not included in Governor's recommendations.

\$200,000	R	\$200,000	R

29 Pay for Revenue Workers

Transfers \$99,270 in FY 1997-98 and \$99,270 in FY 1998-99 to pay the Department of Revenue for collecting the gross premiums tax and the Regulatory Charge which supports the Department of Insurance. This item is a technical correction of the Senate budget, in which the transfer was approved but through inadvertence was not listed as an expansion item.

\$99,270	R	\$99,270	R

30 Transfer Fire Protection Grant Program

The Fire Protection Grant Program is transferred to the Office of State Budget and Management. The Department of Insurance will not need an appropriation to fund this program.

(\$1,450,000)	R	(\$1,450,000)	R

31 Fire and Rescue Workers' Comp

Provides a recurring grant to the Fire and Rescue Workers' Comp Fund. Intent is for the State to contribute to the Fund until its reserves (projected time: about 8 years) are sufficient to let it be self-supporting.

\$4,500,000	R	\$4,500,000	R

Total Legislative Changes

\$4,405,675	R	\$4,432,130	R

Total Position Changes

12.00		12.00	

Revised Budget

\$24,286,640		\$24,341,742	

Administration

GENERAL FUND

FY 97-98

FY 98-99

Recommended Budget

\$59,567,213

\$60,961,819

Legislative Changes

(0000) All Divisions

32 Personnel Reductions

(\$527,405)

R

(\$527,405)

R

Reductions recommended by the Governor, including one painter supervisor, nine painters, one vacant office assistant position in Facilities Management, a vacant position in the Council for Person's with Disabilities, and an office assistant position in the Board of Science and Technology. Reduction also includes \$105,014 in salary reserve money.

-13.00

-13.00

(1121) Fiscal Management .

33 Reduced Data Processing Services

(\$7,000)

R

(\$7,000)

R

(1225) State Health Plan Purchasing Allian

34 Reversions From Previous Operating Budgets

\$0

R

\$0

R

Under the statutory language creating the State Health Plan Purchasing Alliance Fund, left over balances from the Board's operating budget have not been reverting to the General Fund. These past balances and the interest earned on them should be transferred from the State Health Plan Purchasing Alliance Fund to the General Fund at the end of 1996-97. This transfer will increase funds available for 1997-98 by \$648,718.

35 Miscellaneous Line Item Reductions

(\$47,000)

R

(\$47,000)

R

Reductions in operating budget:

Rent/Lease:	(\$10,000)
Transportation:	(\$5,000)
Data Processing:	(\$10,000)
Printing, binding, duplicating:	(\$17,000)
Registration Fees:	(\$1,000)
Office Equipment:	(\$4,000)

(1241) Management Information Systems

36 Reductions in Operating Expenses

(\$3,463)

R

(\$3,463)

R

Reductions in data processing maintenance and office furniture and equipment

House Subcommittee on General Government

(1264) Agency for Public Telecommunicati

37 Reductions in contractual services and travel

(\$8,920) R

(\$8,920) R

(1311) Office of State Personnel

38 Operating Budget Reductions

Reduce funds in the following line items in FY 97-98:

(\$70,406) NR

(531572) Unemp Comp Payments to ES (\$ 7,016)
 (531625) St Disability Payment (15,000)
 (532199) Misc Contractual Svs (26,000)
 (532850) Printing (2,390)
 (532942) Other Emp Educational Ex (10,000)
 (536905) Employer OJT Incentive (5,000)
 (537102) Res Emp Survey (5,000)

39 Staff for Personnel Mgmt Information System (PMIS)

\$137,934 R

\$137,934 R

The Governor recommends funding to provide two (2) computer analyst programmers and a support position to enable the Office to respond to increased mainframe data collection and analytical needs, and to continue to efficiently respond to PMIS users.

\$15,000 NR
 3.00

3.00

(1421) Facility Management

40 Delays in Operating New Buildings

Reductions recommended by the Governor due to delays in the opening of the new SBI Laboratory, the Old Revenue Building and the Natural Science Museum.

(\$678,000) NR

(\$370,000) NR

41 Additional Delays in Operating New Buildings

Additional reductions beyond those recommended by the Governor due to additional delays in the opening of the new SBI Laboratory, the Old Revenue Building and the Natural Science Museum.

(\$215,773) NR

(\$371,920) NR

42 Increase Rental Receipts

(\$1,156,250) R

(\$1,156,250) R

Increases receipts to the Department of Administration by charging rent to the State Treasurer and to the Department of Insurance. The rent paid by these agencies is offset by increases in the receipts they collect and in the non-tax revenues their operations generate. The Treasurer will be charged \$645,025. Insurance will be charged \$511,225.

43 Reduce Operating Budget for New Buildings

(\$496,440) R

(\$518,437) R

Reduces amount budgeted for indirect costs in operating new buildings.

(1623) State Capitol Police

44 Eliminate Two Vacant Property Guard Positions

(\$42,524) R

(\$42,524) R

-2.00

-2.00

House Subcommittee on General Government

(1741) Human Relations Council

45 Reduction in Miscellaneous Line Items	(\$11,938)	R	(\$11,938)	R

(1761) Youth Involvement Office

46 Increase Wages for Interns	\$77,616	R	\$77,616	R

Increases hourly wage for interns from \$5.00 to \$6.75 per hour. Increase is recommended by the Governor.

(1771) Veteran Affairs

47 Reductions in Expenses	(\$65,124)	R	(\$65,124)	R

Two veterans cemetery maintenance positions will be converted to receipts-supported positions, and motor vehicle replacements will be reduced.

(1781) Domestic Violence Program

48 Additional Position	\$50,000	R	\$50,000	R

Administrative assistant position to monitor batterers treatment programs. Recommended by Governor.

1.00

1.00

49 Funds for Local Domestic Violence Programs

Provides additional one-time funding to local domestic violence programs.

\$1,100,000	NR	\$0	NR

(1811) Advocacy for Disabled

50 Reduced Operating Expenses	(\$8,600)	R	(\$8,600)	R

Reductions in contractual services, and board member travel and subsistence

(1861) Commission of Indian Affairs

51 Delete Match for Title XX	(\$15,000)	R	(\$15,000)	R

Title XX federal funds for Indian Day Care have been discontinued. Therefore, matching funds are no longer needed.

(1862) Low-Level Radioactive Waste

52 Reductions in Communication Expense and Travel	(\$11,018)	R	(\$11,018)	R

(1871) Board of Science and Technology

53 Reduction in Communications Expense	(\$13,110)	R	(\$13,110)	R

House Subcommittee on General Government

Total Legislative Changes	(\$2,148,242)	R	(\$2,170,239)	R
	\$150,821	NR	(\$741,920)	NR
Total Position Changes	-11.00		-11.00	
Revised Budget	\$57,569,792		\$58,049,660	

State Controller

GENERAL FUND

	FY 97-98	FY 98-99
Recommended Budget	\$16,053,306	\$16,056,630
Legislative Changes		
(1000) Divisionwide		
54 Additional Operating Budget Reductions		
Reduce the following line items in FY 97-98:	(\$147,433)	NR
(532821) Data Processing Services (\$94,055)		
(5369AA) NCIH (53,378)		
55 North Carolina Information Highway	(\$5,337,824)	R (\$5,337,824) R
Provide non-recurring support in FY 97-98 for 101 existing sites - 52 high schools; 30 Community Colleges, including 1 data only site; two (2) campuses in the University System; and 17 State and local agencies. Additionally, the \$224,000 in savings that accrued in FY 96-97 may be used to fund seven (7) new sites in FY 97-98; and the Office is allowed to continue funding for long distance services and Data Hubs. Funding for FY 98-99 to be considered in the 1998 Session.	\$5,561,824 NR	
	5,337,824	
56 Year 2000 Computer Conversion	\$5,000,000	NR
Nonrecurring funding is recommended by the Governor to assist state government departments and agencies in the conversion of computer applications to accommodate year 2000 requirements.		
57 532700 Travel/Subsistence	(\$13,100)	R (\$13,100) R
Reduce the following line items each fiscal year:		
(532714) In-State transportation (\$10,000)		
(532724) In-State meals (\$ 3,100)		
Total Legislative Changes	(\$5,350,924)	R (\$5,350,924) R
	\$10,414,391	NR
Total Position Changes		
Revised Budget	\$21,116,773	\$10,705,706

Revenue

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$68,045,123		\$68,862,535	
Legislative Changes				
(0000) Departmentwide				
58 Salary Reductions/Span of Control	(\$592,976)	R	(\$592,976)	R
Reduce positions in the department as a result of the study authorized per Section 10.1, Chapter 324, 1995 Session Laws. The approach for the Department is three-fold with the elimination of nine (9) positions; reduction of salary reserve created by lowering the budgeted level of fifteen (15) revenue officer and revenue tax auditor trainee positions to the first step; and reduction of operating line items.	-9.00		-9.00	
(1600) Administration				
59 Administrative Program Reductions	(\$200,000)	R	(\$200,000)	R
Reduce funds for data processing equipment and for repairs to buildings each year of the biennium:				
FY 97-98				
(532310) Repairs - Buildings	(\$100,000)			
(534522) Equipment - Computers	(\$100,000)			
FY 98-99				
(532310) Repairs - Buildings	(\$100,000)			
(534522) Equipment - Computers	(\$100,000)			
(1620) Tax Administration				
60 Assist New Audit Positions	\$31,305	R	\$62,609	R
Add an Administrative Officer III, as recommended by the Governor, to offset increased workload resulting from the new audit positions, effective January 1, 1998.	\$8,500	NR		
	1.00		1.00	
61 Annual Corporate Reports	\$87,073	R	\$112,144	R
Provide funds for personnel and operating costs as department assumes responsibility for collection of annual corporate reports.	\$74,200	NR		
	3.00		3.00	

House Subcommittee on General Government

(1640) Tax Compliance

62 Premiums Tax Positions

(\$99,270) R (\$99,270) R

Funds transferred from the Department of Insurance regulatory charge to provide continued support for the two (2) positions that are responsible for collection of the gross premiums tax. For the Department of Revenue the transfer of funds increases receipts, reducing the General Fund appropriation.

-2.00 -2.00

(1660) Field Operations

63 Additional Interstate Audit Personnel

\$298,192 R \$629,977 R

Appropriate funds for seven (7) new auditor positions and two (2) Tax Technicians in the Interstate Audit Division per the recommendation of the Governor. Positions are effective January 1, 1998.

\$94,000 NR 9.00 9.00

(1680) Legal and Administrative Services

64 Reductions to Postage and Printing

(\$263,800) R (\$263,800) R

Adjust appropriations for the following line items each fiscal year:

(532840) Postage (\$251,800)
(532850) Printing (\$ 12,000)

Total Legislative Changes

(\$665,276) R (\$351,316) R

\$102,500 NR

Total Position Changes

2.00 2.00

Revised Budget

\$67,482,347 \$68,511,219

Cultural Resources

GENERAL FUND

	FY 97-98	FY 98-99
Recommended Budget	\$52,608,363	\$52,922,221

Legislative Changes

(0000) Departmentwide

65 Salary Reductions/Span of Control

(\$610,262)	R	(\$610,262)	R

Reduce positions in the department as a result of the study authorized per Section 10.1, Chapter 324, 1995 Session Laws. The Department will eliminate 21 positions, including three (3) supervisory positions; reduce Reserve Funds for the Museum of History and Home Creek Farm; and reduce budgets of Archives and Records, Historic Sites, and the State Library.

-21.00

-21.00

(1110) Office of the Secretary

66 Grants to Local Organizations

Provide funds to local arts, cultural, and historical organizations; and local museums as grants-in-aid.

\$1,000,000	NR

(1210) Archives and History - Admin

67 Blackbeard's Flagship

Appropriate funds for the surveillance, preservation, and protection of the shipwreck of Blackbeard's flagship, Queen Anne's Revenge.

\$1,300,000	NR

68 Newbold-White House

Realign funds in the continuation budget by moving \$47,887 in Fund 1110, line (536930) to Fund 1210, line (536934) to support Newbold-White House.

\$0	R

\$0	R

69 Maritime Museum

Transfer positions, operating support, equipment, property, and other assets of the North Carolina Maritime Museum from the Department of Agriculture to the Department of Cultural Resources, Division of Archives and History (Fund 1210).

\$792,227	R

\$786,713	R

17.25

17.25

	FY 1997-98	FY 1998-99
Requirements	\$ 792,527	\$ 787,013
Receipts	(\$ 300)	(\$ 300)
Appropriation	\$ 792,227	\$ 786,713

(1230) Archives and Records

70 North Carolina Postal History Commission

Appropriates funds to establish the NC Postal History Commission to advise the department on the collection, preservation, cataloging, publication, and exhibition of material associated with North Carolina's postal history.

\$35,000	NR

House Subcommittee on General Government

(1241) State Historic Sites

71 Reductions in Travel and Equipment

(\$30,000) R

Reduce the following line items in FY 98-99:

FY 98-99:

(532714) In-State transportation (\$15,000)

(534549) Other Motorized Vehicles (\$15,000)

(1410) State Library Services

72 Library and Learning Resources

(\$6,000) R

Reduce funds in line item 534630 in FY 98-99.

(1480) Statewide Programs & Grants

73 6960 Aid to Counties

\$2,200,000 R \$2,200,000 R

Increase funds for grants to public libraries in accordance with the formula for State-Aid to libraries.

74 NC LIVE - Statewide Electronic Library

\$1,000,000 R \$1,000,000 R

Funding to support NC-Live (North Carolina Libraries and Virtual Education), a collaborative effort among the State Library and public libraries statewide in partnership with libraries in the University of North Carolina system and the Community College system recommended by the Governor to expand access to library and information resources. Initial funds will support statewide licensing of on-line reference and research materials.

(1500) Museum of History

75 Equipment

(\$30,000) R

Reduce funds in line item 534522 in FY 98-99.

House Subcommittee on General Government

(1992) Continuation Reserves

76 Reduce Funds in Operating Reserves

(\$100,000) R (\$34,000) R

Reduce funds in the reserves both years of the biennium as follows:

FY 97-98

(537102) Museum of History

2 Hist Mus Specs, Gr. 65, eff. 9/97	(\$39,720)
1 Pub Info Asst III, Gr. 57, eff 9/97	(14,490)
Social Security	(4,022)
Retirement	(5,694)
Med Ins	(1,560)
In-State Trans	(3,000)
In-State Subsistence	(2,200)
Training and Registration	(1,000)
Printing, Binding, etc.	(1,000)
Other Mat & Supplies	(483)
Office Furniture	(1,000)

(537110) Tryon Palace

1 Painter	(\$20,336)
Social Security	(1,556)
Retirement	(2,203)
Med Ins	(1,736)

FY 98-99

(537103) Historic Sites

Hist Halifax Tap Room	
Misc Contractual Services	(\$ 5,000)
Enrg Ser - Electrical	(3,000)
Enrg - Water & Sewer	(200)
Repairs - Other	(3,500)
In-State Trans	(200)
In-State Lodging	(100)
In-State Subsistence	(100)
Telephone Service	(550)
Postage, etc.	(200)
Print, Binding, etc.	(6,250)
Other Emp Educ Exp	(100)
Other Mat & Supplies	(800)
Equip - Other	(9,000)
Art & Artifacts	(5,000)

Total Legislative Changes

\$3,281,965 R \$3,276,451 R

\$2,335,000 NR

Total Position Changes

-3.75 -3.75

Revised Budget

\$58,225,328 \$56,198,672

State Board of Elections

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$1,052,787		\$1,046,381	
Legislative Changes				
(0000) Departmentwide				
77 Computerized Voter Registration System	\$500,000	R	\$1,089,000	R
Funding to supplement the \$5.0 million computer reserves appropriated to design and implement the statewide voter registration system. Additional funds may be required to maintain the voter registration system in later years.				
(1100) Administration				
78 Reduce Printing Expenditures	(\$65,000)	R	(\$65,000)	R
Reduce the printing line item as a result of discontinuing the practice of providing absentee and supplemental ballots to county boards of elections.				
Total Legislative Changes	\$435,000	R	\$1,024,000	R
Total Position Changes				
Revised Budget	\$1,487,787		\$2,070,381	

Office of Administrative Hearings

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$2,217,486		\$2,217,486	
Legislative Changes				
(1100) Administration and Operations				
79 LAN Administrator	\$47,387	R	\$47,387	R
Provides funds to hire one person to administer local-area-network (LAN) system. Not included in Governor's recommendations.	1.00		1.00	
80 Reduce Services and Equipment	(\$10,690)	R	(\$10,690)	R
Reductions in Maintenance Agreements, Data Processing Services, Furniture & Equipment, and Printing.				
81 Administrative Law Judge Salaries	\$103,206	R	\$103,206	R
Sets salary for the Chief Administrative Law Judge equal to that fixed for District Court Judges. Sets the salaries of Administrative Law Judges at 90% of the salary of the Chief Administrative Law Judge. Establishes that the Chief Administrative Law Judge and Administrative Law Judges shall receive longevity pay.				
Total Legislative Changes	\$139,903	R	\$139,903	R
Total Position Changes	1.00		1.00	
Revised Budget	\$2,357,389		\$2,357,389	

Rules Review Commission

GENERAL FUND

	FY 97-98	FY 98-99
Recommended Budget	\$281,892	\$273,441
Legislative Changes		
(1100) Administration		
82 Other Expenses		
Appropriate funds to support legal expenses resulting from the lawsuit.	\$240,000	NR
Total Legislative Changes	\$240,000	NR
Total Position Changes		
Revised Budget	\$521,892	\$273,441

Requested by: Representatives Ives, McCombs, Sherrill

ANALYSIS OF STATE BUDGET DURING THE INTERIM

1 Section 19. (a) The President Pro Tempore of the Senate
2 shall authorize the standing Appropriations Committees and
3 standing Appropriations Subcommittees of the Senate and the
4 Speaker of the House of Representatives shall authorize the
5 standing Appropriations Committees and standing Appropriations
6 Subcommittees of the House of Representatives to meet separately
7 or jointly during the interim between the Regular 1997 and 1998
8 Sessions of the General Assembly to review matters related to the
9 State budget, the organization of State government, and any other
10 matter as they deem appropriate. The review shall include, but
11 not be limited to, an analysis of the budget of each agency to
12 determine:

- 13 (1) The cost savings that could be realized from
14 improvements in administrative structure,
15 practices, and procedures in State agencies;
16 (2) Ways to increase efficiency in budgeting and use of
17 resources; and
18 (3) Instances in which functions of agencies are
19 duplicative, overlapping, obsolete, incomplete in
20 scope or coverage, or fail to accomplish
21 legislative objectives, and should be abolished,
22 transferred, or modified to accomplish cost
23 savings.

24 d (b) The President Pro Tempore of the Senate shall
25 appoint an oversight committee comprised of the Senate
26 Appropriations Committee Chairs and one member of each Senate
27 Appropriations Subcommittee and the Speaker of the House of
28 Representatives shall appoint an oversight committee comprised of
29 the House Appropriations Committee Chairs and one member of each
30 House Appropriations Subcommittee to meet separately or jointly
31 to oversee the work of the Appropriations Committees and
32 Subcommittees during the interim.

Requested by: Representatives Ives, McCombs, Sherrill

HEALTH CARE OVERSIGHT COMMITTEE

1

2 Section @. (a) Of the funds appropriated in this act to
3 the General Assembly, the sum of fifty thousand dollars (\$50,000)
4 for the 1997-98 fiscal year and the sum of fifty thousand dollars
5 (\$50,000) for the 1998-99 fiscal year shall be allocated by the
6 Legislative Services Commission for the Joint Legislative Health
7 Care Oversight Committee established under subsection (b) of this
8 section.

9 (b) Chapter 120 of the General Statutes is amended by
10 adding the following new Article to read:

11 "ARTICLE 12K.

12 "Joint Legislative Health Care Oversight Committee.

13 "§ 120-70.96. Creation and membership of Joint Legislative
14 Health Care Oversight Committee.

15 There is established the Joint Legislative Health Care
16 Oversight Committee. The Committee consists of 14 members as
17 follows:

- 18 (1) Seven members of the Senate appointed by the
19 President Pro Tempore of the Senate, at least three
20 of whom are members of the minority party; and
21 (2) Seven members of the House of Representatives
22 appointed by the Speaker of the House of
23 Representatives, at least three of whom are members
24 of the minority party.

25 Terms on the Committee are for two years and begin on the
26 convening of the General Assembly in each odd-numbered year,
27 except the terms of the initial members, which begin on
28 appointment. Members may complete a term of service on the
29 Committee even if they do not seek reelection or are not
30 reelected to the General Assembly, but resignation or removal
31 from service in the General Assembly constitutes resignation or
32 removal from service on the Committee.

33 A member continues to serve until the member's successor is
34 appointed. A vacancy shall be filled within 30 days by the
35 officer who made the original appointment.

36 "§ 120-70.97. Purpose and powers of Committee.

37 (a) The Joint Legislative Health Care Oversight Committee shall
38 review, on a continuing basis, the provision of health care and
39 health care coverage to the citizens of this State, in order to

1 make ongoing recommendations to the General Assembly on ways to
2 improve health care for North Carolinians. To this end, the
3 Committee shall study the delivery, availability, and cost of
4 health care in North Carolina. The Committee may also study
5 other matters related to health care and health care coverage in
6 this State.

7 (b) The Committee may make interim reports to the General
8 Assembly on matters for which it may report to a regular session
9 of the General Assembly. A report to the General Assembly may
10 contain any legislation needed to implement a recommendation of
11 the Committee.

12 "§ 120-70.98. Organization of Committee.

13 (a) The President Pro Tempore of the Senate and the Speaker of
14 the House of Representatives shall each designate a cochair of
15 the Joint Legislative Health Care Oversight Committee. The
16 Committee shall meet at least once a quarter and may meet at
17 other times upon the joint call of the cochairs.

18 (b) A quorum of the Committee is eight members. No action may
19 be taken except by a majority vote at a meeting at which a quorum
20 is present. While in the discharge of its official duties, the
21 Committee has the powers of a joint committee under G.S. 120-19
22 and G.S. 120-19.1 through G.S. 120-19.4.

23 (c) Members of the Committee receive subsistence and travel
24 expenses as provided in G.S. 120-3.1. The Committee may contract
25 for consultants or hire employees in accordance with G.S. 120-
26 32.02. The Legislative Services Commission, through the
27 Legislative Services Officer, shall assign professional staff to
28 assist the Committee in its work. Upon the direction of the
29 Legislative Services Commission, the Supervisors of Clerks of the
30 Senate and of the House of Representatives shall assign clerical
31 staff to the Committee. The expenses for clerical employees shall
32 be borne by the Committee."

33

34

35

36

Requested by: Representatives Ives, McCombs, Sherrill

FIRE PROTECTION GRANT FUNDS

1 Section 20.1. (a) Chapter 58 of the General Statutes is
2 amended by adding a new Article to read:

3 "ARTICLE 85A.

4 "State Fire Protection Grant Fund.

5 "§ 58-85A-1. Creation of Fund; allocation to local fire
6 districts and political subdivisions of the State.

7 (a) There is created in the Office of State Budget and
8 Management the State Fire Protection Grant Fund. The purpose of
9 the Fund is to compensate local fire districts and political
10 subdivisions of the State for providing local fire protection to
11 State-owned buildings and their contents.

12 (b) The Office of State Budget and Management shall develop and
13 implement an equitable and uniform statewide method for
14 distributing any funds to the State's local fire districts and
15 political subdivisions.

16 Upon the request of the Director of the Budget, the Department
17 of Insurance shall provide the Office of State Budget and
18 Management all information necessary to develop and implement the
19 formula.

20 (c) It is the intent of the General Assembly to appropriate
21 annually to the State Fire Protection Grant Fund at least three
22 million eighty thousand dollars (\$3,080,000) from the General
23 Fund, one hundred fifty thousand dollars (\$150,000) from the
24 Highway Fund, and nine hundred seventy thousand dollars
25 (\$970,000) from University of North Carolina receipts to the
26 State Fire Protection Fund. Funds received from the General Fund
27 shall be allocated only for providing local fire protection for
28 State-owned property supported by the General Fund; funds
29 received from the Highway Fund shall be allocated only for
30 providing local fire protection for State-owned property
31 supported by the Highway Fund; and funds received from University
32 of North Carolina receipts shall be allocated only for providing
33 local fire protection for State-owned property supported by
34 University of North Carolina receipts."

35 (b) G.S. 143-3.7 is repealed.

36 (c) Of the funds appropriated from the General Fund to
37 the Office of State Budget and Management, the sum of three
38 million eighty thousand dollars (\$3,080,000) for the 1997-98
39 fiscal year and the sum of three million eighty thousand dollars

1 (\$3,080,000) for the 1998-99 fiscal year shall be used for the
2 State Fire Protection Grant Fund.

