1997-98

INTERIM

JOINT APPROPRIATIONS - GENERAL GOVERNMENT COMMITTEE

MINUTES

THE JOINT APPROPRIATIONS SUBCOMMITTEE

ON

GENERAL GOVERNMENT

MINUTES

1997 - 1998 INTERIM

BOOK 1 OF 2

Senator Ed Warren, Senate Chair
Representative Bill Ives, House Co-Chair
Representative Gene McCombs, House Co-Chair
Representative Wilma Sherrill, House Co-Chair

Wilma Caldwell, Senate Committee Clerk
Jayne Walton, House Committee Clerk
Suzanne Erskine, House Committee Clerk
Rosa Kelley, House Committee Clerk

JOINT MEETINGS OF THE APPROPRIATIONS SUBCOMMITTEE
ON GENERAL GOVERNMENT

INTERIM 1997-1998

October 21, 1997

October 22, 1997

October 23, 1997

November 18, 1997

November 19, 1997

November 20, 1997

January 20, 1998

January 21, 1998

January 22, 1998

SENATE APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT

1997-1998 Interim Membership

Senator Ed Warren, Chair	Room 623 LOB	733-5953	Wilma Caldwell
Senator Jeanne Lucas, V. Chair	Room 628 LOB	733-5870	Bernie David-Yerumo
Senator Eleanor Kinnaird	Room 1117 LB	733-7850	Kathie Young
Senator Jesse Ledbetter	Room 520 LOB	733-5748	Peggy Halifax
Senator Dan Page	Room 1414 LB	733-7659	Steve Crim

HOUSE APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT

1997 - 1998 Interim 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. Walter Church	Room 1311	3-5805	Joyce Fuller
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
Rep. Nurham Warwick	Room 1015	3-5886	Carolyn Honeycutt

ATTENDANCE

Appropriations Subcommittee On General Government

(Name of Committee)

1997

DATES	10/21 Am	10/21 pm	10/22 Am	10/22 Pm	10/23 Am	11/23 Pm	11/18	11/19	11/20						
Rep. Ives - Chair	✓	✓	✓	✓	✓	✓	✓	✓	✓						
Rep. McCombs - Chair							✓	✓	✓						
Rep. Sherrill - Chair			✓	✓	✓	✓	✓	✓	✓						
Rep. Braswell		✓			✓	✓?	✓	✓	✓						
Rep. Culpepper															
Rep. Decker	✓	✓	✓	✓	✓	✓	✓	✓							
Rep. Ellis															
Rep. Jeffus	✓	✓	✓	✓	✓	✓									
Rep. Wainwright	✓	✓	✓	✓	✓	✓	✓								
Rep. Crawford - Cochair															
Rep. Creech - Cochair								✓							
Rep. Esposito - Cochair															
Rep. Holmes - Cochair															
Rep. Wood - Pro Tempore															
Rep. Daughtery - Majority Leader															
Rep. Howard - Majority Whip															
Rep. Nurham Warwick	✓	✓	✓	✓	✓	✓	✓		✓						

ATTENDANCE

Appropriations Subcommittee On General Government

(Name of Committee)

1998

DATES	1/20	1/21	1/22	2/17	2/18	2/19	3/17	3/18	3/19	4/21					
Rep. Ives - Chair	✓	✓	✓				✓		✓	✓					
Rep. McCombs - Chair	✓	✓	✓	✓			✓	✓	✓	✓					
Rep. Sherrill - Chair	✓	✓		✓			✓	✓	✓	✓					
Rep. Braswell	✓	✓	✓												
Rep. Culpepper															
Rep. Decker	✓		✓	✓			✓		✓						
Rep. Ellis	✓	✓	✓												
Rep. Jeffus	✓	✓	✓	✓			✓	✓	✓	✓					
Rep. Wainwright	✓	✓	✓				✓	✓	✓						
Rep. Crawford - Cochair															
Rep. Creech - Cochair															
Rep. Esposito - Cochair															
Rep. Holmes - Cochair															
Rep. Wood - Pro Tempore															
Rep. Daughtery - Majority Leader															
Rep. Howard - Majority Whip															
Rep. CHURCH	✓	✓	✓	✓			✓	✓	✓	✓					
Rep. WARWICK	✓	✓	✓	✓			✓	✓	✓						

AGENDA

Joint Appropriations Subcomittee
on
General Government

October 21, 1997
Room 415
10:30 a.m.

Chairman:	Senator Ed Warren
10:30 - 12:00	Discussion of Agenda Items and Topics for 1997-98 Interim Meetings
12:00 - 1:30	Lunch Break
1:30 - 2:00	Progress Report on Statewide Data Elections Management System

Gary Bartlett
Executive Secretary Director
State Board of Elections

2:00 - 3:00	Growth in State and Local Debt Levels

Bob High
Director
Local Government Operations
State Treasurer

JOINT APPROPRIATIONS SUBCOMMITTEE

ON

GENERAL GOVERNMENT

Minutes

October 21, 1997

The Interim Joint Appropriations/General Government Subcommittee held its first meeting Tuesday, October 21, 1997 in Room 415 of the Legislative Office Building. Four Senators attended. The following Representatives attended: Bill Ives, Co-Chair; Michael Decker; Margaret Jeffus; William Wainwright and Nurham Warwick. Senator Ed Warren called the meeting to order at 11:00 a.m.

After greeting and welcoming the members and guests, Chairman Warren referred the Committee to the statement of the general powers and duties of the interim committees which was discussed at the Joint Appropriations Committee held at 10:00 a.m. (Attachment 1). Fiscal Analyst Michele Nelson also referred them to the list of specific duties listed for General Government. She noted that since the Information Highway program had been transferred to the Department of Commerce the General Government Committee would not be responsible for addressing that item. (Attachment 2). The remainder of the morning meeting was used to discuss specific agenda items for the future meetings.

Senator Warren said that for the first few meetings the Committee would be touring the different departments which come under their jurisdiction. **Senator Lucas asked that time be set aside for discussing what they observed on the tours. Representative Decker wanted to know if the Committee would have the power to decide what budget actions should be taken. Senator Warren said that that was the purpose of the interim meetings.**

Representative Ives asked the Committee to name departments which they would specifically like to visit during the November meeting. **Senator Kinnaird said that she was interested in visiting the Low Level Radioactive Waste Disposal site.**

In response to a question by Senator Warren, Ms. Nelson responded that the Cultural Resources Department was awaiting further directions from the General Assembly as to how the eight million dollars for grants was to be dispensed. She said they would probably go before the Government Operations Committee with this issue.

Chairman Warren asked Willie Riddick, Legislative Liaison for the Department of Revenue, if there was any way the Department could look into paying interest on overpayments of estimated quarterly taxes rather than just applying them toward the next quarter's tax. He said that it would seem fair since the taxpayer has to pay interest on any underpayment. Senator Kinnaird agreed that North Carolina did seem to have a punitive system, and that she would certainly like to see this addressed. Mr. Riddick said that he would relay that question to Secretary Offerman. Representative Warwick cautioned the staff as to how agenda items are couched so as not to provide the press with negative ideas about any agency. Senator Kinnaird said that she believed this was a statutory mandate now and no fault of any agency. **She said it was something the General Assembly should look into.**

Representative Wainwright wanted to know if the Committee could find out if the State's Revenue Department had any of the same types of negative actions going on which have recently been reported about the Federal Department of Revenue. If so there should be some action taken by the General Assembly to rectify these. Ms. Nelson stated that there was an annual report published by the Department which analyzed the quality of services to the taxpayers, and that this would be a good place to start.

Senators Kinnaird and Warren expressed their gratitude to the Revenue Department for their prompt and courteous responses to their constituents' problems.

Renne Vance from the Cultural Resources Department asked that the Committee postpone touring their Department until December due to their very heavy schedule for November. Representative Ives asked that the Office of the Controller and the Treasurer's Office be included for November.

Representative Warwick asked for a report on the status of compliance with the bill allowing only four diversions before a person gets a "live voice" on a State telephone. He would also like a report on federal dollars coming into the State. He believes North Carolina pays more than we get back.

The Committee adjourned for lunch at 11:50 a.m.

Chairman Warren reconvened the meeting at 1:45 p.m. and asked Gary Bartlett, Executive Secretary/Director, State Board of Elections, to present an overview of his Board. Mr. Bartlett presented a report (Attachment 3) to the Committee and responded to questions. Representative Decker wanted to know if the Board did not have to have more than one bidder for the Statewide Voter Registration Network. Mr. Bartlett stated that they had three bidders, but only one, Prism Systems, Inc., met the requirements as specified in the request for proposals; therefore, the other two vendors were disqualified. **Representative Decker asked the staff to check to see if the Board met the requirements of the State, since it appeared to him that they had only "one" bid due to the disqualification's.**

Representative Decker then asked if Walkertown, which is made up of four small precincts, could have all citizens vote in one precinct for certain elections in order to save the State money. Mr. Bartlett said that there was a provision in the election laws which would allow this. This may be requested by the Mayor and sent to me.

In response to Representative Decker's next question, Mr. Bartlett said that their building is privately owned and that they pay around $6000 per month in rent. **Mr. Bartlett said that he would get the exact amount to Representative Decker.**

Senator Ledbetter noted that his area had had a problem in the last election of people showing up to vote who were not on their list and stating that they were on the "Motor-Voter" list. He asked why the DMV did not get this information to the counties in a timely manner. Mr. Bartlett said that the new network system should eliminate this problem as the information will be electronically sent to the counties, with the originals mailed at a later date. He stated that they will also be able to audit across state lines to insure the integrity of the data.

Senator Ledbetter then asked what was done when someone showed up to vote who was registered some place else. Mr. Bartlett said that they voted a "provisional" ballot so that the precinct could check to be sure they do not vote at the other precinct also. He said that if they are registered in another county, they may not vote.

Senator Kinnaird asked for an explanation as to how to purge names from the precinct books. Mr. Bartlett said the new terminology was "list maintenance procedures," and that North Carolina was one of the first states in the Nation to get this approved. He stated that you could do the following: Should there be no contact with a voter in two federal elections, you may send out a mailing to a specific group. You may put the names of those whose letters are returned on a list. If they do not show up on voter day, you may remove them from your rolls.

Representative Decker wanted to know what percent of voters determined to be "inactive" were removed. Mr. Bartlett said that all with whom they have not had any contact in the above time frame were removed. However, he said that they could be reactivated if they requested it. **Mr. Decker asked Mr. Bartlett to get him information**

on Guilford County since the total removed seemed disproportionate to those of other counties. Mr. Bartlett agreed with Senator Kinnaird that the process was very expensive, and noted that the County Commissioners had to allocate funds for this.

Mr. Bob High, Director, Local Government Operations, State Treasurer's Office, was then introduced by Chairman Warren and spoke to the Committee on "Growth in State and Local Debt Levels. He presented the members with a handout which gave the following facts: North Carolina's public debt, in general obligation bonds, now totals $1.5 billion, but will increase 150 percent when bonds authorized in 1996 are sold; debt is still modest as compared to other states; $9.8 billion "other" outstanding obligations. For more details see Mr. High's handout. (Attachment 4).

In response to Senator Ledbetter's question, Mr. High said that the State's legal high limit was determined by the voters or 2/3 of national debt which was reduced in the previous year.

Senator Warren wanted to know the maximum amount of debt a county could incur. Mr. High said that it was hard to answer that question; that you would have to look at future years and at what it would do to the ratings; and that the more debt you have, the less flexibility you have. He noted that the State has a "AAA" rating, which is very high, but he noted that we were now moving from a low-debt state to a moderately high range of total debt. Senator Warren then asked how many states have the "AAA" rating. Mr. High said there were seven including North Carolina, Virginia, Maryland, South Carolina and Utah.

Representative Braswell asked if there were states who fund water and sewer projects by other means than bonds. Mr. High said that some issued grants which could be repaid by user charges or taxes.

Representative Warwick asked where he could go for dialogue on the fairness aspect of issuing bonds-for example issuing water and sewer bonds for isolated areas as compared to urban areas. **Mr. High said that he would try to get him information on this.**

Senator Warren asked Mr. High if there was money in their budget for meetings across the State to inform citizens of the good condition our state is in. Mr. High said he did not believe there was any for this specific purpose; however, all the staff certainly let this be known as they attended business meetings across the State.

In response to Senator Lucas's observation that there would be millions of dollars saved as people were taken off welfare, and her question as to his recommendation as to how this could be reinvested, Mr. High said that he would think about that, but that he rather suspected that that question would come back to the General Assembly.

Representative Ives wanted to know if the soundness of cities and counties gave them any concern. Mr. High said that most are in good condition; however, some of the smaller towns gave them problems because they are not set up to address indebtedness problems.

After some discussion on incorporation, Representative Ives said that it seems we should write into our statutes that incorporation and fiscal measures be approved.

Representative Warwick wanted to know if the Treasurer's Office had someone on staff who could go out to speak to these small towns about incorporation, debt, etc. Mr. High said that they were always willing to send someone.

There being no further questions, the meeting adjourned at 3:00 p.m.

Respectfully submitted,

Senator Ed Warren, Chairman

Wilma Caldwell, Committee Clerk

Attachment 1

GENERAL POWERS AND DUTIES OF THE COMMITTEES DURING THE INTERIM

Section 22 of S.L. 1997-443

ANALYSIS OF STATE BUDGET DURING THE INTERIM

Section 22. (a) The President Pro Tempore of the Senate shall authorize the standing Appropriations Committees and standing Appropriations Subcommittees of the Senate and the Speaker of the House of Representatives shall authorize the standing Appropriations Committees and standing Appropriations Subcommittees of the House of Representatives to meet separately or jointly during the interim between the Regular 1997 and 1998 Sessions of the General Assembly to review matters related to the State budget, the organization of State government, and any other matter as they deem appropriate. The review shall include, but not be limited to, an analysis of the budget of each agency to determine:

(1) The cost savings that could be realized from improvements in administrative structure, practices, and procedures in State agencies;

(2) Ways to increase efficiency in budgeting and use of resources; and

(3) Instances in which functions of agencies are duplicative, overlapping, obsolete, incomplete in scope or coverage, or fail to accomplish legislative objectives, and should be abolished, transferred, or modified to accomplish cost savings.

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

SUBCOMMITTEE ON GENERAL GOVERNMENT

Reporting Entity	Subject	Date	Statutory Authority
OFFICE OF STATE BUDGET AND MANAGEMENT	Report on the feasibility of consolidating the budgets and services and the administration of federal and State grants for domestic violence programs and rape crisis programs in the State	March 31, 1998	Section 27 of S.L. 1997-443
HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON GENERAL GOVERNMENT	Duty to consider information on alternative approaches to State funding of Information Highway sites	n/a	Section 28 of S.L. 1997-443
OFFICE OF STATE BUDGET AND MANAGEMENT	Report on study of Department of Revenue workload requirements and recommendations about staffing for the Department	March 31, 1998	Section 29 of S.L. 1997-443
THE NORTH CAROLINA MUSEUM OF HISTORY ASSOCIATES, INC.	Report on operations, profit and loss statement, and an analysis of how profits have been expended or reserved to support museum programs and projects	Annually, by June 30	Section 30.2 of S.L. 1997-443
DEPARTMENT OF REVENUE	Report on the cost of credits claimed pursuant to the act	May 1	Section 3 of S.L. 1997-277
Department of Cultural Resources	Report on fund-raising efforts of Indian Cultural Center	March 1, 2000	Section 2 of S.L. 1997-41

Attachment 2

Attachment 3

INVENTORY OF MUNICIPALITIES
IN
NORTH CAROLINA

I. Number of Municipalities

Total number of active municipalities	543
(a) Elections conducted by county boards	475
(b) Total authorizing absentee ballots	379
(c) Elections conducted by municipal boards	68

II. Types of Elections

(a) Non-Partisan/Simple Plurality	492
(b) Partisan with primaries	8
(c) Non-Partisan with primary	23
(d) Non-Partisan election and run-off election	20

III. Filing fees for municipal candidates specified in G.S. 163-294.2(e).

Time, procedure and format for filing a "Notice of Candidacy" outlined in G.S. 163-294.2(a)(b) & (c).

NVRA Summary:
3rd Quarter, 1997

NEW REGISTRATION APPLICATIONS		
	Total New Reg	**% of Total**
01-03 Agencies	5,804	6.34%
01 Public Assistance	*2,926*	*50.41%*
02 Disability	*542*	*9.34%*
03 Other	*2,336*	*40.25%*
04 AF	27	0.03%
05 DMV	69,290	75.75%
06 Mail	5,436	5.94%
07 In Person & Drives	8,834	9.66%
08 Libraries & High School	2,083	2.28%
TOTAL	91,474	

DUPLICATE REGISTRATION APPLICATIONS		
	Total Dup Reg	**% of Total**
01-03 Agencies	224	8.01%
01 Public Assistance	*106*	*47.32%*
02 Disability	*19*	*8.48%*
03 Other	*99*	*44.20%*
04 AF	3	0.11%
05 DMV	1,704	60.97%
06 Mail	344	12.31%
07 In Person & Drives	422	15.10%
08 Libraries & High School	98	3.51%
TOTAL	2,795	

CHANGE OF INFORMATION APPLICATIONS		
	Total Changes	**% of Total**
01-03 Agencies	1,233	2.51%
01 Public Assistance	*512*	*41.52%*
02 Disability	*99*	*8.03%*
03 Other	*622*	*50.45%*
04 AF	7	0.01%
05 DMV	18,750	38.21%
06 Mail	13,501	27.51%
07 In Person & Drives	13,719	27.95%
08 Libraries & High School	1,867	3.80%
TOTAL	49,077	

NVRA Summary 3rd Quarter 1997

	New Registrations	Changes of Information	Duplicate Transactions	Totals	% of Total Transactions
01 Public Assistance	2,926	512	106	3,544	2.47%
02 Disability	542	99	19	660	0.46%
03 Other Designated	2,336	622	99	3,057	2.13%
04 AF	27	7	3	37	0.03%
05 DMV	69,290	18,750	1,704	89,744	62.61%
06 Mail-In	5,436	13,501	344	19,281	13.45%
07 In Person, Drives	8,834	13,719	422	22,975	16.03%
08 Libraries, High Schools	2,083	1,867	98	4,048	2.82%
	91,474	49,077	2,795	143,346	100.00%

NVRA Quarterly Report
3rd Quarter, 1997

County Name	Total # of Registered Voters	Total # Inactive	Total # New Valid Reg Accepted	Total # Removed
Alamance	71,888	5,271	1,106	432
Alexander	20,167	0	278	86
Alleghany	7,059	15	85	263
Anson	13,023	419	233	81
Ashe	14,983	1,016	197	158
Avery	10,999	164	4	11
Beaufort	23,938	0	328	175
Bertie	12,565	0	178	59
Bladen	17,355	0	220	69
Brunswick	40,730	1,502	1,426	329
Buncombe	122,963	7,366	2,860	1,689
Burke	52,497	3,125	624	249
Cabarrus	74,502	3,669	1,586	434
Caldwell	34,666	8,202	978	318
Camden	4,070	160	77	37
Carteret	34,301	362	843	267
Caswell	12,947	0	143	18
Catawba	84,217	411	1,461	377
Chatham	32,383	5,855	544	0
Cherokee	17,537	214	294	34
Chowan	7,404	547	133	224
Clay	6,427	9	85	34
Cleveland	50,318	2,186	1,089	293
Columbus	33,344	1,044	502	265
Craven	47,007	1,902	1,037	239
Cumberland	135,293	12,071	3,867	1,019
Currituck	9,185	476	199	63
Dare	16,706	78	286	134
Davidson	79,837	814	1,671	586
Davie	18,778	0	453	139
Duplin	22,681	0	454	219
Durham	138,587	1,367	2,746	1,152
Edgecombe	34,200	1,683	466	355

NVRA Quarterly Report
3rd Quarter, 1997

County Name	Total # of Registered Voters	Total # Inactive	Total # New Valid Reg Accepted	Total # Removed
Forsyth	171,676	13,173	2,620	841
Franklin	22,475	1,976	502	277
Gaston	101,938	7,149	2,256	424
Gates	6,067	670	99	25
Graham	5,540	303	60	27
Granville	21,832	368	325	129
Greene	8,704	0	109	37
Guilford	250,531	6,154	4,959	10,871
Halifax	30,382	0	611	307
Harnett	38,316	695	587	149
Haywood	35,914	0	534	224
Henderson	56,960	144	804	98
Hertford	14,208	25	303	93
Hoke	13,500	0	375	59
Hyde	3,426	96	24	17
Iredell	65,550	11,247	1,676	298
Jackson	19,188	1,099	496	137
Johnston	54,742	1,963	1,509	376
Jones	6,142	314	71	29
Lee	24,101	792	520	184
Lenoir	31,706	763	496	260
Lincoln	34,574	1,659	731	160
Macon	16,570	2,899	353	92
Madison	13,148	2,984	185	247
Martin	14,843	253	276	84
McDowell	22,356	0	297	51
Mecklenburg	398,067	1,481	8,008	1,397
Mitchell	10,407	2	1	13
Montgomery	14,312	0	171	89
Moore	43,646	1,434	904	318
Nash	44,148	12,594	788	288
New Hanover	102,330	4,483	2,655	953
Northampton	13,481	357	186	95

NVRA Quarterly Report
3rd Quarter, 1997

County Name	Total # of Registered Voters	Total # Inactive	Total # New Valid Reg Accepted	Total # Removed
Onslow	42,344	5,372	947	365
Orange	83,861	7,070	2,268	862
Pamlico*	6,754	1,407	93	1,407
Pasquotank	18,518	1,370	623	69
Pender	21,515	1,496	585	174
Perquimans	7,081	438	113	106
Person	17,474	13	282	129
Pitt	70,354	82	1,549	362
Polk	12,284	0	79	61
Randolph	63,687	3,912	970	297
Richmond	27,644	0	383	70
Robeson	61,745	729	7	43
Rockingham	50,413	90	710	250
Rowan	73,281	5,076	1,153	443
Rutherford	32,122	1,169	446	271
Sampson*	30,411	100	278	89
Scotland	18,191	1,528	189	86
Stanly	35,598	1,972	983	210
Stokes	25,947	1,350	458	163
Surry	38,107	3,515	1,284	195
Swain	8,775	0	109	69
Transylvania	20,405	7	413	144
Tyrrell	2,271	12	29	9
Union	63,209	235	2,250	395
Vance	20,700	168	385	155
Wake	349,854	16,750	8,243	2,351
Warren	10,203	1,827	140	46
Washington	8,189	4	179	62
Watauga	32,900	2,343	760	256
Wayne	51,720	1,514	956	259
Wilkes	38,021	7,644	490	200
Wilson	40,474	3,325	818	327
Yadkin	18,779	0	277	186

NVRA Quarterly Report
3rd Quarter, 1997

County Name	Total # of Registered Voters	Total # Inactive	Total # New Valid Reg Accepted	Total # Removed
Yancey	12,737	0	126	86
TOTAL	4,428,905	205,523	88,519	38,654

*Reflect data from last quarter. County has not reported for this period.

NVRA Quarterly Report
3rd Quarter, 1997

	Total # New Registration Applications (Original Registrations)							
County Name	01 Public Asst	02 Disability	03 Other	04 AF	05 DMV	06 Mail	07 In person & drives	08 Libraries & High Schools
Alamance	25	5	12	0	909	92	40	23
Alexander	18	0	18	0	213	14	15	0
Alleghany	0	0	1	0	70	7	9	0
Anson	22	0	16	0	173	8	13	1
Ashe	8	1	2	0	147	27	10	2
Avery	0	0	0	0	116	13	21	0
Beaufort	16	7	3	0	169	25	103	5
Bertie	57	3	0	0	122	13	4	0
Bladen	1	13	3	0	151	0	44	8
Brunswick	16	0	4	0	901	404	66	35
Buncombe	60	9	44	3	2,239	310	174	21
Burke	7	3	48	0	485	98	44	0
Cabarrus	15	0	56	0	1,315	5	166	29
Caldwell	46	0	49	0	586	34	263	0
Camden	0	0	0	0	64	10	3	0
Carteret	0	16	9	0	598	82	138	0
Caswell	25	2	16	0	94	1	18	0
Catawba	67	3	44	0	1,252	13	74	8
Chatham	27	3	8	0	427	5	85	1
Cherokee	2	0	2	0	229	5	56	0
Chowan	0	0	0	0	117	13	3	0
Clay	1	0	2	0	63	2	17	0
Cleveland	88	20	22	0	525	126	2	322
Columbus	83	0	4	0	369	14	32	0
Craven	0	2	52	4	818	123	49	16
Cumberland	92	75	138	4	2,695	49	715	133
Currituck	22	0	2	0	178	21	3	0
Dare	10	1	3	0	189	34	46	3
Davidson	39	1	40	1	1,128	156	169	137
Davie	0	0	6	0	344	41	62	0
Duplin	66	0	0	0	284	17	87	0
Durham	21	13	25	1	2,261	151	216	74
Edgecombe	17	1	15	0	311	89	31	2

NVRA Quarterly Report
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	Total # New Registration Applications (Original Registrations)							
County Name	01 Public Asst	02 Disability	03 Other	04 AF	05 DMV	06 Mail	07 In person & drives	08 Libraries & High Schools
Forsyth	10	33	132	9	2,916	61	389	97
Franklin	4	3	9	0	419	57	13	0
Gaston	71	16	77	0	1,599	372	36	85
Gates	10	0	0	0	98	9	7	1
Graham	5	0	1	0	44	2	8	0
Granville	13	5	2	0	246	37	22	6
Greene	0	0	6	0	89	0	8	6
Guilford	9	18	97	0	4,649	95	365	87
Halifax	81	13	20	0	283	64	147	3
Harnett	0	0	48	0	478	176	79	0
Haywood	4	3	4	0	490	16	16	4
Henderson	652	17	8	0	0	19	108	0
Hertford	73	2	0	0	146	20	62	0
Hoke	32	0	27	0	223	17	128	14
Hyde	2	0	0	0	17	3	1	0
Iredell	64	3	37	0	1,214	102	171	85
Jackson	1	0	0	0	466	0	29	0
Johnston	58	29	56	0	1,120	153	63	30
Jones	1	0	2	0	50	13	7	0
Lee	0	1	22	0	382	62	38	0
Lenoir	113	0	24	0	270	1	92	4
Lincoln	0	3	18	0	575	31	149	9
Macon	20	0	11	0	273	27	22	0
Madison	2	0	0	0	148	29	6	0
Martin	19	4	5	0	175	31	41	1
McDowell	23	0	11	0	230	20	13	0
Mecklenburg	75	10	179	0	6,593	40	815	287
Mitchell	0	0	0	0	0	1	0	0
Montgomery	5	0	17	0	131	11	7	0
Moore	7	6	39	0	810	95	40	27
Nash	28	2	24	0	740	67	25	0
New Hanover	129	2	43	0	2,029	118	263	71
Northampton	13	0	2	0	106	43	21	0

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	Total # New Registration Applications (Original Registrations)							
County Name	01 Public Asst	02 Disability	03 Other	04 AF	05 DMV	06 Mail	07 In person & drives	08 Libraries & High Schools
Onslow	21	3	35	2	723	5	143	15
Orange	0	11	9	0	1,814	124	238	80
Pamlico*	0	0	16	0	66	3	8	0
Pasquotank	5	2	3	0	240	19	354	0
Pender	34	7	6	1	359	110	45	23
Perquimans	0	1	0	0	94	8	9	0
Person	2	7	26	0	198	18	14	17
Pitt	19	11	64	0	1,281	58	124	6
Polk	5	0	0	0	45	16	13	0
Randolph	23	27	56	0	727	86	32	26
Richmond	13	0	40	0	263	36	31	0
Robeson	45	3	44	0	675	137	137	2
Rockingham	62	2	52	0	710	57	70	13
Rowan	17	1	89	0	906	36	100	4
Rutherford	29	0	4	0	317	44	51	0
Sampson*	3	0	5	2	254	8	6	0
Scotland	28	3	5	0	56	29	68	0
Stanly	11	7	13	0	483	37	339	0
Stokes	18	4	23	0	316	41	48	8
Surry	4	0	18	0	521	64	5	2
Swain	8	0	0	0	97	0	4	0
Transylvania	1	3	0	0	345	37	24	3
Tyrrell	1	0	1	0	22	2		0
Union	27	4	54	0	1,855	254	45	11
Vance	11	3	10	0	304	28	33	2
Wake	7	18	93	0	7,310	128	472	215
Warren	0	13	2	0	102	17	7	2
Washington	18	1	1	0	108	9	39	3
Watauga	0	0	18	0	530	44	168	0
Wayne	102	29	16	0	714	49	87	4
Wilkes	11	6	17	0	399	57	19	1
Wilson	21	26	42	0	638	25	71	6
Yadkin	1	2	7	0	164	50	50	3

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	Total # New Registration Applications (Original Registrations)							
County Name	01 Public Asst	02 Disability	03 Other	04 AF	05 DMV	06 Mail	07 In person & drives	08 Libraries & High Schools
Yancey	4	0	2	0	103	6	11	0
TOTAL	2,926	542	2,336	27	69,290	5,436	8,834	2,083
*Reflect data from last q	TOTAL NEW =		91,474					

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	Total # of Duplicate Registration Applications							
County Name	01 Public Asst	02 Disability	03 Other	04 AF	05 DMV	06 Mail	07 In person & drives	08 Libraries & High Schools
Alamance	0	0	1	1	46	12	4	0
Alexander	0	0	0	0	3	0	0	0
Alleghany	0	0	0	0	0	0	0	0
Anson	0	0	1	0	0	0	0	0
Ashe	1	0	0	0	0	0	0	0
Avery	0	0	0	0	0	0	0	0
Beaufort	0	0	0	0	1	2	6	0
Bertie	5	0	0	0	13	3	4	0
Bladen	0	0	0	0	0	0	0	0
Brunswick	1	0	0	0	5	40	0	0
Buncombe	9	0	3	0	28	9	1	2
Burke	0	0	2	0	12	3	1	0
Cabarrus	0	0	0	0	19	2	16	0
Caldwell	0	0	0	0	0	0	0	0
Camden	0	0	0	0	1	1	0	0
Carteret	0	0	0	0	9	2	0	0
Caswell	0	0	1	0	6	0	0	0
Catawba	5	0	3	0	48	2	8	0
Chatham	0	2	0	0	5	5	0	0
Cherokee	0	0	0	0	0	0	0	0
Chowan	0	0	0	0	0	0	1	0
Clay	0	0	0	0	2	0	0	0
Cleveland	3	0	0	0	5	0	0	0
Columbus	0	0	0	0	0	0	0	0
Craven	0	0	2	0	17	6	3	0
Cumberland	4	5	4	0	97	0	21	0
Currituck	4	0	0	0	5	0	0	0
Dare	0	0	0	0	0	0	0	0
Davidson	4	0	2	0	104	11	46	12
Davie	0	0	0	0	16	1	1	0
Duplin	5	0	0	0	3	0	0	0
Durham	2	0	2	0	17	27	10	1
Edgecombe	0	0	0	0	9	2	3	0

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	Total # of Duplicate Registration Applications							
County Name	01 Public Asst	02 Disability	03 Other	04 AF	05 DMV	06 Mail	07 In person & drives	08 Libraries & High Schools
Forsyth		0	1	0	16	1	19	1
Franklin	0	0	0	0	4	0	0	0
Gaston	0	0	0	0	25	9	0	5
Gates	1	0	0	0	1	1	0	0
Graham	0	0	0	0	1	0	0	0
Granville	0	1	0	0	2	0	0	0
Greene	0	0	0	0	4	0	0	0
Guilford	0	0	3	0	69	2	9	1
Halifax	19	2	3	0	18	23	12	1
Harnett	0	0	5	0	10	5	0	0
Haywood	0	0	1	0	10	0	0	0
Henderson	0	0	0	0	21	0	6	0
Hertford	0	0	0	0	0	0	0	0
Hoke	0	0	3	0	2	0	9	1
Hyde	0	0	0	0	0	0	0	0
Iredell	2	0	3	0	31	1	1	25
Jackson	0	0	0	0	2	1	0	0
Johnston	0	0	0	0	24	4	1	0
Jones	0	0	1	0	0	0	0	0
Lee	0	0	1	0	9	2	9	0
Lenoir	4	0	1	0	9	0	14	0
Lincoln	0	0	0	0	9	4	2	0
Macon	3	0	1	0	5	2	3	0
Madison	0	0	0	0	1	0	0	0
Martin	0	0	0	0	1	0	1	0
McDowell	0	0	0	0	0	0	0	0
Mecklenburg	4	3	7	0	134	7	92	21
Mitchell	0	0	0	0	0	0	0	0
Montgomery	0	0	4	0	5	0	3	0
Moore	0	1	1	0	19	8	0	0
Nash	5	0	0	0	22	0	4	0
New Hanover	6	0	7	0	81	26	4	2
Northampton	0	0	0	0	2	0	0	0