3 (d) Of the funds appropriated from the Highway Fund to
4 the Office of State Budget and Management, the sum of one hundred
5 fifty thousand dollars (\$150,000) for the 1997-98 fiscal year and
6 the sum of one hundred fifty thousand dollars (\$150,000) for the
7 1998-99 fiscal year shall be used for the State Fire Protection
8 Grant Fund.

9 (e) Of the funds available to The University of North
10 Carolina from federal receipts, the sum of nine hundred seventy
11 thousand dollars (\$970,000) for the 1997-98 fiscal year and the
12 sum of nine hundred seventy thousand dollars (\$970,000) for the
13 1998-99 fiscal year shall be transferred to the State Fire
14 Protection Grant Fund for the State Fire Protection Grant Fund.

Requested by: Representatives Ives, McCombs, and Sherrill
INFORMATION RESOURCES MANAGEMENT COMMISSION

1 Section @. (a) Effective July 1, 1997, G.S. 143B-
2 426.21(a) reads as rewritten:

3 "(a) Creation; Membership. -- The Information Resource
4 Management Commission is created in the Office of the State
5 Controller. The Commission consists of the following members:

6 (1) Four members of the Council of State, appointed by
7 the Governor.

8 (1a) The Secretary of State.

9 (2) The Secretary of Administration.

10 (3) The State Budget Officer.

11 (4) Two members of the Governor's cabinet, appointed by
12 the Governor.

13 (5) One citizen of the State of North Carolina with a
14 background in and familiarity with information
15 systems or telecommunications, appointed by the
16 General Assembly upon the recommendation of the
17 President Pro Tempore of the Senate in accordance
18 with G.S. 120-121.

19 (6) One citizen of the State of North Carolina with a
20 background in and familiarity with information
21 systems or telecommunications, appointed by the
22 General Assembly upon the recommendation of the
23 Speaker of the House of Representatives in
24 accordance with G.S. 120-121.

25 (7) The Chair of the Governor's Committee on Data
26 Processing and Information Systems.

27 (8) The Chair of the State Information Processing
28 Services Advisory Board.

29 (9) The Chair of the Criminal Justice Information
30 Network Governing Board.

31 Members of the Commission shall not be employed by or serve on
32 the board of directors or other corporate governing body of any
33 information systems, computer hardware, computer software, or
34 telecommunications vendor of goods and services to the State of
35 North Carolina.

36 The two initial cabinet members appointed by the Governor and
37 the two initial citizen members appointed by the General Assembly
38 shall each serve a term beginning September 1, 1992, and expiring
39 on June 30, 1995. Thereafter, their successors shall be appointed
40 for four-year terms, commencing July 1. Members of the Governor's

1 cabinet shall be disqualified from completing a term of service
2 of the Commission if they are no longer cabinet members.

3 The appointees by the Governor from the Council of State shall
4 each serve a term beginning on September 1, 1992, and expiring on
5 June 30, 1993. Thereafter, their successors shall be appointed
6 for four-year terms, commencing July 1. Members of the Council of
7 State shall be disqualified from completing a term of service on
8 the Commission if they are no longer members of the Council of
9 State.

10 Vacancies in the two legislative appointments shall be filled
11 as provided in G.S. 120-122.

12 The Commission chair shall be elected in the first meeting of
13 each calendar year from among the appointees of the Governor from
14 the Council of State and shall serve a term of one year. The
15 Secretary of Administration shall be secretary to the Commission.

16 No member of the Information Resource Management Commission
17 shall vote on an action affecting solely his or her own State
18 agency."

19 (b) This section expires June 30, 2001.

1 CODE NO. 97AUD-H002-S

2

3 Requested by: Representatives Ives, McCombs, Sherrill

4

5 ADVICE OF GOVERNMENTAL OPERATIONS ON PRIORITIZING REQUESTS FOR
6 ASSISTANCE

1 Section 22. G.S. 147-64.5(b) reads as rewritten:

2 "(b) Requests for Auditor Assistance. -- Committees of the
3 General Assembly, the Governor, and other State officials may
4 make written requests that the Auditor undertake, to the extent
5 deemed practicable and within the resources provided, a specific
6 audit or investigation; provide technical assistance and advice;
7 and provide recommendations on management systems, finance,
8 accounting, auditing, and other areas of management interest.
9 The Auditor may request the advice of the Joint Legislative
10 Commission on Governmental Operations in prioritizing these
11 requests and in determining whether the requests are practicable
12 and can be undertaken within the resources provided."

CODE NO. 97AUD-H001A

Requested by: Representatives Ives, McCombs, and Sherrill

PERFORMANCE AUDIT OF SIPS

1 Section @. The State Auditor shall conduct a
2 performance audit of State Information Processing Services
3 (SIPS). In conducting the audit, the State Auditor shall
4 consider the growth in the number of SIPS employees, the
5 distribution of work within SIPS, increases in employees'
6 salaries, use of SIPS receipts, and all other indicators of cost
7 of services in relation to service delivery, including a review
8 of the business plan and rate setting process. The State Auditor
9 shall report the results of this audit to the Joint Legislative
10 Commission on Governmental Operations prior to April 15, 1998.

CODE NO. 97TREAS-H001B-S30.20

Requested by: Representatives Ives, McCombs, and Sherrill

RETIREMENT SYSTEM ADMINISTRATIVE EXPENSES TO COMPLY WITH SUPREME COURT DECISIONS

1 Section @. The Board of Trustees of the Teachers' and
2 State Employees' Retirement System may expend an aggregate total
3 of not more than five hundred thousand dollars (\$500,000) for
4 fiscal year 1997-98 and an aggregate total of not more than two
5 hundred thousand dollars (\$200,000) for fiscal year 1998-99 from
6 assets of the Teachers' and State Employees' Retirement System
7 and the Local Governmental Employees Retirement System to meet
8 administrative expenses to comply with the Faulkenberry, Woodard
9 and Peel cases (109PA96) decided by the Supreme Court on April
10 11, 1997.

CODE NO. 97INS-H001

Requested by: Representative Ives

CONSTRUCTION CODE RECEIPTS

1 Section 23. Departmental receipts realized by the
2 Department of Insurance in excess of amounts approved for
3 expenditure by the General Assembly, as adjusted by the Office of
4 State Budget and Management to reflect the distribution of
5 statewide reserves, shall revert to the General Fund at the end
6 of each fiscal year. This section shall not apply to receipts
7 realized by the Department from the sale of copies of the State
8 construction code if the receipts are used for the purchase of
9 copies of the code for sale to the public, except that unspent
10 construction code receipts shall revert to the General Fund at
11 the end of each fiscal year.

Requested by: Representative Ives

EXPAND USE OF INSURANCE REGULATORY FUND

1 Section 23.1. G.S. 58-6-25(d) reads as rewritten:

2 "(d) Use of Proceeds. -- The Insurance Regulatory Fund is
3 created in the State treasury, under the control of the Office of
4 State Budget and Management. The proceeds of the charge levied in
5 this section and all fees collected under Articles 69 through 71
6 of this Chapter and under Articles 9 and 9C of Chapter 143 of the
7 General Statutes shall be credited to the Fund. The Fund shall be
8 placed in an interest-bearing account and any interest or other
9 income derived from the Fund shall be credited to the Fund.
10 Moneys in the Fund may be spent only pursuant to appropriation by
11 the General Assembly and in accordance with the line item budget
12 enacted by the General Assembly. The Fund is subject to the
13 provisions of the Executive Budget Act, except that no unexpended
14 surplus of the Fund shall revert to the General Fund. All money
15 credited to the Fund shall be used to reimburse the General Fund
16 for the following:

17 (1) Money appropriated to the Department of Insurance
18 to pay its expenses incurred in regulating the
19 insurance industry and other industries in this
20 State.

21 (2) Money appropriated to State agencies to pay the
22 expenses incurred in regulating the insurance
23 industry, in certifying statewide data processors
24 under Article 11A of Chapter 131E of the General
25 Statutes, and in purchasing reports of patient data
26 from statewide data processors certified under that
27 Article.

28 (3) Money appropriated to the Department of Revenue to
29 pay the expenses incurred in collecting and
30 administering the taxes on insurance companies
31 levied in Article 8B of Chapter 105 of the General
32 Statutes."

CODE NO. 97ADMIN-H003-S

Requested by: Representatives Ives, McCombs, Sherrill

COMBINE PROGRAMS TO HELP WOMEN AND CHILDREN

1 Section @. The Office of State Budget and Management
2 shall study the feasibility of consolidating the budgets and
3 services and the administration of federal and State grants for
4 domestic violence programs and rape crisis programs in the State,
5 including those programs currently administered by the Council
6 for Women, Department of Administration, the Governor's Crime
7 Commission, Department of Crime Control and Public Safety, and
8 the Division of Social Services, Department of Human Resources.
9 This study shall include an analysis of the feasibility of
10 combining budgets and services of the NC Council for Women (Fund
11 1731), the Domestic Violence Program (Fund 1781), the Domestic
12 Violence Center (Fund 1782), the Displaced Homemakers Program
13 (Fund 1732), and the Rape Crisis Program (Fund 1734) and an
14 analysis of ways to promote more efficient and effective
15 coordination of resources and services at the State and local
16 levels. The Office of State Budget and Management shall report
17 the findings and recommendations of the study to the House and
18 Senate Appropriations Subcommittees on General Government and the
19 Fiscal Research Division by March 31, 1998.

CODE NO. 97ADMIN-H004-S

Requested by: Representative Ives, McCombs, Sherrill

PROCUREMENT CARD PILOT PROGRAM

1 Section @. (a) Except as provided by this section, no
2 State agency, community college, constituent institution of The
3 University of North Carolina, or local school administrative unit
4 shall use procurement cards for the purchase of equipment or
5 supplies prior to July 1, 1998.

6 (b) The Secretary of Administration shall designate not
7 more than 15 governmental entities to participate in a pilot
8 program on the purchase of supplies and equipment by procurement
9 card. Those designated shall represent a cross-section of
10 governmental entities and shall include at least one State
11 agency, one community college, two constituent institutions of
12 The University of North Carolina, and one local school
13 administrative unit.

14 (c) The Division of Purchase and Contract and the State
15 Controller shall report to the Joint Legislative Commission on
16 Governmental Operations on March 1, 1998, on this pilot program.
17 The report shall include estimates from the pilot program of how
18 many purchasing and accounts payable personnel hours could be
19 saved or redirected or both as a result of the procurement card,
20 and the impact of the procurement card on accounting and
21 budgeting records and on purchasing history records. The report
22 shall also include a discussion of the effect of the procurement
23 card on the State's ability to track both out-of-state sales
24 taxes and North Carolina State and local sales tax payments by
25 county. Finally, the report shall include a discussion of any
26 other costs and benefits of the procurement card.

27 (d) This section does not affect contracts for
28 procurement cards entered into prior to March 31, 1997.

CODE NO. 97ADMIN-H002

Requested by: Representatives Ives, McCombs, Sherrill

STATE HEALTH PLAN PURCHASING ALLIANCE BOARD OPERATING FUNDS
REVERT

1 Section @. (a) G.S. 143-635(c) reads as rewritten:

2 "(c) Moneys appropriated by the General Assembly ~~shall be~~
3 ~~deposited in the Fund and shall become part of the continuation~~
4 ~~budget of the Department of Administration.~~ for operations of
5 the State Health Plan Purchasing Alliance Board shall not be part
6 of the State Health Plan Purchasing Alliance Fund."

7 (b) The sum of six hundred forty-eight thousand seven
8 hundred eighteen dollars (\$648,718) for the 1996-97 fiscal year
9 shall be transferred from the State Health Plan Purchasing
10 Alliance Fund to the General Fund.

11 (c) All monies for operations of the State Health Plan
12 Purchasing Alliance Board unexpended at the end of the 1996-97
13 fiscal year shall revert to the General Fund.

14 (d) This section becomes effective June 30, 1997.

15
16
17
18

1 CODE NO. 97ADMIN-H008-S

2

3 Requested by: Representatives Ives, McCombs, Sherrill

4

5 GOVERNOR'S ADVOCACY COUNCIL FOR PERSONS WITH DISABILITIES

1 Section 24.3. The Department of Human Resources shall
2 continue to provide the current office space for the four
3 regional offices of the Governor's Advocacy Council for Persons
4 with Disabilities or office space that is comparable to that now
5 used by the Council.

1 CODE NO. 97ADMIN-H007-S

2

3 Requested by: Representatives Ives, McCombs, Sherrill

4

5 FEES FOR USE OF STATE-OWNED OFFICE SPACE

1 Section 24.4. G.S. 143-342.1 reads as rewritten:

2 "\$ 143-342.1. State-owned office space; fees for use by
3 self-supporting agencies.

4 The Department shall determine equitable fees for the use of
5 State owned and operated office space, and it shall assess the
6 Department of State Treasurer, the Department of Insurance, and
7 all self-supporting agencies using any of this office space for
8 payment of these fees. For the purposes of this section,
9 self-supporting agencies are those agencies designated by the
10 Director of the Budget as being primarily funded from sources
11 other than State appropriations. Fees assessed under this section
12 shall be paid to the General Fund."

CODE NO. 97ADMIN-H005-S

Requested by: Representatives Ives, McCombs, Sherrill

PARKING REVENUES

- 1 Section 24.5. The Secretary of Administration may use
- 2 funds from parking revenues that are in excess of parking system
- 3 expense requirements to fund the fifteen dollar (\$15.00) per
- 4 month subsidies for vanpools and transit passes.

Requested by: Representative Ives

STATE CONSTRUCTION STUDY COMMISSION

- 1 Section ②. (a) The State Construction Study Commission
2 is created. The Commission shall consist of 15 members:
- 3 (1) Two members of the House of Representatives
4 appointed by the Speaker of the House of
5 Representatives,
 - 6 (2) Two members of the Senate appointed by the
7 President Pro Tempore,
 - 8 (3) The Secretary of Administration or a designee,
 - 9 (4) The Commissioner of Insurance or a designee,
 - 10 (5) The chair of the State Building Commission or a
11 designee,
 - 12 (6) One member appointed by the Speaker of the House of
13 Representatives on the recommendation of the
14 American Institute of Architects, Inc., North
15 Carolina Chapter,
 - 16 (7) One member appointed by the President Pro Tempore
17 of the Senate on the recommendation of Carolina's
18 AGC, Inc.,
 - 19 (8) One member appointed by the Speaker of the House of
20 Representatives on the recommendation of the
21 Consulting Engineers Council of North Carolina,
22 Inc.,
 - 23 (9) One member who is a plumbing contractor appointed
24 by the President Pro Tempore of the Senate on the
25 recommendation of the North Carolina Association of
26 Plumbing-Heating-Cooling Contractors, Incorporated,
 - 27 (10) One member who is a heating-cooling contractor
28 appointed by the Speaker of the House of
29 Representatives on the recommendation of the North
30 Carolina Association of Plumbing-Heating-Cooling
31 Contractors, Incorporated,
 - 32 (11) One member appointed by the President Pro Tempore
33 of the Senate on the recommendation of the
34 Carolinas Electrical Contractor's Association,
35 Inc., and
 - 36 (12) One member appointed by the Speaker of the House of
37 Representatives on the recommendation of the North
38 Carolina Association of Electrical Contractors,
39 Inc.,

1 (13) One member appointed by the President Pro Tempore
2 of the Senate on the recommendation of the American
3 Fire Sprinkler Association Carolinas Chapter,
4 Incorporated.

5 (b) The President Pro Tempore of the Senate shall
6 designate one Senator as cochairman and the Speaker of the House
7 of Representatives shall designate one Representative as
8 cochairman.

9 (c) The Commission shall study:

10 (1) Ways to streamline the review and approval
11 processes for State projects; and
12 (2) Ways to eliminate duplication of effort and
13 overlapping responsibilities among State agencies
14 involved in the review and approval processes.

15 (d) The Commission shall submit a final report of its
16 findings and recommendations to the Regular 1998 Session of the
17 1997 General Assembly by filing the report with the President Pro
18 Tempore of the Senate and the Speaker of the House of
19 Representatives. Upon filing its final report, the Commission
20 shall terminate.

21 (e) The Commission, while in the discharge of official
22 duties, may exercise all the powers provided for under the
23 provisions of G.S. 120-19, and G.S. 120-19.1 through G.S.
24 120-19.4. The Commission may meet at any time upon the joint
25 call of the cochairmen. The Commission may meet in the
26 Legislative Building or the Legislative Office Building.

27 (f) Members of the Commission shall receive subsistence
28 and travel expenses at the rates set forth in G.S. 120-3.1.

29 (g) The Commission may contract for professional,
30 clerical, or consultant services as provided by G.S. 120-32.02.
31 The Legislative Services Commission, through the Legislative
32 Administrative Officer, shall assign professional staff to assist
33 in the work of the Commission. The House of Representatives' and
34 the Senate's Supervisor of Clerks shall assign clerical staff to
35 the commission or committee, upon the direction of the
36 Legislative Services Commission. The expenses relating to
37 clerical employees shall be borne by the Commission.

38 (h) When a vacancy occurs in the membership of the
39 Commission the vacancy shall be filled by the same appointing
40 officer who made the initial appointment.

41 (i) All State departments and agencies and local
42 governments and their subdivisions shall furnish the Commission
43 with any information in their possession or available to them.

1 (j) Of the funds appropriated to the General Assembly
2 for the 1997-98 fiscal year, the sum of twenty-five thousand
3 dollars (\$25,000) shall be allocated to implement the provisions
4 of this section.

Requested by: Representatives Ives, McCombs, Sherrill

NORTH CAROLINA INFORMATION HIGHWAY

1 Section @. (a) The funds appropriated in this act to
2 the Office of State Controller for the operation of the North
3 Carolina Information Highway shall be used only for costs
4 incurred by the Office of State Controller related to the
5 operations and support of the North Carolina Information Highway.
6 No funds appropriated in this act shall be expended to pay
7 Minimum Monthly usage charges for North Carolina Information
8 Highway Services.

9 (b) Of the funds appropriated in this act, the Office
10 of the State Controller may use the two hundred twenty-four
11 thousand dollars (\$224,000) in savings that accrued in fiscal
12 year 1996-97 to fund seven new sites in fiscal year 1997-98.

13 (c) The Office of State Controller is encouraged to
14 consider new technologies and capabilities as a means of
15 providing NCIH users access to information and resources. The
16 Office of State Controller shall report to the General Assembly
17 in 1998 before the reconvening of the Regular Session on its
18 findings.

19 (d) The State Controller shall report quarterly to the
20 Joint Legislative Commission on Governmental Operations regarding
21 the costs incurred by the Office of State Controller related to
22 the operations and support of the North Carolina Information
23 Highway.

24 (e) Given the appropriations subcommittees meet in the
25 interim, the House and Senate Appropriations Subcommittees on
26 General Government will consider information leading to a
27 recommendation to adopt an alternate approach to State funding of
28 sites, effective in fiscal year 1998-99. The subcommittee is
29 not limited to the information that may be considered, and may
30 include in the review cost sharing measures that require sites to
31 participate in the annual cost of network charges; the phasing-
32 out of 100% State funding of site network charges; and the cost
33 of adding new sites with a specific period of time designated for
34 State funding of network charges.

35

CODE NO. 97CONT-H002A-S

Requested by: Representatives Ives, McCombs, and Sherrill

FUNDS FOR YEAR 2000 CONVERSION OF THE STATE'S COMPUTER SYSTEM

1 Section @. (a) The Office of State Controller shall
2 include in its charges for data processing services costs of
3 converting computer applications to operate properly at the turn
4 of the century. The State Controller shall develop procedures
5 for managing the year 2000 conversion.

6 (b) The State Controller shall analyze the needs of
7 State agencies for funds to convert their systems. In the course
8 of the analysis, the State Controller shall consider an agency's
9 need for each system it wishes to covert and the most cost-
10 effective manner in which to manage conversion. The State
11 Controller shall certify to the Office of State Budget and
12 Management the cost of each State agency for the year 2000
13 conversion.

14 (c) The Director of the Budget may use up to twenty
15 million dollars (\$20,000,000 of projected 1997-98 General Fund
16 reversions to cover the cost of the year 2000 conversion in
17 General Fund agencies during the 1997-98 fiscal year.

18 (d) Beginning October 1, 1997, and quarterly
19 thereafter, the Office of State Controller shall report to the
20 Joint Legislative Commission on Governmental Operations on the
21 status of the conversion and cost projections.

CODE NO. 97CULRES-H002-S

Requested by: Representatives Ives, McCombs, Sherrill

DEPARTMENT OF CULTURAL RESOURCES RETAIN HISTORICAL PUBLICATIONS
RECEIPTS

1 Section @. The Historical Publications Section,
2 Division of Archives and History, Department of Cultural
3 Resources, may retain the receipts, including over-realized
4 receipts, from the sale of its publications during each year of
5 the 1997-99 biennium. The receipts from the sale of those
6 publications retained by the Historical Publications Section
7 shall not revert, but shall be used to reprint the publications.

CODE NO. 97CULRES-H003-S

Requested by: Representatives Ives, McCombs, Sherrill

MODIFY THE AREAS OF RESPONSIBILITY OF THE ROANOKE ISLAND
COMMISSION

1 Section @. G.S. 143B-131.2(b)(1) reads as rewritten:
2 "(1) To advise the Secretary of Transportation and adopt
3 rules on matters pertaining to, affecting, and
4 encouraging restoration, preservation, and
5 enhancement of the appearance, maintenance, and
6 aesthetic quality of U.S. Highway 64/264 and the
7 U.S. 64/264 Bypass and N.C. 400 travel corridors on
8 Roanoke Island and the grounds on ~~Ice Plant Island~~.
9 Roanoke Island Festival Park."

CODE NO. 97CULRES-H005B

Requested by: Representatives Ives, McCombs, Sherrill

MUSEUM OF HISTORY RESTAURANT

1 Section @. Within the funds available, the Secretary of
2 Cultural Resources may contract with any person, firm, or
3 corporation to provide restaurant services in the North Carolina
4 Museum of History, as provided in subdivisions (16) and (17) of
5 G.S. 121-4. The Secretary shall negotiate a contract based on
6 marketable prices for the leased space and a percentage of gross
7 income. The contract shall provide that any agreed upon profits
8 are payable only to the Department of Cultural Resources.
9 Proceeds derived from the contract shall be reflected in the
10 Museum of History's budget as a receipt to reduce the General
11 Fund appropriation.

CODE NO. 97CULRES-H010B

Requested by: Representatives Ives, McCombs, Sherrill

PROCEDURE FOR AWARD OF CULTURAL RESOURCES GRANTS

1 Section @. Of the funds appropriated to the Department
2 of Cultural Resources, the sum of one million dollars
3 (\$1,000,000) for the 1997-98 fiscal year shall be equally divided
4 for grants for cultural, historical, or artistic projects, and
5 for local museums. Grants shall be allocated to nonprofit
6 organizations or local governmental entities throughout the State
7 for cultural, historical, or artistic organizations, in
8 accordance with administrative guidelines issued by the Secretary
9 of the Department of Cultural Resources. Grants shall be limited
10 to amounts of one hundred thousand dollars (\$100,000) or less;
11 and the Secretary of Cultural Resources may require a match of
12 non-State funds as deemed appropriate for local museums.

13 In awarding grants, the Secretary shall consider the
14 merits of the project, the cultural, historical, or artistic
15 significance of the project, the benefit to the State and local
16 communities of the project, and the cost of the project. Prior
17 to awarding grants, the Secretary shall consult with the Joint
18 Legislative Commission on Governmental Operations.

Requested by: Representatives Ives, McCombs, Sherrill, Decker

NORTH CAROLINA POSTAL HISTORY COMMISSION

1 Section 6. Chapter 143 of the General Statutes is
2 amended by adding a new Article to read:

3 "ARTICLE 71.

4 "North Carolina Postal History Commission.

5 "§ 143-675. Commission established; purpose; members; terms of
6 office; quorum; compensation; termination.

7 (a) Establishment. -- There is established the North Carolina
8 Postal History Commission. The Commission shall be located within
9 the Department of Cultural Resources for organizational,
10 budgetary, and administrative purposes.

11 (b) Purpose. -- The purpose of the Commission is to advise the
12 Secretary of Cultural Resources on the collection, preservation,
13 cataloging, publication, and exhibition of material associated
14 with North Carolina's postal history.

15 (c) Membership. -- The Commission shall consist of 16 members,
16 as follows:

17 (1) Four persons appointed by the Governor, two of whom
18 shall be recommended by the President of the North
19 Carolina Postal History Society.

20 (2) Four persons appointed by the President Pro Tempore
21 of the Senate, two of whom shall be recommended by
22 the President of the North Carolina Postal History
23 Society.

24 (3) Four persons appointed by the Speaker of the House
25 of Representatives, two of whom shall be
26 recommended by the President of the North Carolina
27 Postal History Society.