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	Total # of Duplicate Registration Applications							
County Name	01 Public Asst	02 Disability	03 Other	04 AF	05 DMV	06 Mail	07 In person & drives	08 Libraries & High Schools
Onslow	0	0	1	0	14	0	1	0
Orange	0	1	3	0	64	3	2	2
Pamlico*	0	0	0	0	0	0	0	0
Pasquotank	0	0	1	0	3	4	7	0
Pender	0	0	0	0	10	2	1	1
Perquimans	0	0	0	0	2	1	0	0
Person	0	0	0	0	5	1	0	0
Pitt	3	0	2	0	27	7	4	0
Polk	0	0	0	0	0	0	0	0
Randolph	1	2	1	0	33	2	3	2
Richmond	0	0	3	0	18	1	0	0
Robeson	0	0	0	0	0	0	0	0
Rockingham	6	0	3	0	11	0	2	4
Rowan	1	0	10	0	51	4	6	1
Rutherford	0	0	0	0	9	0	0	0
Sampson*	1	0	0	2	18	1	0	0
Scotland	2	1	0	0	5	0	1	0
Stanly	1	0	4	0	40	2	50	0
Stokes	0	0	0	0	5	0	4	0
Surry	0	0	0	0	20	3	0	0
Swain	0	0	0	0	0	0	0	0
Transylvania	0	0	0	0	1	3	0	0
Tyrrell	0	0	0	0	1	0	0	0
Union	0	0	0	0	78	69	0	0
Vance	0	0	0	0	5	1	0	0
Wake	0	0	4	0	235	4	19	16
Warren	0	0	0	0	0	4	0	0
Washington	0	0	0	0	0	0	0	0
Watauga	0	0	0	0	11	7	0	0
Wayne	4	0	0	0	10	0	3	0
Wilkes	0	0	0	0	2	0	0	0
Wilson	0	1	4	0	18	1	5	0
Yadkin	0	0	0	0	0	0	0	0

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	Total # of Duplicate Registration Applications							
County Name	01 Public Asst	02 Disability	03 Other	04 AF	05 DMV	06 Mail	07 In person & drives	08 Libraries & High Schools
Yancey	0	0	0	0	0	0	0	0
TOTAL	106	19	99	3	1,704	344	422	98
*Reflect data from last q	TOTAL DUPLICATES =		2,795					

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	Total # of Applications to Change Information							
County Name	01 Public Asst	02 Disability	03 Other	04 AF	05 DMV	06 Mail	07 In person & drives	08 Libraries & High Schools
Alamance	4	2	3	0	328	95	42	11
Alexander	0	0	0	0	0	0	639	0
Alleghany	4	0	0	0	13	699	235	0
Anson	12	0	2	0	14	6	6	0
Ashe	7	0	0	0	89	39	13	0
Avery	0	0	0	0	7	2	43	0
Beaufort	2	3	1	0	17	42	75	0
Bertie	2	0	0	0	3	3	0	0
Bladen	0	0	0	0	0	0	51	141
Brunswick	0	0	0	0	221	138	2	10
Buncombe	19	2	15	1	435	212	347	8
Burke	0	0	12	0	83	55	31	0
Cabarrus	2	0	10	2	355	81	157	5
Caldwell	17	0	14	0	49	512	90	14
Camden	0	0	0	0	2	1	1	0
Carteret	0	2	0	0	82	103	269	0
Caswell	1	2	2	0	6	1	14	0
Catawba	10	0	15	0	431	45	61	3
Chatham	9	0	0	0	83	9	537	0
Cherokee	7	0	0	0	0	0	1	85
Chowan	0	0	0	0	10	108	1	0
Clay	0	0	0	0	0	0	0	0
Cleveland	17	2	2	0	95	180	3	5
Columbus	18	0	1	0	83	39	451	1
Craven	1	3	6	0	268	156	269	5
Cumberland	5	9	8	0	632	296	257	2
Currituck	3	0	0	0	1	3	10	1
Dare	0	0	0	0	0	0	0	10
Davidson	7	0	3	0	250	67	155	62
Davie	0	0	0	0	41	39	210	0
Duplin	26	0	0	0	39	20	0	0
Durham	5	1	7	0	617	110	115	39
Edgecombe	4	0	1	0	43	20	13	0

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	Total # of Applications to Change Information							
County Name	01 Public Asst	02 Disability	03 Other	04 AF	05 DMV	06 Mail	07 In person & drives	08 Libraries & High Schools
Forsyth	3	2	39	0	1,247	61	261	38
Franklin	12	0	28	0	118	3,304	0	11
Gaston	10	3	13	0	242	189	18	19
Gates	2	0	0	0	8	0	0	0
Graham	0	0	0	0	3	2	5	0
Granville	1	1	2	0	30	61	29	0
Greene	0	1	1	0	17	2	7	0
Guilford	12	8	56	0	1,695	54	652	63
Halifax	14	13	7	0	59	37	129	1
Harnett	15	0	50	0	50	33	35	0
Haywood	1	0	2	0	225	21	16	3
Henderson	9	0	4	0	201	45	141	3
Hertford	0	0	0	0	49	0	213	10
Hoke	0	0	3	0	11	2	35	1
Hyde	0	0	0	0	2	0	0	0
Iredell	24	0	2	0	242	59	99	48
Jackson	0	0	0	0	34	55	151	0
Johnston	3	0	4	0	98	104	18	553
Jones	0	0	0	0	2	0	5	0
Lee	0	2	2	0	54	12	26	0
Lenoir	29	0	3	0	75	0	1,552	1
Lincoln	0	0	3	0	82	58	93	0
Macon	0	0	0	0	4	131	2	0
Madison	0	0	0	0	8	12	5	0
Martin	5	0	0	0	32	10	29	0
McDowell	5	0	5	0	36	10	75	0
Mecklenburg	57	2	52	0	1,953	1,158	1,674	361
Mitchell	1	0	0	0	0	5	0	0
Montgomery	0	0	0	0	8	206	9	0
Moore	1	0	2	0	166	226	42	5
Nash	3	0	2	0	147	121	8	0
New Hanover	22	12	12	0	934	686	154	18
Northampton	2	0	0	0	9	8	6	0

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	Total # of Applications to Change Information							
County Name	01 Public Asst	02 Disability	03 Other	04 AF	05 DMV	06 Mail	07 In person & drives	08 Libraries & High Schools
Onslow	2	0	2	0	116	72	68	3
Orange	0	1	3	0	358	171	74	19
Pamlico*	0	0	2	0	3	0	153	0
Pasquotank	1	2	1	0	35	14	122	0
Pender	1	0	0	1	57	56	12	2
Perquimans	0	0	0	0	5	6	7	0
Person	0	0	0	0	10	9	6	2
Pitt	14	2	28	2	760	604	356	2
Polk	0	0	2	0	2	1	26	0
Randolph	1	9	10	0	100	73	29	7
Richmond	2	0	9	0	64	30	10	0
Robeson	0	0	43	0	0	0	0	0
Rockingham	29	2	21	0	150	73	24	17
Rowan	1	0	33	0	357	49	194	3
Rutherford	0	0	0	0	32	134	520	0
Sampson*	1	0	5	0	69	16	11	0
Scotland	2	0	1	0	7	5	29	5
Stanly	8	0	0	0	191	109	446	0
Stokes	3	0	1	0	30	22	21	0
Surry	0	0	5	0	163	46	14	4
Swain	2	0	0	0	28	0	2	0
Transylvania	0	0	0	1	39	86	188	5
Tyrrell	1	0	0	0	1	2	27	0
Union	5	1	7	0	277	964	50	2
Vance	1	0	2	0	31	45	54	0
Wake	5	8	23	0	3,109	824	1,253	256
Warren	0	0	0	0	2	3	10	1
Washington	3	0	0	0	17	77	31	0
Watauga	0	0	5	0	87	91	138	0
Wayne	13	1	1	0	193	7	24	1
Wilkes	1	0	1	0	78	98	34	0
Wilson	3	3	20	0	210	47	41	1
Yadkin	0	0	2	0	18	11	134	0

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	Total # of Applications to Change Information							
County Name	01 Public Asst	02 Disability	03 Other	04 AF	05 DMV	06 Mail	07 In person & drives	08 Libraries & High Schools
Yancey	0	0	1	0	13	3	24	0
TOTAL	512	99	622	7	18,750	13,501	13,719	1,867
*Reflect data from last q	TOTAL CHANGES =		49,077					

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	Verification Notices			Confirmation Notices				
County Name	Total # Mailed	Total # Returned Undeliverable	Total # Returned With Corrections	Total # Mailed	Total # Returned Undeliverable	Total # Returned By Voter	Total # Not Returned	Total # Declinations
Alamance	4,372	9	33	18	7	3	8	20
Alexander	301	12	0	0	0	0	0	24
Alleghany	150	15	56	0	0	0	0	0
Anson	274	0	3	163	150	0	13	17
Ashe	1,198	621	0	0	0	0	0	6
Avery	62	2	0	0	0	0	0	0
Beaufort	477	3	6	4	4	0	0	0
Bertie	178	0	0	0	0	0	0	21
Bladen	0	0	0	0	0	0	0	0
Brunswick	1	0	0	2,269	957	903	227	0
Buncombe	2,860	146	485	5,966	54	73	5,839	289
Burke	926	10	3	167	14	31	41	33
Cabarrus	2,598	1,130	0	1,095	9	4	8	22
Caldwell	1,674	0	0	0	0	0	0	23
Camden	82	0	0	0	0	0	0	0
Carteret	1,299	45	251	388	340	8	40	6
Caswell	3,043	3	0	0	0	0	0	3
Catawba	2,026	57	63	107	12	30	65	40
Chatham	556	1,694	1,710	3,392	1,686	726	980	6
Cherokee	294	17	0	0	0	0	0	4
Chowan	252	31	3	23	7	5	11	12
Clay	85	2	0	0	0	0	0	5
Cleveland	1,203	8	2	93	68	18	7	93
Columbus	835	3	5	3	2	1	0	6
Craven	1,791	149	36	185	10	100	75	1
Cumberland	8,457	103	23	3,833	0	0	0	277
Currituck	199	0	0	0	0	0	0	218
Dare	286	0	0	1	0	0	1	0
Davidson	2,215	26	3	814	726	6	82	19
Davie	751	8	0	104	23	13	68	2
Duplin	539	25	15	0	0	0	0	15
Durham	3,691	35	11	28	13	8	7	5
Edgecombe	1,927	118	0	181	118	3	0	6

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	Verification Notices			Confirmation Notices				
County Name	Total # Mailed	Total # Returned Undeliverable	Total # Returned With Corrections	Total # Mailed	Total # Returned Undeliverable	Total # Returned By Voter	Total # Not Returned	Total # Declinations
Forsyth	7,658	2,605	105	66	1,345	249	0	32
Franklin	633	500	36	531	155	36	191	4
Gaston	29	21	0	7,255	7,149	106	0	32
Gates	109	2	0	0	0	0	0	1
Graham	70	1	0	1	1	0	0	2
Granville	455	12	0	99	3	20	76	9
Greene	440	0	0	0	0	0	0	6
Guilford	8,451	108	0	1,247	880	165	202	76
Halifax	519	4	0	0	0	1	0	68
Harnett	198	50	148	50	38	7	5	17
Haywood	868	2	0	0	0	0	0	0
Henderson	34	71	40	5	3	0	2	53
Hertford	107	0	2	0	0	0	0	0
Hoke	441	5	0	5	5	0	0	19
Hyde	137	54	0	54	37	13	4	0
Iredell	2,213	11	0	0	0	0	0	18
Jackson	1,140	420	50	420	360	10	50	0
Johnston	4,801	1,155	58	1,967	1,155	15	797	33
Jones	80	1	1	1	1	0	0	0
Lee	570	24	2	24	2	12	10	14
Lenoir	2,328	155	185	173	57	62	70	155
Lincoln	1,021	107	32	65	24	18	23	2
Macon	2,411	2,385	26	2,385	1,175	128	1,082	43
Madison	0	203	1	0	202	5	0	0
Martin	354	0	2	5	5	0	0	7
McDowell	76	0	0	5,659	0	0	0	0
Mecklenburg	13,265	2,719	0	327	0	0	0	52
Mitchell	1	0	0	0	0	0	0	0
Montgomery	171	4	8	12	2	10	0	6
Moore	1,343	39	5	143	1,160	1	0	28
Nash	1,210	0	8	16	5	3	8	13
New Hanover	18,543	3,373	128	1,107	54	341	712	233
Northampton	847	149	112	98	84	25	14	1

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3rd Quarter, 1997

	Verification Notices			Confirmation Notices				
County Name	Total # Mailed	Total # Returned Undeliverable	Total # Returned With Corrections	Total # Mailed	Total # Returned Undeliverable	Total # Returned By Voter	Total # Not Returned	Total # Declinations
Onslow	1,210	16	10	1,291	0	8	0	0
Orange	3,154	5,410	78	5,410	3,200	42	2,168	5
Pamlico*	93	0	10	0	0	0	0	0
Pasquotank	846	58	2	18	2	3	13	0
Pender	795	92	2	73	65	1	7	0
Perquimans	666	229	48	179	161	1	17	0
Person	4,810	1,190	123	1,278	35	12	14	11
Pitt	6,789	1,223	34	29	14	5	10	78
Polk	105	0	0	0	0	0	0	0
Randolph	1,203	7	0	0	13	6	381	87
Richmond	520	12	0	0	0	0	0	43
Robeson	226	30	6	1,089	30	6	1,053	0
Rockingham	710	128	0	240	71	50	119	168
Rowan	2,863	30	0	5,053	0	22	0	61
Rutherford	3,593	473	86	306	140	59	107	0
Sampson*	380	27	41	27	25	0	2	15
Scotland	0	2	0	0	0	0	0	9
Stanly	1,401	1,350	2	1,667	234	37	456	8
Stokes	1,898	1,162	9	5	2	3	0	4
Surry	1,069	166	0	17	1	0	16	7
Swain	141	1	0	1	0	1	0	0
Transylvania	732	0	20	0	0	0	0	3
Tyrrell	65	7	5	2	0	0	2	0
Union	64,424	4,500	900	500	4	64	432	3
Vance	2,544	951	27	951	811	15	119	0
Wake	13,845	1,462	2	0	0	0	0	7
Warren	214	0	2	5	0	5	0	0
Washington	550	180	50	0	0	0	0	9
Watauga	1,287	39	21	2,539	2,343	109	87	26
Wayne	1,568	1,036	39	883	540	222	231	338
Wilkes	965	41	33	85	56	204	17	0
Wilson	9,927	3,320	212	3,374	2,759	116	491	47
Yadkin	277	8	7	1	1	0	0	12

NVRA Quarterly Report
3rd Quarter, 1997

	Verification Notices			Confirmation Notices				
County Name	Total # Mailed	Total # Returned Undeliverable	Total # Returned With Corrections	Total # Mailed	Total # Returned Undeliverable	Total # Returned By Voter	Total # Not Returned	Total # Declinations
Yancey	122	0	0	0	0	0	0	0
TOTAL	244,117	41,602	5,426	65,572	28,609	4,150	16,460	3,038

*Reflect data from last q

CAMPAIGN FINANCE REPORTING

FOCUS GROUP FOR DEVELOPMENT OF
OCCUPATIONAL CLASSIFICATIONS
AND REPORTING FORMS

Meeting: October 27, 1997, 1:00 p.m.
Location: State Board of Election
133 Fayetteville Street Mall
Conference Room, Lower Level

Invited Participants:

Research
Bob Hall, Democracy South
Ran Coble, NC Center for Public Policy Research
Sam Watts, NC FREE

Media
Rob Christensen, News and Observer
Jim Morrill, Charlotte Observer
Jay Davis, The Tribune
Bettie Fennell, Wilmington Star News
Kerstin Mitchell, New York Times

Political Committees
George Hearn, Treasurer for Judicial Candidates
Bonnie Smith, Treasurer for Citizens for Jim Hunt
William Pully, NC Hospital Association PAC
Jimmy Duckett, Sprint Mid-Atlantic Region Telecom PAC

County Board of Elections Campaign Reporting Staff
Judy Hargrove, Wake
Terry Robertson, Cumberland
Marlene Berry, Buncombe

Public Relations. Certified Public Accountants
Alan Bean, Capitol Communications
Jim Ahler, NC Association of CPAs

General Assembly Staff
Angela Talton, Office of the President Pro Tempore
Bradley Hix, Office of the Speaker of the House

Political Parties
Christi Hislop, Democratic Party
Dan Gurley, Republican Party
Sean Haugh, Libertarian Party

State Board of Elections
Dorothy Presser, Member
✓Gary Bartlett, Exec Sec Dir
Sandy Shanahan, Education & Training

Campaign Reporting Staff
Yvonne Southerland
Jane Torcasso
Beverly Lisk

Session Laws of 1997
Senate Bill 1 ratified as
Chapter

AN ACT TO

1. Change the filing schedule of campaign reports
2. Require the listing of a contributor's principal occupation
3. Provide for a "Best Efforts" rule
4. Require that coordinated party expenditures be reported
5. Expand reporting in local elections and referenda
6. Set a three thousand dollar threshold for reporting
7. Require electronic filing of certain campaign reports
8. Internet access
9. Provide for civil penalties for late filing of campaign reports
10. Close the second primary loophole for contribution limits
11. Rewrite and expand the limits on fund-raising during Legislative Sessions
12. Change the method for distributing money from the Political Parties Financing Fund
13. Require the Disclosure of spending for material that names candidates
14. Disclose the flow of money through North Carolina and National political organizations
15. Prohibit a declared council of state candidate from using State funds for ads and announcements containing the candidate's name, picture or voice during the calendar year preceding an election
16. Require 12-point disclaimers in opposition print ads

1998 ELECTION AND CAMPAIGN REPORTING SCHEDULE

Within 10 days		**anizational Reports** - Required to disclose beginning financial activity - Organization of a committee for political purpose - Solicitation or receipt of contributions - Expenditures for political purpose - Filing notice of candidacy
January 5, 1998	**12 Noon**	**Candidate Filing Period begins**
January 30, 1998		**1997 Annual Report** - Required from all registered committees - Required from all elected officials - Covers calendar year 1997
February , 1998	**12 Noon**	**Candidate Filing Period Ends**
April 7, 1998		**1998 First Quarter Report** - Required from all registered committees - Covers from last report through March 1
April 25, 1998		**1998 Preprimary Report** - Required from all registered committees - *Not required from candidates not on primary ballot if First Quarter Rep filed* - Covers from last report through April 19
May 5, 1998		**Primary**
June 2, 1998		**Second Primary, if required**
July 7, 1998		**1998 Second Quarter Report** - Required from all registered committees - Covers from last report through June 30
October 24, 1998		**1998 Third Quarter Plus Report** - Plus 17 days preceding general election - Required from all registered committees - Covers from last report through October 17
November 3, 1998		**General Election**
January 7, 1999		**1998 Fourth Quarter Report** - Required from all registered committees - Required from elected officials for calendar year 1998 - Covers from last report through December 31
		Final Report Filed when all funds are disbursed, loans repaid or forgiven and committe account closed.

Special Note: Reports may be delivered or mailed as early as the next day after the period ends. A mail receipt is proof of mailing. Reports will be timely filed if postmarked on the day the report is due.

1. CHANGE THE FILING SCHEDULE OF CAMPAIGN REPORTS

Quarterly and Semiannual Reporting effective January 1, 1998, and applies to all financial activity occurring on or after that date.

Except as provided by the threshold exception in G.S. 163-278.10A, the treasurers for candidates and other political committees will file the following reports:

(1) Organizational Report. -- Consisting of the appointment of the treasurer, statement of organization, and a report of all contributions and expenditures not previously reported and due no later than the tenth day following the day the candidate files notice of candidacy or the tenth day following the organization of the political committee, or whichever occurs first.

(2) Preprimary Report. -- The treasurer shall file a report with the Board no later than the tenth day preceding the primary election. A candidate who is not on the ballot in the primary and who has filed a first quarter report shall not be required to file a separate preprimary report.

(3) Quarterly Reports. -- During even-numbered years during which there is an election for that candidate or in which the campaign committee is supporting a candidate, the treasurer shall file a report no later than seven working days after the end of each calendar quarter, except that the report for the third quarter shall also cover the period in October through the seventeenth day before the election. The third quarter report shall be due seven days after that date, and the fourth quarter report shall not include that period if a third quarter report was required to be filed.

(4) Semiannual Reports. -- If contributions are received or expenditures made, for which no reports are other wise required, any and all such contributions and expenditures shall be reported by the last Friday in July, covering through the last day of June, and shall be reported by the last Friday in January, covering the period through the last day of December.

The State Board of Elections shall study the feasibility of requiring monthly reporting by campaign treasurers during even-numbered years, with weekly reports required during the month before each primary and election. The State Board shall report in writing to the General Assembly by March 1, 1998.

STATE BOARD OF ELECTIONS

133 Fayetteville Street Mall
Suite 100
Raleigh, North Carolina 27601

GARY O. BARTLETT
Executive Secretary-Director

Mailing Address:
P.O. BOX 2169
RALEIGH, NC 27602
(919) 733-7173
FAX (919) 715-0135

MEMORANDUM

August 7, 1997

To: Dianna Wentz, Assistant Purchasing Administrator, Division of Purchase and Contract
Department of Administration, State of North Carolina

From: Gary Bartlett, Executive Secretary-Director Gary O. Bartlett
State Board of Elections

Subject: Bid Process for Statewide Voter Registration Network - Recommend Action for Opening the Cost Proposal for Prism Systems, Inc.

An evaluation committee is assisting the State Board of Elections in the selection of an outside vendor to supply the Statewide Voter Registration Network. This committee concludes that Prism Systems, Inc. is the only vendor that meets the requirments as specified in the request for proposals (RFP) for the Statewide Voter Registration Network. Accordingly, the Committee recommends that the cost proposal submitted by Prism Systems, Inc. is the only cost proposal to be opened. The information contained in this memorandum is organized in sections to explain the situation and justify this recommendation.

Background

The Request for Proposals (RFP #702505) was issued on June 3, 1997. The pre-proposal conference was held on June 13, 1997. Bids were due by July 14, 1997 at 2:00 PM.

The evaluation process is described clearly in the RFP. Cost proposals are to be opened after the evaluation of technical proposals, and the only cost proposals to be opened are for vendors who have been judged to be qualified (per the specifications of the RFP) to perform this project.

Cost proposals have not been opened, and they have been under the safekeeping of the Division of Purchase and Contract of the Department of Administration (P&C). Technical proposals were distributed the day of receipt to the members of the evaluation committee.

The state received three RFP responses from the following vendors (listed in alphabetical order):

- American Information Systems, Inc.
- Prism Systems, Inc./Global Election Systems
- Unisys/CMIS

Evaluation Process

Each committee member reviewed the technical proposals, and identified questions and potential items not responsive to the requirements of the RFP. These items were discussed. Vendor presentations were held on August 4, 1997. During the presentations, the prospective vendors were allowed only to clarify or explain the material contained in the technical proposals. No additions or deletions to the technical proposals were permitted. Vendor questions were faxed to the vendors on August 5, 1997, and responses were received on August 6, 1997.

Summary Evaluation for Each Perspective Vendor

The technical proposals and oral presentations of vendors were evaluated and judged in relation only to the specifications stated in the RFP – not in relation to each other. The sole objective of the review and evaluation process has been to determine, on a vendor-by-vendor basis, whether the vendor is qualified, by judging against the standards given in the RFP, to perform this project. Accordingly, a formal ranking of vendors was neither desired nor developed. An overview of each vendor's evaluation is given below.

American Information Systems

The evaluation committee was satisfied with the RFP response to the statewide voter registration network system that was proposed. However, there was a major technical problem with the proposed county election management system as follows:

Requirement 73. SQL-Compliance. The proposed Local Election Management System (LEMS) uses a Microsoft FoxPro database management system. This database management system is not in compliance with the Statewide Technical Architecture standards, specifically the Data Architecture standard which states:

"All new databases implemented should use a relational DBMS supporting ANSI Standard (SQL92)."

The state's IRM organization researched and verified with Microsoft Corporation that no version of Microsoft FoxPro is SQL92 compliant. Therefore, this vendor does not meet the requirement to comply with the statewide technical architecture.

Since ***all*** requirements in the RFP are mandatory and the proposed system ***must*** comply with the Statewide Technical Architecture (referenced on page 70 of the RFP), this vendor is disqualified.

Prism Systems, Inc./Global Election Systems

This vendor responded satisfactorily to all requirements in the RFP. No disqualifying deficiencies have been identified as a result of our close review of the technical proposal and the responses to our questions during the oral presentation. The firm has demonstrated careful thought to a key problem to address as part of the RFP, which is the data transfer between systems, including the proposed statewide voter registration network, proposed county system, and existing county systems.

Vendor references were contacted and verified to be satisfactory.

Unisys/CMIS

The technical proposal submitted by Unisys/CMIS failed to present evidence that it satisfactorily meets all the requirements listed in the RFP. The proposal contains disqualifying shortcomings for several key requirements of the RFP.

The evaluators concluded that Unisys failed to present its system in a manner such that the evaluators understood the technical architecture and the differences between the state and local systems.

Unisys Corporation/CMIS is disqualified, because it did not meet all the requirements in the RFP.

Specifically, the vendor did not meet key requirements as listed below:

Requirement 5. Voter registration database volume requirements. The vendor did not respond to the last part of the requirement *"Vendors' proposals must provide narrative and references to documentation that their software solution has been (a) used in other environments or (b) tested in the proposed hardware and software configuration to handle database volumes of over 10 million records".*

This requirement specifically states that the vendor must provide narrative and references to one of the two options, (a) ***or*** (b).

The vendor responded "The proposed database structure for the Voter System is in use in the State of Arkansas handling approximately 7 million records including master voter data, history information, and transaction information. The performance of the Arkansas database server has remained consistent throughout its gradual growth from 2 million to 7 million records."

The vendor stated that the "database structure" is in use in the State of Arkansas, not the proposed software solution. In addition, it did not demonstrate the (b) option of the requirement, that its proposed hardware and software configuration has been tested to handle database volumes of over 10 million records.

The vendor has not demonstrated that it has used the proposed *software* in other environments nor did it provide information about testing the proposed hardware and software solution to handle database volumes of over 10 million records. **The vendor did not meet this requirement.**

Requirements 11. Duplication checks of NVRA agency transaction files. The requirement states *"The proposals must specify the software's ability to construct search keys from multiple variables and the ability to apply "fuzzy logic" during the duplication checks.".* The vendor did not address how its system would use "fuzzy logic". It only recommended not to use "fuzzy logic". **The vendor did not meet this requirement.**

Requirement 12. Duplication checks of county voter registration transaction files. The requirement states *"The proposals must specify the software's ability to construct search keys from multiple variables and the ability to apply "fuzzy logic" during the duplication checks."* The vendor did not address how its system would use "fuzzy logic". It only recommended not to use "fuzzy logic". **The vendor did not meet this requirement.**

Requirement 16. County transaction file preparation software. The vendor did not address the last sentence: *"Vendor proposals must specify the management approach they will use to deploy and maintain this software on computers provided to the counties by the State."* This point is a key part of this requirement and the vendor did not address how it will deploy and maintain software. **The vendor did not meet this requirement.**

Requirement 65. Integration with voter registration application. The vendor did not address the requirement to allow a user to enter election worker management software *"without having to exit current work in the voter registration application and vice versa"*. **The vendor did not meet this requirement.**

Requirement 67. Integration with voter registration application. The vendor did not address the requirement to allow a user to enter polling place management software *"without having to exit current work in the voter registration application and vice versa"*. **The vendor did not meet this requirement.**

Requirement 111. Required references. This requirement states that *"Vendors must provide the institutional names of the three largest government "installed sites" (state, county, or city agencies) at which they have implemented a voter registration database and large scale network. "Largest" refers to the three government jurisdictions that have the largest number of active and inactive registered voters in their actual databases."* In response to the vendor questions, the vendor stated that Unisys will be the contracting entity to the state, not CMIS. Accordingly, we expected the three largest sites for Unisys. The references listed were the three largest CMIS sites - but did not appear to include the largest county in Arkansas - and were not the three sites we requested, therefore, the response was misleading.

North Carolina
Department of Administration

James B. Hunt, Jr. Governor
Katie G. Dorsett, Secretary

Division of Purchase and Contract
J. Arthur Leaston, State Purchasing Officer

August 18, 1997

Mr. Steven L. Small, President
Prism Systems, Inc.
4343 Commerce Court, Suite 600
Lisle, IL 60532

Dear Mr. Small:

The North Carolina State Board of Elections and the Division of Purchase and Contract have selected Prism Systems, Inc. to design, develop and implement a Statewide Voter Registration Data Network as described in the Request for Proposals #702505 at a cost of $4,182,813.00. This award is made in accordance with the following:

1. Request for Proposal
2. RFP addenda
3. Prism's response to the RFP
4. Prism's cost proposal
5. Prism's responses to request for clarification of items in the cost proposal.

Also be aware that this award is being made contingent upon budget approval by the North Carolina General Assembly for Fiscal year 1997-1998.

On August 21, 1997, the North Carolina State Board of Elections will conduct a statewide training seminar in Greensboro, NC This will be an opportunity to gather information and obtain feedback from state and county personnel regarding Prism's system. It is imperative that you and your project team attend this meeting.

Please contact Gary Bartlett, State Board of Elections, at 919-715-1827 to arrange for a site visit (page 79 of RFP) to Chicago and McHenry County in early September, as well as signing a contract and to schedule a start-up meeting.

Sincerely,

Dianna H. Wentz
Assistant Purchasing Administrator

cc Gary Bartlett
State Board of Elections

Members of the Evaluation Committee

Statewide Elections Information Management System
IRM Staff Synopsis of Implementation Plan
October 1997 Meeting of the IRMC

The State Board of Elections (SBoE) is directed by N.C.G. S. 163-82.11 to develop and implement a computerized statewide data elections management system. A budget of $6.5 million ($5.0 million reserve, $.5 million one-time expansion in the 1997-98 budget, and $1.0 million continuation) has been authorized for the implementation of this system. The system must be installed and operational by August 31, 1998 - a very aggressive timetable.

A needs assessment and requirements analysis study were completed in 1995, and the Information Resource Management Commission (IRMC) recommended "Alternative C" from the report as the implementation and network model for the project. This approach employs a distributed processing architecture, with hardware/software facilities at the state and in each of the 100 counties. The recommended approach also allows the counties to continue using present local systems, which will connect with the state system.

In June 1997, the SBoE issued a Request for Proposals (RFP) for installing the system, and it has contracted with the vendor selected from the competitive bidding process. Per state statutes, funds for the project may be used only after the SBoE and the IRMC have jointly approved and submitted an implementation plan for the system to the Joint Legislative Commission on Governmental Operations.

System Overview

The objective of the statewide elections information management system is to provide a useful and cost-effective capability for assisting the SBoE and local county boards of elections to perform their duties and responsibilities for conducting legal and orderly elections. The system features a central file of all registered voters in the state, which will assist election officials, candidates, political parties, and the public by providing a comprehensive database of all eligible, qualified voters. It will serve multiple purposes, including:

- Improving the administration and management of elections by establishing minimum standards for the modernization of elections functions and the computerization of voter registration files and the offering of useful features such as campaign finance reporting, elections night returns, absentee ballot management, and precinct management.

- Protecting against voter fraud by enhancing voter list maintenance efforts.

- Facilitating the process of filling requests from candidates, committees, news media, and the public by offering a one-stop facility for providing comprehensive non-

confidential voter registration information in a manner that is easily accessible, useable and understandable.

- Assisting in complying with the National Voter Registration Act (commonly known as Motor-Voter) by providing an electronic transfer of voter registration data from state agencies participating in voter registration, such as DMV and ESC.

- Providing an instant cross-check of data from DMV and other agencies to protect the integrity of voter registration applications and for the verification of provisional ballots.

An important element of the system is the local county systems will communicate data with the state system electronically. This requires uniform and consistent technical standards to ensure:

- All participating systems can interpret and use the data (technical format and data element standards).

- The data is current, accurate and complete (system processing and operating standards).

Technical Processing Overview

The statewide system will accomplish two primary objectives:

1. It will maintain a central database - This file will contain all registered voters in the state (approximately five million records). Information in it will be available to authorized public officials, and non-confidential data will be accessible to private citizens and interested organizations. An abbreviated copy of the statewide database, which still contains all registered voters but less information on each, will be resident at each county. This smaller statewide file will be used to check for duplicate registrations, generate reports and provide other information when the county chooses not to use the complete statewide database. Local county systems will continue to maintain the official elections databases, and these contain extensive, detailed information for registered voters in the county.

2. It will communicate data electronically - New registration information and updates (such as address changes) that are received from affiliated state departments (e.g., DMV and ESC) will be communicated electronically to the counties for verification and entry into the official files maintained on local county systems. Verified updates to official county records (such as new registrations and address changes, voter history updates, and other data) will be communicated electronically from the local county systems to the statewide file. Changes to the central statewide database will be communicated electronically and posted automatically (i.e., replicated) on the abbreviated version of this file at the counties.

To accomplish the above objectives and comply with the processing model and technical architecture recommended by the IRMC, the statewide elections information management system is composed of two primary parts. The first is the central component, which consists of the statewide database and the facilities for receiving updates from the counties and affiliated state departments and communicating these to and from the state-supplied county component. The primary hardware (two large server platforms) and software for performing the central operations will be located in Raleigh at SIPS.

The second part of the statewide elections information management system is the state-supplied county component, which is located at each county. This component stores the abbreviated version of the statewide database, participates in the communications of data to and from the central part of the system in Raleigh, and handles the transfer of data between the state system and the local county system. The hardware (a server platform) and software comprising the county component of the statewide system will be located at each county.

Each county also has its own local system, which performs all activities necessary to accomplish detailed elections related duties and responsibilities and maintain voter registration and other necessary files. Per state statutes, the county files maintained by the local county systems are the official voter records.

Both the central statewide database and the abbreviated version of this database contained in the state-supplied county system are maintained and operated through a modern, well-known and commercially available software package (Microsoft's SQL Server). Through the use of the state's wide area network (WAN), data replication capabilities of the SQL Server software perform the communications of data to and from the central part and the county component of the state system. The two servers at the state and the 100 servers at the counties are anticipated to be Intel-based platforms using Microsoft's NT operating system. These will be purchased from state contracts.

As part of this project, the state is ensuring that each county will have the capability for the electronic communication of elections management data between the state-supplied county system and the local county system. For the many counties that already have LANs installed, this can be accomplished easily. For the others, the necessary equipment has been budgeted and will be installed.

The state-supplied county system also has the capability for performing local county processing. Therefore, as an individual option, counties may elect to replace their present local systems with the system offered by the state. Counties deciding to exercise this option will not have to develop the interface programs necessary to transfer data to and from the state-supplied county system and the local system. It is anticipated that the budget for the project is adequate for providing any additional hardware needed by the counties electing to convert from their present local systems to the state-supplied system. Since the state-supplied software at the counties and the software offered by the state to replace the local county system is the same package, no additional software will be required for those counties electing to convert to the state's offering.

For counties choosing to continue using their present local systems instead of converting to the state's offering, the cost of this modification must be paid by the county. Special "interface" programs must be developed to handle the transfer of data to and from the state-supplied county part of the system and the local county system. It is each county's responsibility to modify its local system for complying with the state standard technical data format to accomplish this transfer of data.

Extensive data checking (validation) capabilities are present at the central and state-supplied county components of the state system to ensure data is as complete and accurate as possible. Duplicate hardware and software are used for the central portion of the state system to ensure reliability of processing and the continuous availability of information should problems occur.

Systems very similar to those proposed for statewide and county processing have been installed by the vendor in the cities of Chicago and Phoenix. Also, the system proposed is currently being implemented in Wake and Forsyth counties.

Implementation Plan

Because the technology employed in the statewide data elections management system is proven and the proposed software requires little modification, the key challenge for this project involves the discipline of project management. In particular, because of the aggressive schedule, the areas of data conversion, training, and hardware/software installation present major risks. These considerations are especially important given the number of sites for conversion and the geographical distribution of the counties. Another complicating challenge for the project is many local systems may contain data that is inaccurate and incomplete; therefore, much effort and time will be required to rectify this situation.

The implementation approach presented by the vendor offers every possible opportunity for obtaining efficiencies in implementing the system. It features the use of:

- Automated techniques for converting data to state standards.
- Data correction software to identify and modify inaccurate/incomplete information.
- Automated software distribution resources.
- A regional approach for training and installation support.
- Central file management services for managing the state-supplied hardware/software at the counties from Raleigh.
- A central help desk to resolve problems quickly and answer questions correctly and promptly.

The SBoE is in the process of hiring staff authorized by the General Assembly for assisting the vendor in installing the system and operating it after implementation. A full-time project manager is the first person scheduled for employment.

Accomplishments to Date

To date, several essential project tasks have begun. A data standards committee was formed. It is composed of representative local elections officials, and it has identified and documented the elements and formats for the contents of the statewide database. This work is a prerequisite for developing data standards for the transaction files to and from the state and county systems. Surveys for documenting present county hardware/software configurations have been completed and submitted to the vendor for analysis. Also, the proposed software was demonstrated at five sites throughout the state the first week of October. This activity assisted counties in their decision-making for electing to convert from their present local systems to the state-supplied package.

STATE BOARD OF ELECTIONS

133 Fayetteville Street Mall
Suite 100
Raleigh, North Carolina 27601

GARY O. BARTLETT
Executive Secretary-Director

Mailing Address:
P.O. BOX 2169
RALEIGH, NC 27602
(919) 733-7173
FAX (919) 715-0135

MEMORANDUM 97-12

September 18, 1997

TO: County Boards of Elections

FROM: Gary O. Bartlett, Executive Secretary-Director Gary O. Bartlett

RE: VoterView Demonstrations and Test Site Counties

Demonstration Sites

Prism Systems, Inc. will be demonstrating VoterView software the week of October 6, 1997, from 10 - 3:00 PM at various sites across the state. Please call the hosting director of elections to confirm the number attending from your county. Although lunch **will not** be provided, some hosting directors would like to plan on having lunch catered. The hosting director will provide you with details. The itinerary is as follows:

October 6, 1997: Wayne County Community College
Hosting Director: Suzanne Southerland, 919-731-1411
October 7, 1997: Martin County: Holiday Inn at Hwy 64 and Hwy 17
Hosting Director: Faye Martin, 919-792-5845
October 8, 1997: Moore County Board of Elections
Hosting Director: Glenda Clendenin, 910-947-3868
October 9, 1997: Buncombe County Board of Elections
Hosting Director: Trena Parker, 704-255-5123
October 10, 1997: Forsyth County, Main Library
Hosting Director: Kathie Cooper, 910-727-2162

Initial Test Sites

The following counties have been chosen and have accepted their roles as initial test sites. They are:

Cabarrus	Transylvania	Lincoln
Brunswick	Franklin	Gates
Wayne	Rutherford	Surry

Other counties who will have VoterView installed and operational by the end of 1997 are Forsyth and Wake.

North Carolina State Government • Department of Commerce
Information Resource Management Commission
PROJECT PROPOSAL CHECKLIST

As approved by the IRMC: *July 2, 1996* ***Revision Date:*** *July 3, 1996*

Department:	State Board of Elections
Project Name:	Statewide Elections Information Management System
Contact Person:	Gary Bartlett, Executive Secretary-Director
Phone Number:	919-733-7173
E-Mail:	gbartlett@sboe.state.nc.us
Date Submitted:	September 26, 1997

Purpose

The Project Proposal Checklist verifies that essential activities have been planned or performed to help ensure that proposed systems development or technology implementation projects are completed on time and within budget, and the expected benefits are realized.

Responsibility for Preparing Checklist

The department proposing the project must prepare the checklist. All "No" responses must be explained.

Projects Requiring a Checklist

You must prepare a checklist if the project either:

results in total long-term expenditures over $500,000;

⇒ is a planning or direction-setting project, regardless of cost; *OR*

⇒ is a *major project*, regardless of cost.

Major projects present unusual or high risks. These risks can be: technical (for example: implementing technology new to the department or state); business; organizational; or in other areas (for example: system size; project duration; timetable flexibility; technical or business complexity; implementation challenges; importance to the operations of the state; and interrelations with other systems or departments).

Major projects include projects that must be completed successfully (on-time, within budget, and with the expected results and benefits) in order to avoid public embarrassment, shortcomings in the performance of business responsibilities or program operations, or detrimental deficiencies in the delivery of services.

Timetable for Submitting Checklist

You must provide a checklist for every systems development or technology implementation project submitted with your departmental biennial technology plan. Checklists for other projects must be provided to the OSC/IRM staff as early as possible in the planning process.

PROJECT PROPOSAL CHECKLIST

Activity	Yes	No[1]	Cross Reference[2]

1. Project Objective

a) Are the project's objectives and goals verifiable, defined, and stated?	✓		Implementation Plan attached
b) Is this project strategically aligned with departmental missions, goals, and objectives?	✓		Legislation attached
c) Have or will business or program practices and procedures be re-engineered before or as part of the implementation of the system or technology?	✓		Processes that are currently manual or non-existent will now be automated

2. Departmental Sponsorship

a) Has departmental senior management approved this project?	✓		
b) Will departmental senior managers be involved with this project on a regular basis?	✓		
c) Has the project sponsor from the business or program area been identified?	✓		
d) Will the project sponsor from the business or program area participate in this project on a regular and ongoing basis?	✓		
e) Has the sponsoring business or program area participated in the development of the project management and organization documentation, including the work plan?	✓		

3. Project Management and Organization

a) Will an experienced project manager be assigned to this project?	✓		Project Manager will be hired
b) Will the project adhere to a formal systems development life cycle methodology (SDLC)?	✓		IEEE Standards
c) Does the project have a budget, supporting schedule, work plan, and work packages incorporating major phases, tasks, due dates, responsibilities, deliverables, and time and effort estimates?	✓		See preliminary project plan
d) Have Gantt, PERT, and Critical Path charts been prepared so that interdependent activities and essential timetables are known?	✓		See preliminary project plan
e) Has a formal project organization structure and management process (including regular progress reporting and communication among team members, sponsors, and all oversight bodies) been developed?	✓		Vendor's RFP response documents process
f) Have clear responsibilities and reporting relations been indicated on the project organization chart in the work plan?	✓		See Organizational Chart
g) Have personnel resource needs been determined by identifying skill and experience requirements and work effort estimates?	✓		Vendor Responsible
h) Are the necessary skills and experiences available or are training times included in the project work plan?	✓		See preliminary project plan
i) Has a change management process been developed and agreed upon by all participants?	✓		

Activity	Yes	No[1]	Cross Reference[2]
3. *Project Management and Organization,* cont.			
j) Does the project work plan include provisions and time for data conversion, user training, and system documentation preparation?	✓		See preliminary plan
k) Are representatives from the business and program areas included in the project work plan, including personnel that will use the system when it is installed?	✓		
l) Does the project work plan include the development of a maintenance plan?	✓		
m) Does the project work plan include the development of resource requirements provided by SIPS, such as computing, data storage, and communications needs?	✓		
n) Have estimates been developed for project work efforts and costs?	✓		
4. *Project Support and Logistics*			
a) Have tools (including project management, configuration management, change management, version control, productivity, CASE, testing, etc.) for managing and performing the project been identified?	✓		
b) Have time and effort been allocated in the project work plan for acquiring, configuring, and learning the support tools?	✓		
c) Has the project work plan been adjusted for staff training time for the support tools?	✓		
d) Have the needs for subject matter experts been identified, and are those requirements reflected in the project work plan?	✓		
e) Have the needs for other logistical items (such as workspace, workstations, LAN support, telephones, development and testing environments, etc.) been determined?	✓		
f) Does the project work plan accommodate the time required to acquire, install, and become competent with the necessary logistical items?	✓		
g) Will automated aides be used for supporting data conversion, user training, and system documentation preparation?	✓		
h) Does the project work plan include time and work efforts for coordinating with organizations providing shared services (e.g., SIPS) and other departments involved in the system or technology?	✓		
i) Does the project work plan include participation of the departmental staff so that the department will be able to maintain the system after installation?	✓		

Activity	Yes	No[1]	Cross Reference[2]

5. Training

a) Is there a formal education and training plan or does the project work plan include the time and resources for the development of this plan?	✓		
b) Does the formal education and training plan identify the curricula, delivery mechanisms, and audiences (e.g., senior management, departmental executives, project staff, and end users), or are there tasks in the project work plan to address these?	✓		
c) Are automated aids and resources being used to support training needs for project staff and users?	✓		

6. Technology

a) Has the application been architected?	✓		Vendor-supplied
b) Does the technology make use of the state's technical physical and applications development infrastructure?	✓		
c) Does the technology reflect current, modern approaches for designing and installing information systems, including the concepts and principles in the IRMC's *Statewide Technology Strategies and Initiatives* document?	✓		
d) Does the technology conform to the state's technical architecture?	✓		
e) Are common business applications services that are required by the system being provided by the state's technical infrastructure?	✓		
f) Are new business applications services being developed by this project that are common to other systems going to be added to the state's technical infrastructure?	✓		Interface with the DOT customer number

PROJECT PROPOSAL CHECKLIST

Activity	Yes	No[1]	Cross Reference[2]
7. *Quality Assurance*			
a) Have standards, conventions and documentation requirements been developed for major activities (for example: requirements analysis, program specifications, coding, etc.)?	✓		
b) Will formal procedures and processes (such as JAD, etc.) be employed to ensure adequate participation by business and program personnel?	✓		
c) Has a formal quality plan identifying quality goals and defect prevention activities been developed?	✓		
d) Have detailed practices and techniques (such as design reviews, code inspections, etc.) been determined for identifying and correcting defects as early as possible in the implementation process?	✓		
e) Have checkpoints for formal independent quality assurance reviews been identified?	✓		
f) Have the scopes and focuses of each quality assurance review been determined?	✓		
g) Is the department's internal quality assurance function involved in the project?		✓	Vendor is Responsible
8. *Testing*			
a) Are all business and technical requirements testable?	✓		
b) Has a formal project test plan (including unit, integration, performance, regression, and user acceptance tests) been developed?	✓		
c) Will the testing process (including test cases) be automated?	✓		
d) Have acceptance criteria been established?	✓		
9. *Cost / Benefit Analysis*			
a) Are expected benefits (including improved or new services and cost savings) verifiable?	✓		
b) Have the expected benefits been identified, documented, and quantified?	✓		
c) Have all relevant costs been identified, documented, and estimated?	✓		
d) Has a cost/benefit analysis (such as pay back period, internal rate of return, return on investment, etc.) been performed?	✓		
e) Have departmental senior management and the project business/program sponsor approved the cost/benefit analysis?	✓		

Activity	Yes	No[1]	Cross Reference[2]
10. Risk Profile			
a) Have major project risk factors (such as: size; organizational structure; number of parties involved; technical complexity; length of schedule; knowledge of technology being used; experience of project management team; skills of staff; experience with tools being employed; data conversion and other implementation complexities; flexibility in schedule; number of interfaces within and outside of project team control; etc.) been identified and documented?	✓		
b) Has each major risk factor been analyzed to determine its potential adverse impact on the project?	✓		
c) Have steps or factors for mitigating the risks been identified, documented, and incorporated in project plans and activities?	✓		
d) Have procedures been developed to monitor continuously the major risk factors, so they can be managed as the project progresses?	✓		

Notes:
1 Explanations for all "No" responses must be attached.
2 Cross reference to project planning documentation or attached sheet(s).

Reference Materials

Contact the OSC/IRM staff for information about the materials listed below

1. Evaluating Information Technology Investments, A Practical Guide; United States General Accounting Office, Version 1.0; November 1995
2. Business Process Re-engineering Assessment Guide; United States General Accounting Office
3. *Strategic Information Management (SIM) Self-Assessment Toolkit*; United States General Accounting Office
4. Executive Guide Improving Mission Performance Through Strategic Information Management and Technology; United States General Accounting Office; GAO/AIMD-94-115; May 1994
5. Capability Maturity Model for Software; Carnegie Mellon University Software Engineering Institute.
6. *Project Breathalyzer*; Department of Defense; Software Program Managers Network; The Airlie Software Council; July 1995
7. Little Yellow Book of Software Management Questions; Software Program Managers Network; The Airlie Software Council; July 1995

Data Standards Committee Members

Brunswick County	Lynda Britt	Director
Buncombe County	Marvin Hollifield Jr.	Deputy Director
Buncombe County	Trena Parker	Director
Cabarrus County	Linda Grist	Director
Catawba County	Sheryl Molleur	MIS Department
Compulis, Inc.	Bill Burkley	Vendor/Consultant
Durham County	Ronald Gregory	Co-Board Member
Forsyth County	Glenn Peddle	MIS Department
Forsyth County	Kathie Chastain-Cooper	Director
Forsyth County	Robert Robinson	MIS Department
Franklin County	Billy Kraft	Director
Global Election Systems	Robert Pickett	Vendor
Guilford County	George Gilbert	Director
Information Resource Management	Tom Runkle	Chief Planning Officer
Johnston County	Leslie Stanfield	MIS Department
Johnston County	Pattie B. Proctor	Co-Board Member
Lenoir County	Joey Bryan	MIS Department
Lincoln County	Dante Patterson	MIS Department
Lincoln County	Judy Caudell	Director
Moore County	Glenda Clendenin	Director
N. C. Association of County Commissioners	Rebecca Troutman	Director of Research and Information Technology
N. C. Department of Justice	Susan Nichols	Attorney
Orange County	Jane Sparks	MIS Department
Prism Systems	Steve Small	Vendor
State Board of Elections	Michelle Wyatt	Voter Registion Director
State Board of Elections	Angie Elmore	IS Director
State Board of Elections	Gary Bartlett	Assistant Secretary-Director
State Board of Elections	Johnnie McLean	Deputy Director
Wayne County	Suzanne Southerland	Director

State Board of Elections-Statewide Elections Information Management System

Data Standards Committee

The following table represents the data elements for the Statewide Voter Registration Data Network and the standards proposed/adopted.

The Information Resource Management (IRM) division, in conjunction with the State Board of Elections, is in the process of researching certain common data formats. Common data is data that is used in multiple statewide systems. As information becomes available, it will be provided to the standards committee.

The vendor may also have recommendations for data formats.

General decisions:

- Upper/Lower/Mixed case of each alphanumeric or alphabetic field - 9/8/97 - All Caps in statewide database
- Any standards changes must be performed within 2 weeks unless otherwise stated.

Status:

- September 2, 1997 - 1st meeting of the committee - updates made to table to reflect decisions made and additional research needed. Items marked "Pend" are pending further research. Items removed have been placed at the end of the document.
- September 8, 1997 - 2nd meeting of the committee - updates made to table to reflect decisions made and additional research needed. Items marked "Pend" are pending further research. Items removed have been placed at the end of the document. Discussed types of transactions needed between state and county systems. (County Originated and State Originated transactions).
- September 15, 1997 - 3rd meeting of the committee - updates made to table to reflect decisions made and additional research needed. Items marked "Pend" are pending further research. Items removed have been placed at the end of the document. Discussed types of transactions needed between state and county systems. (County Originated and State Originated transactions).
- October 20, 1997 - Data standards finalized.

Data Element	Data format	Data Length	Notes/ Source	Acceptable Values or Ranges	Yes/ No/ Pend
Voter Identification					
County Identifier	Alphanumeric	3	3-character county code	001-100	
Voter Account or Customer Number (which includes in a standard, uniform location the U.S. Census Code Number for each county)	Alphanumeric, First 3 characters indicating county, last 12 characters indicating voter identification number	15	12 digit number	Zero filled (e.g., 000000000122) (additional zeros not displayed to users)	Yes
DOT Customer Number	Alphanumeric - right justified with leading zeros (zeros are suppressed when displayed)	12	DOT/DMV	Customer number from DOT	Yes
SBoE Number	Alphanumeric	9	Hidden field - Not used - if used it will be confidential and may only be last 4 digits of SSN		Yes
Voter Name					
LAST NAME (with space for hyphenated names)	Alphanumeric Example: SMITH	25			Yes
FIRST NAME	Alphanumeric Example: GEORGE	20			Yes
Middle name/Maiden name	Alphanumeric Examples: J JAMES	20			Yes
SUFFIX TITLE (JR SR II III IV)	Alphanumeric Example: JR	3	Postal Addressing Standard is 6 chars		Yes
Birth date	Date, MM/DD/YYYY	10	Used for identification and duplicate checking		Yes
Place of Birth	Alphanumeric	30	Used for duplicate checking	Free form	Yes
RESIDENTIAL ADDRESS (Parsed)					
Residential Address - ADDRESS PRIMARY NUMBER	Alphanumeric Street number. Examples: 123 12	10	No PO Boxes are applicable to Residential address		Yes
Residential Address - ADDRESS PRIMARY NUMBER HALF CODE	Alphanumeric Example: .5	1	Only used if 1/2 code is needed	0.5	
Residential Address - ADDRESS PRE-DIRECTION	Alphanumeric (N, S, E, W, NE, NW, SE, SW)	2	Postal Addressing Standard	N, S, E, W, NE, NW, SE, SW	Yes

Residential Address - ADDRESS PRIMARY NAME	Alphanumeric. Contains street name or the following literals: RR XX, (XX = route number) Box YY. Examples: MAIN RR 1 BOX 23 Left justified	30	Postal Addressing Standard is 28	NO PO BOXES ALLOWED	Yes
Residential Address - ADDRESS SUFFIX	Alphanumeric (ST, BLVD, RD, AVE) Example: BLVD Left justified, space filled	4	Postal Addressing Standard	See Appendix C of Postal Addressing Standards	Yes
Residential Address - ADDRESS POST DIRECTION	Alphanumeric. (N, S, E. W, NE, NW, SE, SW) Example: NW Left justified, space filled	2	Postal Addressing Standard	N, S, E, W, NE, NW, SE, SW	Yes
Residential Address - ADDRESS UNIT DESIGNATOR	Alphanumeric (APT, STE, FL, RM, #, BSMT, etc.) Example: APT Left justified, space filled	4	Postal Addressing Standard		Yes
Residential Address - ADDRESS UNIT DESIGNATOR VALUE	Alphanumeric, left justified. All spaces if not present Examples: 111000 B25	8	Postal Addressing Standard		Yes
Residential Address - ADDRESS CITY	Alphanumeric 13 character city name associated with the address Left justified, space filled	30	Postal Addressing Standard is 13 - not long enough		Yes
Residential Address - ADDRESS STATE	Alphanumeric Two-character state abbreviation	2	Postal Addressing Standard	See Appendix B of Postal Addressing Standards	Yes
Residential Address - ADDRESS ZIP CODE	Numeric	5	Postal Addressing Standard is 9 digits		Yes
Residential Address - ADDRESS ZIP CODE suffix ("+4" part of zip code)	Numeric	4			Yes
Residential Address - ADDRESS DELIVERY POINT CODE	Numeric	2			Yes
MAILING ADDRESS (Parsed)					
Mailing Address - ADDRESS PRIMARY NUMBER	Alphanumeric Street number. Examples: 123 12 ½	10			Yes

Mailing Address - ADDRESS PRIMARY NUMBER HALF CODE	Alphanumeric Example: .5	1	Only used if 1/2 code is needed	0.5	
Mailing Address - ADDRESS PRE-DIRECTION	Alphanumeric (N, S, E, W, NE, NW, SE, SW)	2	Postal Addressing Standard	N, S, E, W, NE, NW, SE, SW	Yes
Mailing Address - ADDRESS PRIMARY NAME	Alphanumeric. Contains street name or the following literals: RR XX, (XX = route number) Box YY. Examples: MAIN RR 1 BOX 23 Left justified	30	Postal Addressing Standard is 28	NO PO BOXES ALLOWED	Yes
Mailing Address - ADDRESS SUFFIX	Alphanumeric (ST, BLVD, RD, AVE) Example: BLVD Left justified, space filled	4	Postal Addressing Standard	See Appendix C of Postal Addressing Standards	Yes
Mailing Address - ADDRESS POST DIRECTION	Alphanumeric. (N, S, E. W, NE, NW, SE, SW) Example: NW Left justified, space filled	2	Postal Addressing Standard	N, S, E, W, NE, NW, SE, SW	Yes
Mailing Address - ADDRESS UNIT DESIGNATOR	Alphanumeric (APT, STE, FL, RM, #, BSMT, etc.) Example: APT Left justified, space filled	4	Postal Addressing Standard		Yes
Mailing Address - ADDRESS UNIT DESIGNATOR VALUE	Alphanumeric, left justified. All spaces if not present Examples: 111000 B25	8	Postal Addressing Standard		Yes
Mailing Address - ADDRESS CITY	Alphanumeric 13 character city name associated with the address Left justified, space filled	30	Postal Addressing Standard is 13 - not long enough		Yes
Mailing Address - ADDRESS STATE	Alphanumeric Two-character state abbreviation	2	Postal Addressing Standard	See Appendix B of Postal Addressing Standards	Yes
Mailing Address - ADDRESS ZIP CODE	Numeric	5	Postal Addressing Standard is 9 digits		Yes
Mailing Address - ADDRESS ZIP CODE suffix ("+4" part of zip code)	Numeric	4			Yes
Mailing Address - ADDRESS DELIVERY POINT CODE	Numeric	2			Yes
Mailing Address - ADDRESS 1	Alphanumeric	36	Free Form	On separate screen - hot	Yes

				button for "other address"	
Mailing Address - ADDRESS 2	Alphanumeric	36	Free Form		Yes
NCOA ADDRESS (Parsed)					
NCOA Address - ADDRESS PRIMARY NUMBER	Alphanumeric. Left justified Street number. Examples: 123 12 1/2	10			Yes
NCOA Address - ADDRESS PRIMARY NUMBER HALF CODE	Alphanumeric Example: .5	1	Only used if 1/2 code is needed	0.5	
NCOA Address - ADDRESS PRE-DIRECTION	Alphanumeric (N, S, E, W, NE, NW, SE, SW) Left justified, space filled	2	Postal Addressing Standard	N, S, E, W, NE, NW, SE, SW	Yes
NCOA Address - ADDRESS PRIMARY NAME	Alphanumeric. Contains street name or the following literals: RR XX, (XX = route number) Box YY. Examples: MAIN RR 1 BOX YY PO BOX XXX Left justified	30	Postal Addressing Standard is 28		Yes
NCOA Address - ADDRESS SUFFIX	Alphanumeric (ST, BLVD, RD, AVE) Example: BLVD Left justified, space filled	4	Postal Addressing Standard	See Appendix C of Postal Addressing Standards	Yes
NCOA Address - ADDRESS POST DIRECTION	Alphanumeric. (N, S, E. W, NE, NW, SE, SW) Example: NW Left justified, space filled	2	Postal Addressing Standard	N, S, E, W, NE, NW, SE, SW	Yes
NCOA Address - ADDRESS UNIT DESIGNATOR	Alphanumeric (APT, STE, FL, RM, #, BSMT, etc.) Example: APT Left justified, space filled	4	Postal Addressing Standard		Yes
NCOA Address - ADDRESS UNIT DESIGNATOR VALUE	Alphanumeric, left justified. All spaces if not present Examples: 111000 B25	8	Postal Addressing Standard		Yes
NCOA Address - ADDRESS CITY	Alphanumeric 13 character city name associated with the address Left justified, space filled	30	Postal Addressing Standard is 13 - not long enough		Yes
NCOA Address - ADDRESS STATE	Alphanumeric	2	Postal Addressing	See Appendix B of	Yes

	Two-character state abbreviation		Standard	Postal Addressing Standards	
NCOA Address - ADDRESS ZIP CODE	Numeric	5	Postal Addressing Standard is 9 digits		Yes
NCOA Address - ADDRESS ZIP CODE suffix ("+4" part of zip code)	Numeric	4			Yes
NCOA Address - ADDRESS DELIVERY POINT CODE	Numeric	2			Yes
OTHER INFORMATION					
Area code	Alphanumeric	3	Separate for data cleansing (Optional Field)		
Telephone number	Alphanumeric	8	Optional field		Yes
Race	Alphanumeric	2		B=Black W=White H=Hispanic A=Asian I=American Indian O=Other X=Undesignated	Yes
Gender	Alphanumeric	1		M=Male F=Female X=Undesignated	Yes
Party Affiliation	Alphanumeric	3		DEM=Democrat LIB=Libertarian REP=Republican UNA=Unaffiliated	Yes
Date of naturalization	Date, MM/DD/YYYY	10	Suppress/Optional		Yes
Place of naturalization	Alphanumeric	30	Suppress/Optional		Yes
Date of Registration	Date, MM/DD/YYYY	10			Yes
Date of transaction or change	Date, MM/DD/YYYY	10			Yes
Source of Change or Registration	Alphanumeric	2	Confidential	Values: 01=Public Assistance 02=Disability 03=Other agencies 04=Armed Forces 05=DMV 06=Mail-in	Yes

				07=Drives or In-person 08=Libraries and High Schools (See Attachment 1 for additional codes)	
Source of Change or Registration Description	Alphanumeric	36	Confidential	Values (See Attachment 1 for description values)	Yes
Voter History (for each election going back at least 10 years)					
Election Code	Alphanumeric	6	Example: P11998 = First Primary 1998	See Attachment 2 for valid election codes	Yes
Election Description	Alphanumeric	36	Free Form		Yes
Election Date	Date	10			Yes
Primary Party Preference	Alphanumeric	3	Automatically defaults to party, unless unaffiliated	DEM=Democrat LIB=Libertarian REP=Republican UNA=Unaffiliated	Yes
Voting Method	Alphanumeric	3		V=Voting at Polling Place A=Absentee P=Provisional T=Transfer E=Early (not yet used) B=Received absentee but did not vote N=Eligible but did not vote	Yes
Voter Status					
Status field (active, inactive, denied, canceled, etc.)	Alphanumeric	2		A=Active AP=Active Pending I=Inactive D=Denied R=Removed S=Special Status H=Hold	Yes
Status reason	Alphanumeric	3		See Attachment 3	Yes
Image Fields					
Object field for digitized signature	Image - BLOB	n/a	Vendor		Yes
Object field for scanned photograph	Image - BLOB	n/a	Vendor		Yes
Object field for scanned voter	Image - BLOB	n/a	Vendor		Yes

registration card					
Additional Object field reserved for future use	Image - BLOB	n/a	Vendor		Yes
Additional Object field reserved for future use	Image - BLOB	n/a	Vendor		Yes
Additional Object field reserved for future use	Image - BLOB	n/a	Vendor		Yes
Voter Information (Geocode table)					
Precinct Code	Alphanumeric	8	Supplied by counties		Yes
Precinct Description	Alphanumeric	36	Supplied by counties		Yes
Sub/Split Code	Alphanumeric	8	Supplied by counties		Yes
Sub/Split Description	Alphanumeric	36	Supplied by counties		Yes
Congressional district code	Alphanumeric	2	Supplied by counties		Yes
Congressional district description	Alphanumeric	36	Supplied by counties		Yes
House district code	Alphanumeric	3	Supplied by counties		Yes
House district description	Alphanumeric	36	Supplied by counties		Yes
Senate district code	Alphanumeric	2	Supplied by counties		Yes
Senate district description	Alphanumeric	36	Supplied by counties		Yes
School district code	Alphanumeric	3	DPI	LEA list provided to Prism	Yes
School district description	Alphanumeric	36	DPI	LEA list provided to Prism	Yes
County Commissioner district code	Alphanumeric	2	Supplied by counties		Yes
County Commissioner district description	Alphanumeric	36	Supplied by counties		Yes
Superior Court District code	Alphanumeric	3	Supplied by counties		Yes
Superior Court District description	Alphanumeric	36	Supplied by counties		Yes
District Court District code	Alphanumeric	3	Supplied by counties		Yes
District Court District description	Alphanumeric	36	Supplied by counties		Yes
Fire/rescue district code	Alphanumeric	2	Supplied by counties -		Yes
Fire/rescue district description	Alphanumeric	36	Supplied by counties -		Yes
Soil/Water/Sanitary district code	Alphanumeric	3	Supplied by counties -		Yes
Soil/Water/Sanitary district description	Alphanumeric	36	Supplied by counties -		Yes
Municipality code	Alphanumeric	3	Supplied by counties		Yes
Municipality description	Alphanumeric	36	Supplied by counties		Yes
Municipal district code	Alphanumeric	3	Supplied by counties		Yes
Municipal district description	Alphanumeric	36	Supplied by counties		Yes
Census Information					
Census tract	Alphanumeric	6			Yes

Census block group	Alphanumeric	1			Yes
Census block	Alphanumeric	4			Yes

Attachment 1 - Source of Change or Registration Code Values

Value	Meaning
01	Public Assistance
02	Disability
03	Other agencies
04	Armed Forces
05	DMV
06	Mail-in
07	Drives or In-person
08	Libraries and High Schools
10	Correction
80	Verification notice returned as undeliverable
81	Voter returns voter card with correction
90	Confirmation returned as undeliverable
91	Confirmation received from voter with corrections
92	Confirmation not returned
98	Temporary Absentee Registration
99	Cancellations

Attachment 2 - Voter History

Election Code

Election Code is 6 characters total

- 1st character is election indicator
- 2nd character is number indicating
- Last 4 characters is reserved for year

For example, P11998 represents the first primary in 1998.