28 (4) Four persons appointed by the Secretary of Cultural
29 Resources, two of whom shall be recommended by the
30 President of the North Carolina Postal History
31 Society.

32 The members appointed to the North Carolina Postal History
33 Commission shall be chosen from among individuals who have
34 education or experience in the fields of archives preservation,
35 North Carolina history, historical administration, museum
36 administration, or a knowledge of North Carolina's postal
37 history.

38 (d) Terms. -- Members shall serve for the duration of the
39 Commission. Initial terms shall commence July 1, 1997.

1 (e) Chair. -- The chair shall be elected biennially from the
2 membership of the Commission from among its members. The initial
3 term shall commence July 1, 1997.

4 (f) Vacancies. -- Vacancies resulting from the resignation of
5 a member or otherwise shall be filled in the same manner in which
6 the original appointment was made, and the term shall be for the
7 balance of the unexpired term.

8 (g) Compensation. -- The Commission members shall receive no
9 salary as a result of serving on the Commission but shall receive
10 per diem, subsistence, and travel expenses in accordance with the
11 provisions of G.S. 120-3.1, 138-5, and 138-6, as applicable.

12 (h) Removal. -- Members may be removed in accordance with G.S.
13 143B-13.

14 (i) Meetings. -- The chair shall convene the Commission. The
15 Commission shall meet at least quarterly until an exhibit on
16 postal history is mounted and at least semiannually thereafter.

17 (j) Quorum. -- A majority of the members of the Commission
18 shall constitute a quorum for the transaction of business. The
19 affirmative vote of a majority of the members present at meetings
20 of the Commission shall be necessary for action to be taken by
21 the Commission.

22 (k) Termination of Commission. -- The Commission shall
23 terminate June 30, 2000.

24 "§ 143-676. Powers and duties of the Commission.

25 (a) Powers and Duties. -- The Commission shall have the
26 following powers and duties:

27 (1) To advise the Secretary of Cultural Resources on
28 the collection, preservation, cataloging,
29 publication, and exhibition of materials associated
30 with North Carolina's postal history in cooperation
31 with the North Carolina Museum of History.

32 (2) To adopt bylaws by a majority vote of the
33 Commission.

34 (3) To accept grants, contributions, devises, bequests,
35 gifts, and services for the purpose of providing
36 support to the Commission. The funds and property
37 shall be retained by the Commission, and the
38 Commission shall prescribe rules under which the
39 Commission may accept donations of money, property,
40 or personal services, and determine the value of
41 donations of property or personal services.

42 (b) Contract Authority. -- The Commission may procure
43 supplies, services, and property as appropriate and may enter
44 into contracts, leases, or other legal agreements within funds

1 available to carry out the purposes of this Article. All
2 contracts, leases, or legal agreements entered into by the
3 Commission shall terminate on the date of termination of the
4 Commission. Termination shall not affect any disputes or causes
5 of action of the Commission that arise before the date of
6 termination, and the Department of Cultural Resources may
7 prosecute or defend any causes of action arising before the date
8 of termination. All property acquired by the Commission that
9 remains in the possession of the Commission on the date of
10 termination shall become the property of the Department of
11 Cultural Resources.

12 "§ 143-677. Assignment of property; offices.

13 (a) Assignment of Property. -- Upon request of the Commission,
14 the head of any State agency may assign property, equipment, and
15 personnel of such agency to the Commission to assist the
16 Commission in carrying out its duties under this Article.
17 Assignments under this subsection shall be without reimbursement
18 by the Commission to the agency from which the assignment was
19 made. Property and equipment that remains in the possession of
20 the Commission on the date of the termination of the Commission
21 shall revert to the agency from which the property was acquired.

22 (b) Office Space. -- The Department of Cultural Resources
23 shall provide office space in Raleigh for use as offices by the
24 North Carolina Postal History Commission, and the Department of
25 Cultural Resources shall receive no reimbursement from the
26 Commission for the use of the property during the life of the
27 Commission.

28 "§ 143-678. Commission reports.

29 (a) Annual Report. -- Before July 1, 1998, the Commission shall
30 submit to the General Assembly a comprehensive report
31 incorporating specific recommendations of the Commission. After
32 the initial report, the Commission shall submit a report to the
33 General Assembly within 30 days of the convening of each regular
34 session of the General Assembly.

35 (b) Final Report. -- The Commission shall submit a final report
36 to the General Assembly no later than June 30, 2002. The final
37 report shall include:

- 38 (1) A summary of the activities of the Commission.
39 (2) A final accounting of funds received and expended
40 by the Commission.

41 "§ 143-679. Application of Article.

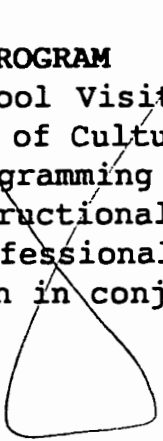
42 The provisions of Article 1 of Chapter 121 of the General
43 Statutes apply to the Commission."

CODE NO. 97CULRES-H001

Requested by: Representatives Ives, McCombs, Sherrill

SCHOOL VISIT/BALLET THEATER PROGRAM

1 Section @. The School Visit/Ballet Theater Program is
2 established in the Department of Cultural Resources. The program
3 shall offer educational programming through the provision of
4 preparatory classroom instructional materials and teacher
5 training and a live, professional, in-theater performance
6 experience for school children in conjunction with a school visit
7 to the City of Raleigh.



CODE NO. 97CULRES-H009

Requested by: Representatives Ives, McCombs, Sherrill,
Culpepper

PRESERVATION OF BLACKBEARD'S FLAGSHIP

1 Section @. Of the funds appropriated in this act for
2 the 1997-98 fiscal year to the Department of Cultural Resources,
3 the sum of one million three hundred thousand dollars
4 (\$1,300,000) shall be used for the surveillance, preservation,
5 and protection of the shipwreck of Blackbeard's flagship, Queen
6 Anne's Revenge, and a systematic underwater archaeological
7 recovery of cargo, tackle, and artifacts for preservation,
8 interpretation, and display.

CODE NO. 97CULRES-H011A

Requested by: Representatives Ives, McCombs, Sherrill,
Culpepper

NEWBOLD-WHITE HOUSE FUNDS

1 Section @. Of the funds appropriated to the Department
2 of Cultural Resources in Fund 1110 (Code 536930), the sum of
3 forty-seven thousand eight hundred eighty-seven dollars (\$47,887)
4 shall be used for support of the Newbold-White House for each
5 year of the 1997-99 biennium.

STATE BOARD OF ELECTIONS

Requested by: Representatives Ives, McCombs, and Sherrill

STATEWIDE DATA ELECTIONS MANAGEMENT SYSTEM

Section @. (a) The State Board of Elections shall establish a statewide data elections management system. The system shall prescribe data format standards, data communication standards, and data content standards. The State Board of Elections shall establish the system no later than November 1, 1997. Counties shall adhere to the standards prescribed by the system no later than August 31, 1998. The State Board of Elections may adopt rules to implement this section. Chapter 150B of the General Statutes governs the adoption of rules by the State Board of Elections.

(b) Of the funds appropriated in this act to the State Board of Elections for a statewide data elections management system, the sum of one hundred fifty thousand dollars (\$150,000) may be used by the State Board of Elections to hire a project manager, to research and determine the needs of the local boards of election in each county, and to develop a needs assessment report.

(c) The remainder of the funds appropriated in Section 13.2 of Chapter 597 of the 1995 Session Laws shall be used to develop, implement, and operate a statewide data elections management system, which will include voter registration, campaign reporting, and election night returns. These funds shall be used only after the State Board of Elections and the Information Resource Management Commission have jointly approved and submitted a written, detailed implementation plan for statewide data elections management to the Joint Legislative Commission on Governmental Operations. That implementation plan shall include:

- (1) A description of the system being implemented;
- (2) A description of the system's capabilities, including user-friendliness;

- (3) An itemized estimate of the costs of the system, with a justification for each item, including a plan for implementing the system within the funds appropriated;
- (4) A list of the counties to be brought into the system during the fiscal year; and
- (5) A proposed project management plan.

After their initial joint report, the State Board of Elections and the Information Resource Management Commission shall make written quarterly joint reports to the Joint Legislative Commission on Governmental Operations, describing the status of the project, listing the counties that have been brought into the system and that are planned to be brought into the system, and the costs.

(d) To the extent that this section conflicts with G.S. 163-82.11 through G.S. 163-82.13, with Section 16 of Chapter 769 of the 1993 Session Laws, or with Section 13.2 of Chapter 507 of the 1995 Session Laws, this section prevails to the extent of the conflict. Except to the extent of the conflict, Section 16 of Chapter 769 of the 1993 Session Laws remains in effect.

CODE NO. 97SBE-H003A

Requested by: Representative Ives

STATE TO SUPPLY ABSENTEE BALLOTS TO COUNTY ONLY IF IT IS
SUPPLYING BALLOTS FOR THAT COUNTY FOR USE AT THE PRECINCTS

1 Section @. (a) G.S. 163-136 is amended by adding a new
2 subsection to read:

3 "(e) Notwithstanding any other provision of law, the State
4 Board of Elections shall supply absentee and supplemental ballots
5 for use by a county board of elections only if the State is
6 supplying all the ballots to the county for all elections."

7 (b) This section applies to elections conducted on or
8 after January 1, 1998.

CODE NO. 97OAH-H001F

Requested by: Representatives Ives, McCombs, Sherrill

ADMINISTRATIVE LAW JUDGE SALARY

1 Section @. G.S. 7A-751 reads as rewritten:

2 "§ 7A-751. Agency head; powers and ~~duties~~; duties; salaries of
3 Chief Administrative Law Judge and other administrative law
4 judges.

5 (a) The head of the Office of Administrative Hearings is the
6 Chief Administrative Law Judge. ~~He~~ The Chief Administrative Law
7 Judge shall serve as Director and have the powers and duties
8 conferred on him or her by this Chapter and the Constitution and
9 laws of this State. ~~His~~ The salary of the Chief Administrative
10 Law Judge shall be fixed by the General Assembly in the Current
11 Operations Appropriations Act. the same as that fixed from time
12 to time for district court judges.

13 In lieu of merit and other increment raises, the Chief
14 Administrative Law Judge shall receive longevity pay on the same
15 basis as is provided to employees of the State who are subject to
16 the State Personnel Act.

17 (b) The salary of other administrative law judges shall be
18 ninety percent (90%) of the salary of the Chief Administrative
19 Law Judge.

20 In lieu of merit and other increment raises, an administrative
21 law judge shall receive longevity pay on the same basis as is
22 provided to employees who are subject to the State Personnel
23 Act."

VISITOR REGISTRATION SHEET

General Government 5/29/97

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

#	NAME	FIRM OR AGENCY
1.	<u>George Mours</u>	<u>OSC</u>
2.	<u>Shawn Conady</u>	<u>OSC</u>
3.	<u>Jim Broadwell</u>	<u>OSC</u>
4.	<u>Richard Kelly</u>	<u>OSC</u>
5.	<u>Paul Miller</u>	<u>NCSFA</u>
6.	<u>Roger Bae</u>	<u>Bove of Assoc - NC Fire app</u>
7.	<u>Robb Cooke</u>	<u>DOA - Fiscal Mgmt</u>
8.	<u>Julian Mann</u>	<u>OAH</u>
9.	<u>Carl Goodwin</u>	<u>OSP</u>
10.	<u>David Brook</u>	<u>DCK</u>
11.	<u>Johnnie McLean</u>	<u>S.B.O.E.</u>
22.	<u>Jim Napell</u>	<u>OSBM</u>
23.	<u>James Lorman</u>	<u>OSBM</u>
24.	<u>Ascherl Propler</u>	<u>DOT</u>
25.	<u>Kathie Austin PADGETT</u>	<u>OSPL</u>
26.	<u>Heather Jail</u>	<u>OSH</u>
27.	<u>Deborah Wierceles</u>	<u>Bove Assoc.</u>
28.	<u>Norma Rosafeld</u>	<u>DCE</u>
29.	<u>Jeffrey J. Brown</u>	<u>DCR</u>
30.	<u>Pam Deardorff</u>	<u>YAIO / DOA</u>
31.	<u>TDXant</u>	<u>American Institute Architects</u>

HOUSE APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT
MINUTES

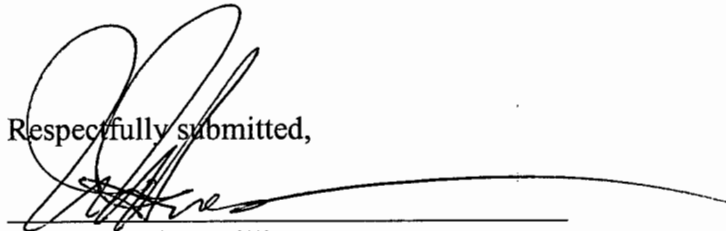
July 15, 1997

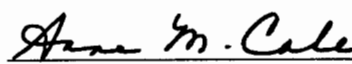
The House Appropriations Subcommittee on General Government met immediately after the adjournment of the House session on July 15, 1997, around the chamber desk of Representative Ives, committee cochair. The following members were present: Representatives Ives, McCombs and Sherrill, cochairs, and Representatives Braswell, Culpepper, Ellis and Wainwright.

Representative Ives offered a proposed committee substitute for House Bill 745 and it was adopted for discussion. He explained that the committee substitute required the State Board of Elections to reimburse county boards of elections for required legal notices for statewide referenda. Additionally, it would allow any county board of elections to conduct One-Stop absentee ballot voting on the voting equipment it uses on election day, under certain conditions. Representative Sherrill moved for a favorable report to the committee substitute and unfavorable report to the original bill. Motion carried. There was a title change in the committee substitute bill.

The meeting adjourned.

Respectfully submitted,



Representative William Ives
Presiding Cochair

Anne M. Cole
Acting Committee Clerk

Attachments:

Memo from Staff Attorney - explanation of proposed committee substitute
Committee Report

PUBLIC BILL

745

H.B. 529

CHAP. _____

A BILL TO BE ENTITLED

AN ACT TO PROVIDE THAT THE STATE SHALL PAY THE COST OF ANY REQUIRED LEGAL ADVERTISING IT REQUIRES COUNTIES TO PLACE IN CONNECTION WITH ANY REFERENDUM PLACED ON THE BALLOT BY THE GENERAL ASSEMBLY.

Introduced by Representative(s) Ives

_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

<i>Principal Clerk's Use Only</i> PASSED 1st READING APR 2 1997 AND REFERRED TO COMMITTEE ON <u>State Government</u> <i>if favorable, Appropriations</i> Committee on <u>State Government</u> majority being present, having considered bill, recommend that it do <u>pass</u>; <u>Rep. John H. Weatherly</u> <u>Chairman</u> <i>and re-referred to Appropriations</i> REPORTED FAVORABLY APR 23 1997 <i>re-referred to Appropriation</i> The Committee/Subcommittee on <u>Appropriations</u> refers bill to <u>Sub-General Government</u> <u>P. Holmes, Esposito, Sweeney, and</u> For the Committee <u>Crawford</u>	Referred to ~~Committee~~/Subcommittee on <u>General Govt.</u> JUL 1 0 1997	

**1997 PERMANENT SUBCOMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

FOR RECOMMENDING BILLS TO STANDING COMMITTEE OR TO THE FLOOR OF THE HOUSE
The following report(s) from permanent sub committee(s) is/are presented:

By Representative(s) IVES, McCOMBS, AND SHERRILL for the Permanent Subcommittee on
General Government of the Standing Committee on APPROPRIATIONS.

☐ Committee Substitute for

H.B. 745

☐ A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT THE
STATE SHALL PAY THE COST OF ANY REQUIRED LEGAL ADVERTISING IT REQUIRES
COUNTIES TO PLACE IN CONNECTION WITH ANY REFERENDUM PLACED ON THE
BALLOT BY THE GENERAL ASSEMBLY.

REPORTED TO THE STANDING COMMITTEE ON

RECOMMENDED ACTION:

- ☐ With a favorable recommendation.
- ☐ With a favorable recommendation and recommend that the bill be re-referred to the Committee on
- ☐ With a favorable recommendation, as amended.
- ☐ With a favorable recommendation, as amended, and recommend that the bill be re-referred to the
Committee on
- ☐ With an unfavorable recommendation.
- ☐ With a favorable recommendation as to proposed committee substitute bill which changes the
title, unfavorable as to original bill.
- ☐ With a favorable recommendation as to proposed House committee substitute bill, which
changes the title, unfavorable as to Senate committee substitute bill.
- ☐ Without prejudice.
- ☐ Other recommended action: -----

WITH APPROVAL OF STANDING COMMITTEE CHAIR FOR REPORT TO BE MADE DIRECTLY
TO THE FLOOR OF THE HOUSE:

Reps. HOLMES, CREECH, ESPOSITO AND CRAWFORD for the Standing Committee on
APPROPRIATIONS.

s/ George M. Holmes

- ☐ With a favorable report.
- ☐ With a favorable report, as amended.
- ☒ With a favorable report as to committee substitute bill, ☒ which changes the title, unfavorable as
to original bill.
- ☐ And having received a unanimous vote in committee, be placed on the Consent Calendar.
(PUBLIC BILLS ONLY)

4/24/97

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

D

HOUSE BILL 745

Proposed Committee Substitute H745-PCS8261

Short Title: Election Notices/One-Stop.

(Public)

Sponsors:

Referred to:

April 2, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE THAT THE STATE SHALL PAY THE COST OF ANY
3 REQUIRED LEGAL ADVERTISING IT REQUIRES COUNTIES TO PLACE IN
4 CONNECTION WITH ANY REFERENDUM PLACED ON THE BALLOT BY
5 THE GENERAL ASSEMBLY; AND TO ALLOW A COUNTY BOARD OF
6 ELECTIONS TO CONDUCT ONE-STOP VOTING ON ITS ELECTION-DAY
7 VOTING EQUIPMENT UNDER CERTAIN CIRCUMSTANCES.
8 The General Assembly of North Carolina enacts:
9 Section 1. G.S. 163-33(8) reads as rewritten:
10 "(8) To provide for the issuance of all notices, advertisements, and
11 publications concerning elections required by law. If the election
12 is on a State bond issue, an amendment to the Constitution, or
13 approval of an act submitted to the voters of the State, the State
14 Board of Elections shall reimburse the county boards of elections
15 for their reasonable additional costs in placing such notices,
16 advertisements, and publications. In addition, the county board of
17 elections shall give notice at least 20 days prior to the date on
18 which the registration books or records are closed that there will
19 be a primary, general or special election, the date on which it will
20 be held, and the hours the voting places will be open for voting in
21 that election. The notice also shall describe the nature and type of
22 election, and the issues, if any, to be submitted to the voters at that
23 election. Notice shall be given by advertisement at least once

1 weekly during the 20-day period in a newspaper having general
2 circulation in the county and by posting a copy of the notice at the
3 courthouse door. Notice may additionally be made on a radio or
4 television station or both, but such notice shall be in addition to
5 the newspaper and other required notice. This subdivision shall
6 not apply in the case of bond elections called under the provisions
7 of Chapter 159."

8 Section 2. G.S. 163-227.2 reads as rewritten:

9 "§ 163-227.2. **Alternate procedures for requesting application for absentee ballot;**
10 **'one-stop' voting procedure in board office.**

11 (a) A person expecting to be absent from the county in which he is registered
12 during the entire period that the polls are open on the day of an election in which
13 absentee ballots are authorized or is eligible under G.S. 163-226(a)(2), 163-226(a)(3a),
14 or 163-226(a)(4) may request an application for absentee ballots, complete the
15 application, receive the absentee ballots, vote and deliver them sealed in a container-
16 return envelope to the county board of elections in the county in which he is
17 registered under the provisions of this section.

18 (b) Not earlier than the ~~twenty-fourth day~~ first business day after the twenty-fifth
19 day before an election, in which absentee ballots are authorized, in which he seeks to
20 vote and not later than 5:00 P.M. on the Friday prior to that election, the voter shall
21 appear in person only at the office of the county board of elections and request that
22 the chairman, a member, or the director of elections of the board, or an employee of
23 the board of elections, authorized by the board, furnish him with an application form
24 as specified in G.S. 163-227. The voter shall complete the application in the presence
25 of the chairman, member, director of elections or authorized employee of the board,
26 and shall deliver the application to that person.

27 (c) If the application is properly filled out, the chairman, member, director of
28 elections of the board, or employee of the board of elections, authorized by the
29 board, shall enter the voter's name in the register of absentee ballot applications and
30 ballots issued; shall furnish the voter with the instruction sheets called for by G.S.
31 163-229(c); shall furnish the voter with the ballots to which the application for
32 absentee ballots applies; and shall furnish the voter with a container-return envelope.
33 The voter thereupon shall comply with the provisions of G.S. 163-231(a) except that
34 he shall deliver the container-return envelope to the chairman, member, director of
35 elections of the board, or an employee of the board of elections, authorized by the
36 board, immediately after making and subscribing the certificate printed on the
37 container-return envelope as provided in G.S. 163-229(b). All actions required by
38 this subsection shall be performed in the office of the board of elections. For the
39 purposes of this section only, the chairman, member, director of elections of the
40 board, or full-time employee, authorized by the board shall sign the application and
41 certificate as the witness and indicate the official title held by him or her.
42 Notwithstanding G.S. 163-231(a), in the case of this subsection, only one witness shall
43 be required on the certificate.

1 (d) Only the chairman, member or director of elections of the board shall keep
2 the voter's application for absentee ballots and the sealed container-return envelope
3 in a safe place, separate and apart from other applications and container-return
4 envelopes. At the first meeting of the board pursuant to G.S. 163-230(2) held after
5 receipt of the application and envelope, the chairman shall comply with the
6 requirements of G.S. 163-230(1) and G.S. 163-230(2)b. and c. If the voter's
7 application for absentee ballots is approved by the board at that meeting, the
8 application form and container-return envelope, with the ballots enclosed, shall be
9 handled in the same manner and under the same provisions of law as applications
10 and container-return envelopes received by the board under other provisions of this
11 Article. If the voter's application for absentee ballots is disapproved by the board,
12 the board shall so notify the voter stating the reason for disapproval by first-class mail
13 addressed to the voter at his residence address or at the address shown in the
14 application for absentee ballots; and the board chairman shall retain the container-
15 return envelope in its unopened condition until the day of the primary or election to
16 which it relates and on that day he shall destroy the container-return envelope and
17 the ballots therein, without, however, revealing the manner in which the voter
18 marked the ballots.

19 (e) The voter shall vote his absentee ballot in a voting booth and the county board
20 of elections shall provide a voting booth for that purpose, provided however, that the
21 county board of elections may in the alternative provide a private room for the voter
22 adjacent to the office of the board, in which case the voter shall vote his absentee
23 ballot in that room. The voting booth shall be in the office of the county board of
24 elections. If the voter needs assistance in getting to and from the voting booth and in
25 preparing and marking his ballots or if he is a blind voter, only a member of the
26 county board of elections, the director of elections, an employee of the board of
27 elections authorized by the board, a near relative of the voter as defined in G.S. 163-
28 227(c)(4), or the voter's legal guardian shall be entitled to assist the voter.

29 (e1) If a county uses a voting system with retrievable ballots, that county's board of
30 elections may by resolution elect to conduct one-stop absentee voting according to
31 the provisions of this subsection. In a county in which the board has opted to do so, a
32 one-stop voter shall cast the ballot and then shall deposit the ballot in the ballot box
33 or voting system in the same manner as if such box or system was in use in a precinct
34 on election day. At the end of each business day, or at any time when there will be
35 no employee or officer of the board of elections on the premises, the ballot box or
36 system shall be secured in accordance with a plan approved by the State Board of
37 Elections, which shall include that no additional ballots have been placed in the box
38 or system. Any county board desiring to conduct one-stop voting according to this
39 subsection shall submit a plan for doing so to the State Board of Elections. The State
40 Board shall adopt standards for conducting one-stop voting under this subsection and
41 shall approve any county plan that adheres to its standards. The county board shall
42 adhere to its State Board-approved plan. The plan shall provide that each one-stop
43 ballot shall have a ballot number on it in accordance with G.S. 163-230(3)a., or shall
44 have an equivalent identifier to allow for retrievability. The standards shall address

1 retrievability in one-stop voting on direct record electronic equipment where no
2 paper ballot is used.

3 (f) Notwithstanding the exception specified in G.S. 163-36, counties which operate
4 a modified full-time office shall remain open five days each week during regular
5 business hours consistent with daily hours presently observed by the county board of
6 elections, commencing with the date prescribed in G.S. 163-227.2(b) and continuing
7 until 5:00 P.M. on the Friday prior to that election or primary. The boards of county
8 commissioners shall provide necessary funds for the additional operation of the office
9 during such time."

10 Section 3. This act is effective when it becomes law.



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July 14, 1997

TO: Rep. William Ives.

FROM: William R. Gilkeson, Staff Attorney.

RE: Proposed Committee Substitute for House Bill 745 – Election Notices/One-Stop.

The Proposed Committee Substitute for House Bill 745, introduced by Rep. Ives, would do two things:

1. Require the State Board of Elections to reimburse county boards of elections for required legal notices for statewide referenda.
2. Allow any county board of elections to conduct One-Stop absentee ballot voting on the voting equipment it uses on election day, under certain conditions. *One-Stop voting has been in existence since 1973. It provides that a voter who cannot be at the polls on election day may vote in person at the county elections office during the three weeks before the election. Currently, in most counties the ballot a person must vote in One-Stop is the same as a ballot a person must use if voting absentee by mail. Those ballots must be sealed in envelopes and removed on election day to be counted then. Because they found that process to be burdensome and unnecessary, 10 counties have in recent years successfully sought local legislation to allow them to conduct One-Stop voting on the same equipment they use at the polls on election day. Those counties are Durham, Gaston, Guilford, Mecklenburg, Pasquotank, Randolph, Union, Wake, Watauga, and Wilson. Several of those counties use "direct record electronic" equipment, on which voting is a paperless process. The PCS for HB 745 would allow the other 90 counties the same option. The bill would allow a county to conduct One-Stop on its election-day equipment if:*
 - The election-day voting equipment allows for a ballot later determined to be ineligible to be retrieved so that it is not counted. Because some counties have the kind of election-day equipment that does not permit retrievability of ballots (e.g., lever machines), they would not qualify.
 - The county board chooses by resolution to do so.
 - The county board presents a plan to the State Board that the State Board approves as complying with its standards. Those standards must include security against fraud.

Both parts of the bill would be effective when the bill becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

D

HOUSE BILL 745

Proposed Committee Substitute -- H745-PCSRR-002

Short Title: Election Notices/One-Stop.

(Public)

Sponsors:

Referred to: State Government, if favorable, Appropriations.

April 2, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE THAT THE STATE SHALL PAY THE COST OF ANY
3 REQUIRED LEGAL ADVERTISING IT REQUIRES COUNTIES TO PLACE IN
4 CONNECTION WITH ANY REFERENDUM PLACED ON THE BALLOT BY THE
5 GENERAL ASSEMBLY; AND TO ALLOW A COUNTY BOARD OF ELECTIONS TO
6 CONDUCT ONE-STOP VOTING ON ITS ELECTION-DAY VOTING EQUIPMENT
7 UNDER CERTAIN CIRCUMSTANCES.
8 The General Assembly of North Carolina enacts:
9 Section 1. G.S. 163-33(8) reads as rewritten:
10 "(8) To provide for the issuance of all notices,
11 advertisements, and publications concerning
12 elections required by law. If the election is on a
13 State bond issue, an amendment to the Constitution,
14 or approval of an act submitted to the voters of
15 the State, the State Board of Elections shall
16 reimburse the county boards of elections for their
17 reasonable additional costs in placing such
18 notices, advertisements, and publications. In
19 addition, the county board of elections shall give
20 notice at least 20 days prior to the date on which
21 the registration books or records are closed that
22 there will be a primary, general or special
23 election, the date on which it will be held, and

1 the hours the voting places will be open for voting
2 in that election. The notice also shall describe
3 the nature and type of election, and the issues, if
4 any, to be submitted to the voters at that
5 election. Notice shall be given by advertisement
6 at least once weekly during the 20-day period in a
7 newspaper having general circulation in the county
8 and by posting a copy of the notice at the
9 courthouse door. Notice may additionally be made
10 on a radio or television station or both, but such
11 notice shall be in addition to the newspaper and
12 other required notice. This subdivision shall not
13 apply in the case of bond elections called under
14 the provisions of Chapter 159."

15 Section 2. G.S. 163-227.2 reads as rewritten:
16 "\$ 163-227.2. Alternate procedures for requesting application
17 for absentee ballot; "one-stop" voting procedure in board office.
18 (a) A person expecting to be absent from the county in which
19 he is registered during the entire period that the polls are open
20 on the day of an election in which absentee ballots are
21 authorized or is eligible under G.S. 163-226(a)(2), 163-
22 226(a)(3a), or 163-226(a)(4) may request an application for
23 absentee ballots, complete the application, receive the absentee
24 ballots, vote and deliver them sealed in a container-return
25 envelope to the county board of elections in the county in which
26 he is registered under the provisions of this section.
27 (b) Not earlier than the ~~twenty-fourth day~~ first business day
28 after the twenty-fifth day before an election, in which absentee
29 ballots are authorized, in which he seeks to vote and not later
30 than 5:00 P.M. on the Friday prior to that election, the voter
31 shall appear in person only at the office of the county board of
32 elections and request that the chairman, a member, or the
33 director of elections of the board, or an employee of the board
34 of elections, authorized by the board, furnish him with an
35 application form as specified in G.S. 163-227. The voter shall
36 complete the application in the presence of the chairman, member,
37 director of elections or authorized employee of the board, and
38 shall deliver the application to that person.
39 (c) If the application is properly filled out, the chairman,
40 member, director of elections of the board, or employee of the
41 board of elections, authorized by the board, shall enter the
42 voter's name in the register of absentee ballot applications and
43 ballots issued; shall furnish the voter with the instruction
44 sheets called for by G.S. 163-229(c); shall furnish the voter

1 with the ballots to which the application for absentee ballots
2 applies; and shall furnish the voter with a container-return
3 envelope. The voter thereupon shall comply with the provisions
4 of G.S. 163-231(a) except that he shall deliver the container-
5 return envelope to the chairman, member, director of elections of
6 the board, or an employee of the board of elections, authorized
7 by the board, immediately after making and subscribing the
8 certificate printed on the container-return envelope as provided
9 in G.S. 163-229(b). All actions required by this subsection
10 shall be performed in the office of the board of elections. For
11 the purposes of this section only, the chairman, member, director
12 of elections of the board, or full-time employee, authorized by
13 the board shall sign the application and certificate as the
14 witness and indicate the official title held by him or her.
15 Notwithstanding G.S. 163-231(a), in the case of this subsection,
16 only one witness shall be required on the certificate.

17 (d) Only the chairman, member or director of elections of the
18 board shall keep the voter's application for absentee ballots and
19 the sealed container-return envelope in a safe place, separate
20 and apart from other applications and container-return envelopes.
21 At the first meeting of the board pursuant to G.S. 163-230(2)
22 held after receipt of the application and envelope, the chairman
23 shall comply with the requirements of G.S. 163-230(1) and G.S.
24 163-230(2)b. and c. If the voter's application for absentee
25 ballots is approved by the board at that meeting, the application
26 form and container-return envelope, with the ballots enclosed,
27 shall be handled in the same manner and under the same provisions
28 of law as applications and container-return envelopes received by
29 the board under other provisions of this Article. If the voter's
30 application for absentee ballots is disapproved by the board, the
31 board shall so notify the voter stating the reason for
32 disapproval by first-class mail addressed to the voter at his
33 residence address or at the address shown in the application for
34 absentee ballots; and the board chairman shall retain the
35 container-return envelope in its unopened condition until the day
36 of the primary or election to which it relates and on that day he
37 shall destroy the container-return envelope and the ballots
38 therein, without, however, revealing the manner in which the
39 voter marked the ballots.

40 (e) The voter shall vote his absentee ballot in a voting booth
41 and the county board of elections shall provide a voting booth
42 for that purpose, provided however, that the county board of
43 elections may in the alternative provide a private room for the
44 voter adjacent to the office of the board, in which case the

1 voter shall vote his absentee ballot in that room. The voting
2 booth shall be in the office of the county board of elections.
3 If the voter needs assistance in getting to and from the voting
4 booth and in preparing and marking his ballots or if he is a
5 blind voter, only a member of the county board of elections, the
6 director of elections, an employee of the board of elections
7 authorized by the board, a near relative of the voter as defined
8 in G.S. 163-227(c)(4), or the voter's legal guardian shall be
9 entitled to assist the voter.

10 (e1) If a county uses a voting system with retrievable ballots,
11 that county's board of elections may by resolution elect to
12 conduct one-stop absentee voting according to the provisions of
13 this subsection. In a county in which the board has opted to do
14 so, a one-stop voter shall cast the ballot and then shall deposit
15 the ballot in the ballot box or voting system in the same manner
16 as if such box or system was in use in a precinct on election
17 day. At the end of each business day, or at any time when there
18 will be no employee or officer of the board of elections on the
19 premises, the ballot box or system shall be secured in accordance
20 with a plan approved by the State Board of Elections. which shall
21 include that no additional ballots have been placed in the box or
22 system. Any county board desiring to conduct one-stop voting
23 according to this subsection shall submit a plan for doing so to
24 the State Board of Elections. The State Board shall adopt
25 standards for conducting one-stop voting under this subsection
26 and shall approve any county plan that adheres to its standards.
27 The county board shall adhere to its State Board-approved plan.
28 The plan shall provide that each one-stop ballot shall have a
29 ballot number on it in accordance with G.S. 163-230(3)a, or shall
30 have an equivalent identifier to allow for retrievability. The
31 standards shall address retrievability in one-stop voting on
32 direct record electronic equipment where no paper ballot is used.

33 (f) Notwithstanding the exception specified in G.S. 163-36,
34 counties which operate a modified full-time office shall remain
35 open five days each week during regular business hours consistent
36 with daily hours presently observed by the county board of
37 elections, commencing with the date prescribed in G.S. 163-
38 227.2(b) and continuing until 5:00 P.M. on the Friday prior to
39 that election or primary. The boards of county commissioners
40 shall provide necessary funds for the additional operation of the
41 office during such time."

42 Section 3. This act is effective when it becomes law.

HOUSE APPROPRIATIONS SUBCOMMITTEE
ON
GENERAL GOVERNMENT

July 16, 1997

The House Appropriations Subcommittee on General Government met on May 29, 1997 in Room 425 of the Legislative Office Building at 1:30 P.M.

The following members were present: Representative Sherrill, Representative McCombs, Representative Ives, Representative Ellis, Representative Culpepper, Representative Jeffus and Representative Wainwright.

The meeting was called to order by Representative Sherrill who announced the discussion of HB 665 "Crime Victims' Rights Act", sponsored by Representative Rick Eddins. Ms. Sherrill introduced Jim Mills of the Public Safety Appropriations staff. He stated that the fiscal note for this bill has estimated about a quarter million dollars expansion to implement this bill in the first year of this bill beginning January 1, 1998, and about 5.6 million dollars the second year. The bulk of the money would be for the judicial. This bill has been designed to be self-sufficient for covering these costs. Briefly, the first page of the summary gives you an idea of the total cost of the bill for all state agencies and law enforcement. You can see that the bulk of the money is estimated and most of the requirements are for the judicial department. Department of Corrections also has considerable requirements for every type of probation status. The fee that was passed in House finance to a certain degree was meant to cover the cost of the bill as estimated in the fiscal note. There is 4.1 million dollars the first year and 5.6 million dollars the second year. The fee that was passed in House finance is what we call a court cost fee. We have General Court of Justice fees and several dedicated fees. This would be a new dedicated \$5.00 fee. This fund is talked about on pages 8 and 9 in the bill.

Represented asked if this fund from the fees is going to be a part of the Appropriation Budget or is it off the budget as far as calculation. Mr. Mills responded that dedicated revenue would not increase general revenue.

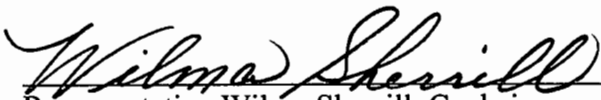
Discussion followed by Pete Powell, Deputy Director of the Administrative Office of the Courts; Ralph Knot, Clerk of Court in Franklin County; Jay Stewart, Crime Control and Public Safety; and Ralph Lukecks, Executive Director of the Governor's Crime Commission.

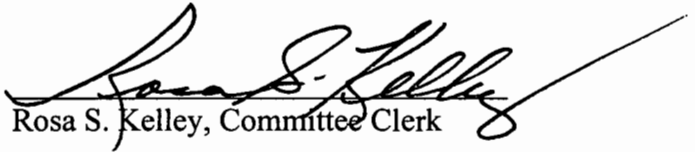
Representative Eddins, Bill Sponsor, made some comments relative to his bill after which Representative Ellis offered an amendment to the bill. The amendment was rolled into the Committee Substitute and the motion to approve the bill as amended was passed.

Representative Ives moved that the bill be given a favorable report as amended. The motion carried.

Representative Sherrill announced that House Bill 480, "Womens Work Fund" was postponed until the next meeting.

The meeting adjourned at 3:30 P.M.


Representative Wilma Sherrill, Cochair


Rosa S. Kelley, Committee Clerk

VISITOR REGISTRATION SHEET

STATE APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT

7/16/97

Name of Committee

Date

VISITORS: Please sign below and return to Committee Clerk.

NAME

FIRM OR STATE AGENCY AND ADDRESS

Buddy Hingham

OSBM

Katie Hingham

DCR

Katie Hingham

OSPL

Jim Maxwell

OSBM

Monna Rosefield

DCR

Becky Brown

Labor

John Brown

DNR

John Colman

GREENSBORO NEWS & RECORD

Laura DeVos

CCPS

David Ferrell

Hafen Memoranda, Coldwater, Michigan & Cotten PA

Claire Morgan

NCCFW

Geraldine Bryant

NCCFW

Melanie Wade

Council for Women

Cora Williams

DA - 10th St.

Ag Jones

NCCSA

Marion Johnson

WS/EC CSW

D. P. Howard

AEC

Paul S. Smith

CSC

Rashid Smith

NE Coalition Against Domestic Violence

Rob White

Ga. Gov. Commission

Gail Stewart

CCPS

Catherine Smith

NCC

**1997 PERMANENT SUBCOMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

FOR RECOMMENDING BILLS TO STANDING COMMITTEE OR TO THE FLOOR OF THE HOUSE
The following report(s) from permanent sub committee(s) is/are presented:

By Representative(s) **Ives, McCombs and Sherrill** for the Permanent Subcommittee on General Government of the Standing Committee on APPROPRIATIONS.

☒ Committee Substitute #2 for

H.B. 665

☐ A BILL TO BE ENTITLED AN ACT TO CREATE THE CRIME VICTIMS' RIGHTS ACT, TO ASSIST VICTIMS OF DOMESTIC VIOLENCE, TO ALLOW THE ENFORCEMENT OF ORDERS FOR RESTITUTION IN CRIMINAL CASES IN THE SAME MANNER AS CIVIL JUDGMENTS, TO CREATE AN EXCEPTION TO THE STATUTORY EXEMPTION FOR EXECUTION OF RESTITUTION JUDGMENTS, AND TO CHANGE THE ORDER OF PRIORITY FOR DISBURSEMENT OF FUNDS IN CRIMINAL CASES.

REPORTED TO THE STANDING COMMITTEE ON **APPROPRIATIONS**.

RECOMMENDED ACTION:

- ☐ With a favorable recommendation.
- ☐ With a favorable recommendation and recommend that the bill be re-referred to the Committee on
- ☐ With a favorable recommendation, as amended.
- ☐ With a favorable recommendation, as amended, and recommend that the bill be re-referred to the Committee on
- ☐ With an unfavorable recommendation.
- ☒ With a favorable recommendation as to proposed committee substitute bill # 3, unfavorable as to committee substitute bill #2.
- ☐ With a favorable recommendation as to proposed House committee substitute bill, which changes the title, unfavorable as to Senate committee substitute bill.
- ☐ Without prejudice.
- ☐ Other recommended action: _____

WITH APPROVAL OF STANDING COMMITTEE CHAIR FOR REPORT TO BE MADE DIRECTLY TO THE FLOOR OF THE HOUSE:

Rep. _____ for the Standing Committee on _____

s/ _____

- ☐ With a favorable report.
- ☐ With a favorable report, as amended.
- ☐ With a favorable report as to committee substitute bill (# _____), ☐ which changes the title, unfavorable as to original bill (Committee Substitute Bill # _____). (and recommendation that the committee substitute bill (# _____) be referred to the Committee on _____)
- ☐ And having received a unanimous vote in committee, be placed on the Consent Calendar.
(PUBLIC BILLS ONLY)

4/24/97

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

D

HOUSE BILL 665

Committee Substitute Favorable 6/25/97

Committee Substitute #2 Favorable 7/10/97

Proposed Committee Substitute H665-PCS1443

Short Title: Crime Victims' Rights Act.

(Public)

Sponsors:

Referred to:

March 27, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO CREATE THE CRIME VICTIMS' RIGHTS ACT, TO ASSIST
3 VICTIMS OF DOMESTIC VIOLENCE, TO ALLOW THE ENFORCEMENT OF
4 ORDERS FOR RESTITUTION IN CRIMINAL CASES IN THE SAME
5 MANNER AS CIVIL JUDGMENTS, TO CREATE AN EXCEPTION TO THE
6 STATUTORY EXEMPTIONS FOR EXECUTION OF RESTITUTION
7 JUDGMENTS, AND TO CHANGE THE ORDER OF PRIORITY FOR
8 DISBURSEMENT OF FUNDS IN CRIMINAL CASES.

9 The General Assembly of North Carolina enacts:

10 Section 1. Chapter 15A of the General Statutes is amended by adding a
11 new Subchapter to read:

12 "SUBCHAPTER XVI. CRIME VICTIMS' RIGHTS.

13 "ARTICLE 101.

14 "Crime Victims' Rights Act.

15 "§ 15A-2010. Definitions.

16 (a) The following definitions apply in this Article:

17 (1) Accused. -- A person who has been arrested and charged with
18 committing a crime covered by this Article.

19 (2) Law enforcement agency. -- Law enforcement agency includes the
20 following:

- 1 a. Arresting law enforcement agency. -- The law enforcement
2 agency that makes the arrest of an accused.
3 b. Custodial agency. -- The agency that has legal custody of an
4 accused or defendant arising from a charge or conviction of
5 a crime covered by this Article including, but not limited to,
6 local jails or detention facilities, regional jails or detention
7 facilities, or the Department of Correction.
8 c. Investigating law enforcement agency. -- The law
9 enforcement agency with primary responsibility for
10 investigating the crime committed against the victim.
11 (3) Next of kin. -- The victim's spouse, children, parents, siblings, or
12 grandparents. The term does not include the accused unless the
13 charges are dismissed or the person is found not guilty.
14 (4) Victim. -- A person against whom there is probable cause to
15 believe one of the following crimes was committed:
16 a. A Class A, B1, B2, C, D, or E felony.
17 b. A Class F felony if it is a violation of one of the following:
18 G.S. 14-16.6(b); 14-16.6(c); 14-18; 14-32.1(e); 14-32.2(b)(3);
19 14-32.3(a); 14-32.4; 14-34.2; 14-34.6(c); 14-41; 14-43.2; 14-
20 43.3; 14-190.17; 14-190.19; 14-202.1; or 14-288.9.
21 c. A Class G felony if it is a violation of one of the following:
22 G.S. 14-32.3(b); 14-51; 14-58; 14-87.1; 20-138.5; or 20-141.4.
23 d. A Class H felony if it is a violation of one of the following:
24 G.S. 14-32.3(a); 14-32.3(c); or 14-33.2.
25 e. A Class I felony if it is a violation of one of the following:
26 G.S. 14-277.3; 14-32.3(b); 14-34.6(b); or 14-190.17A.
27 f. An attempt of any of the felonies listed in this subdivision if
28 the attempted felony is punishable as a felony.

29 (b) If the victim is deceased, then the next of kin, in the order set forth in the
30 definition contained in this section, is entitled to the victim's rights under this Article,
31 except for the rights contained in G.S. 15A-2014. An individual entitled to exercise
32 the victim's rights as a member of the class of next of kin may designate anyone in
33 the class to act on behalf of the class.

34 **"§ 15A-2010.1. Assistance to victims of domestic violence.**

35 Effective July 1, 1999, victims of domestic violence shall be entitled to all of the
36 rights of victims under this Article. For purposes of this Article, a victim of domestic
37 violence is any person against whom there is probable cause to believe that a felony
38 or misdemeanor which fits the definition of domestic violence contained in G.S. 50B-
39 1 has been committed, including G.S. 14-33, 14-134.3, 14-277.1, and 14-318.2, as well
40 as the attempt of any such felony or misdemeanor. These crimes are in addition to
41 the felonies set forth in G.S. 15A-2010(a)(4).

42 **"§ 15A-2011. Responsibilities of law enforcement agency.**

1 (a) Within 24 hours after identifying a victim covered by this Article, the
2 investigating law enforcement agency shall provide the victim with the following
3 information:

4 (1) The availability of medical services, if needed.

5 (2) The availability of crime victims' compensation funds under
6 Chapter 15B of the General Statutes and the address and
7 telephone number of the agency responsible for dispensing the
8 funds.

9 (3) The address and telephone number of the district attorney's office
10 that will be responsible for prosecuting the victim's case.

11 (4) The name and telephone number of an investigating law
12 enforcement agency employee whom the victim may contact if the
13 victim has not been notified of an arrest in the victim's case within
14 six months after the crime was reported to the law enforcement
15 agency.

16 (5) Information about an accused's opportunity for pretrial release.

17 (6) The name and telephone number of an investigating law
18 enforcement agency employee whom the victim may contact to
19 find out whether the accused has been released from custody.

20 (b) Within 24 hours after receiving notification from the arresting law
21 enforcement agency that the accused has been arrested, the investigating law
22 enforcement agency shall forward to the district attorney's office that will be
23 responsible for prosecuting the case the victim's name, address, date of birth, social
24 security number, race, sex, and telephone number, unless the victim refuses to
25 disclose any or all of the information, in which case, the investigating law
26 enforcement agency shall so inform the district attorney's office.

27 (c) Upon receiving the information in subsection (a) of this section, the victim
28 shall, on a form provided by the investigating law enforcement agency, indicate
29 whether the victim wishes to receive any further notices from the investigating law
30 enforcement agency. If the victim elects to receive further notices, the victim shall be
31 responsible for notifying the investigating law enforcement agency of any changes in
32 the victim's name, address, and telephone number.

33 (d) Within 24 hours after the arrest of a person believed to have committed a
34 crime covered by this Article, the arresting law enforcement agency shall inform the
35 investigating law enforcement agency of the arrest. Within 24 hours of being notified
36 of the arrest, the investigating law enforcement agency shall notify the victim of the
37 arrest.

38 **"§ 15A-2012. Responsibilities of the district attorney's office.**

39 (a) Within 21 days after the arrest of the accused, but not less than 24 hours
40 before the accused's first scheduled probable cause hearing, the district attorney's
41 office shall provide to the victim a pamphlet or other written material that explains in
42 a clear and concise manner the following:

1 order partial restitution when it appears that the damage or loss caused by the offense
2 is greater than that which the defendant is able to pay.

3 (d) An order providing for restitution does not abridge the right of a victim or the
4 victim's estate to bring a civil action against the defendant for damages arising out of
5 the offense committed by the defendant.

6 (e) The court may order the defendant to make restitution to a person other than
7 the victim, or to any organization, corporation, or association, including the Crime
8 Victims' Compensation Fund that provided assistance to the victim following the
9 commission of the offense by the defendant. Restitution shall be made to the victim
10 or the victim's estate before it is made to any other person, organization, corporation,
11 or association.

12 (f) The court may require the defendant to make full restitution no later than a
13 certain date or, if the circumstances warrant, may allow the defendant to make
14 restitution in installments over a specified time period.

15 (g) If the defendant is placed on probation or post-release supervision, any
16 restitution ordered under this Article shall be a condition of probation or post-release
17 supervision.

18 (h) If the court orders partial restitution, the court shall state on the record the
19 reasons for such an order.

20 **"§ 15A-2015. Enforcement of order for restitution.**

21 (a) An order for restitution under this Article may be enforced in the same
22 manner as a civil judgment, subject to the provisions of this section.

23 (b) The order for restitution under this Article shall be docketed and indexed in
24 the county of the original conviction in the same manner as a civil judgment. The
25 order for restitution may be collected in the same manner as a civil judgment unless
26 the order to pay restitution is a condition of probation. If the order to pay restitution
27 is a condition of probation, the judgment may only be collected in accordance with
28 subsection (c) of this section.

29 (c) If the defendant is ordered to pay restitution as a condition of probation, the
30 docketed judgment may not be collected until the date of notification to the clerk of
31 superior court in the county of the original conviction that the judge presiding at the
32 probation termination or revocation hearing has made a finding that restitution in a
33 sum certain remains due and payable, that the defendant's probation has been
34 terminated or revoked, and that the remaining balance of restitution owing may be
35 collected by execution on the judgment. The clerk shall then enter upon the
36 judgment docket the amount that remains due and payable on the judgment, together
37 with amounts equal to the standard fees for docketing, copying, certifying, and
38 mailing, as appropriate, and shall notify the victim by first-class mail at the victim's
39 last known address that the judgment may be executed upon, together with the
40 amount of the judgment. Until the clerk receives notification of termination or
41 revocation of probation and the amount that remains due and payable on the order
42 of restitution, the clerk shall not be required to update the judgment docket to reflect
43 partial payments on the order of restitution as a condition of probation.