Value	Meaning
G	General
P	Primary
M	Municipal
S	Special

Primary Party Reference

Value	Meaning
REP	Republican
DEM	Democrat
LIB	Libertarian
UNA	Unaffiliated

Voting Method

Value	Meaning
V	Voting at Polling Place
A	Absentee
P	Provisional
T	Transfer
E	Early

Attachment 3 - Voter Status

Status Code

Value	Meaning
A	Active
AP	Active Pending
I	Inactive
D	Denied
R	Removed
S	Special Status
H	Hold

Reason Codes

Status Code	Reason Code	Meaning
A	None needed	State does not need reason if active
AP	UNN	Unverified New
	UNC	Unverified Change
	CON	Confirmation Pending
	VER	Verification Pending
I	CRU	Confirmation Returned Undeliverable
	CNR	Confirmation Not Returned
D	VRU	Verification Returned Undeliverable
	UNE	Unavailable Essential Information
R	PUR	Removed under old Purge law
	REQ	Request from Voter
	MFC	Moved From County
	MFS	Moved From State
	FEL	Felony Conviction
	DEC	Deceased
	REM	Removed after two federal general elections in inactive status
S	OSV	Overseas Voter
	MIL	Military
H	UNP	Unable to Process

Attachment 4

State of North Carolina
Department of the Treasurer

HARLAN E. BOYLES
STATE TREASURER

325 NORTH SALISBURY STREET
RALEIGH, NORTH CAROLINA 27603-1385

Contact: Harlan E. Boyles, State Treasurer (919) 733-3951
Robert M. High, Director, State and Local Finance Division (919) 733-3064

September 29, 1997
For Immediate Release

North Carolina's Public Debt

North Carolina's public debt, in general obligation bonds, now totals $1.5 billion, a modest amount compared to the debt of other states and the huge $5.3 trillion debt of the federal government. However, North Carolina's debt will increase dramatically when the remaining $2.3 billion of general obligation bonds authorized in a November 1996 referendum for schools ($1.35 billion) and highways ($950 million) are sold. This will represent a 150 percent increase in North Carolina's outstanding debt.

Including all debt at the state and local levels, North Carolinians already owe nearly $23 billion in bonds. Our public debt has been growing at the rate of about $1 billion each year for the past decade.

"In one way or another, our State and local debt touches the pocketbooks and the quality of life of every North Carolinian," said State Treasurer Harlan Boyles.

North Carolina's public debt seems modest when compared with the huge debt by other states: New York $65 billion, California $48 billion, Massachusetts $26 billion, New Jersey $22 billion, and Illinois $20 billion. These figures are based on the 1996 U.S. Statistical Abstract which reports total state government debt at $411 billion for fiscal year 1994.

(MORE)

In addition to the $1.5 billion general obligation debt, there are "other" outstanding North Carolina obligations totaling some $9.8 billion. While these "other" bonds do not pledge the State's faith and credit (taxing power) they do represent a legal and binding obligation that must be repaid. These "other" statewide obligations consist of bonds totaling $6 billion issued by municipal power agencies, $2.2 billion by the NC Medical Care Commission, $862 million by the North Carolina Housing Finance Agency; bonds totaling $459 million issued by the NC Educational Facilities Finance Agency; $282 million issued by the University of North Carolina at Chapel Hill; $64 million by NC State University; $58 million by Appalachian State University; $61 million by UNC Charlotte; $53 million by UNC Greensboro and $28 million by UNC Wilmington. Other bonds in smaller amounts are outstanding by other UNC campuses, the North Carolina Ports, the North Carolina Battleship Commission and the NC Industrial Facilities and Pollution Control Financing Authority.

Additionally, the bonded debt of cities, counties, public authorities, and special districts totals $11.4 billion. Another $1.7 billion in general obligation bonds have been authorized at the local government level in North Carolina but not yet issued. Outstanding state and local debt in North Carolina now totals $22.7 billion with another $4 billion authorized but not issued.

The North Carolina Constitution generally prohibits either the state or units of local government from incurring general obligation debt except by a specific vote of approval for each item. However, the "other" debt category consists of self-liquidating debt obligations where project revenues are deemed sufficient to pay off the debt.

With few exceptions, the State Treasurer is charged by law with the duty of managing, administering and providing oversight for all public debt in North Carolina.

-end-

Table 6

SUMMARY OF STATE AND LOCAL GOVERNMENT DEBT AND AUTHORIZATIONS

At June 30, 1987

	General Obligations							
	Bonds	Literary Fund Loans	Bond Anticipation Notes	Total	Revenue Bonds	Industrial Revenue Bonds	Total Indebtedness	Authorized and Unissued Bonds
State	$ 775,500,000	$ —	$ —	$ 775,500,000	$ —	$ —	$ 775,500,000	$ —
State Authorities and Institutions	—	—	—	—	7,396,309,066	—	7,396,309,066	—
	775,500,000	—	—	775,500,000	7,396,309,066	—	8,171,809,066	—
Counties	1,052,978,250	2,118,312	7,969,000	1,063,065,562	102,652,100	—	1,165,717,662	432,104,000
Cities	1,121,653,967	—	13,327,300	1,134,981,267	266,718,000	—	1,401,699,267	447,870,700
Districts	128,266,909	—	7,508,000	135,774,909	49,105,000	—	184,879,909	59,627,000
Authorities	—	—	—	—	284,769,500	2,134,005,047	2,418,774,547	—
	$2,302,899,126	$2,118,312	$28,804,300	$2,333,821,738	$ 703,244,600	$2,134,005,047	$ 5,171,071,385	$939,601,700
	$3,078,399,126	$2,118,312	$28,804,300	$3,109,321,738	$8,099,553,666	$2,134,005,047	$13,342,880,451	$939,601,700

Table 7

ANNUAL DEBT REQUIREMENTS FOR STATE BONDS ISSUED AND OUTSTANDING

At June 30, 1987

	GENERAL		HIGHWAY		TOTAL	
	Existing Debt		Existing Debt		Existing Debt	
Fiscal Year	Principal	Principal & Interest	Principal	Principal & Interest	Principal	Principal & Interest
1987-88	$ 44,090,000	$ 74,111,325.00	$ 23,250,000	$ 37,955,215.00	$ 67,340,000	$ 112,066,540.00
1988-89	44,210,000	71,636,370.00	24,020,000	37,295,105.00	68,230,000	108,931,475.00
1989-90	44,180,000	69,083,445.00	26,765,000	38,491,162.50	70,945,000	107,574,607.50
1990-91	44,085,000	66,538,582.50	27,330,000	37,392,600.00	71,415,000	103,931,182.50
1991-92	44,020,000	63,993,920.00	29,940,000	38,227,230.00	73,960,000	102,221,150.00
1992-93	43,405,000	60,848,607.50	31,640,000	38,018,250.00	75,045,000	98,866,857.50
1993-94	43,555,000	58,507,407.50	32,985,000	37,359,875.00	76,540,000	95,867,282.50
1994-95	43,375,000	55,795,182.50	25,090,000	27,664,550.00	68,465,000	83,459,732.50
1995-96	43,245,000	53,152,532.50	24,120,000	25,169,040.00	67,365,000	78,321,572.50
1996-97	40,790,000	48,151,645.00	4,860,000	5,010,660.00	45,650,000	53,162,305.00
1997-98	32,655,000	37,705,855.00			32,655,000	37,705,855.00
1998-99	29,305,000	32,389,175.00			29,305,000	32,389,175.00
1999-00	26,085,000	27,262,305.00			26,085,000	27,262,305.00
2000-01	2,500,000	2,672,500.00			2,500,000	2,672,500.00
	$525,500,000	$721,848,852.50	$250,000,000	$322,583,687.50	$775,500,000	$1,044,432,540.00

Table 7

INSTALLMENT AND LEASE AGREEMENTS APPROVED BY THE LOCAL GOVERNMENT COMMISSION FISCAL YEARS ENDED JUNE 30, 1995, 1996, AND 1997 (In Millions of Dollars)

	FY 1996-97		FY 1995-96		FY 1994-95	
	No.	Amt.	No.	Amt.	No.	Amt.
Counties	45	$ 224.7	42	$ 225.5	40	$ 243.0
Municipalities	69	138.2	52	110.0	53	131.6
Authorities/Districts	5	4.0	4	13.5	4	118.5
Boards of Education	2	1.2	4	3.7	0	0
Community Colleges	1	0.8	0	0	0	0
TOTAL	122	$ 368.9	102	$ 352.7	97	$ 493.1

Table 8

NORTH CAROLINA CLEAN WATER REVOLVING LOANS APPROVED BY THE LOCAL GOVERNMENT COMMISSION FISCAL YEARS ENDED JUNE 30, 1995, 1996, AND 1997 (In Millions of Dollars)

	FY 1996-97		FY 1995-96		FY 1994-95	
	No.	Amt.	No.	Amt.	No.	Amt.
Counties/Districts/Authorities	3	$ 4.1	12	$ 3.5	14	$ 16.7
Municipalities	13	25.7	21	23.7	20	48.4
Total	16	$ 29.8	33	$ 27.2	34	$ 65.1

Table 9

SUMMARY OF STATE AND LOCAL GOVERNMENT DEBT AND AUTHORIZATIONS AT JUNE 30, 1997[1]

	General Obligations							
	Bonds	Literary Fund Loans	Bond Anticipation Notes	Total	Non-General Obligation Bonds	Industrial Revenue Bonds	Total Indebtedness	Authorized and Unissued Bonds
State	$ 1,508,215,259	$ 0	$ 0	$ 1,508,215,259	$ 0	$ 0	$ 1,508,215,259	$ 2,300,000,000
State Authorities and Institutions	0	0	0	0	10,431,382,287	9,590,550	10,440,972,837	0
Totals	$ 1,508,215,259	$ 0	$ 0	$ 1,508,215,259	$10,431,382,287	$ 9,590,550	$11,949,188,096	$ 2,300,000,000
Counties	$ 3,377,801,359	$ 373,550	$ 17,720,000	$ 3,395,894,909	$ 1,342,490,327	$ 0	$ 4,738,385,236	$ 680,547,000
Municipalities	2,350,945,314	0	12,609,000	2,363,554,314	1,616,924,734	0	3,980,479,048	881,224,700
Districts	202,138,688	0	32,481,600	234,620,288	101,916,827	0	336,537,115	133,795,500
Authorities	0	0	0	0	875,403,220	1,904,565,065	2,779,968,285	0
Total	$ 5,930,885,361	373,550	62,810,600	$ 5,994,069,511	$ 3,936,735,108	$ 1,904,565,065	11,835,369,684	$ 1,695,567,200
Grand Total	$ 7,439,100,620	$ 373,550	$62,810,600	$ 7,502,284,770	$14,368,117,395	$ 1,914,155,615	$23,784,557,780	$ 3,995,567,200

Chart 24

Purposes For Which Local Governments Sold Bonds And Notes Fiscal Year 1996-97

	School	Utilities	Other	No.	Total Amount
G.O. Bonds					
Counties	$373,311,031	$ 17,108,968	$ 47,350,000	26	$ 437,769,999
Municipalities	—	56,494,000	50,295,500	33	106,789,500
Districts and Authorities	—	13,642,500	—	6	13,642,500
Total G.O. Bonds	373,311,031	87,245,468	97,645,500	65	558,201,999
Revenue Bonds					
Counties	—	—	91,846,000	6	91,846,000
Municipalities	—	142,006,000	70,295,000	6	212,301,000
Authorities	—	854,000	330,000,000	6	330,854,000
Total Revenue Bonds	—	142,860,000	492,141,000	18	635,001,000
Special Obligation Bonds — Solid Waste					
Counties	—	5,000,000	—	1	5,000,000
Municipalities	—	19,000,000	—	2	19,000,000
Total Special Obligation Bonds	—	24,000,000	—	3	24,000,000
Notes					
G.O. Bond Anticipation Notes	6,585,000	75,047,200	17,900,000	44	99,532,200
Revenue Notes	—	3,020,000	—	1	3,020,000
Total	6,585,000	78,067,200	17,900,000	45	102,552,200
Total Bonds and Notes	$379,896,031	$ 332,172,668	$607,686,500	131	$1,319,755,199

Chart 25

Debt Management Activities - State And Local (In Millions Of Dollars)

	FY 1996-97		FY 1995-96		FY 1994-95	
	No.	Amt.	No.	Amt.	No.	Amt.
Bonds Sold for State						
G.O. Bonds (General Fund)	2	$ 645.0	0	$ 0	4	$ 145.0
Total	2	645.0	0	0	4	145.0
Bonds and Notes Sold for Local Governmental Units:						
G.O. Bonds	65	558.2	84	1,275.6	59	402.3
Revenue Bonds	18	635.0	15	350.2	7	114.5
Special Obligation Bonds — Solid Waste	3	24.0	2	14.7	1	5.0
G.O. Notes	44	99.5	31	46.8	28	79.8
Revenue Notes	1	3.0	-	-	2	1.4
Total	131	1,319.7	132	1,687.3	97	603.0
Installment/Lease Purchases for Local Governments	122	368.9	102	352.7	97	493.1
Total	122	368.9	102	352.7	97	493.1
Revenue Bonds Sold for:						
Medical Care Commission:	14	602.1	6	213.9	1	19.1
Housing Finance Agency:	4	166.5	6	162.7	2	120.0
Power Agencies:	3	584.3	2	350.9	0	0
Industrial Facilities and Pollution Control Financing Authorities:	26	165.0	30	300.6	18	125.2
Educational Facilities Finance Agency:	7	124.2	1	10.0	1	2.9
Total	52	1,642.1	45	1,038.1	22	267.2
Grand Total	307	$3,975.7	279	$3,078.1	220	$1,508.3

State Of North Carolina
Department Of State Treasurer

HARLAN E. BOYLES
TREASURER

State and Local Government Finance Division
and the Local Government Commission

ROBERT M. HIGH
DEPUTY TREASURER

SCHEDULED REFERENDA*

UNIT	REFERENDUM DATE	PURPOSE	AMOUNT BY PURPOSE	PASSED/ FAILED
County of Vance	8/5/97	Courthouse	$ 9,000,000	Passed
Total for 8-5-97			**$ 9,000,000**	
Town of Bath	8/26/97	Wastewater Treatment Plant Improvements	$ 350,000	Passed
Town of Chocowinity	8/26/97	Water	$ 3,700,000	Passed
Total for 8-26-97			**$ 4,050,000**	
McGee's Crossroads Water District	9/9/97	Water	$ 6,700,000	Passed
Total for 9-9-97			**$ 6,700,000**	
Town of Grimesland	9/16/97	Sanitary Sewer	$ 675,000	Passed
Martin County Water & Sewer District No. 1	9/16/97	Water	$ 5,200,000	Passed
Total for 9-16-97			**$ 5,875,000**	
County of Cumberland	10/7/97	Schools	$ 98,000,000	
City of Hendersonville	10/7/97	Sidewalks	$ 1,800,000	
Town of Sharpsburg	10/7/97	Water	$ 1,460,000	
Town of Sharpsburg	10/7/97	Sanitary Sewer	$ 315,000	
Total for Town of Sharpsburg			$ 1,775,000	
Total for 10-7-97			**$ 101,575,000**	
County of Alamance	11/4/97	Schools	$ 25,000,000	
City of Burlington	11/4/97	Sanitary Sewer	$ 15,000,000	
City of Burlington	11/4/97	Library	$ 3,000,000	
City of Burlington	11/4/97	Communication System	$ 3,000,000	
City of Burlington	11/4/97	Recreation	$ 2,000,000	
Total for City of Burlington			$ 23,000,000	
Columbus County Water & Sewer District II	11/4/97	Water	$ 6,500,000	

Updated as of: 10/7/97

325 North Salisbury Street, Raleigh, North Carolina 27603-1385 (919) 733-3064 (FAX 715-0229)
An Equal Opportunity / Affirmative Action Employer

UNIT	REFERENDUM DATE	PURPOSE	AMOUNT BY PURPOSE	PASSED/ FAILED
County of Hertford	11/4/97	Community College	$ 2,000,000	
Town of Matthews	11/4/97	Sanitary Sewer	$ 1,300,000	
County of Mecklenburg	11/4/97	Schools	$ 415,000,000	
County of Mecklenburg	11/4/97	Jail	$ 62,000,000	
County of Mecklenburg	11/4/97	Community College	$ 23,000,000	
Total for County of Mecklenburg			$ 500,000,000	
County of Moore	11/4/97	Community College	$ 11,500,000	
County of Moore	11/4/97	Schools	$ 25,000,000	
Total for County of Moore			$ 36,500,000	
Town of Mount Holly	11/4/97	Sidewalk	$ 2,575,000	
County of New Hanover	11/4/97	Schools	$ 125,000,000	
County of New Hanover	11/4/97	Community College	$ 38,300,000	
Total for County of New Hanover			$ 163,300,000	
Town of Newport	11/4/97	Water & Sanitary Sewer	$ 2,750,000	
County of Orange	11/4/97	Schools	$ 47,000,000	
County of Orange	11/4/97	Parks	$ 6,000,000	
County of Orange	11/4/97	County Buildings	$ 4,600,000	
County of Orange	11/4/97	Housing	$ 1,800,000	
County of Orange	11/4/97	Sanitary Sewer	$ 1,200,000	
Total for County of Orange			$ 60,600,000	
Town of Rutherford College	11/4/97	Sanitary Sewer	$ 1,200,000	
County of Transylvania	11/4/97	Schools	$ 24,300,000	
Total for 11-4-97			**$ 849,025,000**	
County of Henderson	11/18/97	Schools	$ 46,500,000	
County of Henderson	11/18/97	Community College	$ 8,000,000	
Total for County of Henderson			$ 54,500,000	
Total for 11-18-97			**$ 54,500,000**	
Beaufort County Water District I - Washington Township	1/6/98	Water	$ 6,600,000	
Beaufort County Water District IV Bath Township	1/6/98	Water	$ 6,500,000	
Beaufort County Water District VI Chocowinity/Richland Township	1/6/98	Water	$ 10,700,000	
Total for 1-6-98			**$ 23,800,000**	
Grand Totals for Referenda for 8-5-97 through 1-6-98			***$ 1,054,525,000***	

* Subject To Change

File Name: GO-ELECT.XLS

Updated as of: 10/7/97

North Carolina Department of State Treasurer
State and Local Government Debt Trends
Fiscal Years Ending June 30, 1993 to 1997

	FY 1996-97	FY 1995-96	FY 1994-95	FY 1993-94	FY 1992-93
General Obligations					
State:					
Beginning Balance	$ 945,147,373	$ 1,019,690,681	$ 991,476,005	$ 580,733,903	$ 667,373,903
Plus:					
Debt Issued	645,000,000	25,000,000	120,000,000 [6]	662,240,000	-
Less:					
Debt Retired[1]	(81,932,114)	(99,543,308)	(91,785,324)	(251,497,898)	(86,640,000)
Ending Balance	$ 1,508,215,259	$ 945,147,373	$ 1,019,690,681	$ 991,476,005	$ 580,733,903
Local:					
Beginning Balance	$ 5,872,609,668	$ 5,143,983,901	$ 5,070,089,909	$ 4,521,765,577	$ 4,289,530,221
Plus:					
Debt Issued	558,201,999	1,275,555,000	402,268,000	1,742,424,964	1,400,180,800
Less:					
Debt Retired[1]	(436,742,156)	(546,929,233)	(328,374,008)	(1,194,100,632)	(1,167,945,444)
Ending Balance	$ 5,994,069,511	$ 5,872,609,668	$ 5,143,983,901	$ 5,070,089,909	$ 4,521,765,577
Total General Obligations	$ 7,502,284,770	$ 6,817,757,041	$ 6,163,674,582	$ 6,061,565,914	$ 5,102,499,480
Non-General Obligations					
State:					
Beginning Balance[2]	$ 9,013,342,063	$ 8,953,189,381	$ 9,133,332,210	$ 9,056,634,094	$ 8,508,239,533
Plus:					
Debt Issued	1,651,690,550	1,038,100,000	267,200,000	1,272,800,000	4,404,500,000
Less:					
Debt Retired[1]	(881,535,952)	(977,947,318)	(447,342,829)	(1,196,101,884)	(3,856,105,439)
Subtotal	$ 9,783,496,661	9,013,342,063	$ 8,953,189,381	$ 9,133,332,210	$ 9,056,634,094
Plus:					
Agency Issued Debt Balances[4]	657,476,176	589,142,958	571,256,592	571,280,144	482,657,628
Total State Non-General Obligations	$ 10,440,972,837	$ 9,602,485,021	$ 9,524,445,973	$ 9,704,612,354	$ 9,539,291,722
Local:[3]					
Beginning Balance	5,011,782,326	$ 4,568,251,514	$ 4,288,795,740	$ 4,030,962,225	$ 3,379,176,921
Plus:					
Debt Issued	944,841,000	738,902,519	433,898,480	899,184,014	791,817,100
Less:					
Debt Retired[1]	(115,323,153)	(295,371,707)	(154,442,706)	(641,350,499)	(140,031,796)
Ending Balance	5,841,300,173	$ 5,011,782,326	$ 4,568,251,514	$ 4,288,795,740	$ 4,030,962,225
Total State & Local Non-General Obligations	$ 16,282,273,010	$ 14,614,267,347	$ 14,092,697,487	$ 13,993,408,094	$ 13,570,253,947
Total General & Non-General Obligations	$ 23,784,557,780	$ 21,432,024,388	$ 20,256,372,069	$ 20,054,974,008	$ 18,672,753,427
State and Local Totals:					
Total General Obligation Debt Issued	$ 1,203,201,999	$ 1,300,555,000	$ 522,268,000	$ 2,404,664,964	$ 1,400,180,800
Basis Points Below Bond Buyer's Index[5]	60	72	58	$ 64	84
Estimated Interest Savings on Competitive Sales	$ 71,168,207	$ 83,151,050	$ 29,447,000	$ 179,200,000	$ 102,900,000
Total Debt Issued:					
State	$ 2,296,690,550	$ 1,063,100,000	$ 387,200,000	$ 1,935,040,000	$ 4,404,500,000
Number Issued	54	46	26	40	29
Local	$ 1,503,042,999	$ 2,014,457,519	$ 836,166,480	$ 2,641,608,978	$ 2,191,997,900
Number Issued	140	65	92	129	122
Privately Placed Lease/Purchase Agreements	$ 248,110,130	$ 270,790,000	$ 303,971,220	$ 234,970,000	$ 86,735,000
Number Issued	113	97	90	70	79

[1] Includes funds placed in an irrevocable trust for future payments on advance refundings.

[2] Includes outstanding debt for Educational Facilities Finance Agency, Housing Finance Agency, Industrial Facilities and Pollution Control Financing Authority, Medical Care Commission, Eastern Municipal Power Agency, and Municipal Power Agency No. 1.

[3] Includes Revenue Bonds, Special Obligation Bonds, Industrial Revenue Bonds, and those installment and lease purchase financings that were sold publically as Certificates of Participation (COPS).

[4] Agency includes NC Battleship Commission, NC State Ports Authority, NC ABC Commission, and University of NC System.

[5] The Bond Buyer's Index (BBI) is the simple average of the theoretical estimated yields of 20 General Obligation Bonds as defined by The Bond Buyer.

[6] Although $145 million in Clean Water Bonds were sold in FY 1994-95, only $120 million were outstanding obligations of the State at June 30, 1995. The remaining $25 million were delivered on July 11, 1995, and are therefore included inoutstanding debt for FY 1995-96.

VISITOR REGISTRATION SHEET

General Government 10/21/97 AM

Name of Committee Date

VISITORS: Please sign below and return to Committee Clerk.

NAME	FIRM OR STATE AGENCY AND ADDRESS
Bernard Allen	Sec. of State
Johnnie McLean	St. Bd. of Elections
Angie Elmore	"
Sandy Shanahan	"
Jack Cozort	Parker, Poe, Adams & Bernstein
Karen Austin Padgett	OSPL
Heather Lail	OSA
Martha Clark	DOA
Carl Mendez	OSP
Gwen Canady	OSC
Don Wang	OSC
Bob High	Dept. State Treas.
Ann Harris	Secretary of State
Frank Lewis	Sec. of State
Willie Riddick	DOR
Jim Nowell	OSBM
Colleen Coda	Parker, Poe, Adams & Bernstein
Shannon Williams	Bode & Assoc.

VISITOR REGISTRATION SHEET

General Government — Name of Committee

10/21, 1997 AM — Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Bobby Bryan	RTC
Renee Vance	DCR
Heather Laird	OSA
Sheila H. McKenney	DOI
Jack Cozart	Parker, Poe, Adams & Bernstein
Carl Goodwin	OSP
Martha Glenn	DOA
Vicky Lowery	DOA-CFW
Willie Riddick	DOR
Bernard Allen	SOS
Gwen Canady	OSC
Roz Sawell	NC Coalition Against DV
Jim Blackburn	Assoc. of County Commissioners
Kathie Austin Padgett	DSPL
[redacted]	

AGENDA

Joint Appropriations Subcommittee
on
General Government

October 22, 1997
9:00 a.m.

Department of Administration Site Visits

9:00	Meet in front of Legislative Office Building on corner of Lane and Salisbury
9:00 - 10:00	Tour of Motor Fleet Management
10:00 - 11:00	Tour of State Surplus Property
11:00 - 12:00	Tour of Landscape Services
12:00 - 1:00	Lunch Break
1:00	Meet in front of Legislative Office Building on corner of Lane and Salisbury
1:00 - 1:45	Tour of Facilities Management
1:45 - 2:30	Tour of Courier Service
2:30 - 3:15	Tour of Council for Women
3:15 - 4:00	Tour of State Construction

JOINT APPROPRIATIONS SUBCOMMITTEE

ON

GENERAL GOVERNMENT

Minutes

October 22, 1997

The Interim Joint Appropriations Subcommittee on General Government met Wednesday, October 22, 1997 at 9:00 a.m. at the front of the Legislative Office Building to go on site visits to Divisions of the Department of Administration. Three of the Senate members were present. Representatives present were: Co-Chairs Ives and Sherrill; and Decker, Jeffus, Wainwright and Warwick. David McCoy, Deputy Secretary for Governmental Operations; Martha Glass, Legislative Liaison; and Ken Wilkins, Deputy Secretary for Programs in the Department of Administration, accompanied us.

The Committees' first stop was the Division of Motor Fleet Management, located at 1915 Blue Ridge Road. Mr. John Massey, Director, fielded questions from the members and took them on a tour of the facilities. A fact sheet is attached. (Attachment 1). **Senator Lucas asked him what the General Assembly could do to assist him. He asked members to remember that when additional personnel was added anywhere in the State, his Division had to buy more cars out of their existing budget.**

Next the Committee toured the State Surplus Property Division, located on Hwy. 54W. John Liaston, Director of the State Purchasing Office, and Jeff Vance, Director of Surplus Property, gave an overview of the work of their Division. (Attachment 2). The Committee was very interested in their recycling program for outdated computers which are turned back in by State agencies. They refurbish these computers and sell them at a minimum cost (or give them) to low wealth schools. **Mr. Vance said that their greatest need was a warehouse in which to store these computers, and two more technicians to facilitate refurbishing them so that they could get them out to the schools sooner. The technicians also would help train prison inmates to assist in refurbishing the computers.** A tour was provided for the Committee members.

The final stop before lunch was a short overview and tour of the Landscape Services Division located on Hwy. 64W, near Cary, NC. **Harold Ritter, Director, said**

that they were always short on botanical supplies, and that they really needed a new Bob Cat.

After lunch the Division of Facility Management, 431 N. Salisbury Street, was the first stop. Tony Jordan, Director, led the discussion and tour. In response to Representative Sherrill's question about privatization, he said that they contracted out some jobs - painting was privatized last year. Mr. Jordan said that he did not feel that he saved money, but that because they simply did not have enough people, they had to do it. He said that he hoped they were about to be at a point when the majority of the work would be "preventive" maintenance rather than major repairs. He also noted that restoring historic houses had been very labor-intensive and a real challenge, but that that work was almost finished.

In response to Senator Warren's question as to their greatest need, Mr. Jordan said that they needed more money in order to replace vehicles in a more timely manner, and that they needed more parking space for their employees - perhaps a new parking deck.

During the tour Representative noted two pallets of Freon 12, and he asked that they get back to him with the date of purchase and why it was purchased.

The Committee then enjoyed visiting the Courier Service, 417 N. Salisbury Street, where John Massey, Director, gave each of the members a Courier directory and explained how they could make use of this valuable service. He also gave them a fact sheet about the Service. (Attachment 3).

Juanita Bryant, Executive Director, of the N. C. Council for Women, greeted the Committee at their 526 N. Wilmington Street office. Most of the questions were answered in the handout given to the members. (Attachment 4). In response to a question from Senator Lucas, she said that a man would be added to the Abuse Program staff. **She said that their greatest needs were more money for their operating**

budget, and more money with which to buy computers and software in order to keep up with the latest technology, and to have the legislation passed to expand the Displaced Homemakers Program.

The last tour of the day was the State Construction Office in the Administration Building, 116 W. Jones Street. Speros Fleggas, Director, gave an overview of his office's responsibilities and introduced his staff. (See Attachment 5). Representative Decker asked the location of the 57 employees. Mr. Fleggas said that there were 2 inspectors in Asheville, and that the remaining 55 were housed in Raleigh. He said that there were contracts issued to private companies, and that there was some federal money included in his figures. **Senator Lucas said that she would like to send several questions to Mr. Fleggas. Evan Rodewald, Fiscal Analyst, said that he would be glad to assist.**

The Committee returned to the Legislative Office Building around 4:00 p.m.

Respectfully submitted,

Senator Ed Warren, Chairman

Wilma Caldwell, Committee Clerk

Attachment 1

North Carolina
Department of Administration

James B. Hunt Jr., Governor
Katie G. Dorsett, Secretary

John T. Massey, Director
Motor Fleet and Courier Service

MOTOR FLEET MANAGEMENT FACT SHEET **WEDNESDAY OCTOBER 22, 1997**

MISSION

Motor Fleet Management provides safe and efficient management, maintenance, repair, and storage of state-owned passenger motor vehicles. Motor Fleet Management provides savings to the taxpayers of North Carolina by supplying a centralized source of passenger transportation for all state agencies and to all state employees in the performance of their official duties in the most cost effective way.

ANNUAL BUDGET (RECEIPT SUPPORTED AGENCY) FY 97-98	$33,409,681
RECEIPTS FROM STATE AGENCIES FY 96-97	$29,900,870
MILES DRIVEN IN FY 96-97	113,910,863
EXPENDITURES FOR NEW VEHICLES FY 96-97	$20,933,701
NUMBER OF PERSONNEL	45
NUMBER OF PERMANENTLY ASSIGNED VEHICLES	6,943
NUMBER OF VEHICLES AVAILABLE FOR TEMPORARY USE	393
TOTAL NUMBER OF VEHICLES	7,336

MOTOR FLEET MANAGEMENT MECHANICS PERFORM REPAIRS AND SCHEDULED MAINTENANCE (OIL CHANGES, TUNE-UPS, TIRES, ETC.) ON APPROXIMATELY ONE-FIFTH OF THE FLEET AT THE GARAGE ON BLUE RIDGE ROAD; FOUR-FIFTHS OF REPAIRS AND SCHEDULED MAINTENANCE IS PERFORMED BY PRIVATE-OWNED AUTHORIZED REPAIR FACILITIES ACROSS THE STATE.

REPAIRS AND SCHEDULED MAINTENANCE FY 96-97	
-PERFORMED AT MFM GARAGE	10,385
-PERFORMED AT AUTHORIZED PRIVATE REPAIR FACILITIES	41,500

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North Carolina
Department of Administration

James B. Hunt Jr., Governor
Katie G. Dorsett, Secretary

John T. Massey, Director
Motor Fleet and Courier Service

COMMON MISUSES OF STATE-OWNED VEHICLES

- STOPPING FOR LUNCH IN A STATE-OWNED VEHICLE WHEN NOT ON TRAVEL STATUS
- STOPPING AT THE BANK WHILE NOT ON TRAVEL STATUS
- DROPPING THE CHILDREN OFF AT SCHOOL OR SPOUSE AT WORK SINCE YOU HAVE TO DRIVE PAST WORK OR SCHOOL ANYWAY
- GOING SIGHTSEEING WHILE ON TRAVEL STATUS
- VISITING RELATIVES WHILE ON TRAVEL STATUS
- NOT PAYING PARKING TICKETS (NC Administrative Code (NCAC .0404)
- SPEEDING AND RECKLESS DRIVING A STATE VEHICLE (NCAC.0405)
- BUYING GASOLINE FOR ANOTHER VEHICLE OTHER THAN THE ONE WHICH IS ASSIGNED THE CREDIT CARD OR ELECTRONIC KEY (NCAC.0104)
- HAVING REPAIRS MADE TO VEHICLE WITHOUT AUTHORIZATION FROM MOTOR FLEET MANAGEMENT (NCAC.0201)
- HAVING TOO MANY CAR WASHES MADE DURING A MONTH OR HAVING CAR WASHES DONE WHICH EXCEED THE ALLOWABLE AMOUNT (MFM Regulations)

12-15 mechanics

NC General Statute 14-247 states: "It shall be unlawful for any officers, agents or employees of the State of North Carolina, or of any county or of any institution or agency of the State, to use for any private purpose whatsoever any motor vehicle of any type or description whatsoever belonging to the state, or any county or to any institution or agency of the State."