(d) An appeal of the conviction upon which the order of restitution is based shall stay execution on the judgment until the appeal is completed. If the conviction is overturned, the judgment shall be removed from the judgment docket.

"§ 15A-2016. Posttrial responsibilities.

(a) Within 30 days after the final proceeding of the trial phase of the case, the district attorney's office shall notify the victim, in writing, of:

- (1) The final disposition of the case.
- (2) The crimes of which the defendant was convicted.
- (3) The defendant's right to appeal, if any.

(b) Upon a defendant's giving notice of appeal to the Court of Appeals or the Supreme Court, the district attorney's office shall forward to the Attorney General's Office the victim's name, address, and telephone number. Upon receipt of this information, and thereafter as the circumstances require, the Attorney General's Office shall provide the victim with the following:

- (1) A clear and concise explanation of how the appellate process works, including information about possible actions that may be taken by the appellate court.
- (2) Notice of the date, time, and place of any appellate proceedings involving the defendant. Notice shall be given in a manner that is reasonably calculated to be received by the victim prior to the date of the proceedings.
- (3) The final disposition of an appeal.

(c) If the defendant has been released on bail pending the outcome of the appeal, the agency that has custody of the defendant shall notify the investigating law enforcement agency, and the investigating law enforcement agency shall notify the victim that the defendant has been released.

(d) If the defendant's conviction is overturned, and the district attorney's office decides to retry the case or the case is remanded to superior court for a new trial, the victim shall be entitled to the same rights under this Article as if the first trial did not take place.

(e) The Conference of District Attorneys shall maintain a repository relating to victims' identities, addresses, and other appropriate information for use by agencies charged with responsibilities under this Article.

"§ 15A-2017. Responsibilities of agency with custody of defendant.

The Department of Correction shall notify the victim of:

- (1) The projected date by which the defendant can be released from custody. The calculation of the release date shall be as exact as possible, including earned time and disciplinary credits if the sentence of imprisonment exceeds 90 days.
- (2) An inmate's assignment to a minimum custody unit and the address of the unit. This notification shall include notice that the inmate's minimum custody status may lead to the inmate's participation in one or more community-based programs such as work release or supervised leaves in the community.

(3) The victim's right to submit any concerns to the agency with custody and the procedure for submitting such concerns.

(4) The defendant's escape from custody.

(5) The defendant's capture.

(6) The date the defendant is scheduled to be released from the facility. Whenever practical, notice shall be given 60 days before release.

(7) The defendant's death.

"§ 15A-2018. Responsibilities of Division of Adult Probation and Parole.

The Division of Adult Probation and Parole shall notify the victim of:

(1) The defendant's regular conditions of probation or post-release supervision, special or added conditions, supervision requirements, and any subsequent changes.

(2) The date of a hearing to determine whether the defendant's supervision should be revoked, continued with or without modifications, or terminated.

(3) The final disposition of any hearing referred to in subdivision (2) of this section.

(4) Any restitution modification.

(5) The defendant's movement into or out of any intermediate sanction as defined in G.S. 15A-1340.11(6).

(6) The defendant absconding supervision.

(7) The capture of a defendant described in subdivision (6) of this section.

(8) The date when the defendant is terminated or discharged.

(9) The defendant's death.

"§ 15A-2019. Notice of commuted sentence or pardon.

The Governor's Clemency Office shall notify a victim when it is considering commuting the defendant's sentence or pardoning the defendant. The Governor's Clemency Office shall also give notice that the victim has the right to present a written statement to be considered by the Office before the defendant's sentence is commuted or the defendant is pardoned. The Governor's Clemency Office shall notify the victim of its decision. Notice shall be given in a manner that is reasonably calculated to allow for a timely response to the commutation or pardon decision.

"§ 15A-2020. No money damages.

This Article does not create a claim for damages against the State, a county, or a municipality, or any of its agencies, instrumentalities, officers, or employees.

"§ 15A-2021. No ground for relief.

The failure or inability of any person to provide a right or service under this Article may not be used by a defendant in a criminal case, by an inmate, or by any other accused as a ground for relief in any criminal or civil proceeding.

"§ 15A-2022. Incompetent victim's rights exercised.

1 When a victim is rendered mentally or physically incompetent or when the victim
2 is a minor, the victim's rights under this Article, other than the rights provided by
3 G.S. 15A-2014 and G.S. 15A-2015, may be exercised by the victim's next of kin.

4 "ARTICLE 102.

5 "Crime Victims' Rights Fund.

6 "§ 15A-2025. Crime Victims' Rights Fund established.

7 There is established within the State treasury a special nonreverting revenue fund
8 to be known as the Crime Victims' Rights Fund (the 'Fund'). All moneys remitted
9 to the State Treasurer under G.S. 7A-304(a)(7) shall be credited to the Fund. The
10 Fund shall be used to supplement the funds otherwise available to the Judicial
11 Department, the Justice Department, the Department of Correction, or State and
12 local law enforcement agencies for providing services to victims of crime under
13 Article 101 of this Chapter. The Department of Crime Control and Public Safety
14 shall administer the Fund upon the recommendation of the Victims of Crime Act
15 Committee of the Governor's Crime Commission. The interest and other investment
16 income earned by the Fund must be credited to the Fund.

17 "§ 15A-2026. Application for supplemental funds.

18 (a) A law enforcement agency, district attorney's office, or other agency that has a
19 responsibility to provide services to crime victims as required by the General Statutes
20 may apply annually to the Department of Crime Control and Public Safety for
21 supplemental funds. Notwithstanding the provisions of G.S. 143-16.3, such funds
22 shall be used to supplement local, State, or federal funds that are available to
23 agencies and district attorneys' offices to provide services to crime victims.

24 (b) The Department of Crime Control and Public Safety shall establish procedures
25 for screening, recording, and processing applications for supplemental funds. The
26 Department shall prepare and transmit annually to the General Assembly a report of
27 the Department's activities."

28 Section 2. The provisions of Article 45 of Subchapter VIII of Chapter
29 15A of the General Statutes are supplemental to the provisions of Article 101 of
30 Subchapter XVI of Chapter 15A of the General Statutes as enacted in Section 1 of
31 this act. If there is any conflict between the provisions of Article 45 and Article 101,
32 the provisions of Article 101 shall control.

33 Section 2.1. G.S. 1C-1601(e) reads as rewritten:

34 "(e) Exceptions. -- The exemptions provided in this Article are inapplicable to
35 claims

- 36 (1) Of the United States or its agencies as provided by federal law;
- 37 (2) Of the State or its subdivisions for taxes, appearance bonds or
38 fiduciary bonds;
- 39 (3) Of lien by a laborer for work done and performed for the person
40 claiming the exemption, but only as to the specific property
41 affected;
- 42 (4) Of lien by a mechanic for work done on the premises, but only as
43 to the specific property affected;

- (5) For payment of obligations contracted for the purchase of the specific real property affected;
- (6) Repealed by Session Laws 1981 (Regular Session, 1982), c. 1224, s. 6;
- (7) For contractual security interests in the specific property affected; provided, that the exemptions shall apply to the debtor's household goods notwithstanding any contract for a nonpossessory, nonpurchase money security interest in any such goods;
- (8) For statutory liens, on the specific property affected, other than judicial liens;
- (9) For child support, alimony or distributive award order pursuant to Chapter 50 of the General ~~Statutes~~ Statutes;
- (10) For criminal restitution orders docketed as civil judgments pursuant to G.S. 15A-2015."

Section 2.2. G.S. 7A-304(d) reads as rewritten:

"(d) In any criminal case in which the liability for costs, fines, restitution, or any other lawful charge has been finally determined, the clerk of superior court shall, unless otherwise ordered by the presiding judge, disburse such funds when paid in accordance with the following priorities:

- (1) Sums in restitution prorated among the persons entitled thereto;
- ~~(1)(2)~~ Costs due the county;
- ~~(2)(3)~~ Costs due the city;
- ~~(3)(4)~~ Fines to the county school fund;
- ~~(4)~~ Sums in restitution prorated among the persons entitled thereto;
- (5) Costs due the State;
- (6) Attorney's fees.

Sums in restitution received by the clerk of superior court shall be disbursed when:

- (1) Complete restitution has been received; or
- (2) When, in the opinion of the clerk, additional payments in restitution will not be collected; or
- (3) Upon the request of the person or persons entitled thereto; and
- (4) In any event, at least once each calendar year."

Section 2.3. Article 45 of Subchapter VIII of Chapter 15A of the General Statutes is amended by adding a new section to read:

"§ 15A-828. Assistance to victims of domestic violence.

In the allocation of resources to persons the district attorney determines are victims of serious misdemeanors, the district attorney shall, to the extent possible, provide the services listed in G.S. 15A-825 to victims of domestic violence misdemeanors that could involve the infliction of serious bodily injury."

Section 2.4. The Governor's Crime Commission of the Department of Crime Control and Public Safety will coordinate a study of the incidence of domestic violence and identify the felonies and misdemeanors that may be categorized as domestic violence. The study will include participation by the North Carolina Conference of District Attorneys and the seven prosecutorial districts that are

1 currently receiving funds from the Violence Against Women Act, administered
2 through the Governor's Crime Commission. The study will also include participation
3 of other prosecutorial districts which volunteer their participation in providing
4 necessary information. The Commission will recommend a statutory definition of
5 domestic violence crimes that will be sufficiently clear so that it can be used by law
6 enforcement officers and prosecutors to determine eligibility of victims of these
7 crimes for victims' assistance services. The Commission shall also recommend
8 whether any crimes that are currently misdemeanors should be reclassified as felonies
9 when committed as crimes of domestic violence. The Commission will report the
10 findings of its study and its recommendations to the 1998 Session of the 1997 General
11 Assembly on or before its convening date.

12 Section 2.5. The Post-Release Supervision and Parole Commission shall
13 compile a report of the notification services it has provided under G.S. 15A-825(11),
14 and pursuant to a letter from Governor Hunt to the Chair of the North Carolina
15 Parole Commission dated October 13, 1993. The report shall include information on
16 notification services provided through December 31, 1997. The report shall be
17 delivered to the 1998 Session of the 1997 General Assembly on or before its
18 convening date.

19 Section 2.6. G.S. 7A-304(a) is amended by adding the following new
20 subdivision to read:

21 "(7) For the support of services to victims of crime, the sum of five
22 dollars (\$5.00) to be remitted to the State Treasurer to be credited
23 to the Crime Victims' Rights Fund established under Article 102 of
24 Chapter 15A of the General Statutes."

25 Section 2.7. The provisions of this act are severable. If any provision of
26 this act is held invalid by a court of competent jurisdiction, the invalidity does not
27 affect other provisions of the act that can be given effect without the invalid
28 provision.

29 Section 3. G.S. 15A-2010.1, as enacted by Section 1 of this act, becomes
30 effective July 1, 1999. Section 2.3 of this act becomes effective when it becomes law
31 and expires on July 1, 1999. Sections 2.4 and 2.5 and this section of this act are
32 effective when they become law. Section 2.6 of this act and Article 102 of Chapter
33 15A of the General Statutes, as enacted by Section 1 of this act, become effective
34 August 1, 1997. The remainder of this act becomes effective January 1, 1998, and
35 applies to fees assessed or paid on or after that date.

HB 665 Crime Victims Rights Act-- Crime Victims Rights Fund: Issues for
Consideration (DRAFT 7/15/97)

HB 665, 7/10 Committee Substitute (Pages 8 and 9), establishes a special revenue fund, the Crime Victims Rights Fund, to fund services to victims. The Fund will receive monies from a \$5 dedicated fee (Page 11) that would apply to all criminal cases in superior and district court. The fee would generate about \$5 million annually (\$4.6 million in 97-98 due to August 1 effective date) to be used to supplement budgets of agencies that provide victims services specified in HB 665. There are several policy and technical issues regarding this Fund that may still require consideration.

1. Title of Fund – Should it be Crime Victims “Services” or “Administrative” Fund to distinguish from Victims Comp. or to define purpose?
2. Supplement to Budgets – *HB 665 allows state and local agencies to annually apply for funds to “supplement ” local, state, or federal funds that are available to provide services to victims.* Does supplement need to be defined? Are funds grants? Can supplemental funds be used for new/innovative victims services that are not mandated in HB 665 or is use restricted to specific requirements in HB 665? Are funds to supplement General Assembly or local government appropriations for services provided in HB 665?

Depending on intent of “supplemental funds”, one option is to define supplemental as “funds for providing victims services if agency can document that funds appropriated by General Assembly, by local units of government, or from other sources are not adequate to meet levels of service specified in HB 665” . In this case, if the General Assembly has considered, but not funded additional resources for state agencies (House and Senate have different budgets for victims services in Judicial), may need “notwithstanding” language for GS 143-16.3 which says “no expenditures for purposes for which the General Assembly has considered but not appropriated funds.”

3. Other Options for Use of Fund -- (1) Earmark Fund for two purposes: (a) grants to local agencies; and (b) grants to state agencies to defray costs that exceed amounts appropriated for victim assistance from the General Fund. Balance of victims services would be paid from straight appropriations (but then offenders would not pay for all services). If option remains in place to use fee to pay for all costs of victims services, could either (2) appropriate victims services monies to state agencies in final budget, then use Crime Victims Fund to reduce an agencies' General Fund -- this would be a departmental receipt -- or (3) Reimburse the General Fund from the Crime Victims Fund for monies appropriated in the final budget to State Agencies for victims rights services.
4. Allocation of Funds by Crime Control -- Crime Control may be in position of determining funding of services for various agencies, including the Judicial Branch, again depending on definition of supplemental. Other options include: (1) Office of State Budget in consultation with Crime Control (2) Set up a formula for distribution of local funds such as population and number Violent Crime Index (violent crimes per population) (3) Set up Commission. Regardless of option, should CCPS receive money from Fund for administration?
5. General Assembly Oversight -- language could be added to (1) make Fund subject to annual appropriation by General Assembly (2) require regular report to Governmental Operations and Appropriations.
6. Depositing Funds -- Bill says clerks should transmit monies daily to Crime Control (daily could mean 100 counties sending daily cost sheets to Crime Control -- a more standard procedure would be for clerks to deposit monies to State treasury and then Treasurers office would allocate to Crime Control).

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

3

HOUSE BILL 480
Committee Substitute Favorable 6/23/97
Third Edition Engrossed 7/14/97

Short Title: WomenWork Fund.

(Public)

Sponsors:

Referred to:

March 10, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO ESTABLISH THE NORTH CAROLINA WOMENWORK FUND
3 FOR DISPLACED HOMEMAKERS TO BE ADMINISTERED BY THE NORTH
4 CAROLINA COUNCIL FOR WOMEN, AND TO ESTABLISH AN
5 ADDITIONAL CIVIL ACTION FEE TO BE COLLECTED BY THE COURT IN
6 DIVORCE ACTIONS.
7 The General Assembly of North Carolina enacts:
8 Section 1. Part 10B of Article 9 of Chapter 143B of the General Statutes
9 is amended by adding the following new section to read:
10 "§ 143B-394.10. North Carolina WomenWork Fund for Displaced Homemakers.
11 (a) There is established in the Department of Administration a nonreverting,
12 interest-bearing special revenue fund to be known as the North Carolina
13 WomenWork Fund for Displaced Homemakers. The Fund shall consist of revenue
14 credited to the Fund for the costs imposed by G.S. 7A-305(a2) and any other monies
15 credited to it. The Fund shall be administered by the Council in accordance with
16 Article 1 of Chapter 143 of the General Statutes and shall be used to make grants to
17 programs for displaced homemakers. The Council shall make quarterly grants to
18 each eligible program. Grants shall be awarded according to criteria established by
19 the Council. No more than ten percent (10%) of these funds shall be used for
20 administrative costs by the Council. In order to be eligible to receive grant funds
21 under this section, a displaced homemaker program shall fulfill all of the criteria
22 established by the Council. The Council shall report annually to the Joint Legislative

1 Commission on Governmental Operations on the revenues credited to the Fund, the
2 programs receiving grants from the Fund, the success of those programs, and the costs
3 associated with administering the Fund.

4 (b) The Department, upon recommendations by the Council, shall adopt rules to
5 implement the North Carolina WomenWork Fund for Displaced Homemakers."

6 Section 2. G.S. 7A-305 is amended by adding the following new
7 subsection to read:

8 "(a2) In every action for absolute divorce under G.S. 50-6 filed in the district
9 court, a cost of twenty dollars (\$20.00) shall be assessed against the person filing the
10 divorce action. Costs collected by the clerk pursuant to this subsection shall be
11 remitted to the State Treasurer for deposit to the North Carolina WomenWork Fund
12 for Displaced Homemakers established under G.S. 143B-394.10. Costs assessed under
13 this subsection shall be in addition to any other costs assessed under this section."

14 Section 3. G.S. 7A-305(c) reads as rewritten:

15 "(c) The clerk of superior court, at the time of the filing of the papers initiating
16 the action or the appeal, shall collect as advance court costs, the ~~facilities fee and~~
17 ~~General Court of Justice fee,~~ facilities fee, General Court of Justice fee, and the
18 divorce fee imposed under subsection (a2) of this section, except in suits by an
19 indigent. The clerk shall also collect the fee for discovery procedures under Rule
20 27(a) and (b) at the time of the filing of the verified petition."

21 Section 4. This act is effective when it becomes law, and applies to
22 actions for absolute divorce under G.S. 50-6 filed on and after that date.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

3

HOUSE BILL 665

Committee Substitute Favorable 6/25/97

Committee Substitute #2 Favorable 7/10/97

Short Title: Crime Victims' Rights Act.

(Public)

Sponsors:

Referred to:

March 27, 1997

- 1 A BILL TO BE ENTITLED
2 AN ACT TO CREATE THE CRIME VICTIMS' RIGHTS ACT, TO ASSIST
3 VICTIMS OF DOMESTIC VIOLENCE, TO ALLOW THE ENFORCEMENT OF
4 ORDERS FOR RESTITUTION IN CRIMINAL CASES IN THE SAME
5 MANNER AS CIVIL JUDGMENTS, TO CREATE AN EXCEPTION TO THE
6 STATUTORY EXEMPTIONS FOR EXECUTION OF RESTITUTION
7 JUDGMENTS, AND TO CHANGE THE ORDER OF PRIORITY FOR
8 DISBURSEMENT OF FUNDS IN CRIMINAL CASES.
9 The General Assembly of North Carolina enacts:
10 Section 1. Chapter 15A of the General Statutes is amended by adding a
11 new Subchapter to read:
12 "SUBCHAPTER XVI. CRIME VICTIMS' RIGHTS.
13 "ARTICLE 101.
14 "Crime Victims' Rights Act.
15 "§ 15A-2010. Definitions.
16 (a) The following definitions apply in this Article:
17 (1) Accused. -- A person who has been arrested and charged with
18 committing a crime covered by this Article.
19 (2) Law enforcement agency. -- Law enforcement agency includes the
20 following:
21 a. Arresting law enforcement agency. -- The law enforcement
22 agency that makes the arrest of an accused.

b. Custodial agency. -- The agency that has legal custody of an accused or defendant arising from a charge or conviction of a crime covered by this Article including, but not limited to, local jails or detention facilities, regional jails or detention facilities, or the Department of Correction.

c. Investigating law enforcement agency. -- The law enforcement agency with primary responsibility for investigating the crime committed against the victim.

(3) Next of kin. -- The victim's spouse, children, parents, siblings, or grandparents. The term does not include the accused unless the charges are dismissed or the person is found not guilty.

(4) Victim. -- A person against whom there is probable cause to believe one of the following crimes was committed:

a. A Class A, B1, B2, C, D, or E felony.

b. A Class F felony if it is a violation of one of the following: G.S. 14-16.6(b); 14-16.6(c); 14-18; 14-32.1(e); 14-32.2(b)(3); 14-32.3(a); 14-32.4; 14-34.2; 14-34.6(c); 14-41; 14-43.2; 14-43.3; 14-190.17; 14-190.19; 14-202.1; or 14-288.9.

c. A Class G felony if it is a violation of one of the following: G.S. 14-32.3(b); 14-51; 14-58; 14-87.1; 20-138.5; or 20-141.4.

d. A Class H felony if it is a violation of one of the following: G.S. 14-32.3(a); 14-32.3(c); or 14-33.2.

e. A Class I felony if it is a violation of one of the following: G.S. 14-277.3; 14-32.3(b); 14-34.6(b); or 14-190.17A.

f. An attempt of any of the felonies listed in this subdivision if the attempted felony is punishable as a felony.

(b) If the victim is deceased, then the next of kin, in the order set forth in the definition contained in this section, is entitled to the victim's rights under this Article, except for the rights contained in G.S. 15A-2014. An individual entitled to exercise the victim's rights as a member of the class of next of kin may designate anyone in the class to act on behalf of the class.

"§ 15A-2010.1. Assistance to victims of domestic violence.

Effective July 1, 1999, victims of domestic violence shall be entitled to all of the rights of victims under this Article. For purposes of this Article, a victim of domestic violence is any person against whom there is probable cause to believe that a felony or misdemeanor which fits the definition of domestic violence contained in G.S. 50B-1 has been committed, including G.S. 14-33, 14-134.3, 14-277.1, and 14-318.2, as well as the attempt of any such felony or misdemeanor. These crimes are in addition to the felonies set forth in G.S. 15A-2010(a)(4).

"§ 15A-2011. Responsibilities of law enforcement agency.

(a) Within 24 hours after identifying a victim covered by this Article, the investigating law enforcement agency shall provide the victim with the following information:

(1) The availability of medical services, if needed.

- 1 (2) The availability of crime victims' compensation funds under
2 Chapter 15B of the General Statutes and the address and
3 telephone number of the agency responsible for dispensing the
4 funds.
- 5 (3) The address and telephone number of the district attorney's office
6 that will be responsible for prosecuting the victim's case.
- 7 (4) The name and telephone number of an investigating law
8 enforcement agency employee whom the victim may contact if the
9 victim has not been notified of an arrest in the victim's case within
10 six months after the crime was reported to the law enforcement
11 agency.
- 12 (5) Information about an accused's opportunity for pretrial release.
- 13 (6) The name and telephone number of an investigating law
14 enforcement agency employee whom the victim may contact to
15 find out whether the accused has been released from custody.
- 16 (b) Within 24 hours after receiving notification from the arresting law
17 enforcement agency that the accused has been arrested, the investigating law
18 enforcement agency shall forward to the district attorney's office that will be
19 responsible for prosecuting the case the victim's name, address, date of birth, social
20 security number, race, sex, and telephone number, unless the victim refuses to
21 disclose any or all of the information, in which case, the investigating law
22 enforcement agency shall so inform the district attorney's office.
- 23 (c) Upon receiving the information in subsection (a) of this section, the victim
24 shall, on a form provided by the investigating law enforcement agency, indicate
25 whether the victim wishes to receive any further notices from the investigating law
26 enforcement agency. If the victim elects to receive further notices, the victim shall be
27 responsible for notifying the investigating law enforcement agency of any changes in
28 the victim's name, address, and telephone number.
- 29 (d) Within 24 hours after the arrest of a person believed to have committed a
30 crime covered by this Article, the arresting law enforcement agency shall inform the
31 investigating law enforcement agency of the arrest. Within 24 hours of being notified
32 of the arrest, the investigating law enforcement agency shall notify the victim of the
33 arrest.
- 34 **"§ 15A-2012. Responsibilities of the district attorney's office.**
- 35 (a) Within 21 days after the arrest of the accused, but not less than 24 hours
36 before the accused's first scheduled probable cause hearing, the district attorney's
37 office shall provide to the victim a pamphlet or other written material that explains in
38 a clear and concise manner the following:
- 39 (1) The victim's rights under this Article, including the right to confer
40 with the attorney prosecuting the case about the disposition of the
41 case and the right to provide a victim impact statement.
- 42 (2) The responsibilities of the district attorney's office under this
43 Article.

1 (3) The victim's eligibility for compensation under the Crime
2 Victims' Compensation Act and the deadlines by which the victim
3 must file a claim for compensation.

4 (4) The steps generally taken by the district attorney's office when
5 prosecuting a felony case.

6 (5) Suggestions on what the victim should do if threatened or
7 intimidated by the accused or someone acting on the accused's
8 behalf.

9 (6) The name and telephone number of a victim and witness assistant
10 in the district attorney's office whom the victim may contact for
11 further information.

12 (b) Upon receiving the information in subsection (a) of this section, the victim
13 shall, on a form provided by the district attorney's office, indicate whether the victim
14 wishes to receive notices of some, all, or none of the trial and posttrial proceedings
15 involving the accused. If the victim elects to receive notices, the victim shall be
16 responsible for notifying the district attorney's office or any other department or
17 agency that has a responsibility under this Article of any changes in the victim's
18 address and telephone number. The victim may alter the request for notification at
19 any time by notifying the district attorney's office and completing the form provided
20 by the district attorney's office.

21 (c) The district attorney's office shall notify a victim of the date, time, and place
22 of all trial court proceedings of the type which the victim has elected to receive
23 notice. All notices required to be given by the district attorney's office shall be given
24 in a manner that is reasonably calculated to be received by the victim prior to the
25 date of the court proceeding.

26 (d) Whenever practical, the district attorney's office shall provide a secure waiting
27 area during court proceedings that does not place the victim in close proximity to the
28 defendant or the defendant's family.

29 (e) When the victim is to be called as a witness in a court proceeding, the court
30 shall make every effort to permit the fullest attendance possible by the victim in the
31 proceedings.

32 (f) Prior to the disposition of the case, the district attorney's office shall offer the
33 victim the opportunity to consult with the prosecuting attorney to obtain the views of
34 the victim about the disposition of the case, including the victim's views about
35 dismissal, plea or negotiations, sentencing, and any pretrial diversion programs.

36 (g) At the sentencing hearing, the prosecuting attorney shall submit to the court a
37 copy of a form containing the identifying information set forth in G.S. 15A-2011(b)
38 about any victim electing to receive further notices under this Article. The form shall
39 be included with the final judgment and commitment transmitted to the Department
40 of Correction or other agency receiving custody of the defendant and shall be
41 maintained by the custodial agency as a confidential file.

42 "§ 15A-2013. Evidence of victim impact.

1 (a) A victim has the right to offer evidence of the impact of the crime, which shall
2 be considered by the court or jury, as the case may be, in sentencing the defendant.
3 The evidence may include the following:

- 4 (1) A description of the nature and extent of any physical,
5 psychological, or emotional injury suffered by the victim as a result
6 of the offense committed by the defendant.
7 (2) An explanation of any economic or property loss suffered by the
8 victim as a result of the offense committed by the defendant.
9 (3) A request for restitution and an indication of whether the victim
10 has applied for or received compensation under the Crime
11 Victims' Compensation Act.

12 (b) No victim shall be required to offer evidence of the impact of the crime. No
13 inference or conclusion shall be drawn from a victim's decision not to offer evidence
14 of the impact of the crime.

15 "§ 15A-2014. Restitution.

16 (a) Upon conviction of the defendant or upon a plea of guilty, the court shall, in
17 addition to any penalty authorized by law, require that the defendant make
18 restitution to a victim or the victim's estate for any injuries or damages arising out of
19 the offense committed by the defendant. In determining the amount of restitution,
20 the court shall consider the following:

- 21 (1) The cost of any medical or other professional services and devices
22 or equipment required by the victim.
23 (2) The cost of physical therapy, occupational therapy, and
24 rehabilitation required by the victim.
25 (3) Any income loss, after taxes, suffered by the victim.
26 (4) The cost of any psychological or medical treatment for the victim's
27 next of kin.
28 (5) The cost of the victim's funeral and any related services.
29 (6) Any other injuries or damages arising out of the offense committed
30 by the defendant.

31 (b) The court may require that the victim or the victim's estate provide evidence
32 that documents the costs claimed by the victim or the victim's estate under this
33 section. Any such documentation shall be shared with the defendant before the
34 sentencing hearing.

35 (c) In determining the amount of restitution to be made, the court shall take into
36 consideration the resources of the defendant including all real and personal property
37 owned by the defendant and the income derived from the property, the defendant's
38 ability to earn, the defendant's obligation to support dependents, and any other
39 matters that pertain to the defendant's ability to make restitution, but the court is not
40 required to make findings of fact or conclusions of law on these matters. The amount
41 of restitution must be limited to that supported by the record, and the court may
42 order partial restitution when it appears that the damage or loss caused by the offense
43 is greater than that which the defendant is able to pay.

1 (d) An order providing for restitution does not abridge the right of a victim or the
2 victim's estate to bring a civil action against the defendant for damages arising out of
3 the offense committed by the defendant.

4 (e) The court may order the defendant to make restitution to a person other than
5 the victim, or to any organization, corporation, or association, including the Crime
6 Victims' Compensation Fund that provided assistance to the victim following the
7 commission of the offense by the defendant. Restitution shall be made to the victim
8 or the victim's estate before it is made to any other person, organization, corporation,
9 or association.

10 (f) The court may require the defendant to make full restitution no later than a
11 certain date or, if the circumstances warrant, may allow the defendant to make
12 restitution in installments over a specified time period.

13 (g) If the defendant is placed on probation or post-release supervision, any
14 restitution ordered under this Article shall be a condition of probation or post-release
15 supervision.

16 (h) If the court orders partial restitution, the court shall state on the record the
17 reasons for such an order.

18 **"§ 15A-2015. Enforcement of order for restitution.**

19 (a) An order for restitution under this Article may be enforced in the same
20 manner as a civil judgment, subject to the provisions of this section.

21 (b) The order for restitution under this Article shall be docketed and indexed in
22 the county of the original conviction in the same manner as a civil judgment. The
23 order for restitution may be collected in the same manner as a civil judgment unless
24 the order to pay restitution is a condition of probation. If the order to pay restitution
25 is a condition of probation, the judgment may only be collected in accordance with
26 subsection (c) of this section.

27 (c) If the defendant is ordered to pay restitution as a condition of probation, the
28 docketed judgment may not be collected until the date of notification to the clerk of
29 superior court in the county of the original conviction that the judge presiding at the
30 probation termination or revocation hearing has made a finding that restitution in a
31 sum certain remains due and payable, that the defendant's probation has been
32 terminated or revoked, and that the remaining balance of restitution owing may be
33 collected by execution on the judgment. The clerk shall then enter upon the
34 judgment docket the amount that remains due and payable on the judgment, together
35 with amounts equal to the standard fees for docketing, copying, certifying, and
36 mailing, as appropriate, and shall notify the victim by first-class mail at the victim's
37 last known address that the judgment may be executed upon, together with the
38 amount of the judgment. Until the clerk receives notification of termination or
39 revocation of probation and the amount that remains due and payable on the order
40 of restitution, the clerk shall not be required to update the judgment docket to reflect
41 partial payments on the order of restitution as a condition of probation.

42 (d) An appeal of the conviction upon which the order of restitution is based shall
43 stay execution on the judgment until the appeal is completed. If the conviction is
44 overturned, the judgment shall be removed from the judgment docket.

1 "§ 15A-2016. Posttrial responsibilities.

2 (a) Within 30 days after the final proceeding of the trial phase of the case, the
3 district attorney's office shall notify the victim, in writing, of:

- 4 (1) The final disposition of the case.
5 (2) The crimes of which the defendant was convicted.
6 (3) The defendant's right to appeal, if any.

7 (b) Upon a defendant's giving notice of appeal to the Court of Appeals or the
8 Supreme Court, the district attorney's office shall forward to the Attorney General's
9 Office the victim's name, address, and telephone number. Upon receipt of this
10 information, and thereafter as the circumstances require, the Attorney General's
11 Office shall provide the victim with the following:

- 12 (1) A clear and concise explanation of how the appellate process
13 works, including information about possible actions that may be
14 taken by the appellate court.
15 (2) Notice of the date, time, and place of any appellate proceedings
16 involving the defendant. Notice shall be given in a manner that is
17 reasonably calculated to be received by the victim prior to the date
18 of the proceedings.
19 (3) The final disposition of an appeal.

20 (c) If the defendant has been released on bail pending the outcome of the appeal,
21 the agency that has custody of the defendant shall notify the investigating law
22 enforcement agency, and the investigating law enforcement agency shall notify the
23 victim that the defendant has been released.

24 (d) If the defendant's conviction is overturned, and the district attorney's office
25 decides to retry the case or the case is remanded to superior court for a new trial, the
26 victim shall be entitled to the same rights under this Article as if the first trial did not
27 take place.

28 (e) The Conference of District Attorneys shall maintain a repository relating to
29 victims' identities, addresses, and other appropriate information for use by agencies
30 charged with responsibilities under this Article.

31 "§ 15A-2017. Responsibilities of agency with custody of defendant.

32 The Department of Correction shall notify the victim of:

- 33 (1) The projected date by which the defendant can be released from
34 custody. The calculation of the release date shall be as exact as
35 possible, including earned time and disciplinary credits if the
36 sentence of imprisonment exceeds 90 days.
37 (2) An inmate's assignment to a minimum custody unit and the
38 address of the unit. This notification shall include notice that the
39 inmate's minimum custody status may lead to the inmate's
40 participation in one or more community-based programs such as
41 work release or supervised leaves in the community.
42 (3) The victim's right to submit any concerns to the agency with
43 custody and the procedure for submitting such concerns.
44 (4) The defendant's escape from custody.

(5) The defendant's capture.

(6) The date the defendant is scheduled to be released from the facility. Whenever practical, notice shall be given 60 days before release.

(7) The defendant's death.

"§ 15A-2018. Responsibilities of Division of Adult Probation and Parole.

The Division of Adult Probation and Parole shall notify the victim of:

(1) The defendant's regular conditions of probation or post-release supervision, special or added conditions, supervision requirements, and any subsequent changes.

(2) The date of a hearing to determine whether the defendant's supervision should be revoked, continued with or without modifications, or terminated.

(3) The final disposition of any hearing referred to in subdivision (2) of this section.

(4) Any restitution modification.

(5) The defendant's movement into or out of any intermediate sanction as defined in G.S. 15A-1340.11(6).

(6) The defendant absconding supervision.

(7) The capture of a defendant described in subdivision (6) of this section.

(8) The date when the defendant is terminated or discharged.

(9) The defendant's death.

"§ 15A-2019. Notice of commuted sentence or pardon.

The Governor's Clemency Office shall notify a victim when it is considering commuting the defendant's sentence or pardoning the defendant. The Governor's Clemency Office shall also give notice that the victim has the right to present a written statement to be considered by the Office before the defendant's sentence is commuted or the defendant is pardoned. The Governor's Clemency Office shall notify the victim of its decision. Notice shall be given in a manner that is reasonably calculated to allow for a timely response to the commutation or pardon decision.

"§ 15A-2020. No money damages.

This Article does not create a claim for damages against the State, a county, or a municipality, or any of its agencies, instrumentalities, officers, or employees.

"§ 15A-2021. No ground for relief.

The failure or inability of any person to provide a right or service under this Article may not be used by a defendant in a criminal case, by an inmate, or by any other accused as a ground for relief in any criminal or civil proceeding.

"§ 15A-2022. Incompetent victim's rights exercised.

When a victim is rendered mentally or physically incompetent or when the victim is a minor, the victim's rights under this Article, other than the rights provided by G.S. 15A-2014 and G.S. 15A-2015, may be exercised by the victim's next of kin.

"ARTICLE 102.

"Crime Victims' Rights Fund.

1 **"§ 15A-2025. Crime Victims' Rights Fund established.**

2 There is established within the State treasury a special nonreverting revenue fund
3 to be known as the Crime Victims' Rights Fund (the 'Fund'). All moneys remitted
4 to the State Treasurer under G.S. 7A-304(a)(7) shall be credited to the Fund. The
5 Fund shall be used to supplement the funds otherwise available to the Judicial
6 Department, the Justice Department, the Department of Correction, or State and
7 local law enforcement agencies for providing services to victims of crime under
8 Article 101 of this Chapter. The Department of Crime Control and Public Safety
9 shall administer the Fund. The interest and other investment income earned by the
10 Fund must be credited to the Fund. *Inant*

11 **"§ 15A-2026. Application for supplemental funds.**

12 (a) A law enforcement agency, district attorney's office, or other agency that has a
13 responsibility to provide services to crime victims as required by the General Statutes
14 may apply annually to the Department of Crime Control and Public Safety for
15 supplemental funds. Such funds shall be used to supplement local, State, or federal
16 funds that are available to agencies and district attorneys' offices to provide services
17 to crime victims.

18 (b) The Department of Crime Control and Public Safety shall establish procedures
19 for screening, recording, and processing applications for supplemental funds. The
20 Department shall prepare and transmit annually to the General Assembly a report of
21 the Department's activities."

22 Section 2. The provisions of Article 45 of Subchapter VIII of Chapter
23 15A of the General Statutes are supplemental to the provisions of Article 101 of
24 Subchapter XVI of Chapter 15A of the General Statutes as enacted in Section 1 of
25 this act. If there is any conflict between the provisions of Article 45 and Article 101,
26 the provisions of Article 101 shall control.

27 Section 2.1. G.S. 1C-1601(e) reads as rewritten:

28 "(e) Exceptions. -- The exemptions provided in this Article are inapplicable to
29 claims

- 30 (1) Of the United States or its agencies as provided by federal law;
- 31 (2) Of the State or its subdivisions for taxes, appearance bonds or
32 fiduciary bonds;
- 33 (3) Of lien by a laborer for work done and performed for the person
34 claiming the exemption, but only as to the specific property
35 affected;
- 36 (4) Of lien by a mechanic for work done on the premises, but only as
37 to the specific property affected;
- 38 (5) For payment of obligations contracted for the purchase of the
39 specific real property affected;
- 40 (6) Repealed by Session Laws 1981 (Regular Session, 1982), c. 1224, s.
41 6;
- 42 (7) For contractual security interests in the specific property affected;
43 provided, that the exemptions shall apply to the debtor's

household goods notwithstanding any contract for a nonpossessory, nonpurchase money security interest in any such goods;

(8) For statutory liens, on the specific property affected, other than judicial liens;

(9) For child support, alimony or distributive award order pursuant to Chapter 50 of the General Statutes. Statutes;

(10) For criminal restitution orders docketed as civil judgments pursuant to G.S. 15A-2015."

Section 2.2. G.S. 7A-304(d) reads as rewritten:

"(d) In any criminal case in which the liability for costs, fines, restitution, or any other lawful charge has been finally determined, the clerk of superior court shall, unless otherwise ordered by the presiding judge, disburse such funds when paid in accordance with the following priorities:

(1) Sums in restitution prorated among the persons entitled thereto;

~~(1)(2)~~ Costs due the county;

~~(2)(3)~~ Costs due the city;

~~(3)(4)~~ Fines to the county school fund;

~~(4)~~ Sums in restitution prorated among the persons entitled thereto;

(5) Costs due the State;

(6) Attorney's fees.

Sums in restitution received by the clerk of superior court shall be disbursed when:

(1) Complete restitution has been received; or

(2) When, in the opinion of the clerk, additional payments in restitution will not be collected; or

(3) Upon the request of the person or persons entitled thereto; and

(4) In any event, at least once each calendar year."

Section 2.3. Article 45 of Subchapter VIII of Chapter 15A of the General Statutes is amended by adding a new section to read:

"§ 15A-828. Assistance to victims of domestic violence.

In the allocation of resources to persons the district attorney determines are victims of serious misdemeanors, the district attorney shall, to the extent possible, provide the services listed in G.S. 15A-825 to victims of domestic violence misdemeanors that could involve the infliction of serious bodily injury."

Section 2.4. The Governor's Crime Commission of the Department of Crime Control and Public Safety will coordinate a study of the incidence of domestic violence and identify the felonies and misdemeanors that may be categorized as domestic violence. The study will include participation by the North Carolina Conference of District Attorneys and the seven prosecutorial districts that are currently receiving funds from the Violence Against Women Act, administered through the Governor's Crime Commission. The study will also include participation of other prosecutorial districts which volunteer their participation in providing necessary information. The Commission will recommend a statutory definition of domestic violence crimes that will be sufficiently clear so that it can be used by law enforcement officers and prosecutors to determine eligibility of victims of these

1 crimes for victims' assistance services. The Commission shall also recommend
2 whether any crimes that are currently misdemeanors should be reclassified as felonies
3 when committed as crimes of domestic violence. The Commission will report the
4 findings of its study and its recommendations to the 1998 Session of the 1997 General
5 Assembly on or before its convening date.

6 Section 2.5. The Post-Release Supervision and Parole Commission shall
7 compile a report of the notification services it has provided under G.S. 15A-825(11),
8 and pursuant to a letter from Governor Hunt to the Chair of the North Carolina
9 Parole Commission dated October 13, 1993. The report shall include information on
10 notification services provided through December 31, 1997. The report shall be
11 delivered to the 1998 Session of the 1997 General Assembly on or before its
12 convening date.

13 Section 2.6. G.S. 7A-304(a) is amended by adding the following new
14 subdivision to read:

15 *new Sec. 2.7* "(7) For the support of services to victims of crime, the sum of five
16 dollars (\$5.00) to be remitted to the State Treasurer to be credited
17 to the Crime Victims' Rights Fund established under Article 102 of
18 Chapter 15A of the General Statutes."

19 Section 3. G.S. 15A-2010.1, as enacted by Section 1 of this act, becomes
20 effective July 1, 1999. Section 2.3 of this act becomes effective when it becomes law
21 and expires on July 1, 1999. Sections 2.4 and 2.5 and this section of this act are
22 effective when they become law. Section 2.6 of this act and Article 102 of Chapter
23 15A of the General Statutes, as enacted by Section 1 of this act, become effective
24 August 1, 1997. The remainder of this act becomes effective January 1, 1998, and
25 applies to fees assessed or paid on or after that date.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

S

3

SENATE BILL 853

Appropriations Committee Substitute Adopted 7/3/97
House Committee Substitute Favorable 8/27/97

Short Title: Revenue Officers' Police Powers.

(Public)

Sponsors:

Referred to:

April 15, 1997

1 A BILL TO BE ENTITLED
2 AN ACT AUTHORIZING THE SECRETARY OF THE DEPARTMENT OF
3 REVENUE TO APPOINT EMPLOYEES OF THE DEPARTMENT AS
4 REVENUE LAW ENFORCEMENT AGENTS TO ENFORCE THE EXCISE
5 TAXES ON UNAUTHORIZED SUBSTANCES AND THE CRIMINAL
6 PROVISIONS OF THE REVENUE LAWS.
7 The General Assembly of North Carolina enacts:
8 Section 1. Article 9 of Chapter 105 of the General Statutes is amended
9 by adding a new section to read:
10 "§ 105-236.1. Enforcement of revenue laws by revenue law enforcement agents.
11 (a) General. -- The Secretary may appoint employees of the Criminal
12 Investigations Division to serve as revenue law enforcement officers having the
13 responsibility and subject-matter jurisdiction to enforce the felony tax violations in
14 G.S. 105-236 and to enforce any of the following criminal offenses when they involve
15 a tax imposed under Chapter 105 of the General Statutes: G.S. 14-91 (Embezzlement
16 of State Property), G.S. 14-92 (Embezzlement of Funds), G.S. 14-100 (Obtaining
17 Property By False Pretenses), G.S. 14-119 (Forgery), and G.S. 14-120 (Uttering
18 Forged Paper).
19 The Secretary may appoint employees of the Unauthorized Substances Tax
20 Division to serve as revenue law enforcement officers having the responsibility and
21 subject-matter jurisdiction to enforce the excise tax on unauthorized substances
22 imposed by Article 2D of this Chapter. To serve as a revenue law enforcement

1 officer, an employee must be certified as a criminal justice officer under Chapter 17C
2 of the General Statutes.

3 (b) Authority. -- A revenue law enforcement officer is a State officer with
4 jurisdiction throughout the State within the officer's subject-matter jurisdiction. A
5 revenue law enforcement officer may serve and execute notices, orders, warrants, or
6 demands issued by the Secretary or the General Court of Justice in connection with
7 the enforcement of the officer's subject-matter jurisdiction. A revenue law
8 enforcement officer has the full powers of arrest as provided by G.S. 15A-401 while
9 executing the notices, orders, warrants, or demands."

10 Section 2. G.S. 17C-2 reads as rewritten:

11 "**§ 17C-2. Definitions.**

12 Unless the context clearly otherwise requires, the following definitions apply in this
13 Chapter:

14 (a) ~~"Commission" means the~~ (1) Commission. -- The North Carolina
15 Criminal Justice Education and Training Standards Commission;
16 Commission.

17 (b) ~~"Criminal justice agencies" means the~~ (2) Criminal justice
18 agencies. -- The State and local law-enforcement agencies, the
19 State correctional agencies, other correctional agencies maintained
20 by local governments, and the juvenile justice agencies, but shall
21 not include deputy sheriffs, special deputy sheriffs, sheriffs' jailers,
22 or other sheriffs' department personnel governed by the provisions
23 of Chapter 17E of these General Statutes; Statutes.

24 (c) ~~"Criminal justice officer(s)" means and incorporates the~~ (3)
25 Criminal justice officers. -- The administrative and subordinate
26 personnel of all the departments, agencies, units or entities
27 comprising the "criminal justice agencies," as defined in subsection
28 (b); criminal justice agencies who are sworn law-enforcement
29 officers, both State and local, with the power of arrest; revenue law
30 enforcement officers; State correctional officers; State
31 probation/parole officers; officers, supervisory and administrative
32 personnel of local confinement facilities; State youth services
33 officers; State probation/parole intake officers; State
34 probation/parole officers-surveillance; State probation/parole
35 intensive officers; and State parole case analysts.

36 (d) ~~"Entry level" means the~~ (4) Entry level. -- The initial appointment
37 or employment of any person by a criminal justice agency, or any
38 appointment or employment of a person previously employed by a
39 criminal justice agency who has not been employed by a criminal
40 justice agency for the 12-month period preceding this appointment
41 or employment, or any appointment or employment of a previously
42 certified criminal justice officer to a position which requires a
43 different type of certification."

1 Section 3. G.S. 143-166.13(a) is amended by adding a new subdivision to
2 read:

3 "(18) Sworn State Law-Enforcement Officers with the power of arrest,
4 Department of Revenue."

5 Section 4. Of the funds appropriated from the General Fund to the
6 Department of Revenue for operating expenses, the sum of sixty-seven thousand five
7 hundred three dollars (\$67,503) shall be used in the 1997-98 fiscal year to implement
8 Sections 1 through 3 of this act.

9 Section 5. This act is effective when it becomes law.

**1997 PERMANENT SUBCOMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

FOR RECOMMENDING BILLS TO STANDING COMMITTEE OR TO THE FLOOR OF THE HOUSE
The following report(s) from permanent sub committee(s) is/are presented:

By Representative(s) Ives, McCombs, and Sherrill, Co-Chairs, for the Permanent Subcommittee on
General Government of the Standing Committee on Appropriations.

House

☒ Committee Substitute for

S.B. 853

☒ A BILL TO BE ENTITLED AN ACT AUTHORIZING THE
SECRETARY OF THE DEPARTMENT OF REVENUE TO APPOINT EMPLOYEES OF THE
DEPARTMENT AS REVENUE LAW ENFORCEMENT AGENTS TO ENFORCE THE EXCISE
TAXES ON UNAUTHORIZED SUBSTANCES AND THE CRIMINAL PROVISIONS OF THE
REVENUE LAWS.

REPORTED TO THE STANDING COMMITTEE ON

RECOMMENDED ACTION:

- ☐ With a favorable recommendation.
- ☐ With a favorable recommendation and recommend that the bill be re-referred to the Committee on
- ☐ With a favorable recommendation, as amended.
- ☐ With a favorable recommendation, as amended, and recommend that the bill be re-referred to the Committee on
- ☐ With an unfavorable recommendation.
- ☐ With a favorable recommendation as to proposed committee substitute bill which changes the title, unfavorable as to original bill.
- ☐ With a favorable recommendation as to proposed House committee substitute bill, which changes the title, unfavorable as to Senate committee substitute bill.
- ☐ Without prejudice.
- ☐ Other recommended action: _____

WITH APPROVAL OF STANDING COMMITTEE CHAIR FOR REPORT TO BE MADE DIRECTLY
TO THE FLOOR OF THE HOUSE:

Rep. Holmes for the Standing Committee on Appropriations.

6/25/97

s/ [Signature]

- ☒ With a favorable report.
- ☐ With a favorable report, as amended.
- ☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title, unfavorable as to original bill (Committee Substitute Bill #). (and recommendation that the committee substitute bill (#) be referred to the Committee on .)
- ☐ And having received a unanimous vote in committee, be placed on the Consent Calendar.
(PUBLIC BILLS ONLY)

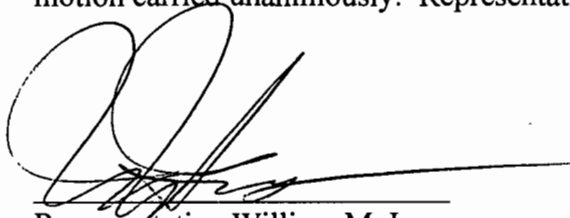
4/24/97

HOUSE APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT
MINUTES

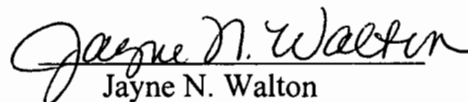
August 27, 1997

The House Appropriations Subcommittee on General Government met immediately after the first recess of the House session August 28, 1997, around the chamber desk of Representative Ives, Cochair. The following members were present: Representatives Ives, Sherrill, McCombs, Cochairs, and Representatives Braswell, Culpepper, Ellis, Jeffus, and Wainwright.