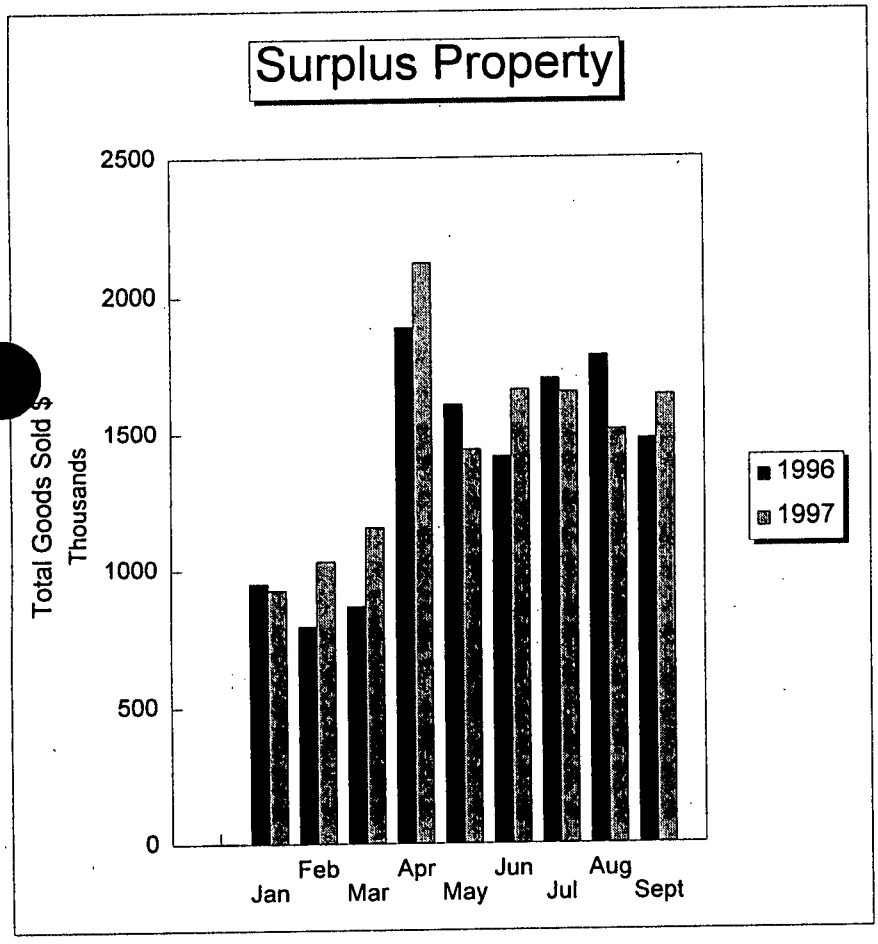
TO REPORT MISUSE 1-800-266-2025 (BUMPER STICKER)

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Attachment 2

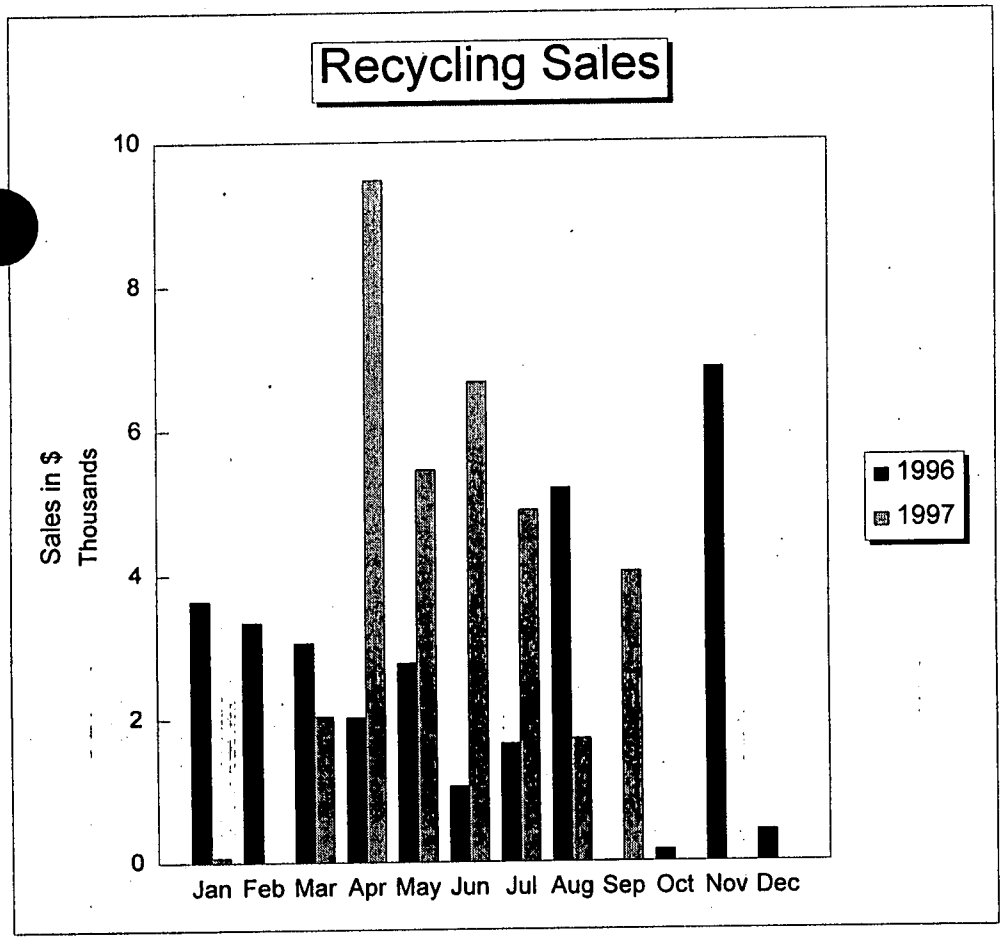
Sales Comparison of State Surplus Property
For the Months of January-September (96-97)

	1996	1997	% Change
Jan	950,224.87	926,007.61	-2.55%
Feb	794,651.17	1,031,682.11	29.83%
Mar	867,300.33	1,155,661.21	33.25%
Apr	1,886,999.34	2,121,364.98	12.42%
May	1,603,376.34	1,438,667.01	-10.27%
Jun	1,411,554.64	1,656,288.86	17.34%
Jul	1,699,351.46	1,647,747.56	-3.04%
Aug	1,782,222.67	1,510,256.67	-15.26%
Sept	1,476,682.44	1,635,967.92	10.79%
Total	10,995,680.82	11,487,676.01	4.47%



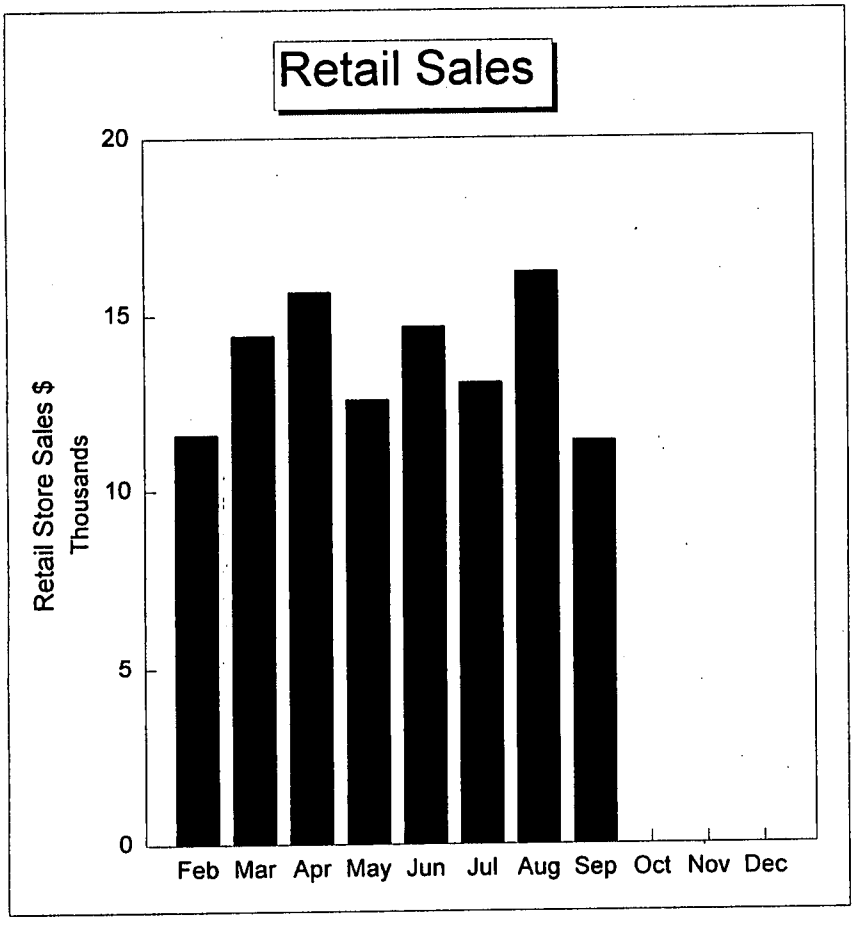
Recyling Paper Sales Comparison (96-97)

	1996	1997	% Change
Jan	3,653.00	74.00	-97.97%
Feb	3,354.00	0.00	-100.00%
Mar	3,065.00	2,038.00	-33.51%
Apr	2,022.00	9,483.00	368.99%
May	2,781.00	5,448.00	95.90%
Jun	1,050.00	6,665.00	534.76%
Jul	1,653.00	4,885.00	195.52%
Aug	5,185.00	1,719.00	-66.85%
Sep	8.00	4,036.00	50350.00%
Oct	166.00	0.00	-100.00%
Nov	6,855.00	0.00	-100.00%
Dec	434.00	0.00	-100.00%
Total	30,226.00	34,348.00	13.64%



Retail Store Sales by Month 1997

[illegible]b	11,583.00
[illegible]ar	14,413.00
Apr	15,658.75
May	12,579.00
Jun	14,656.21
Jul	13,052.00
Aug	16,216.00
Sep	11,381.25
Oct	0.00
Nov	0.00
Dec	0.00



STATE SURPLUS PROPERTY AGENCY
RECYCLING SALES
FOR THE PERIOD: 09/01/1997-09/30/1997

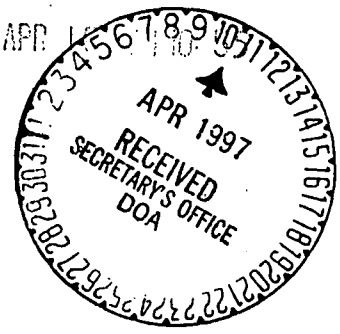
10/01/1997

		AMOUNT PAID
CATEGORY: CARDBOARD		
1 Lot of 4.43 tons of cardboard @ $102/ton		$452.00
1 Lot of 3.70 tons of cardboard @ $10/ton		$37.00
1 Lot of 1.45 tons of cardboard @ $10/ton		$15.00
	SUBTOTAL:	$504.00
CATEGORY: PAPER		
1 Lot of 6.35 tons of paper @ $25/ton		$159.00
1 Lot of 4.00 tons of paper @ $136/ton		$544.00
1 Lot of 29.81 tons of paper @ $68/ton		$2,027.00
1 Lot of 6.74 tons of paper @ $119/ton		$802.00
	SUBTOTAL:	$3,532.00
	TOTAL:	$4,036.00

Public Schools of North Carolina

State Board of Education
Jay Robinson, Chairman

Department of Public Instruction
Michael E. Ward, State Superintendent



April 7, 1997

The Honorable Katie Dorsett, Secretary
Department of Administration
116 West Jones Street
Raleigh, NC 27603-8003

Dear Secretary Dorsett:

Thank you for your leadership in making surplus computers available to North Carolina's Public Schools. This is a terrific opportunity for public schools across the state and we are delighted that the Department of Administration has worked to provide such equipment. I join teachers, students, and parents across the state in congratulating you for this excellent use of state resources.

It is a privilege to work with you on a number of the initiatives that our state has undertaken. I look forward to our continuing relationship as we serve the people of North Carolina.

Sincerely,

Michael E. Ward

MEW:lwe

North Carolina Department of Correction
Correction Enterprises
P. O. Box 29540
Chapanoke Road • Raleigh, North Carolina 27626-0540

James B. Hunt Jr., Governor

L.M. (Les) Martin
Enterprise Director

Mack Jarvis, Secretary

MEMORANDUM

TO: Jeff Nance
State Surplus Property Officer

FROM: L. M. (Les) Martin
Correction Enterprises Director

DATE: April 22, 1997

RE: Transportation Proposal

Referencing your request for Correction Enterprises to supply pricing information on transporting surplus property from various state agencies, the following proposal has been prepared.

Upon notification by the State Surplus Property Officer or his designee that a state agency has surplus property they wish to be transported to the State Surplus Property Warehouse located on Hwy. 54 in Cary, NC, Correction Enterprises will transport the property for a 90-day trial period provided the following conditions are met:

- It is understood that the pick up will take place at the convenience of Correction Enterprises.
- State Surplus Property will communicate with the requesting agency that Correction Enterprise will pick up the surplus property within a three (3) week time frame. Correction Enterprises will give the requester a three (3) day notification before the day of arrival.
- The requesting agency will have the property palletized, affixed to the pallet by some suitable means (i.e., shrink wrapped), accumulated at one location with a loading dock readily accessible by a tractor-trailer type truck.
- The requesting agency will provide manpower to load the surplus property onto a Correction Enterprises' truck within one hour of arrival or pay a $25.00 per hour demmurage fee.

Phone: (919) 662-4400 Courier # 53-71-00 Fax: (919) 662-4409

- The State Surplus Property Agency agrees to provide manpower to off load the surplus property within one hour of delivery by Correction Enterprises or pay a $25.00 per hour demmurage fee. Correction Enterprises will notify State Surplus of the pick up and delivery dates.

- There will be a charge of $50.00 or $.75 per mile, whichever is greater, for mileage between the requestors loading site and the State Surplus Property Agency's warehouse.

Upon completion of the 90-day trial period, we will meet to determine if benefits were obtained by all parties that warrant the continuance of this arrangement.

If you have any questions/comments, please advise.

LMM\clv

Attachment 3

North Carolina
Department of Administration

James B. Hunt Jr., Governor
Katie G. Dorsett, Secretary

John T. Massey, Director
Motor Fleet and Courier Service

STATE COURIER SERVICE FACT SHEET WEDNESDAY OCTOBER 22, 1997

ANNUAL BUDGET (RECEIPT SUPPORTED AGENCY)	$	1,898,719
TOTAL REVENUE FOR SEPTEMBER 1997	$	185,591
NUMBER OF PERSONNEL		49
NUMBER OF ROUTES		17 OUT OF RALEIGH
NORMALLY NEXT DAY DELIVERY		8 IN RALEIGH
TOTAL COUNTIES SERVED		100
TOTAL TOWNS SERVED		177
TOTAL STOPS		631 OUT OF RALEIGH
3900 OFFICES SERVED		63 IN RALEIGH
AVERAGE MONTHLY MILEAGE	APPROX.	125,397

COURIER PROVIDES INTER-OFFICE MAIL TO OVER 150 COURIER ADDRESSES IN THE RALEIGH AREA, FOR STATE GOVERNMENT AND LIMITED WAKE COUNTY AGENCIES AT NO CHARGE.

ACTUAL COURIER RATES WERE **REVISED AUGUST 1, 1997** AND NOW ARE 50% OF THE U.S. POSTAL RATES (SEE ATTACHED)

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Attachment 4

North Carolina
Department of Administration

James B. Hunt Jr., Governor
Katie G. Dorsett, Secretary

N.C. Council for Women
Juanita M. Bryant, Executive Director

AGENDA

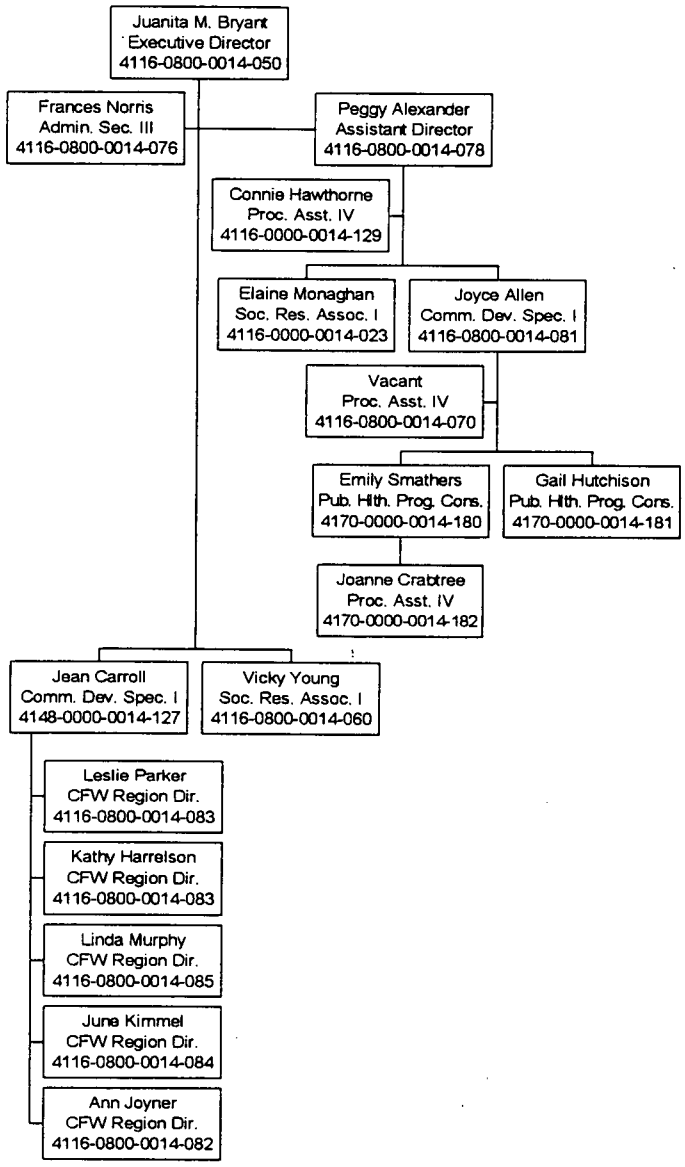
North Carolina Council for Women
Site Visit by General Government Subcommittee

October 22, 1997

Welcome	Juanita M. Bryant Executive Director
Introductions	General Government Subcommittee Council for Women Staff
Presentations	Peggy Alexander, Assistant Director Joyce Allen, Grants Administrator Elaine Monaghan, Displaced Homemaker Coordinator Vicky Young, Special Projects Director Jean Carroll, Director Region Staff Emily Smathers, Rape Prevention Education Coordinator Gail Hutchison, Rape Prevention Education Coordinator
Questions	

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State Courier 56-82-06 • Fax Number 919-733-2464
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N. C. Council for Women



N.C. Council for Women Facts

History

- 1963 - created by executive order of the governor and was called the Commission for Women.
- 1965 - the General Assembly made the commission statutory and changed the name to the Commission on the Education and Employment of Women.
- 1973 - funds were appropriated to hire a staff.
- 1975 - was renamed the Council on the Status of Women.
- 1991 - the name was officially changed to the Council for Women (CFW).

Services

- advise the Governor, the North Carolina Legislature and other state officials/departments on issues of concern to women in North Carolina.
- identify and assess needs i.e., employment, education, health, etc.
- serve as a resource center by compiling and distributing data/information and material.
- offer services to women in crisis, i.e., sexual assault and domestic violence victims.
- administer funds/grants for non-profit organizations that deal with sexual assault, domestic violence and displaced homemakers.
- assist in the development of local councils and cooperate with groups and individuals working on behalf of women.

Staff

- total staff of 17, with 12 located in the Raleigh office and five in other region offices across the state.
- Raleigh office is comprised of the executive director, assistant director, grants administrator, region staff director, special projects director, displaced homemaker coordinator, two rape prevention and education consultants and four support personnel.

Budget

- operating budget (FY 97-98 - $494,391 and FY 98-99 - $495,379)

Funding/Grants

- 76 domestic violence programs (FY 97-98 and FY 98-99 - $1,743,304)
- 57 sexual assault programs (FY 97-98 and FY 98-99 - $924,756)
- 23 displaced homemakers programs (FY 97-98 and FY 98-99 - $378,750)

Successes

- increases in the number of domestic violence and sexual assault programs.
- increase in forming private/corporate partnerships.
- recognized as model state for various programs.

Challenges

- passing legislation to expand Displaced Homemakers Program.

Needs

- increase operating budget (operating budget has remained the same even though program funding has increased).
- equipment and latest technology (computers, software, server, networking, etc. in all offices).

GROUPS, INDIVIDUALS AND ORGANIZATIONS ASSISTED ANNUALLY BY THE NORTH CAROLINA COUNCIL FOR WOMEN

Information and referral calls (all regions)		3,037
Distinguished Women of NC Awards banquet		506
Quarterly newsletter		8,500
Local councils/commissions for women		531
Domestic violence programs:	primary victims served	31,532
	secondary victims served	21,618
Sexual assault programs:	primary victims served	5,824
	secondary victims served	2,456
Displaced Homemakers Program		4,000
Salutes to Women in the Military		1,518
CONNECTIONS (program for young women)		510
Women-owned business groups		203
Governor's female appointees		992
	TOTAL =	81,227

(Note: #s are approximated)
revised 10/97

North Carolina Council for Women
Juanita M. Bryant, Executive Director
Continuation Budget

Fund		1997-98	1998-99	Purpose
#1731 N.C. Council for Women				
	Total	$ 494,391	$ 495,379	Operating Budget
#1732 Displaced Homemakers				
	Total	378,750	378,750	23 programs
	Grants	314,995	314,995	(competitive grants)
	Bal (Opr)	63,755	63,755	
#1734 Rape Crisis Program				
	Total	924,756	924,756	57 programs @
	Grants	892,500	892,500	$15,657.89 each
	Bal (Opr)	32,256	32,256	
#1781 1)Domestic Violence Program				
	Total	1,743,304	1,743,304	76 programs @
	Grants	2,782,500	1,682,500	$36,480 each and
	Bal (Opr)	60,804	60,804	$10,000 to N.C. Coalition Against Domestic Violence
2)Abuser Treatment Program				
	Total	50,000	50,000	Operating Budget
#1782 Domestic Violence Center				1996-1997
	Total	1,400,000	1,450,000	73 programs
		(Estimated receipts)		and N.C. Coalition Against Domestic Violence received $17,602/each.
(Funded through marriage license fee increase of $20 effective 8/1/91)				

North Carolina Council for Women
Juanita Bryant,Executive Director
Actual Funding Information 1997-1998

Domestic Violence

(1) Total State Appropriations ---- $2,782,500
76 programs receive $36,480
1 coalition-- NC Coalition Against Domestic Violence receives $10,000

(2) Marriage License (for 1996-97)-- $1,302,675
73 programs and I coalition received $17,602 each

Sexual Assault

(1) Total State Appropriations -- $892,500

(2) Total Public Health & Health Services Block Grant through DHHS- Division of Adult Health Promotion $187,100

(3) Total Funding -- $1,079,610
57 programs receive $18,940 each of state & federal combined

Plans for New Rape Prevention and Education Program

(1) Funds from DHHS/VAWA -- $762,000 to fund 3 new positions -- 2 rape prevention consultants and one support staff
$15,000 to 57 programs for prevention and education for 1997-98.
$60,000 to N.C. Coalition Against Sexual Assault for campus rape project.

DOMESTIC VIOLENCE PROGRAM FUNDS

1982 - 1998

YEAR	STATE APPROPRIATION	AVERAGE GRANT	NUMBER OF PROGRAMS
1982-83	$ 179,500	$ 10,000	17
1983-84	215,169	10,000	23
1984-85	340,403	10,000	34
1985-86	428,025	8,000	42
1986-87	552,814	10,000	49
1987-88	892,814	15,000	58
1988-89	882,814	15,000	58
1989-90	957,814	15,000	62
1990-91	1,110,314	17,500	62
1991-92	1,086,314 743,360 (ML)*	17,465 11,874 (ML)*	64
1992-93	1,110,314 941,091 (ML)	17,500 14,408 (ML)	65
1993-94	1,182,500 977,577 (ML)	18,706 15,108 (ML)	64
1994-95	1,182,500 1,107,889 (ML)	18,038 16,786 (ML)	66
1995-96	1,182,500 1,253,508 (ML)	17,500 18,433 (ML)	67

1996-97	1,682,500	22,910	73
	1,302,675 (ML)	17,602 (ML)	
1997-98	1,682,500	36,480	76
	1,100,000 (One year increase)		

** ML: Marriage License Fees collected from 8/1/91 - 6/30/92.*

NOTE:
Marriage license fees are collected on the fiscal year basis and totals are not known until the end of the year.
Number of programs does not include the N.C. Coalition Against Domestic Violence which receives funding in the amount of $10,000 per year, and an equal share of the Marriage License Fees.

10/97A

RAPE CRISIS PROGRAM FUNDS

1981 - 1998

YEAR	STATE APPROPRIATION	GRANT AMOUNT	NUMBER OF PROGRAMS
1981-82	- 0 -	N/A	19
1982-83	- 0 -	N/A	16
1983-84	- 0 -	N/A	12
1984-85	$ 181,933	N/A	14
1985-86	181,933	N/A	28
1986-87	181,805	N/A	31
1987-88	181,800	N/A	34
1988-89	181,300 368,000*	N/A	41
1989-90	551,300	N/A	43
1990-91	551,300	N/A	47
1991-92	551,300	12,850	50
1992-93	551,300	13,957	51
1993-94	551,300	14,150	51
1994-95	892,500	20,000 10,000	53 1
1995-96	892,500	20,051.74 10,025.87	54 2
1996-97	892,500	18,940	57
1997-98	892,500	18,940	57

NOTE:
Since 1991-92, funds have been equally divided.

10/97A

Attachment 5

STATE CONSTRUCTION OFFICE

Fact Sheet - as of October 22, 1997

Director: Speros J. Fleggas, PE
Deputy Director: C. Carlton Myrick, Administrative Services
Assistant Directors: David O. Bullock, AIA, Design Review
J. Harmon Byrd, PE, Construction Administration
George W. Johnstone, PE, FCAP
David L. Wood, PE, Consulting Services
Administrative Officer: Alice L. Sharpe

Total Positions: 57

Statutory Responsibility: The State Construction Office is responsible for the overall coordination and management of the state's capital improvement program.
GS 143-31.1, the Executive Budget Act and
GS 143-341, the Dept. of Administration Act

As of August 1997	No.	Dollar Value
Projects Under Design	1087	$ 1,212,004,821
Projects Under Construction	432	804,725,072
Totals	1519	$ 2,407,484,938

(These figures include projects ranging in value from a few thousand dollars to a project at NC Memorial Hospital in Chapel Hill - the Children's and Women's Hospital - with a total budget authorization of $118.6 million.)

Note: The State Construction Office presently has only four more permanent positions than the number authorized in 1988. At that time, we administered 657 projects with a total value under design and construction of $1,167,975,485 - approximately one-half of what this office is presently responsible for with very few more staff.

AGENDA

Joint Appropriations Subcommittee
on
General Government

October 23, 1997
9:00 a.m.

Department of Administration Site Visits

9:00	Meet in front of Legislative Office Building on corner of Lane and Salisbury
9:00 - 9:45	Tour of Agency for Public Telecommunications
9:45 - 10:30	Tour of Office of State Property
10:30 - 11:15	Tour of Indian Affairs
11:15 - 12:00	Tour of Youth Advocacy and Involvement
12:00 - 12:45	Tour of Veterans Affairs

JOINT APPROPRIATIONS SUBCOMMITTEE

ON

GENERAL GOVERNMENT

Minutes

October 23 1997

The Interim Joint Appropriations Subcommittee on General Government met Thursday, October 23, 1997 at 9:00 a.m. at the front of the Legislative Office Building to go on site visits to agencies of the Department of Administration. Three of the Senate members were present. Representatives present were: Co-Chairs Ives and Sherrill; and Braswell, Decker, Jeffus, Wainwright and Warwick.

The first visit of the day was to the Public Telecommunications Agency, in the Administration Building, 116 W. Jones Street. Executive Director Leila Tvedt welcomed the Committee and gave them a handout of an Overview of the Agency. (Attachment 1). She said that she had a wonderful staff who worked for salaries below the national level because they felt loyalty and pride in the job they were doing.

In response to several questions, Ms. Tvedt stated: they cannot work for private companies or non-profit groups; they charge 3 percent overhead, which only covers costs, and does not leave any reserve for major purchases; they work very closely with SIPS by sharing information and facilities; and that their facilities are wonderful for conference calls and are available to the legislators.

After a tour of the facilities, Ms. Tvedt was asked to outline her greatest need. She said they needed some reserve money with which to buy and/or repair major equipment, and that more money for salaries would be nice.

The Office of State Property, also in the Administration Building, was next on our tour. Mr. Joe Henderson, Director, introduced his staff and gave an overview of the work of his Division. In response to Representative Braswell's question, he said that the Attorney General's office did handle some of the closings for building and land purchases, etc., and that sometimes they contracted out title work to local attorneys.

Senator Lucas wanted to know what was their greatest need. Mr. Henderson stated that they had streamlined and downsized themselves into a corner, and that they had compensated by delegating back to the agencies, but that this had caused a problem of maintaining control. He said they needed money to hire more staff.

Representative Braswell wanted to know if the Council of State had a policy as to how much property could be leased as opposed to purchased. They have done some studies on this; and the target for leasing vs. purchasing is about 15 percent, which is an arbitrary percentage, Mr. Henderson said.

Senator Ledbetter asked if there was a licensed real estate agent on the staff. Mr. Henderson noted that almost all of the professional staff had their real estate license.

The Committee was then taken to the N. C. Commission of Indian Affairs at 217 W. Jones Street. Executive Director Greg Richardson gave an interesting overview of the Commission's work and introduced his staff who explained the programs which they supervised. The main programs mentioned were: The Educational Talent Search Program, The Substance Abuse and Prevention and Awareness Program, The Housing Authority Program and the Homemakers Program. (See Attachment 2).

There was some discussion about legality, etc. of the opening of the casino in Cherokee, N. C. Mr. Richardson told the Committee that in North Carolina only the Cherokees are recognized by the Federal Government, and that tribes are sovereign nations with laws equal to and greater than those of the states.

Representative Sherrill was concerned that most of the programs seemed to be directed to Eastern North Carolina. She would like to see them include all indians in the State. Mr. Richardson said that they would look into this; and to Representative Sherrill's question about Federal money, he said that they received about five million dollars annually.

Next stop on the tour was the Youth Advocacy and Involvement Office, also housed at 217 W. Jones Street. Ms. Vida Mays is Director. She welcomed the

Committee, and thanked them for their assistance. She said that there were eleven staff members and 4 councils in the Office, with an operating budget of a little more than $785,000. (Attachment 3).

Ms. Virginia Eagles thanked the Committee for the raise from $5/hr. to $6.75/hr. for the Interns. She noted that the requirements for interns were: they must be a North Carolina resident, they must have completed their sophomore year in college, and they must have a GPA of 2.5 or above. The agency requirements are that they have a project which will be of benefit to the agency and to the student, she said. **Representative Wainwright asked for a list of locations from where last year's interns came.**

As to their needs, Ms. Mays said that funding resources to assist children and youth in paying registration fees and travel, etc. to and from programs, such as the upcoming SADD convention, would be helpful.

The last stop of the day was the N. C. Division of Veterans Affairs, located in Suite 1065 of the Albemarle Building, 325 N. Salisbury Street. Director Charles Smith said that they had 89 county organizations and 16 districts, with a total budget of approximately $7,892,567, of which four million dollars goes into the scholarship program. (Attachment 4). Only veterans of wartime service and who are residents of the State and their families are eligible for assistance.

Representative Decker asked Mr. Smith to bring him up to date on the Veterans Service Medal at a later date.

As to his greatest need, Mr. Smith said that they need more computer capabilities - that he would like to have a state-wide system.

The Committee returned to the Legislative Office Building around 4:00 p.m.