Representative Ives called the meeting to order at 7:20 PM and Representative Sherrill moved to give Senate Bill 853 a favorable report (see attachments #1 and #2). The motion carried unanimously. Representative Ives adjourned at 7:25 PM.



Representative William M. Ives
Cochair



Jayne N. Walton
Committee Clerk

NORTH CAROLINA GENERAL ASSEMBLY

COMMITTEE SUMMARY REPORT

HOUSE: APPROPRIATIONS--GENERAL GOVERNMENT

Valid Through 9-SEP-1997

1997-98 Regular Session

<u>BILL</u>	<u>INTRODUCER</u>	<u>SHORT TITLE</u>	<u>LATEST ACTION ON BILL</u>	<u>IN DATE</u>	<u>OUT DATE</u>
H 480=	ADAMS	WOMENWORK FUND	*H -ASSIGNED TO APP-GGOV	07-15-97	
H 665=	EDDINS	CRIME VICTIMS' RIGHTS ACT	*H -ASSIGNED TO APP-JPS	07-15-97	07-22-97
H 745	IVES	ELECTION NOTICES/ONE STOP	*H -RE-REF COM ON ELE-LAW	07-10-97	07-16-97
H 920	DECKER	NC POSTAL HISTORY COMMISSION	*H -ASSIGNED TO APP-GGOV	05-15-97	
S 853	CONDER	REVENUE OFFICERS' POLICE POWERS	*S -PRES. TO GOV. 08-29	08-27-97	08-27-97

NOTES- = AFTER BILL NUMBER SHOWS THAT BILL IS IDENTICAL, AS INTRODUCED, TO ANOTHER BILL.

* AFTER NUMBERS INDICATES THAT TEXT OF BILL WAS ALTERED BY ACTION ON THE BILL.

BOLDED LINE INDICATES BILL INDEXED AS AFFECTING APPROPRIATIONS.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

3

HOUSE BILL 480
Committee Substitute Favorable 6/23/97
Third Edition Engrossed 7/14/97

Short Title: WomenWork Fund.

(Public)

Sponsors:

Referred to:

March 10, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO ESTABLISH THE NORTH CAROLINA WOMENWORK FUND
3 FOR DISPLACED HOMEMAKERS TO BE ADMINISTERED BY THE NORTH
4 CAROLINA COUNCIL FOR WOMEN, AND TO ESTABLISH AN
5 ADDITIONAL CIVIL ACTION FEE TO BE COLLECTED BY THE COURT IN
6 DIVORCE ACTIONS.
7 The General Assembly of North Carolina enacts:
8 Section 1. Part 10B of Article 9 of Chapter 143B of the General Statutes
9 is amended by adding the following new section to read:
10 **"§ 143B-394.10. North Carolina WomenWork Fund for Displaced Homemakers.**
11 **(a) There is established in the Department of Administration a nonreverting,**
12 **interest-bearing special revenue fund to be known as the North Carolina**
13 **WomenWork Fund for Displaced Homemakers. The Fund shall consist of revenue**
14 **credited to the Fund for the costs imposed by G.S. 7A-305(a2) and any other monies**
15 **credited to it. The Fund shall be administered by the Council in accordance with**
16 **Article 1 of Chapter 143 of the General Statutes and shall be used to make grants to**
17 **programs for displaced homemakers. The Council shall make quarterly grants to**
18 **each eligible program. Grants shall be awarded according to criteria established by**
19 **the Council. No more than ten percent (10%) of these funds shall be used for**
20 **administrative costs by the Council. In order to be eligible to receive grant funds**
21 **under this section, a displaced homemaker program shall fulfill all of the criteria**
22 **established by the Council. The Council shall report annually to the Joint Legislative**

1 Commission on Governmental Operations on the revenues credited to the Fund, the
2 programs receiving grants from the Fund, the success of those programs, and the costs
3 associated with administering the Fund.

4 (b) The Department, upon recommendations by the Council, shall adopt rules to
5 implement the North Carolina WomenWork Fund for Displaced Homemakers."

6 Section 2. G.S. 7A-305 is amended by adding the following new
7 subsection to read:

8 "(a2) In every action for absolute divorce under G.S. 50-6 filed in the district
9 court, a cost of twenty dollars (\$20.00) shall be assessed against the person filing the
10 divorce action. Costs collected by the clerk pursuant to this subsection shall be
11 remitted to the State Treasurer for deposit to the North Carolina WomenWork Fund
12 for Displaced Homemakers established under G.S. 143B-394.10. Costs assessed under
13 this subsection shall be in addition to any other costs assessed under this section."

14 Section 3. G.S. 7A-305(c) reads as rewritten:

15 "(c) The clerk of superior court, at the time of the filing of the papers initiating
16 the action or the appeal, shall collect as advance court costs, the ~~facilities fee and~~
17 ~~General Court of Justice fee,~~ facilities fee, General Court of Justice fee, and the
18 divorce fee imposed under subsection (a2) of this section, except in suits by an
19 indigent. The clerk shall also collect the fee for discovery procedures under Rule
20 27(a) and (b) at the time of the filing of the verified petition."

21 Section 4. This act is effective when it becomes law, and applies to
22 actions for absolute divorce under G.S. 50-6 filed on and after that date.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 1997

H

3

HOUSE BILL 665
Committee Substitute Favorable 6/25/97
Committee Substitute #2 Favorable 7/10/97

Short Title: Crime Victims' Rights Act.

(Public)

Sponsors:

Referred to:

March 27, 1997

- 1 A BILL TO BE ENTITLED
2 AN ACT TO CREATE THE CRIME VICTIMS' RIGHTS ACT, TO ASSIST
3 VICTIMS OF DOMESTIC VIOLENCE, TO ALLOW THE ENFORCEMENT OF
4 ORDERS FOR RESTITUTION IN CRIMINAL CASES IN THE SAME
5 MANNER AS CIVIL JUDGMENTS, TO CREATE AN EXCEPTION TO THE
6 STATUTORY EXEMPTIONS FOR EXECUTION OF RESTITUTION
7 JUDGMENTS, AND TO CHANGE THE ORDER OF PRIORITY FOR
8 DISBURSEMENT OF FUNDS IN CRIMINAL CASES.
9 The General Assembly of North Carolina enacts:
10 Section 1. Chapter 15A of the General Statutes is amended by adding a
11 new Subchapter to read:
12 "SUBCHAPTER XVI. CRIME VICTIMS' RIGHTS.
13 "ARTICLE 101.
14 "Crime Victims' Rights Act.
15 "§ 15A-2010. Definitions.
16 (a) The following definitions apply in this Article:
17 (1) Accused. -- A person who has been arrested and charged with
18 committing a crime covered by this Article.
19 (2) Law enforcement agency. -- Law enforcement agency includes the
20 following:
21 a. Arresting law enforcement agency. -- The law enforcement
22 agency that makes the arrest of an accused.

b. Custodial agency. -- The agency that has legal custody of an accused or defendant arising from a charge or conviction of a crime covered by this Article including, but not limited to, local jails or detention facilities, regional jails or detention facilities, or the Department of Correction.

c. Investigating law enforcement agency. -- The law enforcement agency with primary responsibility for investigating the crime committed against the victim.

(3) Next of kin. -- The victim's spouse, children, parents, siblings, or grandparents. The term does not include the accused unless the charges are dismissed or the person is found not guilty.

(4) Victim. -- A person against whom there is probable cause to believe one of the following crimes was committed:

a. A Class A, B1, B2, C, D, or E felony.

b. A Class F felony if it is a violation of one of the following: G.S. 14-16.6(b); 14-16.6(c); 14-18; 14-32.1(e); 14-32.2(b)(3); 14-32.3(a); 14-32.4; 14-34.2; 14-34.6(c); 14-41; 14-43.2; 14-43.3; 14-190.17; 14-190.19; 14-202.1; or 14-288.9.

c. A Class G felony if it is a violation of one of the following: G.S. 14-32.3(b); 14-51; 14-58; 14-87.1; 20-138.5; or 20-141.4.

d. A Class H felony if it is a violation of one of the following: G.S. 14-32.3(a); 14-32.3(c); or 14-33.2.

e. A Class I felony if it is a violation of one of the following: G.S. 14-277.3; 14-32.3(b); 14-34.6(b); or 14-190.17A.

f. An attempt of any of the felonies listed in this subdivision if the attempted felony is punishable as a felony.

(b) If the victim is deceased, then the next of kin, in the order set forth in the definition contained in this section, is entitled to the victim's rights under this Article, except for the rights contained in G.S. 15A-2014. An individual entitled to exercise the victim's rights as a member of the class of next of kin may designate anyone in the class to act on behalf of the class.

"§ 15A-2010.1. Assistance to victims of domestic violence.

Effective July 1, 1999, victims of domestic violence shall be entitled to all of the rights of victims under this Article. For purposes of this Article, a victim of domestic violence is any person against whom there is probable cause to believe that a felony or misdemeanor which fits the definition of domestic violence contained in G.S. 50B-1 has been committed, including G.S. 14-33, 14-134.3, 14-277.1, and 14-318.2, as well as the attempt of any such felony or misdemeanor. These crimes are in addition to the felonies set forth in G.S. 15A-2010(a)(4).

"§ 15A-2011. Responsibilities of law enforcement agency.

(a) Within 24 hours after identifying a victim covered by this Article, the investigating law enforcement agency shall provide the victim with the following information:

(1) The availability of medical services, if needed.

- 1 (2) The availability of crime victims' compensation funds under
2 Chapter 15B of the General Statutes and the address and
3 telephone number of the agency responsible for dispensing the
4 funds.
- 5 (3) The address and telephone number of the district attorney's office
6 that will be responsible for prosecuting the victim's case.
- 7 (4) The name and telephone number of an investigating law
8 enforcement agency employee whom the victim may contact if the
9 victim has not been notified of an arrest in the victim's case within
10 six months after the crime was reported to the law enforcement
11 agency.
- 12 (5) Information about an accused's opportunity for pretrial release.
- 13 (6) The name and telephone number of an investigating law
14 enforcement agency employee whom the victim may contact to
15 find out whether the accused has been released from custody.
- 16 (b) Within 24 hours after receiving notification from the arresting law
17 enforcement agency that the accused has been arrested, the investigating law
18 enforcement agency shall forward to the district attorney's office that will be
19 responsible for prosecuting the case the victim's name, address, date of birth, social
20 security number, race, sex, and telephone number, unless the victim refuses to
21 disclose any or all of the information, in which case, the investigating law
22 enforcement agency shall so inform the district attorney's office.
- 23 (c) Upon receiving the information in subsection (a) of this section, the victim
24 shall, on a form provided by the investigating law enforcement agency, indicate
25 whether the victim wishes to receive any further notices from the investigating law
26 enforcement agency. If the victim elects to receive further notices, the victim shall be
27 responsible for notifying the investigating law enforcement agency of any changes in
28 the victim's name, address, and telephone number.
- 29 (d) Within 24 hours after the arrest of a person believed to have committed a
30 crime covered by this Article, the arresting law enforcement agency shall inform the
31 investigating law enforcement agency of the arrest. Within 24 hours of being notified
32 of the arrest, the investigating law enforcement agency shall notify the victim of the
33 arrest.
- 34 **"§ 15A-2012. Responsibilities of the district attorney's office.**
- 35 (a) Within 21 days after the arrest of the accused, but not less than 24 hours
36 before the accused's first scheduled probable cause hearing, the district attorney's
37 office shall provide to the victim a pamphlet or other written material that explains in
38 a clear and concise manner the following:
- 39 (1) The victim's rights under this Article, including the right to confer
40 with the attorney prosecuting the case about the disposition of the
41 case and the right to provide a victim impact statement.
- 42 (2) The responsibilities of the district attorney's office under this
43 Article.

1 (3) The victim's eligibility for compensation under the Crime
2 Victims' Compensation Act and the deadlines by which the victim
3 must file a claim for compensation.

4 (4) The steps generally taken by the district attorney's office when
5 prosecuting a felony case.

6 (5) Suggestions on what the victim should do if threatened or
7 intimidated by the accused or someone acting on the accused's
8 behalf.

9 (6) The name and telephone number of a victim and witness assistant
10 in the district attorney's office whom the victim may contact for
11 further information.

12 (b) Upon receiving the information in subsection (a) of this section, the victim
13 shall, on a form provided by the district attorney's office, indicate whether the victim
14 wishes to receive notices of some, all, or none of the trial and posttrial proceedings
15 involving the accused. If the victim elects to receive notices, the victim shall be
16 responsible for notifying the district attorney's office or any other department or
17 agency that has a responsibility under this Article of any changes in the victim's
18 address and telephone number. The victim may alter the request for notification at
19 any time by notifying the district attorney's office and completing the form provided
20 by the district attorney's office.

21 (c) The district attorney's office shall notify a victim of the date, time, and place
22 of all trial court proceedings of the type which the victim has elected to receive
23 notice. All notices required to be given by the district attorney's office shall be given
24 in a manner that is reasonably calculated to be received by the victim prior to the
25 date of the court proceeding.

26 (d) Whenever practical, the district attorney's office shall provide a secure waiting
27 area during court proceedings that does not place the victim in close proximity to the
28 defendant or the defendant's family.

29 (e) When the victim is to be called as a witness in a court proceeding, the court
30 shall make every effort to permit the fullest attendance possible by the victim in the
31 proceedings.

32 (f) Prior to the disposition of the case, the district attorney's office shall offer the
33 victim the opportunity to consult with the prosecuting attorney to obtain the views of
34 the victim about the disposition of the case, including the victim's views about
35 dismissal, plea or negotiations, sentencing, and any pretrial diversion programs.

36 (g) At the sentencing hearing, the prosecuting attorney shall submit to the court a
37 copy of a form containing the identifying information set forth in G.S. 15A-2011(b)
38 about any victim electing to receive further notices under this Article. The form shall
39 be included with the final judgment and commitment transmitted to the Department
40 of Correction or other agency receiving custody of the defendant and shall be
41 maintained by the custodial agency as a confidential file.

42 "§ 15A-2013. Evidence of victim impact.

1 (a) A victim has the right to offer evidence of the impact of the crime, which shall
2 be considered by the court or jury, as the case may be, in sentencing the defendant.
3 The evidence may include the following:

- 4 (1) A description of the nature and extent of any physical,
5 psychological, or emotional injury suffered by the victim as a result
6 of the offense committed by the defendant.
7 (2) An explanation of any economic or property loss suffered by the
8 victim as a result of the offense committed by the defendant.
9 (3) A request for restitution and an indication of whether the victim
10 has applied for or received compensation under the Crime
11 Victims' Compensation Act.

12 (b) No victim shall be required to offer evidence of the impact of the crime. No
13 inference or conclusion shall be drawn from a victim's decision not to offer evidence
14 of the impact of the crime.

15 **"§ 15A-2014. Restitution.**

16 (a) Upon conviction of the defendant or upon a plea of guilty, the court shall, in
17 addition to any penalty authorized by law, require that the defendant make
18 restitution to a victim or the victim's estate for any injuries or damages arising out of
19 the offense committed by the defendant. In determining the amount of restitution,
20 the court shall consider the following:

- 21 (1) The cost of any medical or other professional services and devices
22 or equipment required by the victim.
23 (2) The cost of physical therapy, occupational therapy, and
24 rehabilitation required by the victim.
25 (3) Any income loss, after taxes, suffered by the victim.
26 (4) The cost of any psychological or medical treatment for the victim's
27 next of kin.
28 (5) The cost of the victim's funeral and any related services.
29 (6) Any other injuries or damages arising out of the offense committed
30 by the defendant.

31 (b) The court may require that the victim or the victim's estate provide evidence
32 that documents the costs claimed by the victim or the victim's estate under this
33 section. Any such documentation shall be shared with the defendant before the
34 sentencing hearing.

35 (c) In determining the amount of restitution to be made, the court shall take into
36 consideration the resources of the defendant including all real and personal property
37 owned by the defendant and the income derived from the property, the defendant's
38 ability to earn, the defendant's obligation to support dependents, and any other
39 matters that pertain to the defendant's ability to make restitution, but the court is not
40 required to make findings of fact or conclusions of law on these matters. The amount
41 of restitution must be limited to that supported by the record, and the court may
42 order partial restitution when it appears that the damage or loss caused by the offense
43 is greater than that which the defendant is able to pay.

1 (d) An order providing for restitution does not abridge the right of a victim or the
2 victim's estate to bring a civil action against the defendant for damages arising out of
3 the offense committed by the defendant.

4 (e) The court may order the defendant to make restitution to a person other than
5 the victim, or to any organization, corporation, or association, including the Crime
6 Victims' Compensation Fund that provided assistance to the victim following the
7 commission of the offense by the defendant. Restitution shall be made to the victim
8 or the victim's estate before it is made to any other person, organization, corporation,
9 or association.

10 (f) The court may require the defendant to make full restitution no later than a
11 certain date or, if the circumstances warrant, may allow the defendant to make
12 restitution in installments over a specified time period.

13 (g) If the defendant is placed on probation or post-release supervision, any
14 restitution ordered under this Article shall be a condition of probation or post-release
15 supervision.

16 (h) If the court orders partial restitution, the court shall state on the record the
17 reasons for such an order.

18 **"§ 15A-2015. Enforcement of order for restitution.**

19 (a) An order for restitution under this Article may be enforced in the same
20 manner as a civil judgment, subject to the provisions of this section.

21 (b) The order for restitution under this Article shall be docketed and indexed in
22 the county of the original conviction in the same manner as a civil judgment. The
23 order for restitution may be collected in the same manner as a civil judgment unless
24 the order to pay restitution is a condition of probation. If the order to pay restitution
25 is a condition of probation, the judgment may only be collected in accordance with
26 subsection (c) of this section.

27 (c) If the defendant is ordered to pay restitution as a condition of probation, the
28 docketed judgment may not be collected until the date of notification to the clerk of
29 superior court in the county of the original conviction that the judge presiding at the
30 probation termination or revocation hearing has made a finding that restitution in a
31 sum certain remains due and payable, that the defendant's probation has been
32 terminated or revoked, and that the remaining balance of restitution owing may be
33 collected by execution on the judgment. The clerk shall then enter upon the
34 judgment docket the amount that remains due and payable on the judgment, together
35 with amounts equal to the standard fees for docketing, copying, certifying, and
36 mailing, as appropriate, and shall notify the victim by first-class mail at the victim's
37 last known address that the judgment may be executed upon, together with the
38 amount of the judgment. Until the clerk receives notification of termination or
39 revocation of probation and the amount that remains due and payable on the order
40 of restitution, the clerk shall not be required to update the judgment docket to reflect
41 partial payments on the order of restitution as a condition of probation.

42 (d) An appeal of the conviction upon which the order of restitution is based shall
43 stay execution on the judgment until the appeal is completed. If the conviction is
44 overturned, the judgment shall be removed from the judgment docket.

1 **"§ 15A-2016. Posttrial responsibilities.**

2 (a) Within 30 days after the final proceeding of the trial phase of the case, the
3 district attorney's office shall notify the victim, in writing, of:

4 (1) The final disposition of the case.

5 (2) The crimes of which the defendant was convicted.

6 (3) The defendant's right to appeal, if any.

7 (b) Upon a defendant's giving notice of appeal to the Court of Appeals or the
8 Supreme Court, the district attorney's office shall forward to the Attorney General's
9 Office the victim's name, address, and telephone number. Upon receipt of this
10 information, and thereafter as the circumstances require, the Attorney General's
11 Office shall provide the victim with the following:

12 (1) A clear and concise explanation of how the appellate process
13 works, including information about possible actions that may be
14 taken by the appellate court.

15 (2) Notice of the date, time, and place of any appellate proceedings
16 involving the defendant. Notice shall be given in a manner that is
17 reasonably calculated to be received by the victim prior to the date
18 of the proceedings.

19 (3) The final disposition of an appeal.

20 (c) If the defendant has been released on bail pending the outcome of the appeal,
21 the agency that has custody of the defendant shall notify the investigating law
22 enforcement agency, and the investigating law enforcement agency shall notify the
23 victim that the defendant has been released.

24 (d) If the defendant's conviction is overturned, and the district attorney's office
25 decides to retry the case or the case is remanded to superior court for a new trial, the
26 victim shall be entitled to the same rights under this Article as if the first trial did not
27 take place.

28 (e) The Conference of District Attorneys shall maintain a repository relating to
29 victims' identities, addresses, and other appropriate information for use by agencies
30 charged with responsibilities under this Article.

31 **"§ 15A-2017. Responsibilities of agency with custody of defendant.**

32 The Department of Correction shall notify the victim of:

33 (1) The projected date by which the defendant can be released from
34 custody. The calculation of the release date shall be as exact as
35 possible, including earned time and disciplinary credits if the
36 sentence of imprisonment exceeds 90 days.

37 (2) An inmate's assignment to a minimum custody unit and the
38 address of the unit. This notification shall include notice that the
39 inmate's minimum custody status may lead to the inmate's
40 participation in one or more community-based programs such as
41 work release or supervised leaves in the community.

42 (3) The victim's right to submit any concerns to the agency with
43 custody and the procedure for submitting such concerns.

44 (4) The defendant's escape from custody.

(5) The defendant's capture.

(6) The date the defendant is scheduled to be released from the facility. Whenever practical, notice shall be given 60 days before release.

(7) The defendant's death.

"§ 15A-2018. Responsibilities of Division of Adult Probation and Parole.

The Division of Adult Probation and Parole shall notify the victim of:

(1) The defendant's regular conditions of probation or post-release supervision, special or added conditions, supervision requirements, and any subsequent changes.

(2) The date of a hearing to determine whether the defendant's supervision should be revoked, continued with or without modifications, or terminated.

(3) The final disposition of any hearing referred to in subdivision (2) of this section.

(4) Any restitution modification.

(5) The defendant's movement into or out of any intermediate sanction as defined in G.S. 15A-1340.11(6).

(6) The defendant absconding supervision.

(7) The capture of a defendant described in subdivision (6) of this section.

(8) The date when the defendant is terminated or discharged.

(9) The defendant's death.

"§ 15A-2019. Notice of commuted sentence or pardon.

The Governor's Clemency Office shall notify a victim when it is considering commuting the defendant's sentence or pardoning the defendant. The Governor's Clemency Office shall also give notice that the victim has the right to present a written statement to be considered by the Office before the defendant's sentence is commuted or the defendant is pardoned. The Governor's Clemency Office shall notify the victim of its decision. Notice shall be given in a manner that is reasonably calculated to allow for a timely response to the commutation or pardon decision.

"§ 15A-2020. No money damages.

This Article does not create a claim for damages against the State, a county, or a municipality, or any of its agencies, instrumentalities, officers, or employees.

"§ 15A-2021. No ground for relief.

The failure or inability of any person to provide a right or service under this Article may not be used by a defendant in a criminal case, by an inmate, or by any other accused as a ground for relief in any criminal or civil proceeding.

"§ 15A-2022. Incompetent victim's rights exercised.

When a victim is rendered mentally or physically incompetent or when the victim is a minor, the victim's rights under this Article, other than the rights provided by G.S. 15A-2014 and G.S. 15A-2015, may be exercised by the victim's next of kin.

"ARTICLE 102.

"Crime Victims' Rights Fund.

1 **"§ 15A-2025. Crime Victims' Rights Fund established.**

2 There is established within the State treasury a special nonreverting revenue fund
3 to be known as the Crime Victims' Rights Fund (the 'Fund'). All moneys remitted
4 to the State Treasurer under G.S. 7A-304(a)(7) shall be credited to the Fund. The
5 Fund shall be used to supplement the funds otherwise available to the Judicial
6 Department, the Justice Department, the Department of Correction, or State and
7 local law enforcement agencies for providing services to victims of crime under
8 Article 101 of this Chapter. The Department of Crime Control and Public Safety
9 shall administer the Fund. The interest and other investment income earned by the
10 Fund must be credited to the Fund.

11 **"§ 15A-2026. Application for supplemental funds.**

12 (a) A law enforcement agency, district attorney's office, or other agency that has a
13 responsibility to provide services to crime victims as required by the General Statutes
14 may apply annually to the Department of Crime Control and Public Safety for
15 supplemental funds. Such funds shall be used to supplement local, State, or federal
16 funds that are available to agencies and district attorneys' offices to provide services
17 to crime victims.

18 (b) The Department of Crime Control and Public Safety shall establish procedures
19 for screening, recording, and processing applications for supplemental funds. The
20 Department shall prepare and transmit annually to the General Assembly a report of
21 the Department's activities."

22 Section 2. The provisions of Article 45 of Subchapter VIII of Chapter
23 15A of the General Statutes are supplemental to the provisions of Article 101 of
24 Subchapter XVI of Chapter 15A of the General Statutes as enacted in Section 1 of
25 this act. If there is any conflict between the provisions of Article 45 and Article 101,
26 the provisions of Article 101 shall control.

27 Section 2.1. G.S. 1C-1601(e) reads as rewritten:

28 "(e) Exceptions. -- The exemptions provided in this Article are inapplicable to
29 claims

- 30 (1) Of the United States or its agencies as provided by federal law;
- 31 (2) Of the State or its subdivisions for taxes, appearance bonds or
32 fiduciary bonds;
- 33 (3) Of lien by a laborer for work done and performed for the person
34 claiming the exemption, but only as to the specific property
35 affected;
- 36 (4) Of lien by a mechanic for work done on the premises, but only as
37 to the specific property affected;
- 38 (5) For payment of obligations contracted for the purchase of the
39 specific real property affected;
- 40 (6) Repealed by Session Laws 1981 (Regular Session, 1982), c. 1224, s.
41 6;
- 42 (7) For contractual security interests in the specific property affected;
43 provided, that the exemptions shall apply to the debtor's

household goods notwithstanding any contract for a nonpossessory, nonpurchase money security interest in any such goods;

(8) For statutory liens, on the specific property affected, other than judicial liens;

(9) For child support, alimony or distributive award order pursuant to Chapter 50 of the General Statutes. Statutes:

(10) For criminal restitution orders docketed as civil judgments pursuant to G.S. 15A-2015."

Section 2.2. G.S. 7A-304(d) reads as rewritten:

"(d) In any criminal case in which the liability for costs, fines, restitution, or any other lawful charge has been finally determined, the clerk of superior court shall, unless otherwise ordered by the presiding judge, disburse such funds when paid in accordance with the following priorities:

(1) Sums in restitution prorated among the persons entitled thereto;

~~(1)(2)~~ Costs due the county;

~~(2)(3)~~ Costs due the city;

~~(3)(4)~~ Fines to the county school fund;

~~(4)~~ Sums in restitution prorated among the persons entitled thereto;

(5) Costs due the State;

(6) Attorney's fees.

Sums in restitution received by the clerk of superior court shall be disbursed when:

(1) Complete restitution has been received; or

(2) When, in the opinion of the clerk, additional payments in restitution will not be collected; or

(3) Upon the request of the person or persons entitled thereto; and

(4) In any event, at least once each calendar year."

Section 2.3. Article 45 of Subchapter VIII of Chapter 15A of the General Statutes is amended by adding a new section to read:

"§ 15A-828. Assistance to victims of domestic violence.

In the allocation of resources to persons the district attorney determines are victims of serious misdemeanors, the district attorney shall, to the extent possible, provide the services listed in G.S. 15A-825 to victims of domestic violence misdemeanors that could involve the infliction of serious bodily injury."

Section 2.4. The Governor's Crime Commission of the Department of Crime Control and Public Safety will coordinate a study of the incidence of domestic violence and identify the felonies and misdemeanors that may be categorized as domestic violence. The study will include participation by the North Carolina Conference of District Attorneys and the seven prosecutorial districts that are currently receiving funds from the Violence Against Women Act, administered through the Governor's Crime Commission. The study will also include participation of other prosecutorial districts which volunteer their participation in providing necessary information. The Commission will recommend a statutory definition of domestic violence crimes that will be sufficiently clear so that it can be used by law enforcement officers and prosecutors to determine eligibility of victims of these

1 crimes for victims' assistance services. The Commission shall also recommend
2 whether any crimes that are currently misdemeanors should be reclassified as felonies
3 when committed as crimes of domestic violence. The Commission will report the
4 findings of its study and its recommendations to the 1998 Session of the 1997 General
5 Assembly on or before its convening date.

6 Section 2.5. The Post-Release Supervision and Parole Commission shall
7 compile a report of the notification services it has provided under G.S. 15A-825(11),
8 and pursuant to a letter from Governor Hunt to the Chair of the North Carolina
9 Parole Commission dated October 13, 1993. The report shall include information on
10 notification services provided through December 31, 1997. The report shall be
11 delivered to the 1998 Session of the 1997 General Assembly on or before its
12 convening date.

13 Section 2.6. G.S. 7A-304(a) is amended by adding the following new
14 subdivision to read:

15 "(7) For the support of services to victims of crime, the sum of five
16 dollars (\$5.00) to be remitted to the State Treasurer to be credited
17 to the Crime Victims' Rights Fund established under Article 102 of
18 Chapter 15A of the General Statutes."

19 Section 3. G.S. 15A-2010.1, as enacted by Section 1 of this act, becomes
20 effective July 1, 1999. Section 2.3 of this act becomes effective when it becomes law
21 and expires on July 1, 1999. Sections 2.4 and 2.5 and this section of this act are
22 effective when they become law. Section 2.6 of this act and Article 102 of Chapter
23 15A of the General Statutes, as enacted by Section 1 of this act, become effective
24 August 1, 1997. The remainder of this act becomes effective January 1, 1998, and
25 applies to fees assessed or paid on or after that date.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

2

HOUSE BILL 745
Committee Substitute Favorable 7/16/97

Short Title: Election Notices/One-Stop.

(Public)

Sponsors:

Referred to:

April 2, 1997

1 A BILL TO BE ENTITLED

2 AN ACT TO PROVIDE THAT THE STATE SHALL PAY THE COST OF ANY
3 REQUIRED LEGAL ADVERTISING IT REQUIRES COUNTIES TO PLACE IN
4 CONNECTION WITH ANY REFERENDUM PLACED ON THE BALLOT BY
5 THE GENERAL ASSEMBLY; AND TO ALLOW A COUNTY BOARD OF
6 ELECTIONS TO CONDUCT ONE-STOP VOTING ON ITS ELECTION-DAY
7 VOTING EQUIPMENT UNDER CERTAIN CIRCUMSTANCES.

8 The General Assembly of North Carolina enacts:

9 Section 1. G.S. 163-33(8) reads as rewritten:

10 "(8) To provide for the issuance of all notices, advertisements, and
11 publications concerning elections required by law. If the election
12 is on a State bond issue, an amendment to the Constitution, or
13 approval of an act submitted to the voters of the State, the State
14 Board of Elections shall reimburse the county boards of elections
15 for their reasonable additional costs in placing such notices,
16 advertisements, and publications. In addition, the county board of
17 elections shall give notice at least 20 days prior to the date on
18 which the registration books or records are closed that there will
19 be a primary, general or special election, the date on which it will
20 be held, and the hours the voting places will be open for voting in
21 that election. The notice also shall describe the nature and type of
22 election, and the issues, if any, to be submitted to the voters at that
23 election. Notice shall be given by advertisement at least once

1 weekly during the 20-day period in a newspaper having general
2 circulation in the county and by posting a copy of the notice at the
3 courthouse door. Notice may additionally be made on a radio or
4 television station or both, but such notice shall be in addition to
5 the newspaper and other required notice. This subdivision shall
6 not apply in the case of bond elections called under the provisions
7 of Chapter 159."

8 Section 2. G.S. 163-227.2 reads as rewritten:

9 **"§ 163-227.2. Alternate procedures for requesting application for absentee ballot;
10 'one-stop' voting procedure in board office.**

11 (a) A person expecting to be absent from the county in which he is registered
12 during the entire period that the polls are open on the day of an election in which
13 absentee ballots are authorized or is eligible under G.S. 163-226(a)(2), 163-226(a)(3a),
14 or 163-226(a)(4) may request an application for absentee ballots, complete the
15 application, receive the absentee ballots, vote and deliver them sealed in a container-
16 return envelope to the county board of elections in the county in which he is
17 registered under the provisions of this section.

18 (b) Not earlier than the ~~twenty-fourth day~~ first business day after the twenty-fifth
19 day before an election, in which absentee ballots are authorized, in which he seeks to
20 vote and not later than 5:00 P.M. on the Friday prior to that election, the voter shall
21 appear in person only at the office of the county board of elections and request that
22 the chairman, a member, or the director of elections of the board, or an employee of
23 the board of elections, authorized by the board, furnish him with an application form
24 as specified in G.S. 163-227. The voter shall complete the application in the presence
25 of the chairman, member, director of elections or authorized employee of the board,
26 and shall deliver the application to that person.

27 (c) If the application is properly filled out, the chairman, member, director of
28 elections of the board, or employee of the board of elections, authorized by the
29 board, shall enter the voter's name in the register of absentee ballot applications and
30 ballots issued; shall furnish the voter with the instruction sheets called for by G.S.
31 163-229(c); shall furnish the voter with the ballots to which the application for
32 absentee ballots applies; and shall furnish the voter with a container-return envelope.
33 The voter thereupon shall comply with the provisions of G.S. 163-231(a) except that
34 he shall deliver the container-return envelope to the chairman, member, director of
35 elections of the board, or an employee of the board of elections, authorized by the
36 board, immediately after making and subscribing the certificate printed on the
37 container-return envelope as provided in G.S. 163-229(b). All actions required by
38 this subsection shall be performed in the office of the board of elections. For the
39 purposes of this section only, the chairman, member, director of elections of the
40 board, or full-time employee, authorized by the board shall sign the application and
41 certificate as the witness and indicate the official title held by him or her.
42 Notwithstanding G.S. 163-231(a), in the case of this subsection, only one witness shall
43 be required on the certificate.

1 (d) Only the chairman, member or director of elections of the board shall keep
2 the voter's application for absentee ballots and the sealed container-return envelope
3 in a safe place, separate and apart from other applications and container-return
4 envelopes. At the first meeting of the board pursuant to G.S. 163-230(2) held after
5 receipt of the application and envelope, the chairman shall comply with the
6 requirements of G.S. 163-230(1) and G.S. 163-230(2)b. and c. If the voter's
7 application for absentee ballots is approved by the board at that meeting, the
8 application form and container-return envelope, with the ballots enclosed, shall be
9 handled in the same manner and under the same provisions of law as applications
10 and container-return envelopes received by the board under other provisions of this
11 Article. If the voter's application for absentee ballots is disapproved by the board,
12 the board shall so notify the voter stating the reason for disapproval by first-class mail
13 addressed to the voter at his residence address or at the address shown in the
14 application for absentee ballots; and the board chairman shall retain the container-
15 return envelope in its unopened condition until the day of the primary or election to
16 which it relates and on that day he shall destroy the container-return envelope and
17 the ballots therein, without, however, revealing the manner in which the voter
18 marked the ballots.

19 (e) The voter shall vote his absentee ballot in a voting booth and the county board
20 of elections shall provide a voting booth for that purpose, provided however, that the
21 county board of elections may in the alternative provide a private room for the voter
22 adjacent to the office of the board, in which case the voter shall vote his absentee
23 ballot in that room. The voting booth shall be in the office of the county board of
24 elections. If the voter needs assistance in getting to and from the voting booth and in
25 preparing and marking his ballots or if he is a blind voter, only a member of the
26 county board of elections, the director of elections, an employee of the board of
27 elections authorized by the board, a near relative of the voter as defined in G.S. 163-
28 227(c)(4), or the voter's legal guardian shall be entitled to assist the voter.

29 (e1) If a county uses a voting system with retrievable ballots, that county's board of
30 elections may by resolution elect to conduct one-stop absentee voting according to
31 the provisions of this subsection. In a county in which the board has opted to do so, a
32 one-stop voter shall cast the ballot and then shall deposit the ballot in the ballot box
33 or voting system in the same manner as if such box or system was in use in a precinct
34 on election day. At the end of each business day, or at any time when there will be
35 no employee or officer of the board of elections on the premises, the ballot box or
36 system shall be secured in accordance with a plan approved by the State Board of
37 Elections, which shall include that no additional ballots have been placed in the box
38 or system. Any county board desiring to conduct one-stop voting according to this
39 subsection shall submit a plan for doing so to the State Board of Elections. The State
40 Board shall adopt standards for conducting one-stop voting under this subsection and
41 shall approve any county plan that adheres to its standards. The county board shall
42 adhere to its State Board-approved plan. The plan shall provide that each one-stop
43 ballot shall have a ballot number on it in accordance with G.S. 163-230(3)a., or shall
44 have an equivalent identifier to allow for retrievability. The standards shall address

1 retrievability in one-stop voting on direct record electronic equipment where no
2 paper ballot is used.

3 (f) Notwithstanding the exception specified in G.S. 163-36, counties which operate
4 a modified full-time office shall remain open five days each week during regular
5 business hours consistent with daily hours presently observed by the county board of
6 elections, commencing with the date prescribed in G.S. 163-227.2(b) and continuing
7 until 5:00 P.M. on the Friday prior to that election or primary. The boards of county
8 commissioners shall provide necessary funds for the additional operation of the office
9 during such time."

10 Section 3. This act is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

2

HOUSE BILL 920
Committee Substitute Favorable 4/28/97

Short Title: NC Postal History Commission.

(Public)

Sponsors:

Referred to:

April 10, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO ESTABLISH THE NORTH CAROLINA POSTAL HISTORY
3 COMMISSION.
4 Whereas, the United States Postal Service was created under the
5 Continental Congress on July 26, 1775; and
6 Whereas, the United States Postal Service issued its first postage stamp on
7 July 1, 1847; and
8 Whereas, 1997 marks the 150th anniversary of the issuance of the first
9 United States postage stamp; and
10 Whereas, North Carolina has a rich postal history; and
11 Whereas, the preservation of North Carolina's postal history can be of
12 great educational benefit to all North Carolinians; and
13 Whereas, the collection, preservation, and exhibition of North Carolina's
14 postal history falls within the mission of the Department of Cultural Resources; and
15 Whereas, the State Archives within the Department of Cultural Resources
16 holds many uncataloged and unidentified materials related to North Carolina's postal
17 history; and
18 Whereas, the North Carolina Museum of History is an appropriate facility
19 for exhibiting North Carolina's postal history; and
20 Whereas, such an exhibit would give visitors a greater appreciation for
21 North Carolina's history and provide a better understanding of how the postal system
22 served to unite and connect the State of North Carolina; Now, therefore,
23 The General Assembly of North Carolina enacts:

Section 1. Chapter 143 of the General Statutes is amended by adding a new Article to read:

"ARTICLE 71.

"North Carolina Postal History Commission.

"§ 143-675. Commission established; purpose; members; terms of office; quorum; compensation; termination.

(a) Establishment. -- There is established the North Carolina Postal History Commission. The Commission shall be located within the Department of Cultural Resources for organizational, budgetary, and administrative purposes.

(b) Purpose. -- The purpose of the Commission is to advise the Secretary of Cultural Resources on the collection, preservation, cataloging, publication, and exhibition of material associated with North Carolina's postal history.

(c) Membership. -- The Commission shall consist of 16 members, as follows:

(1) Four persons appointed by the Governor, two of whom shall be recommended by the President of the North Carolina Postal History Society.

(2) Four persons appointed by the President Pro Tempore of the Senate, two of whom shall be recommended by the President of the North Carolina Postal History Society.

(3) Four persons appointed by the Speaker of the House of Representatives, two of whom shall be recommended by the President of the North Carolina Postal History Society.

(4) Four persons appointed by the Secretary of Cultural Resources, two of whom shall be recommended by the President of the North Carolina Postal History Society.

The members appointed to the North Carolina Postal History Commission shall be chosen from among individuals who have education or experience in the fields of archives preservation, North Carolina history, historical administration, museum administration, or a knowledge of North Carolina's postal history.

(d) Terms. -- Members shall serve for three-year terms, with no prohibition against being reappointed. Initial terms shall commence July 1, 1997.

(e) Chair. -- The chair shall be elected biennially from the membership of the Commission from among its members. The initial term shall commence July 1, 1997.

(f) Vacancies. -- Vacancies resulting from the resignation of a member or otherwise shall be filled in the same manner in which the original appointment was made, and the term shall be for the balance of the unexpired term.

(g) Compensation. -- The Commission members shall receive no salary as a result of serving on the Commission but shall receive per diem, subsistence, and travel expenses in accordance with the provisions of G.S. 120-3.1, 138-5, and 138-6, as applicable.

(h) Removal. -- Members may be removed in accordance with G.S. 143B-13.

(i) Meetings. -- The chair shall convene the Commission. The Commission shall meet at least quarterly until an exhibit on postal history is mounted and at least semiannually thereafter.

1 (j) Quorum. -- A majority of the members of the Commission shall constitute a
2 quorum for the transaction of business. The affirmative vote of a majority of the
3 members present at meetings of the Commission shall be necessary for action to be
4 taken by the Commission.

5 (k) Termination of Commission. -- The Commission shall terminate June 30,
6 2002.

7 **"§ 143-676. Powers and duties of the Commission.**

8 (a) Powers and Duties. -- The Commission shall have the following powers and
9 duties:

10 (1) To advise the Secretary of Cultural Resources on the collection,
11 preservation, cataloging, publication, and exhibition of materials
12 associated with North Carolina's postal history in cooperation with
13 the North Carolina Museum of History.

14 (2) To adopt bylaws by a majority vote of the Commission.

15 (3) To accept grants, contributions, devises, bequests, gifts, and
16 services for the purpose of providing support to the Commission.
17 The funds and property shall be retained by the Commission, and
18 the Commission shall prescribe rules under which the Commission
19 may accept donations of money, property, or personal services, and
20 determine the value of donations of property or personal services.

21 (b) Contract Authority. -- The Commission may procure supplies, services, and
22 property as appropriate and may enter into contracts, leases, or other legal
23 agreements within funds available to carry out the purposes of this Article. All
24 contracts, leases, or legal agreements entered into by the Commission shall terminate
25 on the date of termination of the Commission. Termination shall not affect any
26 disputes or causes of action of the Commission that arise before the date of
27 termination, and the Department of Cultural Resources may prosecute or defend any
28 causes of action arising before the date of termination. All property acquired by the
29 Commission that remains in the possession of the Commission on the date of
30 termination shall become the property of the Department of Cultural Resources.

31 **"§ 143-677. Assignment of property; offices.**

32 (a) Assignment of Property. -- Upon request of the Commission, the head of any
33 State agency may assign property, equipment, and personnel of such agency to the
34 Commission to assist the Commission in carrying out its duties under this Article.
35 Assignments under this subsection shall be without reimbursement by the
36 Commission to the agency from which the assignment was made. Property and
37 equipment that remains in the possession of the Commission on the date of the
38 termination of the Commission shall revert to the agency from which the property
39 was acquired.

40 (b) Office Space. -- The Department of Cultural Resources shall provide office
41 space in Raleigh for use as offices by the North Carolina Postal History Commission,
42 and the Department of Cultural Resources shall receive no reimbursement from the
43 Commission for the use of the property during the life of the Commission.

44 **"§ 143-678. Commission reports.**

1 (a) Annual Report. -- Before July 1, 1998, the Commission shall submit to the
2 General Assembly a comprehensive report incorporating specific recommendations of
3 the Commission. After the initial report, the Commission shall submit a report to the
4 General Assembly within 30 days of the convening of each regular session of the
5 General Assembly.

6 (b) Final Report. -- The Commission shall submit a final report to the General
7 Assembly no later than June 30, 2002. The final report shall include:

8 (1) A summary of the activities of the Commission.

9 (2) A final accounting of funds received and expended by the
10 Commission.

11 **"§ 143-679. Application of Article.**

12 The provisions of Article 1 of Chapter 121 of the General Statutes apply to the
13 Commission."

14 Section 2. There is appropriated from the General Fund to the
15 Department of Cultural Resources the sum of thirty-five thousand dollars (\$35,000)
16 for the 1997-98 fiscal year for the purpose of paying the per diem expenses of the
17 North Carolina Postal History Commission members and for costs related to
18 displaying an exhibit of materials associated with North Carolina's postal history.

19 Section 3. This act becomes effective July 1, 1997.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

S

3

SENATE BILL 853
Appropriations Committee Substitute Adopted 7/3/97
House Committee Substitute Favorable 8/27/97

Short Title: Revenue Officers' Police Powers.

(Public)

Sponsors:

Referred to:

April 15, 1997

1 A BILL TO BE ENTITLED

2 AN ACT AUTHORIZING THE SECRETARY OF THE DEPARTMENT OF
3 REVENUE TO APPOINT EMPLOYEES OF THE DEPARTMENT AS
4 REVENUE LAW ENFORCEMENT AGENTS TO ENFORCE THE EXCISE
5 TAXES ON UNAUTHORIZED SUBSTANCES AND THE CRIMINAL
6 PROVISIONS OF THE REVENUE LAWS.

7 The General Assembly of North Carolina enacts:

8 Section 1. Article 9 of Chapter 105 of the General Statutes is amended
9 by adding a new section to read:

10 "§ 105-236.1. Enforcement of revenue laws by revenue law enforcement agents.

11 (a) General. -- The Secretary may appoint employees of the Criminal
12 Investigations Division to serve as revenue law enforcement officers having the
13 responsibility and subject-matter jurisdiction to enforce the felony tax violations in
14 G.S. 105-236 and to enforce any of the following criminal offenses when they involve
15 a tax imposed under Chapter 105 of the General Statutes: G.S. 14-91 (Embezzlement
16 of State Property), G.S. 14-92 (Embezzlement of Funds), G.S. 14-100 (Obtaining
17 Property By False Pretenses), G.S. 14-119 (Forgery), and G.S. 14-120 (Uttering
18 Forged Paper).

19 The Secretary may appoint employees of the Unauthorized Substances Tax
20 Division to serve as revenue law enforcement officers having the responsibility and
21 subject-matter jurisdiction to enforce the excise tax on unauthorized substances
22 imposed by Article 2D of this Chapter. To serve as a revenue law enforcement

1 officer, an employee must be certified as a criminal justice officer under Chapter 17C
2 of the General Statutes.

3 (b) Authority. -- A revenue law enforcement officer is a State officer with
4 jurisdiction throughout the State within the officer's subject-matter jurisdiction. A
5 revenue law enforcement officer may serve and execute notices, orders, warrants, or
6 demands issued by the Secretary or the General Court of Justice in connection with
7 the enforcement of the officer's subject-matter jurisdiction. A revenue law
8 enforcement officer has the full powers of arrest as provided by G.S. 15A-401 while
9 executing the notices, orders, warrants, or demands."

10 Section 2. G.S. 17C-2 reads as rewritten:

11 "**§ 17C-2. Definitions.**

12 Unless the context clearly otherwise requires, the following definitions apply in this
13 Chapter:

14 (a) ~~"Commission" means the~~ (1) Commission. -- The North Carolina
15 Criminal Justice Education and Training Standards Commission;
16 Commission.

17 (b) ~~"Criminal justice agencies" means the~~ (2) Criminal justice
18 agencies. -- The State and local law-enforcement agencies, the
19 State correctional agencies, other correctional agencies maintained
20 by local governments, and the juvenile justice agencies, but shall
21 not include deputy sheriffs, special deputy sheriffs, sheriffs' jailers,
22 or other sheriffs' department personnel governed by the provisions
23 of Chapter 17E of these General Statutes; Statutes.

24 (c) ~~"Criminal justice officer(s)" means and incorporates the~~ (3)
25 Criminal justice officers. -- The administrative and subordinate
26 personnel of all the departments, agencies, units or entities
27 comprising the "criminal justice agencies," as defined in subsection
28 (b); criminal justice agencies who are sworn law-enforcement
29 officers, both State and local, with the power of arrest; revenue law
30 enforcement officers; State correctional officers; State
31 probation/parole officers; officers, supervisory and administrative
32 personnel of local confinement facilities; State youth services
33 officers; State probation/parole intake officers; State
34 probation/parole officers-surveillance; State probation/parole
35 intensive officers; and State parole case analysts.

36 (d) ~~"Entry level" means the~~ (4) Entry level. -- The initial appointment
37 or employment of any person by a criminal justice agency, or any
38 appointment or employment of a person previously employed by a
39 criminal justice agency who has not been employed by a criminal
40 justice agency for the 12-month period preceding this appointment
41 or employment, or any appointment or employment of a previously
42 certified criminal justice officer to a position which requires a
43 different type of certification."

1 Section 3. G.S. 143-166.13(a) is amended by adding a new subdivision to
2 read:

3 "(18) Sworn State Law-Enforcement Officers with the power of arrest,
4 Department of Revenue."

5 Section 4. Of the funds appropriated from the General Fund to the
6 Department of Revenue for operating expenses, the sum of sixty-seven thousand five
7 hundred three dollars (\$67,503) shall be used in the 1997-98 fiscal year to implement
8 Sections 1 through 3 of this act.

9 Section 5. This act is effective when it becomes law.