Respectfully submitted,

Senator Ed Warren, Chairman

Wilma Caldwell, Committee Clerk

Attachment 1

North Carolina
Department of Administration

James B. Hunt, Jr. Governor
Katie G. Dorsett, Secretary

Agency for Public Telecommunications
Wade H. Hargrove, Chairman of the Board
Leila Tvedt, Executive Director

OVERVIEW
AGENCY FOR PUBLIC TELECOMMUNICATIONS

The Agency for Public Telecommunications (APT), a division of the North Carolina Department of Administration, was founded in 1979 to provide telecommunications advice and assistance to state government. The Agency's mission is to increase public participation in government, to promote public access to government services, and to improve government efficiency through the use of telecommunications. In fulfilling that mission, APT offers a number of services to citizens and public agencies.

-- Live Programs: On its Open Public Events Network, APT produces live, call-in programs on Tuesday and Thursday evenings. These programs are distributed by satellite to cable systems which carry these prime-time programs as a public service to their subscribers and to homes equipped with satellite downlink receivers. Each program includes a discussion between viewers who call from their homes and public officials, policy makers and others who participate as panelists from our Raleigh studio.

-- Media Services: In serving public agencies' needs, APT offers a full range of production services ranging from conceptualization through project completion. Options include script writing, booking talent, shooting, editing, post-production, and distributing broadcast-quality audio and video according to the clients' needs and budgets. Our productions have received local and national awards for excellence.

-- Teleconferencing: Using KU-Band and leased C-Band, APT provides full-motion video teleconferencing to receive sites at community colleges, public schools and other sites across North Carolina and in other states. This one-way video, two-way audio service includes network development and studio production. Conferencing by phone and fiber optic cable is also available, depending on the client's deadlines and budget.

BACKGROUND: APT is supported by a combination of legislative appropriations with corporate, foundation, and federal grants, and by receipts for teleconferencing and production services. Policy direction is provided by an appointed Board of Telecommunications Commissioners that meets quarterly .

For further information, please contact: the Agency for Public Telecommunications by phone or e-mail at OPEN@mail.doa.state.nc.us

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State Courier 51-01-00
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Open Public Events Network Cable Systems Participants

Albemarle
(Baden, Locus, Millingport, Mt. Gilead, New London, [illegible]wood, Oakboro, [illegible]field, Stanfield) [illegible]nly CC/Time Warner Cable.....12

Asheboro
(Climax, Franklinville, Pleasant Garden, Randleman, Ramseur, Seagrove, Sophia)
Time Warner Cable.....8

Bath
(Farmville)
Red's Cable TV.....6

Boone
(Blowing Rock)
ASU/Booth Communications.20

Brevard
(Rosman)
Sylvan Valley Cable TV.....4

[illegible]lington
(Elon College, Gibsonville, Graham, Haw River, Village of Alamance)
Time Warner Cable.....5

Carrboro
(Hillsborough)
Time Warner Cable.....4

Cary
(Apex, Fuquay-Varina, Holly Springs, Morrisville)
Time Warner Cable.....11

Chapel Hill
(Efland, Mebane, Orange Co.)
TIme Warner Cable.....4

Charlotte
(Matthews, Mint Hill, Pineville, Weddington)
City of Charlotte/Time Warner Cable.....16

Durham
Time Warner Cable.....23, 4

Elizabeth City
Pasquotank Co. Schools/Adelphia Cable.....8

Fayetteville
(Autryville, Dunn, Erwin, Falcon, Ft. Bragg, Godwin, Hope Mills, Parkton, Pope AFB, Spring Lake, Stedman, Wade)
Time Warner Cable.....10

Garner
(Clayton)
Time Warner Cable.....11

Gaston Co.
(Cramerton, Dallas, Gastonia, Lowell, McAdenville, Ranlo, Spencer Mtn, Stanley)
Time Warner Cable.....7

Gastonia
(Bessemer City)
Time Warner Cable.....9

Goldsboro
(Dudley, Fremont, Mt. Olive, Pikeville, Seymour Johnson AFB, Wayne Co.)
Parker Adv./Time Warner Cable.....10

Greensboro
City of Greensboro/Time Warner Cable.....13

Greenville
Multimedia Cable.....7,9

Guilford County
(Archdale, Browns Summit, Climax, Gibsonville, High Point, Jamestown, Julian, McLeansville, Oak Ridge, Pleasant Garden, Sedgefield, Stokesdale, Summerfield)
Time Warner Cable.....8

Hatteras
(Avon, Buxton, Frisco, Rodanthe, Waves, Salvo)
Falcon Cable.....20

Hickory
(Brookford, Claremont, Conover, Denver, Granite Falls, Hildebran, Longview, Newton, Rhodhiss, Sherrills Ford, Catawba Co.)
Prime Cable of Hickory.....10

High Point
(Jamestown)
Time Warner Cable.....8

Holly Springs
Deacon Cable.....2

Jacksonville
(Maysville, Pollocksville)
Time Warner Cable.....10

Kannapolis
(China Grove, Concord, Davidson, Enochville, Harrisburg, Landis, Mt. Pleasant, Cabarrus Co.)
Time Warner Cable.....12

Kill Devil Hills
(Mann's Harbor, Manteo, Wanchese, Nags Head, Kitty Hawk, So. Shores)
Falcon Cable.....20

Knightdale
(Zebulon)
Time Warner Cable.....11

Laurinburg
(East Laurinburg, Gibson, Maxton, Robeson Co., Scotland Co.)
Century Communications...26

Lenoir
(Cajah Mtn., Caldwell Co., Granite Falls, Hudson, Kings Creek, North Lakes, Rutherford College, Saw Mills)
Caldwell CC/Charter Communications...10

Lexington
(Thomasville)
Time Warner Cable of Lexington.....12

Morehead City
(Atlantic Beach, Beaufort, Bogue, Cape Carteret, Cedar Point, Emerald Isle, Indian Beach, Havelock, Newport, Pine Knoll Shores, Swansboro, Carteret & Craven Counties)
Time Warner Cable.....44

Morganton
WMNC/CoMPAS....2

New Bern
(Bridgeton, River Bend, Trentwoods, Vanceboro) WNBT/ Multimedia Cable..10

Raleigh
City of Raleigh/Time Warner Cable.....22

Rockingham
(Dobbins Heights, Hamlet, Hoffman, Richmond County)
Time Warner Cable.....10

Rocky Mount
(Battleboro, Conetoe, Nashville, Princeville, Scotland Neck, Sharpsburg)
Multimedia Cable..13

Roxboro
Helicon Cable.....9

Salisbury
(Cleveland, East Spencer, Faith, Granite Quarry, Rockwell, Spencer)
Time Warner Cable.....12

Sanford
(Broadway, Lemmon Springs, Lee Co., Moncure)
Central CC/Charter Communications...13

Shelby
(Boiling Springs, Casar, Kingstown, Earl, Fallston, Grover, Lattimore, Lawndale, Mooresboro, Patterson, Polkville, Waco)
Cleveland CC/ Time Warner Cable.....4

Tarboro
Multimedia Cable.....23

Wake Forest
Time Warner Cable.....11

Washington
(Chocowinity, Washington Park)
Multimedia Cable....7

Whiteville
(Brunswick, Chadbourn)
Southeastern CC/ Time Warner Cable.....4

Wilmington
(Leland, Odgen, Wrightsville Beach)
Time Warner Cable.....11

Wilson
(Black Creek, Elm City, Saratoga, Stantonsburg)
Wilson Educational TV Ctte/Time Warner Cable.....16

Winston-Salem
(Bermuda Run, Clemmons, Kernersville, Lewisville, Rural Hall, Walkertown, Forsyth Co.)
City of Winston-Salem/ Time Warner Cable.....13

The call-in number for all OPEN programs is (919) 733-6341.
Collect calls are accepted.

Home satellite dish owners will find OPEN programs on Galaxy 9 (123° W), transponder 22H

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APT CONNECTIONS

Agency for Public Telecommunications — North Carolina Department of Administration

Vol. 7, No. 5 — September/October 1997

Serving the Client



When you bring your ideas for an audio or video project to APT's Media Services group, you'll be working with a team of professionals whose productions have won national awards. As satisfying as that may be, the producers want to get better, and they're asking their clients to help.

Under the direction of APT Assistant Director Ivy Hoffman, Media Services designed a brief survey to find out what kinds of things would improve customer satisfaction.

Early survey results have been very helpful.

"Our public agency clients expect us to know how to produce great videos, of course, but the survey shows they also want us to tell them more about what we are doing and how they will be involved in their projects," Ms. Hoffman said.

As a result, the Media Services staff has developed a page of information outlining the five stages of video production, from project development through scripting, planning, shooting and editing.

"Clients who have used the video production information say they appreciate the opportunity to learn more about what it takes to create award-winning productions, and how they and the entire production team work together to communicate the client's message," says Tilla Fearn, manager of Media Services.

The preliminary survey has been so successful in helping to improve customer service that the agency is planning a similar effort with people who use State Services Network teleconferencing services and the Open Public Events Network.



Across the Border
Canadian - APT Uplink

Across the state, across the country, across the border.

That was the distance crossed this summer when APT's State Services Network (SSN) helped with a teleconference for Central Piedmont Community College in Charlotte.

Using a combination of fiber on the N.C. Information Highway (NCIH) and satellite, SSN linked participants at Central Piedmont, Appalachian State University, Catawba Valley Community College and Gaston Community College with eight other locations in the Eastern United States and the new market in Canada.

With APT now on the NCIH, virtually anyone on the highway with teleproduction capabilities can originate a satellite teleconference

Jim Bailey, program producer in Charlotte said, "With APT now on the NCIH, virtually anyone on the highway with teleproduction capabilities can originate a satellite teleconference. The APT staff made it possible for us to focus on the production itself by taking care of the logistics related to the uplink. Their assistance was invaluable in the success of our production."

The event marked the first interactive, live, international export-promotion teleconference by the Commercial Service Section of the U.S. Department of Commerce.

Open Public Events Network

Viewer comment on *Inside North Carolina* program on Water Quality

"A timely and needed dialogue between state officials and those of us in the general public...."

Caller from New Bern, N.C.

Underwriters

Duke Energy
Public Service Company of North Carolina Inc.
Sprint
MCI
BellSouth
N.C. Cable Telecommunications Association
The State of North Carolina

Cable System Participants

Albemarle Stanly CC/Time Warner.....12
Asheboro Time Warner.....8
Bath Red's Cable TV.....6
Boone ASU/Booth Communications.....20
Brevard Sylvan Valley Cable TV.....4
Burlington Time Warner.....5
Carrboro Time Warner.....4
Cary Time Warner.....11
Chapel Hill TIme Warner 4
Charlotte City of Charlotte/Time Warner.....16
Durham Time Warner.....23,4
Elizabeth City Pasquotank Co. Schools/ Adelphia Cable.....8
Fayetteville Time Warner.....10
Garner Time Warner.....11
Gaston County Time Warner.....7
Gastonia Time Warner.....9
Goldsboro Parker Adv./Time Warner 10
Greensboro City of Greensboro/ Time Warner.....13
Greenville Multimedia Cable.....7,9
Guilford County Time Warner.....8
Hatteras Falcon Cable.....20
Hickory Prime Cable of Hickory.....10
High Point Time Warner.....8
Holly Springs Deacon Cable.....2
Jacksonville Time Warner.....10
Kannapolis Time Warner.....12
Kill Devil Hills Falcon Cable.....20
Knightdale Time Warner.....11
Laurinburg Century Communication.....26
Lenoir Caldwell Community College/ Charter Communications.....10
Lexington Time Warner 12
Morehead City Time Warner.....44
Morganton WMNC/CoMPAS.....2
New Bern WNBT/Multimedia Cable.....10
Raleigh City of Raleigh/Time Warner....22
Rockingham Time Warner.....10
Rocky Mount Multimedia Cable.....13
Roxboro Helicon Cable.....9
Salisbury Time Warner.....12
Sanford Central CC/Charter Commun..13
Shelby Cleveland CC/Time Warner.....4
Tarboro Multimedia Cable.....23
Wake Forest Time Warner.....11
Washington Multimedia Cable.....7
Whiteville SE Comm. College/Time Warner....4
Wilmington Time Warner.....11
Wilson Wilson Educational TV Committee/ Time Warner.....16
Winston-Salem City of Winston-Salem/ Time Warner.....13

APT Reaching Out to Cable Partners Across the State

"Are you getting enough information about the OPEN program schedule? Tell me about your locally based programming. What are some of the challenges for your system in your community?"

Those are just some of the questions the Open Public Events Network (OPEN) is asking cable operators these days. Every week, about 50 cable systems bring OPEN programs to their viewers in more than 250 North Carolina cities and communities. Cable systems devote channel space and program time to OPEN's call-in hours as a public service to their customers -- space and time that has a value estimated at more than $1 million annually.

In an effort to thank cable partners for carrying OPEN, APT staff are visiting system operators around the state.

During a recent meeting in Newport, for example, OPEN producer/host Fran Dilts met Time Warner office manager Velda Bynum who has helped coordinate the system's carriage of OPEN programs for almost 14 years.

"It was great to put a name and a face with the person who's been taking my calls for years!" Ms. Dilts said. "OPEN could not succeed without the participation of people like Velda Bynum," she added, "and it is a pleasure to let them know how much we appreciate their help."

Learn the Five Stages of Video Production

Producing a video is like building a house. You can't decide that you want an extra bedroom after you've put up the siding, unless you can pay for it and can wait to move in.

1. Project Development 2-4 weeks

❒ The client and APT producers meet to discuss the project objectives, deadlines and budget. ❒ APT submits a cost estimate for client approval and makes revisions before a contract is signed.

2. Scriptwriting 4-8 weeks

❒ The client decides what content is necessary and identifies the person who will work most closely with the APT producer. ❒ The APT producer and scriptwriter develop the project's creative treatment and a schedule for all the pieces. ❒ After researching the project, APT's scriptwriter submits a first draft, makes revisions based on the client's response and creates a final script for client approval.

3. Pre-Production - Planning for the Shoot 4-6 weeks

❒ With the involvement of the client, the producer plans all of the video production details in advance. This includes: hiring crew; auditioning and hiring actors; scouting and lining up locations for the field shoot; organizing equipment; arranging transportation, accommodations and parking; gathering props and designing sets; planning and timing each shot in each scene; selecting music; and developing graphics and animation. ❒ Producer and client plan packaging of videotapes.

4. Production - Shooting 2-4 weeks

❒ The APT producer/director directs the production with the client on location. This includes directing the talent and crew during the shooting at each scene. Beforehand, the producer must assemble all of the transportation, equipment, crew and props; obtain any necessary forms or permits; and prepare each location with appropriate lighting and sets.

5. Post-Production - Editing 4-6 weeks

❒ Editor and producer make a rough draft of the video for the client's review. ❒ Next, the editor adds graphics, animation, sound effects and music. ❒ Client reviews final draft and approves finished video for duplication.



Ringing Off the Hook... Top Ten OPEN Topics

Viewers kept panelists busy answering questions during the 1996-97 year of call-in hours on APT's Open Public Events Network. While most programs average 14 calls per hour, the most popular topics each attracted 26-40 calls per hour.

Topics generating the greatest interest on OPEN were:

Child Support Enforcement
N.C. Tax Returns
Seniors Health Insurance Information Program
N.C. Veterans Benefits
State of the Judiciary
Special Needs Adoption
Family Court
Environmental Management
Keeping Good Teachers
Hurricane Fran-Disaster Recovery

OPEN programs air every Tuesday and Thursday evening.

APT Welcomes New Board Members

The APT Board welcomes two new members to its roster. ***Molly Broad,*** who recently accepted the job of president of the UNC System, and ***Martin Lancaster,*** who recently became president of the Community College System, will serve as ex officio members with 10 other public officials who serve on the APT board by virtue of their positions in government.

Among the APT Board's appointed positions, 10 members at-large are named by the governor; two, by the speaker of the House; and two, by the president of the Senate.

The quarterly APT Board meetings are open to the public.

So You're Going to Be on TV

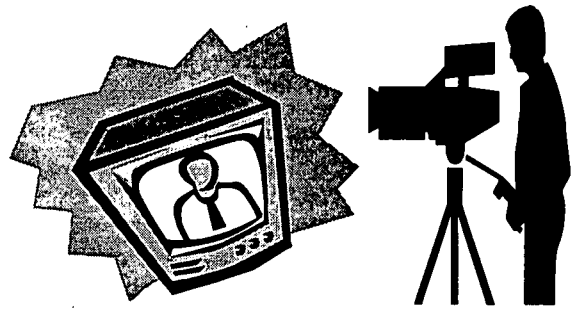
When you've got something important to say and a lot of people to say it to, an interview on television, live or taped, can be a great help.

Reaching a statewide cable viewing audience on APT's Open Public Events Network (OPEN) offers a unique opportunity for an exchange of ideas and information with citizens at home. And the same kinds of communications strategies you use for an appearance on OPEN call-in programs can help you in dealing with other media as well.

For any interview, the spokesperson you choose should be credible and articulate. And you may want to select different people to serve as spokespersons, depending on the issues that are important at the time.

It is a good idea to try to anticipate some of the questions reporters or viewers may ask. While you won't want to rehearse the answers and dampen the spontaneity of your responses, it is useful to collect facts and information beforehand and use your notes during the interview, if you need them.

Any interview, whether it is live or taped, should be more like a conversation than an



interrogation. You'll need to listen carefully to each question. Make sure you understand what you're being asked. If you don't, you can certainly stop and ask for clarification. It's OK to pause and collect your thoughts, too; no need to rush through your answers if it means you'll say something you might regret later.

During any interview, it's best to stay "on the record." That way, you can be sure you are not releasing information you don't want reported yet.

It's also helpful to distinguish between facts you can provide and opinions you may want to keep to yourself. Good interviewers will ask you for both, and it's good to know the difference.

On OPEN, you can connect with citizens across the state during a live, interactive dialogue.

When you've got something to say about your agency's plans or successes, consider sponsoring a Thursday evening program on OPEN.

Mary Leaver, at (919)733-6341, can help you with details.

APT CONNECTIONS

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http://www.state.nc.us/doa/apt/apt.htm

James B. Hunt Jr., Governor — Wade Hargrove, Chairman
Katie G. Dorsett, Secretary — Leila Tvedt, Executive Director
Jen Schradie, Editor

Send letters or comments to:
N.C. Agency for Public Telecommunications
116 W. Jones St., Raleigh, N.C. 27603-8003
Call (919) 733-6341 Fax (919) 715-3569
E-mail: jennifer_schradie@mail.doa.state.nc.us

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Attachment 2

North Carolina
Department of Administration

James B. Hunt, Jr. Governor
Katie G. Dorsett, Secretary

N.C. Commission of Indian Affairs
Gregory A. Richardson, Executive Director

NORTH CAROLINA COMMISSION OF INDIAN AFFAIRS
JOINT APPROPRIATION SUBCOMMITTEE
ON GENERAL GOVERNMENT VISIT
OCTOBER 23, 1997

GENERAL OVERVIEW OF THE COMMISSION - Gregory A. Richardson, Executive Director

PROGRAM OVERVIEWS

- Economic Development - Cliff Rudd, Program Director
- Section 8 Housing - W.C. Groves, Program Director
- Job Training - Elk Richardson, Program Director
- Community Services - Darlene Jacobs, Program Director
- Educational Talent Search - Rick Tucker, Program Director
- Substance Abuse Prevention - Brett Locklear, Program Director

OVERVIEW OF SPECIAL INITIATIVES

- North Carolina Indian Unity Conference
- North Carolina Indian Senior Citizens Conference
- North Carolina Indian Youth Unity Conference
- North Carolina Indian Business Association
- North Carolina Native American Council on Higher Education
- North Carolina Indian Archaeology Forum
- North Carolina Indian Cultural Center
- North Carolina Indian Housing Authority
- State Advisory Council on Indian Education
- Indian Heritage Month
- Native American Incentive Scholarship and Grant Program
- Governor's Interstate Indian Council
- Assistive Technology Project
- Cultural Diversity Program
- Housing Opportunities for Families Living with AID's

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American Indian, Eskimo and Aleut Population In the United States

North Carolina Department of Administration
N.C. Commission of Indian Affairs • 217 W. Jones Street, Raleigh, N.C. 27603-1336 • (919) 733-5998

Population

According to the 1990 U.S. Census, the American Indian population (including Eskimos and Aleuts) in the nation totaled 1,959,000.

There are 500 American Indian tribes in the United States, but the only tribes with more than 100,000 persons are the Cherokee, Navajo, Chippewa and Sioux. In 1990, approximately 16 percent of all Indians reported themselves to be Cherokee, 12 percent as Navajo, and 6 percent each as Chippewa and Sioux. The Choctaw, Pueblo and Apache have populations of at least 50,000. The Choctaw account for 4 percent of the American Indian population. The Iroquois Confederacy, Lumbee and Creek all have 43,000 or more persons. Fourteen tribes have populations between 10,000 and 21,000 persons. Most tribes have populations of less than 10,000.

The 10 states with the largest number of American Indians, Eskimos and Aleuts are listed below:

Oklahoma	252,000	Washington	81,000
California	242,000	North Carolina	80,155
Arizona	204,000	Texas	66,000
New Mexico	134,000	New York	63,000
Alaska	86,000	Michigan	56,000



3,000 copies of this document were printed at a cost of $126.00, or $0.042 per copy.

Twenty-two percent (437,431) of all American Indians live on reservations or trust lands. The number of American Indians living on the 314 reservations and trust lands varies substantially. Only the 10 reservations listed below had populations of 7,000 or more American Indians in 1990. Most reservations had populations of fewer than 1,000.

Navajo, *Arizona - New Mexico - Utah**	143,405
Pine Ridge, *Nebraska - South Dakota**	11,182
Fort Apache, *Arizona*	9,825
Gila River, *Arizona*	9,116
Papago, *Arizona*	8,480
Rosebud, *South Dakota*	8,043
San Carlos, *Arizona*	7,110
Zuni Pueblo, *Arizona - New Mexico*	7,073
Hopi, *Arizona*	7,061
Blackfeet, *Montana*	7,025

* Includes trust lands.

Approximately 51 percent of the 437,431 American Indians living on reservations and trust lands live below the poverty level.

Age

- Thirty-nine percent of the American Indian population is under 20 years old, compared with 29 percent of the nation's total population.
- About 8 percent of all American Indians are 60 years old and older, compared with 17 percent for the total population.
- The median age of the American Indian population is 26 years, considerably younger than the U.S. median age of 33 years.

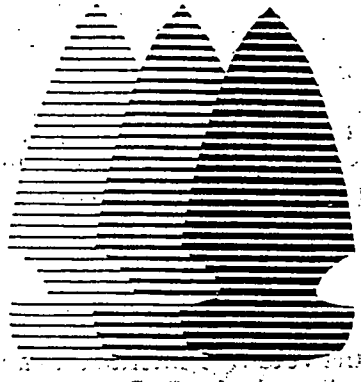
Education

- Sixty-six percent of the 1,080,000 American Indians 25 years old and over are high school graduates or higher, compared with 75 percent of the total population.
- About 9 percent of American Indians have completed bachelor's degrees or higher, compared with 20 percent of the total population.

Income

- The median family income of American Indians is $21,750, compared with $35,225 for the total population.
- Twenty-seven percent of all American Indian families are headed by females without husbands. Fifty percent of these families are in poverty, compared with 31 percent of all families headed by females without husbands.
- Approximately 31 percent of American Indians live below the poverty level. The national poverty rate is approximately 13 percent.
- Twenty-seven percent of American Indian families live in poverty, compared with 10 percent of all families in the nation.

For more information contact:
North Carolina Commission of Indian Affairs
North Carolina Department of Administration
217 W. Jones Street
Raleigh, North Carolina 27603-1336
(919) 733-5998



North Carolina Indians
A Historical Overview

North Carolina Department of Administration
N.C. Commission of Indian Affairs • 217 West Jones Street, Raleigh, N.C. 27603-1336 (919) 733-5998

Archaeological evidence indicates that Indians were living in North Carolina at least 10,000 years ago. For centuries before European contact, these native people lived in harmony with the natural environment, taking no more from the land than they needed to survive. Individual ownership of land was completely alien to them. Fishing, hunting and farming provided food for their tribal groups.

Early Encounters

Indians of the Virginia and North Carolina coast were hosts to the first English-speaking explorers and settlers. Initial contact between these peoples was generally peaceful and friendly. The natives taught the newcomers fishing and agricultural techniques, introduced them to corn and tobacco cultivation, demonstrated methods of land clearing and showed them efficient use of the forest's bounty. White settlers exchanged manufactured goods for the Indian's knowledge. Too late did the Indians realize that they had sacrificed their self-reliance for the white man's conveniences. The European concept of land was total possession, not sharing. Hostile feelings developed between the Indians and the settlers, setting the stage for continued clashes.

Coastal Plains Indians

At this time, the coastal plains Indians of North Carolina numbered approximately 35,000 or about 30 tribes geographically separated by linguistic groups. Along the northeastern and central coast were the Algonquians. To the south resided those of Siouan lineage. And to the west lived the Iroquoian-related Tuscarora. For these Indian tribes, early contact with white men often was followed by early extinction. Among the causes were warfare and disease. By 1710, the coastal Indian population had dwindled to no more than 5,000.

Tuscarora War

The Tuscarora War in 1711 marked the last significant effort of the eastern Indians to halt the white tidal wave that was sweeping them off the land. For two years the Tuscarora fought the many military expeditions sent against them, but in 1713 they suffered a major defeat which broke their power forever.

Indian Removal Bill

By the 1760s, white settlement had reached the mountain foothills of North Carolina, the home of the Cherokee. In 1838, under the authority of the Indian Removal Bill, nearly 17,000 Cherokee were forcibly removed from their ancestral home. Nearly one-fourth of the Cherokee resisted removal, however, and it is from this nucleus that the Eastern Band of the Cherokee was formed.

Present-Day Tribes

By the mid-1800s, European settlement had spread across the central piedmont. Small tribes fled before the invasion and most joined kinsmen in eastern and southern North Carolina, southern Virginia or South Carolina. It is from these last surviving groups that the present-day, state-recognized tribes of North Carolina -- the Lumbee, Coharie, Waccamaw-Siouan, Haliwa-Saponi and Meherrin -- trace their ancestry.

Little Recorded History in 1700s

Little history is recorded regarding the surviving eastern Indians between the early 1700s and the early 1800s. However, it must be remembered that for these Indians, survival depended largely on their ability to withstand the state's policy of forced anonymity for their kind and their ability to accept their designated place in the white social order.

Reconstruction

During Reconstruction, political equality was supposedly restored when the vote was extended to all men regardless of color. However, when Reconstruction ended in North Carolina, the N. C. General Assembly established separate schools for whites and blacks. No schools were established for Indians.

Indian Schools

In 1885, however, the N. C. General Assembly passed legislation which established separate schools for the Indians of Robeson County. In 1887, Croatan Normal School opened its doors to Indian students of Robeson County. Over the next 70 years other Indian communities in the state were successful in their aims to establish schools.

Indian Recognition

Beginning in the late 1800s and continuing into the early 1970s, Indians in North Carolina re-established their formal tribal identities and sought recognition from the state and federal governments. In 1889, the federally recognized Eastern Band of the Cherokee was incorporated under North Carolina law. In 1910, the Lumbee were formally recognized by the State of North Carolina. The "Lumbee Bill," passed by the U.S. Congress in 1956, recognized the Lumbee as an Indian tribe but denied them access to services from the Bureau of Indian Affairs. In 1965, the Haliwa-Saponi received state recognition, as did the Coharie and Waccamaw-Siouan in 1971. In 1979, the N.C. Commission of Indian Affairs was given the authority to establish procedures for state recognition of North Carolina Indian tribes and organizations. The Meherrin Tribe of Hertford County was granted state recognition under these procedures in 1986.

More Progress

Throughout the 1960s and 1970s the Indians of North Carolina continued to make progress despite still prevalent discrimination and many obstacles. Seven Indian organizations, chartered by the State of North Carolina during this time, currently provide a variety of services to Indian people in North Carolina. Pembroke State College for Indians, the first four-year institution for Indians in the nation, became a member of the University of North Carolina system and its name was changed to Pembroke State University. Also during this period, Indians became lawyers and doctors, gained seats on local boards, were hired or appointed to important federal and state positions, and were elected to the N. C. General Assembly.

Commission of Indian Affairs Formed

In 1971, the N. C. Commission of Indian Affairs was established by the N. C. General Assembly to advocate for the rights of the state's Indian population, a population which in 1990 numbered over 80,000, was the largest Indian population east of the Mississippi River and the seventh largest in the nation.

A Look at the Future

Despite the advances of the Indian people of North Carolina during the last 200 years, serious health, social, economic and educational problems still remain to be faced. These problems, however, have not caused the Indians of North Carolina to lose their confidence or hopes in the future. They have continued into the 1990s with their struggles for equality and recognition.

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North Carolina Indians

North Carolina Department of Administration
N.C. Commission of Indian Affairs • 217 W. Jones Street, Raleigh, N.C. 27603-1336 • (919) 733-5998

Population

According to the 1990 U.S. Census, North Carolina's Indian population totals 80,155, giving the state the largest Indian population east of the Mississippi and the seventh largest Indian population in the nation. The Indian population comprises 1.2 percent of the state's total population.

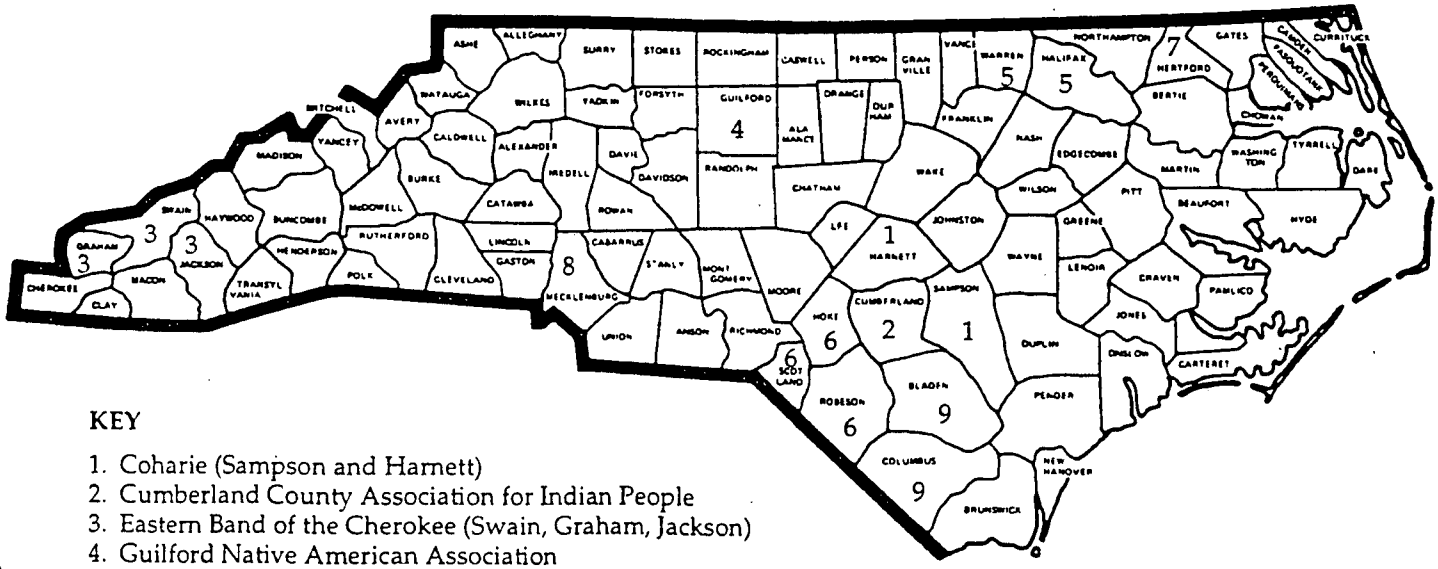
American Indians live in each of the state's 100 counties. Approximately 80 percent of the Indian population of the state, however, lives in 11 counties of the state – Columbus, Cumberland, Guilford, Halifax, Hoke, Jackson, Mecklenburg, Robeson, Scotland, Swain and Wake. Fifty-one percent of the Indian population of the state lives in Robeson County, accounting for 39 percent of that county's total population.

Six Indian tribes possessing state recognition, including one tribe with federal recognition, live within the borders of the state as follows:

State Recognized
Coharie (Sampson and Harnett)
Haliwa-Saponi (Halifax and Warren)
Lumbee (Robeson, Hoke, Scotland)
Meherrin (Hertford)
Waccamaw-Siouan (Bladen and Columbus)

Federally Recognized
Eastern Band of Cherokee
(Swain, Graham, Jackson)

NOTE: Counties indicated are those in which the majority of the members of the respective tribe live.



KEY

1. Coharie (Sampson and Harnett)
2. Cumberland County Association for Indian People
3. Eastern Band of the Cherokee (Swain, Graham, Jackson)
4. Guilford Native American Association
5. Haliwa-Saponi (Halifax and Warren)
6. Lumbee (Robeson, Hoke, Scotland)
7. Meherrin (Hertford)
8. Metrolina Native American Association (Mecklenburg)
9. Waccamaw-Siouan (Bladen and Columbus)

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These tribes vary in size from the Lumbee, with over 40,000 members, to the Meherrin, with fewer than 1,000 members. The Eastern Band of Cherokee, on the Qualla Boundary, is the only tribe in the state residing on a reservation. The Qualla Boundary is composed of 56,572 acres located over five counties.

The urban areas of Charlotte, Fayetteville and Greensboro have significant Indian populations due to the migration of Indians from rural areas of the state or from other states in the country in search of employment and other opportunities. Urban organizations serve these areas as follows: Cumberland County Association for Indian People (Fayetteville), Guilford Native American Association (Greensboro), and Metrolina Native American Association (Charlotte).

Age

- Thirty-nine percent of the American Indian population in the state is 20 years of age and under, compared with 29 percent of the state's total population.
- Nine percent of all N.C. American Indians are 60 years old and older, compared with approximately 17 percent of the state's total population.
- The median age of the state's American Indian population is 27.7 years, compared with the N.C. median age of 33.2 years.

Education

- Seventy-six percent of American Indians in North Carolina have educational levels of high school or less, compared with 56 percent of N.C. whites.
- Only 6 percent of N.C. American Indians have completed four or more years of college, compared with 7 percent of blacks and 13 percent of whites.
- Only 2 percent of N.C. American Indians possess a master's or professional degree, while 6 percent of whites have such degrees.

Income

- The median family income of N.C. American Indians is $24,900, compared with $33,242 for the total population.
- Twenty percent of American Indian families are headed by females with no husband present. Fifty-four percent of these families live in poverty, compared with 27 percent of white female-headed families.
- Approximately 25 percent of American Indians in the state live below the poverty level, compared with 8.6 percent of whites.

For more information contact:
North Carolina Commission of Indian Affairs
North Carolina Department of Administration
217 W. Jones Street
Raleigh, North Carolina 27603-1336
(919) 733-5998



North Carolina Indian Population (By County)

North Carolina Department of Administration
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Alamance	303	Cumberland	4,425	Johnston	178	Randolph	453
Alexander	52	Currituck	66	Jones	8	Richmond	502
Alleghany	8	Dare	37	Lee	169	Robeson	40,511
Anson	69	Davidson	395	Lenoir	70	Rockingham	149
Ashe	21	Davie	86	Lincoln	120	Rowan	262
Avery	23	Duplin	104	McDowell	72	Rutherford	95
Beaufort	28	Durham	425	Macon	76	Sampson	876
Bertie	46	Edgecombe	73	Madison	19	Scotland	2,430
Bladen	464	Forsyth	551	Martin	20	Stanly	155
Brunswick	242	Franklin	74	Mecklenburg	1,936	Stokes	52
Buncombe	486	Gaston	397	Mitchell	19	Surry	66
Burke	133	Gates	8	Montgomery	92	Swain	3,075
Cabarrus	313	Graham	454	Moore	309	Transylvania	79
Caldwell	105	Granville	99	Nash	218	Tyrrell	4
Camden	21	Greene	16	New Hanover	435	Union	294
Carteret	269	Guilford	1,637	Northampton	42	Vance	69
Caswell	26	Halifax	1,711	Onslow	939	Wake	1,148
Catawba	232	Harnett	601	Orange	286	Warren	763
Chatham	125	Haywood	180	Pamlico	33	Washington	13
Cherokee	405	Henderson.	197	Pasquotank	59	Watauga	59
Chowan	24	Hertford	228	Pender	76	Wayne	265
Clay	39	Hoke	3,176	Perquimans	18	Wilkes	69
Cleveland	114	Hyde	4	Person	181	Wilson	70
Columbus	1,370	Iredell	193	Pitt	214	Yadkin	22
Craven	319	Jackson	2,667	Polk	17	Yancey	27

TOTAL 80,155

Source: 1990 U.S. Census

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NORTH CAROLINA INDIAN ORGANIZATIONS

For more information regarding a particular Indian tribe or services to Indians, contact the executive director:

Coharie Intra-Tribal Council
Route 3, Box 340-E
Clinton, N.C. 28328
Phone: (910) 564-6909

Cumberland County Association for Indian People
102 Indian Drive
Fayetteville, N.C. 28301
Phone: (910) 483-8442

Eastern Band of the Cherokee
P. O. Box 455
Cherokee, N.C. 28719
Phone: (704) 497-2771

Guilford Native American Association
P. O. Box 5623
Greensboro, N.C. 27403
Phone: (910) 273-8686

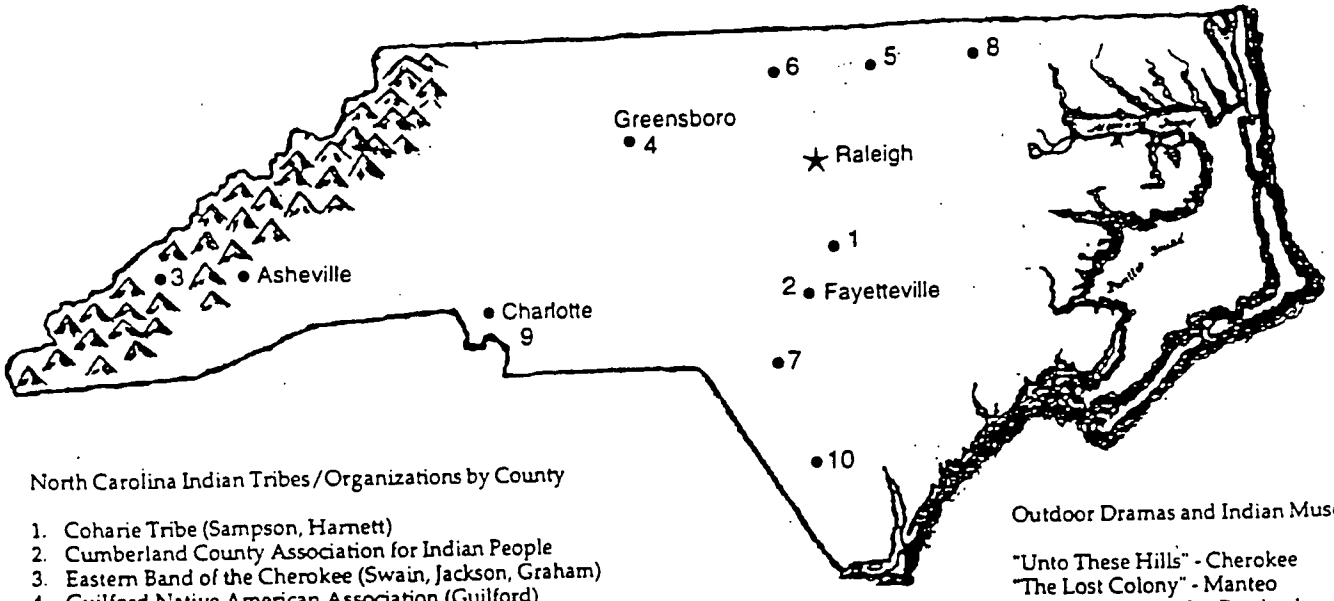
Haliwa-Saponi Indian Tribe
P. O. Box 99
Hollister, N.C. 27844
Phone: (919) 586-4017

Lumbee Regional Development Association
P. O. Box 68
Pembroke, N.C. 28372
Phone: (910) 521-8602

Meherrin Indian Tribe
P. O. Box 508
Winton, N.C. 27986
Phone: (919) 358-4375

Metrolina Native American Association
2601-A East 7th Street
Charlotte, N.C. 28204
Phone: (704) 331-4818

Waccamaw-Siouan Development Association
P. O. Box 221
Bolton, N.C. 28423
Phone: (910) 655-8778



North Carolina Indian Tribes/Organizations by County

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6. Indians of Person County
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8. Meherrin Tribe (Hertford)
9. Metrolina Native American Association (Mecklenburg)
10. Waccamaw-Siouan Tribe (Bladen, Columbus)

Outdoor Dramas and Indian Museums

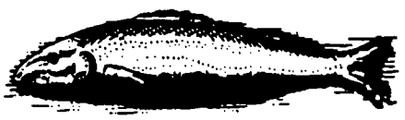
"Unto These Hills" - Cherokee
"The Lost Colony" - Manteo
"Strike at the Wind" - Pembroke
Town Creek Indian Mound, Mt. Gilead
Cherokee Indian Museum, Cherokee
Schiele Museum, Gastonia
Native American Resource Center, Pembroke

NORTH CAROLINA INDIANS

North Carolina Department of Administration
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INDIANS LONG AGO

Indians were the first people to live in our country. That is why they are called Native Americans. Because they were here before the white settlers, it is important to remember and thank the Indians. Indians gave modern Americans many gifts and taught the settlers many new ways of doing things. Each year in North Carolina, we celebrate Indian Heritage Month in November.



FOOD

Indians taught the settlers new ways to hunt and fish when they came to North Carolina many years ago. The Indians caught their fish in nets called weirs that were made from reeds, woven or tied together. They would place the weir across the stream and anchor it with rocks or poles that stuck into the sand. Another way Indians caught fish is with spears. Indians hunted big animals mostly with bows and arrows. They hunted deer and bear. Some Indians used blow guns for hunting smaller animals such as rabbit and squirrel.

The Indians cooked the fish and meat over a grill made of reeds or sticks. But, most of the cooking was done in clay pots. They would put the pot on the fire and boil different foods. In this way they would cook vegetables, fruits, nuts, roots and meat.



Native Americans planted gardens much like gardens are planted today. They grew beans, peas, melons, pumpkins, sunflowers, potatoes and other foods. The men took turns guarding the fields and scaring away the birds and wild animals. They were probably some of the first scarecrows!



HOUSING

Indians in North Carolina did not live in teepees. Most of the Indians in North Carolina lived in small buildings made of wood and reeds. The frame of the house was made from wooden poles that were tied together. The walls and roof were made from reed mats or sheets of tree bark. Long tables or benches were usually the only furniture in the structure.

DRESS

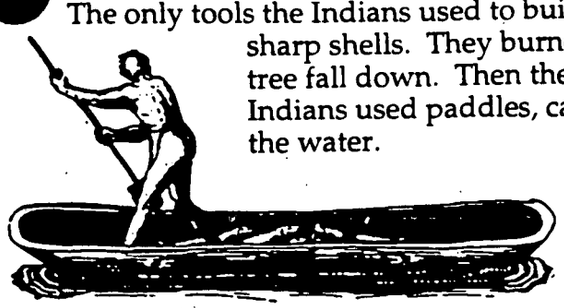


Indians wore clothes made from deer skins. It took many days to prepare the skin before it was ready to be sewn. First, the hair had to be scraped off the skin. Then the excess flesh had to be removed. Next the hide was stretched and softened. The final step was to smoke the hides to give them a golden brown color. Earrings, necklaces and bracelets were worn by men and women. This jewelry was made from bone, copper, shell and polished-stone beads.

Most men wore their hair long. Women usually had long hair with bangs across the forehead. Both men and women would use braid wraps that were decorated with certain beads. This is one way that showed which tribe they belonged to.

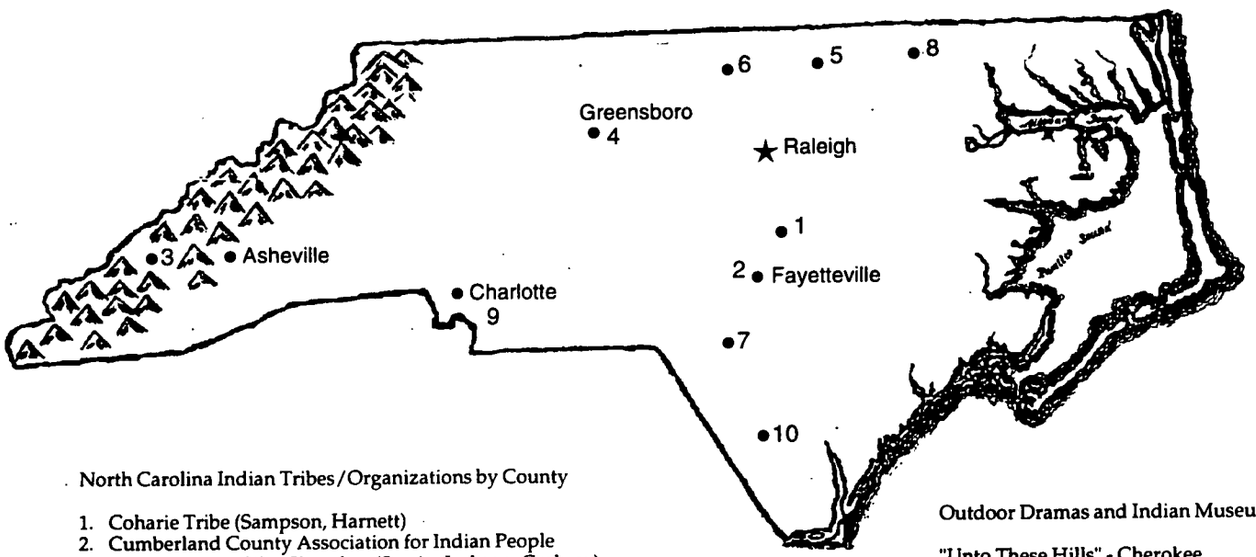
CANOES

Indians often used canoes for transportation. Each canoe was made from a single tree. The only tools the Indians used to build these boats were fire and stones or sharp shells. They burned a small area of the tree trunk to make the tree fall down. Then they burned one side of the log to hollow it out. Indians used paddles, called oars, to help move the boat once it was in the water.



INDIANS TODAY

Did you know that there are many Indians still living in North Carolina? In fact, North Carolina has the largest Indian population east of the Mississippi River. There are more than 80,000 Native Americans living in North Carolina. The state of North Carolina recognizes six tribes. They are: Eastern Band of Cherokee, Coharie, Haliwa-Saponi, Lumbee, Meherrin and Waccamaw-Siouan. The Eastern Band of Cherokee are also recognized by the federal government. Other groups include the Guilford Native American Association, Cumberland County Association for Indian People and Metrolina Native American Association. Can you find the group that lives nearest you?



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Outdoor Dramas and Indian Museums

"Unto These Hills" - Cherokee
"The Lost Colony" - Manteo
"Strike at the Wind" - Pembroke
Town Creek Indian Mound, Mt. Gilead
Cherokee Indian Museum, Cherokee
Schiele Museum, Gastonia
Native American Resource Center, Pembroke

Indian children today look and live very much like other children. The children live in houses and go to school. They wear jeans, shorts, shirts and shoes like those you wear. Native Americans drive cars, go to church and enjoy sports and entertainment like everyone else. Like other people, they are very proud of their heritage and ancestors. To help remind them of their past, Indians have special holidays and celebrations.

Indians introduced many new foods to the settlers. See if you can find: beans, pumpkin, peas, cranberries, walnut, chestnuts, squash, sassafras, cucumbers, melon, roots, fish, maize, popcorn.

S	A	S	S	A	F	R	A	S	F	C
M	Z	F	Q	E	V	W	C	H	I	R
C	C	U	C	U	M	B	E	R	S	A
U	H	W	O	T	A	E	D	B	H	N
P	E	A	S	P	I	S	S	E	U	B
O	S	L	D	U	Z	K	H	A	N	E
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GIFTS FROM THE INDIANS

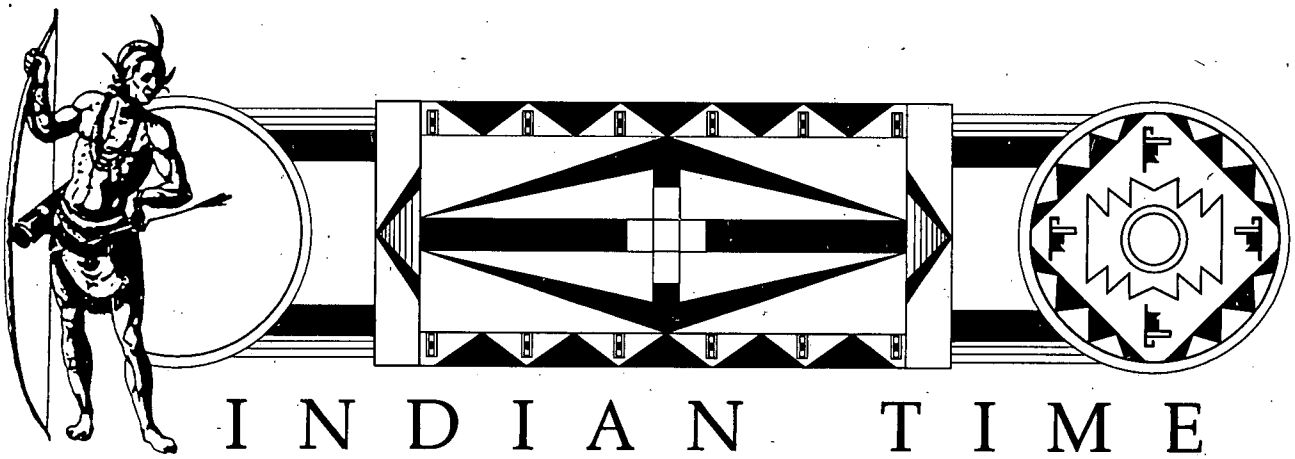
The Native Americans introduced many new things to the white settlers. How many of these "gifts" do you enjoy today? Some of the foods that Indians introduced are: chili, pumpkin, succotash, cornbread, popcorn, potatoes, corn, beans, peas, and sunflower seeds. They also gave us the chicle plant which is used to make chewing gum. Indians taught the settlers the drying process that is used to preserve foods and make prunes, raisins and jerky.

Indians introduced the settlers to types of clothing such as moccasins and ponchos. Chaps that rodeo riders wear today are a form of Indian leather leggings. Indians also gave us cotton that is used to make clothing today.

Native Americans played forms of what we now call basketball and lacrosse. Sledding was also a sport the Indians enjoyed.

The Indian way of life was to live in harmony with nature. Many of today's organizations are influenced by the arts, crafts and culture of Native Americans. Some of these groups are Girl Scouts, Boy Scouts, Campfire Girls and YMCA Indian Guides.

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INDIAN TIME

Summer 1997

From the Executive Director's Desk...

The commission has just concluded its 26th year of business on behalf of North Carolina Indian citizens. The commission was established by the North Carolina General Assembly in 1971. The purpose of the commission is to deal fairly and effectively with Indian affairs; to bring local, state and federal resources into focus for the implementation of and continuation of meaningful programs for Indian citizens; to provide aid and protection for Indians as needs are demonstrated; to prevent undue hardships; to assist Indian communities in social and economic development; to promote recognition of, and the right of Indians to pursue, cultural and religious traditions. The commission continues to meet its mission even in the face of many challenges.

The commission is governed by commission members who are selected by the tribes and organizations. Currently, there are 18 Indian members on the commission and seven state officials. There are two representatives from the Indian youth organizations. The chairman of the commission is appointed by the governor, and the officers are elected from among the remaining members. The commission's meetings are held quarterly and are open to the general public. The next meeting is scheduled for September 12 in Raleigh.

The commission held a retreat on June 19 at Camp Carraway, located near Asheboro, North Carolina. The purpose of the retreat was to review the commission's mission statement, goals and objectives in preparation for the year 2000. The facilitators for the retreat were provided by the State Personnel Training Center, and a follow-up session will be held this fall.

A very important upcoming issue is the year 2000 census. A meeting for American Indian and Alaska Native tribal governments was held July 11 in Arlington, Virginia. The purpose of the meeting was to describe several geographic programs proposed for American Indians and Alaska Natives for the year 2000 census. I strongly urge all Indian citizens to forward comments to the Census Bureau in support of the state-recognized American Indian programs. For more information about Census 2000, please contact me or the Census Bureau directly. Please forward your comments in support of the state-recognized programs to: Katherine K. Wallman, Chief Statistician, Office of Information and Regulatory Affairs, Office of Management and Budget, NEOB, Room 10201, 725 17th Street N.W. , Washington, D.C. 20503.

Gregory A. Richardson

Weaving an Agenda for Progress Conference

The North Carolina Commission of Indian Affairs was one of six state agencies and non-profit organizations that co-sponsored a statewide conference titled "Weaving an Agenda for Progress in Providing Culturally Responsive Care," June 25-26, in Raleigh. Approximately 500 representatives from state agencies, family service providers, community leaders and volunteers attended. Deemed highly successful and enlightening, the conference had as its goals to (1) provide participants with "building blocks" that can assist them as professionals, parents and volunteers in providing culturally responsive care to diverse communities, and (2) stimulate the creation of an atmosphere to improve culturally responsive care of the state provider networks.



Keynote speaker was Rosa Winfree, a Lumbee Indian, with the Charlotte-Mecklenburg schools. A cultural exposition was performed which included drumming by Red-Wolf Drummers, dancers from Sampson and Wake counties, flute songs by Bo Goins, and healing songs and chants by Dr. J.T. Garrett.

Indian Housing Authority

The new Indian housing program is a very important issue on the immediate horizon. State-recognized tribes in North Carolina are scheduled to receive approximately $6.7 million under new legislation titled the "Native American Housing Assistance and Self-Determination Act of 1996." The proposed regulation which will govern this program was released by the Office of Management and Budget in July. Under the proposed regulations, Indian tribes must designate a housing entity to implement the new program. This housing entity can be the North Carolina Indian Housing Authority or any other entity which meets U.S. Department of Housing and Urban Development (HUD) requirements.

The North Carolina Indian Housing Authority has historically been the designated entity authorized to develop Indian housing programs on behalf of our state-recognized tribes; however, under the proposed regulation, the tribes may elect to designate a different entity to administer the Indian housing program. The commission membership voted to support the North Carolina Indian Housing Authority as the tribally designated housing entity in North Carolina.

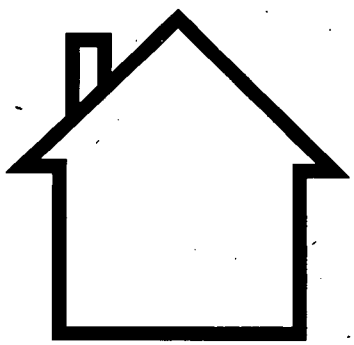
The Indian Housing Authority held an Indian Housing Summit on June 17, to provide tribal leaders with information about the new Indian housing program, which was authorized by Congress in October 1996. Kevin Fitzgibbons, with HUD, presented tribal leaders with detailed information about the new housing program.

The N.C. Indian Housing Authority held its annual meeting on June 14. The purpose of the annual meeting was to elect new officers. Also Gladys Hunt, executive director of the Cumberland County Association for Indian People, has been appointed to the North Carolina Indian Housing Authority board. The new officers are as follows:

Haynes Graham, Waccamaw-Siouan, *Chairman*

Rev. Tony Hunt, Lumbee, *Vice Chairman*

Earlene Stacks, Lumbee, *Secretary/Treasurer*



Senior Citizens Conference and Pageant Scheduled

The 17th North Carolina Indian Senior Citizens Conference and Pageant are tentatively scheduled for November 21-22 at the Holiday Inn Bordeaux in Fayetteville. The conference will host speakers, a health fair, a quilt exhibit and contest, and a "show and taste" exhibit. Evening plans include a banquet, gospel singing, and the Miss N.C. Indian Senior Citizen Queen Pageant. Registration information and costs were not available at press time.



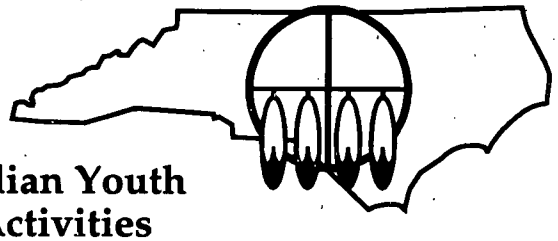
New Programs

The N.C. Commission of Indian Affairs and the N.C. Department of Environment, Health and Natural Resources (DEHNR) have agreed to a joint working relationship to administer a program to provide rental assistance to low-income individuals living with HIV/AIDS and their families in Columbus, Granville, Halifax, Hoke, Person, Sampson and Warren counties, as well as any other rural counties mutually agreed upon by the Commission of Indian Affairs and DEHNR.

DEHNR has set-aside $210,210 of its 1997 Housing Opportunities for Persons With AIDS (HOPWA) allocation to create a rural rental assistance program for low-income individuals with HIV/AIDS and their families. The commission will provide day-to-day oversight and administration of the rental assistance program. DEHNR's AIDS Care Branch will assist participants in finding agencies willing to make referrals and provide support services. This memorandum of understanding allocates funds for this rental assistance program. This program began operation in August.

~ ~ ~

The N.C. Department of Human Resources, Division of Vocational Rehabilitation Services, has awarded the commission $40,000 to use toward increasing awareness, knowledge and access of assistive technology services and programs that are available for American Indians with disabilities. The commission will coordinate and conduct community meetings and training sessions. The program will employ a part-time coordinator and administrative assistant. For additional information, contact the commission.



Indian Youth Activities

Indian Youth Unity Conference

The 18th Annual Indian Youth Unity Conference was held on the campus of St. Andrews Presbyterian College in Laurinburg, June 16-18. Approximately 292 Native American students and chaperones participated in the events and activities during the conference. Seventeen counties were represented.

"A New Beginning"

The theme for the conference was "A New Beginning." Conference highlights included the crowning of Miss NCNAYO '97-'98, talent show, workshops and a pow-wow. Harvey Clay Locklear and Quinton Richardson each received a $500 college scholarship at the awards banquet. Both students began studies at North Carolina State University this fall.

UNITY's National Conference

Approximately 41 Native American students and chaperones from North Carolina attended the 22nd Annual National UNITY Conference, June 25 - July 1, in Phoenix, Arizona.

"Take a Stand"

The conference theme was "Take a Stand." Students were given motivational lectures and speeches that will provide them with the tools needed to take a stand on issues that will affect their daily lives. Throughout the conference, the theme rang out for youth to stand firm on beliefs and traditions.

Matt Groves, UNITY representative for North Carolina Native American Council on Higher Education (NCNACOHE), and LeAnn Strickland, senior representative and UNITY representative for North Carolina Native American Youth Organization (NCNAYO), were elected to serve on the National UNITY Council as members-at-large. Brett Locklear, Substance Abuse and Drug Prevention Program director, was also appointed to serve as a national adviser to the National Council.

Indian Business Conference Scheduled

The North Carolina Indian Business Association (NCIBA) will hold its Third Annual Indian Small Business Conference, November 6, at the Holiday Inn Bordeaux in Fayetteville. Indian business owners from across the state will come together to discuss another successful year of business. Again the conference will be packed with resource people from across the country.

Historically, Indian business owners have not been able to get the proper resources they need to move ahead. The conference is designed to bring those resources directly to the business owner. Attending this year will be representatives from the Small Business Administration, N.C. Institute of Minority Economic Development, N.C community colleges and from the tribes and organizations.

The NCIBA promotes American Indian business development through education, communication and advocacy. The conference provides Indian businesses an opportunity to interact with resource people as well as network with other business owners from across the country. If you are an Indian business owner, you need to make plans to attend this conference.

For additional information, contact Cliff Rudd at the commission.

Talent Search Seeks Program Funding

The North Carolina Commission of Indian Affairs is seeking continuation of its 23-year-old Educational Talent Search Program. Thousands of Native American students have received benefits from the program which is funded by the U.S. Department of Education. The program will complete its current funding period in June 1998. The commission is currently preparing a new proposal to gain new funds for continuation and expansion of the program.

The Educational Talent Search Program is designed to (1) identify qualified youth who are low-income and potential first-generation college students and encourage them to complete high school and enroll in post-secondary education; (2) publicize the availability of student financial assistance at the post-secondary level; and (3) encourage persons who have not completed secondary or post-secondary education to re-enter these programs.

The North Carolina Commission of Indian Affairs will submit its application in October to the U.S. Department of Education. Comments regarding the existing program and suggestions are welcomed. For additional information, contact Rick Tucker at the commission.

N.C. Commission of Indian Affairs
217 West Jones Street
Raleigh, North Carolina 27603-1336

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Graduate Scholarships

The Consortium for Graduate Study in Management is an alliance of 11 graduate schools of business committed to creating career opportunities for African Americans, Hispanic Americans and Native Americans seeking business careers. With support from American corporations and foundations, the consortium provides merit-based full tuition scholarships and fees to enable its fellows to enroll in MBA programs at its 11 member universities.



Geographically and philosophically diverse, these large and small, public and private institutions boast some of the nation's top business education programs. Prospective MBA students may use the consortium's single application to apply to up to six of the 11 schools.

A background in business is not required for admission or a fellowship through the consortium; however, you must have a bachelor's degree. Individuals who aspire to managerial careers in business, government or non-profit organizations are invited to apply.

For additional information, contact Consortium for Graduate Study in Management, 200 South Hanley Road, Suite 1102, St. Louis, Mo. 63105 or call (314) 935-5614.



I N D I A N T I M E

Indian Time is published by the North Carolina Commission of Indian Affairs. The newsletter is designed to highlight activities and issues of importance to the Indian people of North Carolina.

N.C. Commission of Indian Affairs
217 W. Jones St.
Raleigh, N.C. 27603-1336 (919) 733-5998

Commission Members

Eastern Band of the Cherokee
Joyce C. Dugan ~ Jack E. Gloyne

Coharie Intra-Tribal Council
Tom Carter (deceased) ~ H.B. Surles

Cumberland County Association for Indian People
James L. Hunt ~ Eddie Maynor

Guilford Native American Association
Lonnie Revels ~ Daphine L. Strickland

Haliwa-Saponi Tribe Inc.
Ruth R. Ealing ~ W.R. Richardson

Lumbee Regional Development Association
Paul Brooks ~ Tommy O. Jacobs ~ Herbert D. Oxendine

Meherrin Indian Tribe
Pat Riddick

Metrolina Native American Association
Patrick Clark ~ Earlene Stacks

Waccamaw-Siouan Development Association
Elton R. Jacobs ~ Lila Spaulding

Harry Payne Jr., Commissioner
N.C. Department of Labor

Dr. David Bruton, Secretary
N.C. Department of Human Resources

Jonathan Howes, Secretary
N.C. Department of Environment, Health & Natural Resources
Designee: Missy Brayboy

Dr. Parker Chesson, Chairman
Employment Security Commission
Designee: Marian Dansby

Katie G. Dorsett, Secretary
N.C. Department of Administration
Designee: Kenneth Wilkins

Larry Townsend
Lieutenant Governor Appointee

Ray Littleturtle
Speaker of the House Appointee

State of North Carolina ~ James B. Hunt Jr., Governor
N.C. Department of Administration ~ Katie G. Dorsett, Secretary
Kenneth Wilkins., Deputy Secretary of Internal Services & Programs
Gregory Richardson, Executive Director, Commission of Indian Affairs

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Earn Your Feather . . . it is you who will choose the path . . . the good way or the wrong way . . .

The eagle feather has always been held in high esteem by the American Indian population. It is a symbol of bravery, honor and personal achievement and is awarded only when the person being recognized has earned the respect of his or her tribe.

"Earn Your Feather" is the slogan used by the Substance Abuse Prevention and Awareness Program operated by the North Carolina Commission of Indian Affairs. Through the program, our Indian population is being taught that living free from alcohol and other drugs is an honorable accomplishment worthy of an eagle feather.

Program Objectives

The Substance Abuse Prevention and Awareness Program works to:

- Implement prevention programs in local Indian communities
- Coordinate prevention activities for Indian youth
- Facilitate Parent to Parent substance abuse training workshops
- Disseminate information on alcohol and drug prevention
- Assist local agencies with service delivery in Indian communities
- Establish national, state and local linkages with other prevention, intervention and treatment programs

The Need

Staggering facts pinpoint the need for prevention activities aimed at the Native American community:

- Five of the 10 leading causes of death among American Indians are attributable to alcohol abuse.
- American Indians have an accident mortality rate 2.5 times higher than the U.S. average.
- 75 percent of all American Indian accidental deaths are alcohol-related.
- Chronic liver disease and cirrhosis account for three times more deaths among American Indians than the U.S. average.
- 80 percent of all suicides among the American Indian population are alcohol-related.
- 90 percent of American Indian homicides occur while either the victim or perpetrator is intoxicated.

"Let us put our minds together and see what kind of world we can make for our children."

Chief Sitting Bull

Eagle Feathers for Indian Babies

Give your baby a healthy start!

- Don't drink during pregnancy.
- Don't smoke during pregnancy.
- Don't use drugs during pregnancy.
- Schedule regular prenatal visits.
- Eat well-balanced, nutritional meals.

Fetal alcohol syndrome is 100 percent preventable!

Eagle Feathers for Indian Youth

Five ways to say NO to drugs:

- "No thanks, I don't need it."
- "No thanks, I'm driving."
- "No thanks, I don't like the taste."
- "No thanks, I don't want to get into trouble."
- "No thanks!"

Don't give in to peer pressure!

Eagle Feathers for Indian Adults

Preventing substance abuse is a family affair.

- Be a good role model.
- Establish open communication within your family.
- Know the facts about alcohol and drugs.
- Everyone is susceptible.
- Get help if you have a problem.

Family unity is an American Indian tradition!

Eagle Feathers for Indian Elders

Healthy lives preserve healthy traditions.

- Don't self-medicate.
- Use care when taking prescription medicines.
- Eat well-balanced meals.
- Exercise regularly.
- Respect your body.

Indian elders have earned their eagle feathers!

About The Program

The Substance Abuse Prevention and Awareness Program is administered by the North Carolina Commission of Indian Affairs in the North Carolina Department of Administration.

The North Carolina Commission of Indian Affairs is a state agency created by the General Assembly in 1971 in response to the need of Indian people to have a voice in their own affairs. Its purpose is to assure the right of Indians to pursue their cultural, social and religious traditions, and to increase economic and educational opportunities for Indians throughout the state.

The Substance Abuse Prevention and Awareness Program is funded through a grant from the Drug-Free Schools and Communities Act and the Alcohol, Drug Abuse and Mental Health Services Block Grant, awarded by the North Carolina Department of Human Resources' Division of Mental Health, Developmental Disabilities and Substance Abuse Services in conjunction with the Governor's Council on Alcohol and Other Drug Abuse.

For more information, contact:

Substance Abuse Prevention and Awareness Program
North Carolina Commission of Indian Affairs
325 N. Salisbury St., Suite 579
Raleigh, N.C. 27603-5940
(919) 733-5998

State of North Carolina
James G. Martin, Governor
N.C. Department of Administration
James S. Lofton, Secretary
N.C. Commission of Indian Affairs
A. Bruce Jones, Executive Director

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Substance Abuse Prevention and Awareness Program
North Carolina Commission of Indian Affairs
325 N. Salisbury St., Suite 579
Raleigh, N.C. 27603-5940



Earn Your Feather

Say NO to Alcohol and Drugs

Substance Abuse
Prevention & Awareness Program

N.C. Commission of Indian Affairs

What is Educational Talent Search?

The Educational Talent Search Program is funded by the United States Department of Education and is administered by the North Carolina Commission of Indian Affairs.

The purpose of the program is to provide educational and career planning services to student ages 11 to 27 in Columbus, Cumberland, Guilford, Halifax, Harnett, Hoke, Sampson and Warren counties.

The services are free for students who meet eligibility requirements according to federal guidelines. Priority is given to those with financial need and whose parents have not received a four-year college degree.

Counselors from the North Carolina Commission of Indian Affairs visit participating schools on a monthly basis to provide services to program participants.

Services Provided

- ACT Preparation
- Campus Tours
- Career Planning
- College Awareness and Preparation
- Cultural Enrichment
- Dropout Prevention
- Field Trips
- Group Counseling
- Individual Counseling
- Information on Financial Aid for College
- PSAT Preparation
- SAT Preparation
- Study Skills Development
- Test Taking Skills

For More Information

For more information, complete this section and return it to the commission

or call

(919) 733-5998 Fax (919) 733-1207

☑ Check information you would like from the list below.

- ☐ An Educational Talent Search Application
- ☐ Grants and Scholarships (Specify grant, scholarship or career area)
- ☐ College Information (Specify college or program area)
- ☐ Conferences _____
- ☐ Other _____

Name _____

Address _____

City _____ State ____ Zip _____

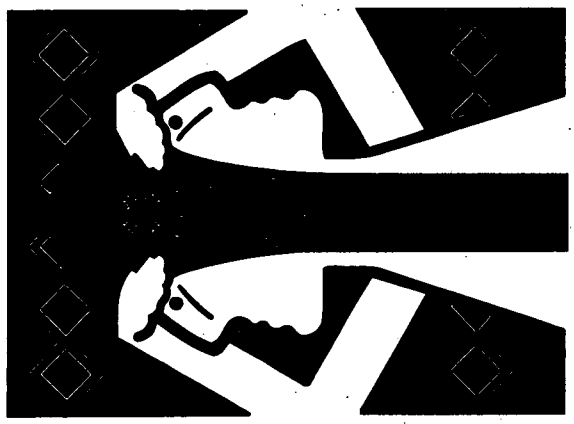
Phone Number Area Code ( ) _____

Name of school attending

_____

Grade Level ____ Age ____

Educational Talent Search Program



North Carolina Commission of Indian Affairs
217 West Jones Street
Raleigh, N.C. 27603-1336

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217 West Jones Street
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North Carolina
Department of Administration

Educational Talent Search is funded by the
United States Department of Education

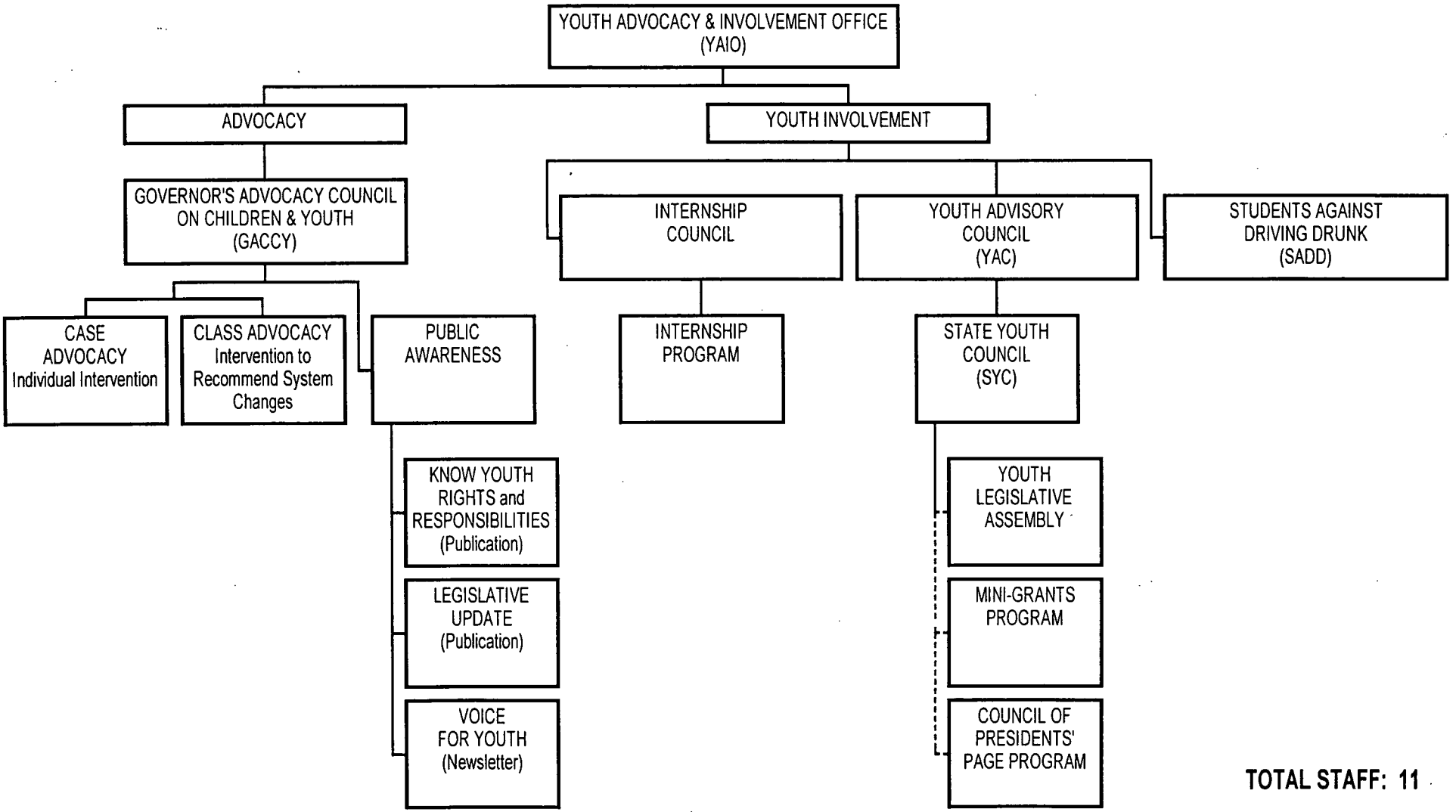
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YOUTH ADVOCACY AND INVOLVEMENT OFFICE

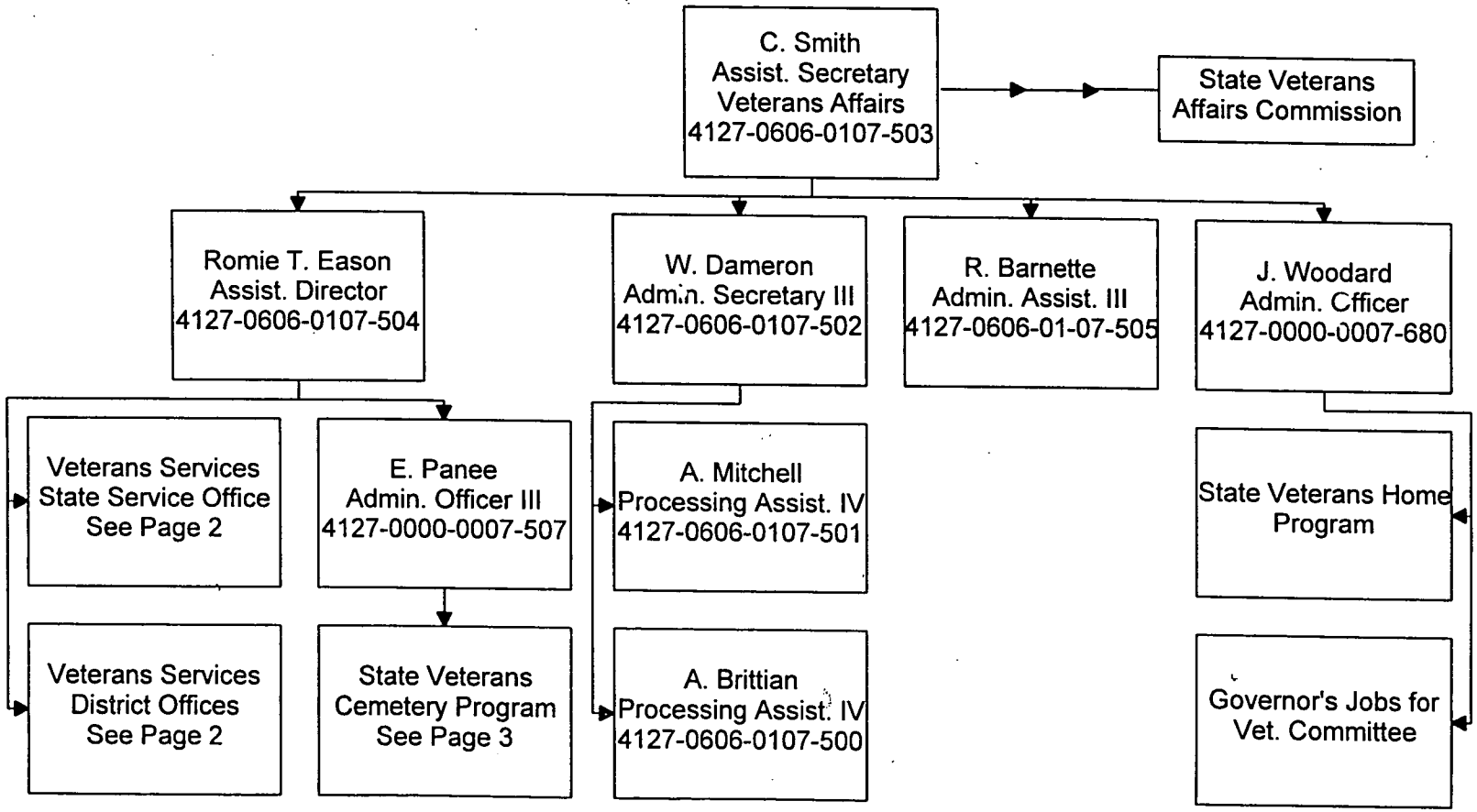
MISSION STATEMENT: The Youth Advocacy and Involvement Office (YAIO), under the leadership and directives of councils and advisory groups in cooperation with public and private agencies, serves as an advocate for children and youth. Through these collaborative efforts, this agency seeks to enhance the quality of life for North Carolina's children and youth through policy reviews, legislative recommendations and positive intervention through leadership development and experiential educational opportunities.



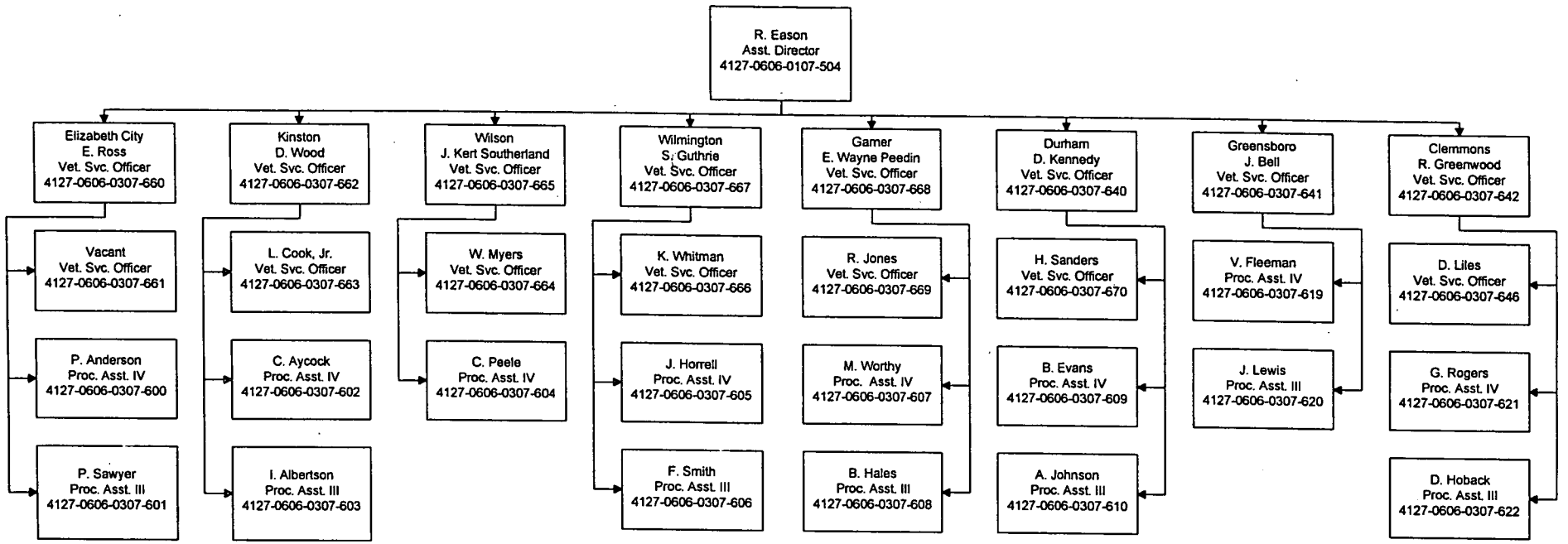
TOTAL STAFF: 11

Attachment 3

NC Division of Veterans Affairs

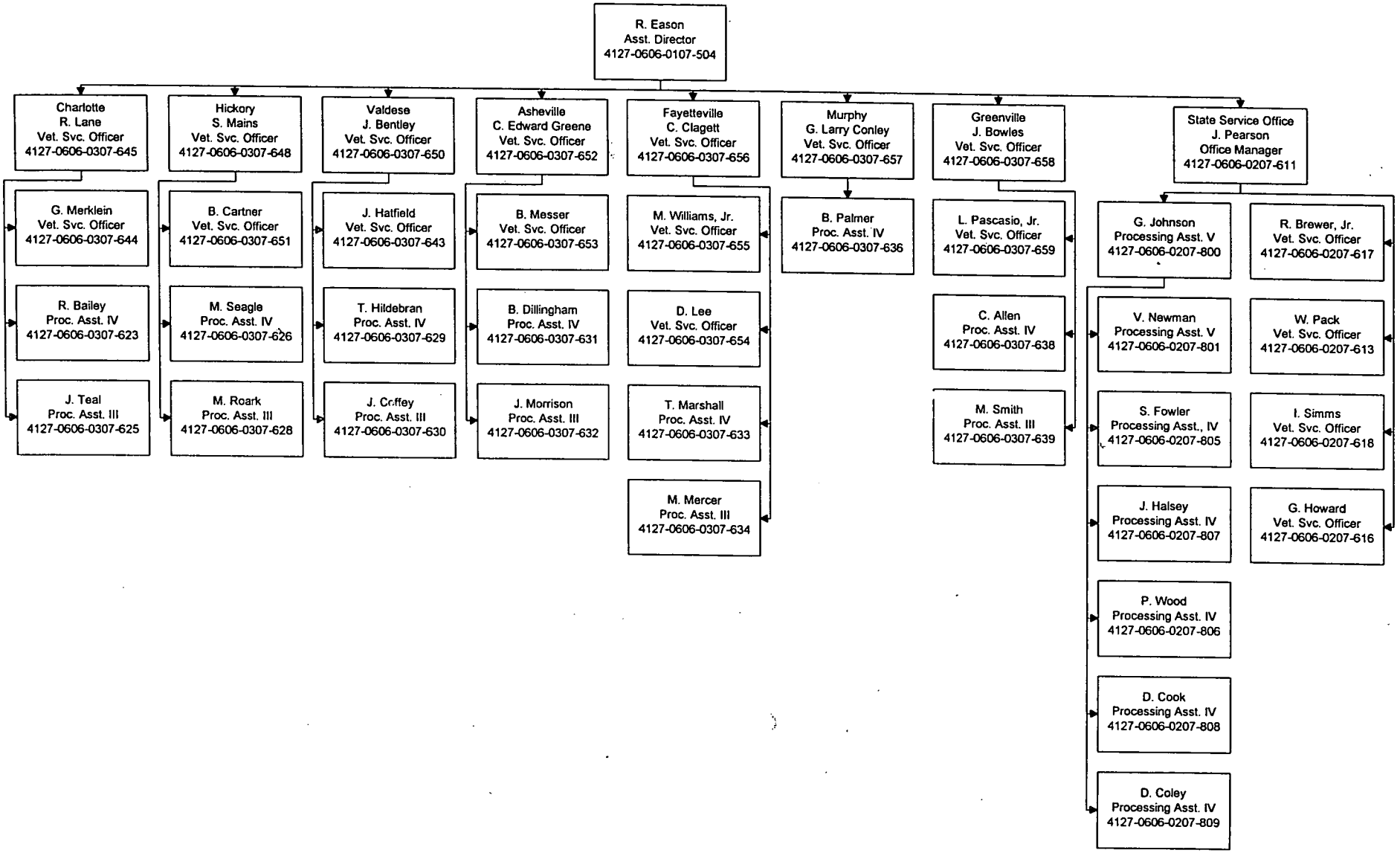


Attachment 4

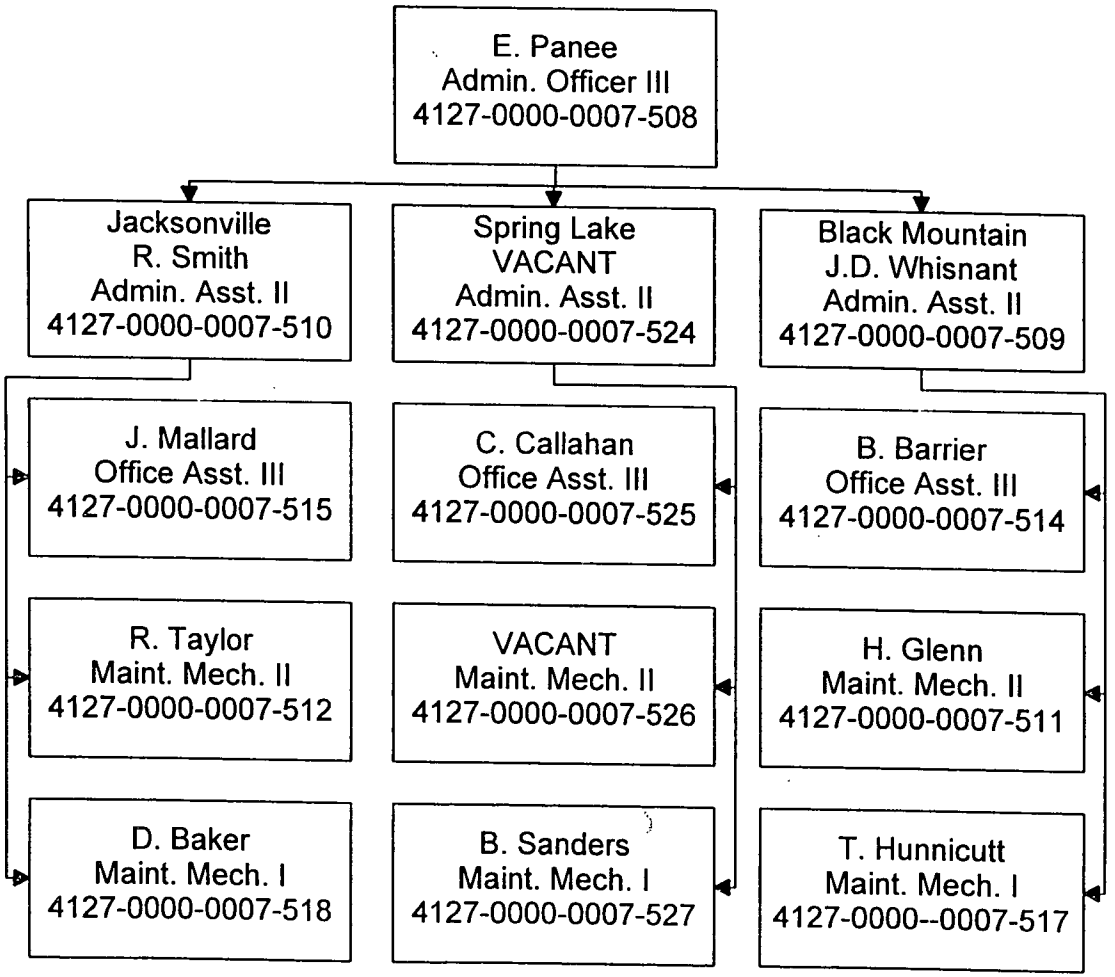


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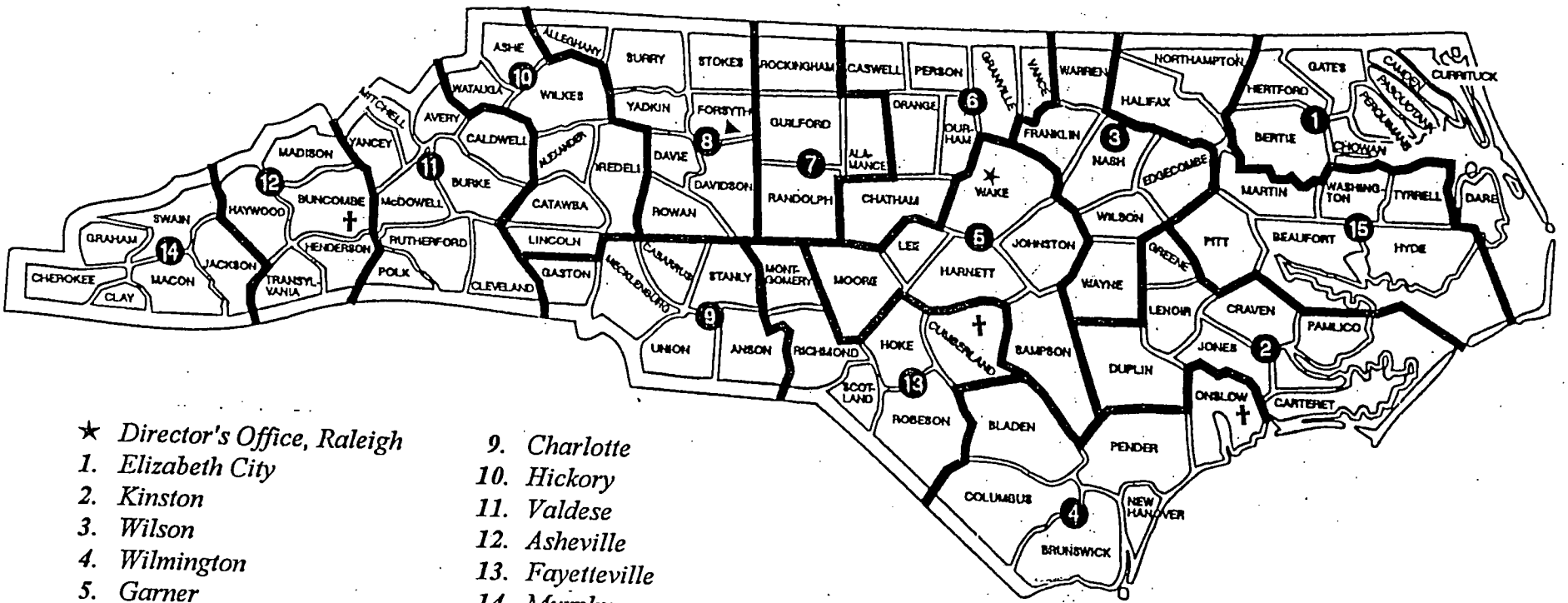
NC Division of Veterans Affairs, Page 2 (cont.)



NC Division of Veterans Affairs, Page 3



N.C. DIVISION OF VETERANS AFFAIRS



★ *Director's Office, Raleigh*

1. *Elizabeth City*
2. *Kinston*
3. *Wilson*
4. *Wilmington*
5. *Garner*
6. *Durham*
7. *Greensboro*
8. *Clemmons*
9. *Charlotte*
10. *Hickory*
11. *Valdese*
12. *Asheville*
13. *Fayetteville*
14. *Murphy*
15. *Greenville*

▲ *State Service Office, Winston-Salem*

✝ ***N.C. State Veterans Cemeteries***

Western Carolina State Veterans Cemetery, Black Mountain, Buncombe County
Coastal Carolina State Veterans Cemetery, Jacksonville, Onslow County
Sandhills State Veterans Cemetery, Spring Lake, Cumberland County

MINUTES

Joint Subcommittee on General Government

November 18, 1997

The Joint Subcommittee met on Tuesday, November 18, 1997 at 1:00 PM in room 415 of the Legislative Office Building. Representative William M. Ives (Cochair) presided. Members present were: Representatives McCombs (Cochair), Sherrill (Cochair), Braswell, Decker, Wainwright, Warwick and three Senators. For a list of visitors see attached Visitors Registration Sheet.

Representative Ives called the meeting to order a t 1:12 PM and lead a discussion on the future schedule for the interim department visits (see attachments 1 and 2). **Representative Sherrill asked who made the decisions on which agencies would be visited and scheduling of those agencies. Mr. Evan Rodewald of Fiscal Research replied that the agencies were scheduled according to the past interests expressed by the committee. Representative McCombs asked staff for a list of all of the Department of Cultural Resources sites with the number of visitors served and the money collected last year.**

Mr. Rodewald then presented questions and issues pertaining to the site visits of the Department of Administration (see attachment #3). Mr. Rodewald started with an explanation of the first page of attachment of #3, Motor Fleet Management. **Representative Decker asked if the rates on page 4 include gas and Mr. Rodewald answered that it does and that the comparison was done with other states and AAA.** He also stated that all the information was not exact because information is hard to obtain from other companies and that if more information was needed, the staff would be glad to look further. **Representative Braswell asked if other States leased vehicles and had a comparison been done on leasing vehicles versus purchasing. Mr. Rodewald deferred to Mr. Massey of Motor Vehicles who said that some states do lease vehicles if the vehicle is to be used only part of the year such as four wheel drive vehicles used only during bad weather months, ninety eight percent of the time other states purchase vehicles.** Mr. Massey added that the building occupied by Motor Fleet is rent free; however, the agency maintains the building and replaced the roof last year for $125K. **Representative Decker asked if any studies had be done on privitization. Mr. Massey responded that they had and sited a federal study that had bad results due to the choice of car chosen and it's resale value.** Mr. Rodewald explained the Motor Fleet question regarding stopping for lunch in a state owned car (page 5). **Senator Lucas asked to revisit this issue later.** Mr. Massey explained that a state employee can stop to eat while on travel status. Mr. Rodewald moved on to question #3 on the accident rate and stated that a study on the State Motor Vehicle Safety Program will be published by the Department of Insurance in the spring of 1998. **Representative Decker asked if a state employee has an accident in a state vehicle,**

does the employee have to bear any of the repair costs. Mr. Massey replied only in cases of intentional abuse. Representative Decker asked if any records are kept on employees driving. Mr. Massey replied that they run a check every month and drivers with six points or more are not allowed to drive state vehicles. Representative Braswell asked if a driver charged with a DUI loses his driving privileges while waiting for his case to come to court. Mr. Massey answered yes until the case is decided. Representative Braswell asked if a policy is in place to for these citations to be reported to Motor Fleet and Mr. Massey replied yes; however, it is not reliable. Representative Braswell asked if this included state employees tickets in their own cars and Mr. Massey said it does.

Mr. Rodewald gave an explanation for question #4, the use of Freon 12 (see page 6). **Representative Decker expressed his thought that a repair contract may be less expensive.**

Mr. Rodewald moved on to question #5 on the Courier Service (see page 6).

Question #6 on page 6 is currently being researched and no answer has been obtained yet.

The State Construction questions on pages 6 and 7 were explained by Mr. Rodewald and **Representative Braswell asked for this information to be broken down between women and African American owned firms regarding questions 9 and 10. Mr. Speros Flaggus of the State Construction Office offered to get it for him.**

Mr. Rodewald moved on to the Indian Affairs on page 7 question #11. Representative Sherrill commented that all indians in the western part of the State are not all Cherokees.

Mr. Rodewald explained question 12 on Youth Advocacy and Involvement. **Representative Lucas asked how the decision is made how many interns each school will get. Ms. Mays it is decided by each project. Representative Braswell asked how students know to apply for internships. Ms. Mays replied that information is sent to the schools and it is also on the internet.**

Mr. Rodewald spoke about Veteran Affairs on pages 7 and 8. **Representative Braswell asked for total figures on Federal Funding.** Mr. Charles Smith addressed the committee and said that the Georgia study is 24 million and 6 million is a state appropriation. **Representative Decker asked how many states have veterans homes. Mr. Smith replied 67 homes are being operated in 42 states. Representative Decker asked how much less expensive is it for a Veteran to stay in a veterans home versus a private nursing home. Mr. Smith replied that the family is given a per diem to apply to nursing home care in a private home so it would be less to stay at a veterans home. Representative Braswell asked if funds were appropriated for these homes and Mr. Smith answered that some were available if needed, but the intention is to operate the homes without state appropriations.** He also said start up money would be needed for the first 9 to 10 months of operation and that money was appropriated in the

Long Session. **Representative Decker asked about leasing from an healthcare company and why the 500K was needed. Mr. Smith answered that the 500K is a capital outlay for the contract. Representative Decker requested that the committee address this issue later due to the large number of World War II veterans that are coming of age to need nursing care and that these needs are being unmet. Representative Braswell asked about the outlay to the private contractor for the homes. Mr. Smith replied that the companies would charge the same whether all the beds are full at first or not. Representative Decker asked why applications cannot be taken ahead of time. Mr. Smith answered that this is being done and once it is full a waiting list is established. Representative Ives asked who is eligible in the State. Mr. Smith replied that anyone who has resided in the State for 24 months, was on active duty and was discharged under honorable conditions. He also replied there are no income limits. Representative Sherrill asked if the General Assembly could change the criteria and Mr. Smith replied that it can. He also said that there is a priority system for wartime veterans and if beds are not used up then spouses or survivors are eligible.**

Representative Ives asked the committee if there were anymore questions. **Representative Decker asked for a schedule of usage for the Freon 12 and a copy of the invoices for purchase. Representative Sherrill asked Mr. Rodewald for additional information on Veterans Affairs and information from South Carolina.** Ms. Martha Glass, Liason for the Governors Office for the Department of Administration thanked the committee for their visit to the Department. Representative Ives asked the committee to take a recess 2:25 PM until the next tour of the Office of the Treasurer at 3:00 PM at the Albemarle Building.

Representative Ives called the meeting to order at the Office of the Treasurer at 3:05 PM. The Treasurer, Mr. Harlan Boyles, invited the committee into the conference room for a presentation before touring the building. Mr. Boyles introduced key members of his department: Doug Chappell, Bob High, Jack Pruitt, Charles Heatherly, Steve Albright, Craig Barfield and Joe Sampson. Mr. Boyles welcomed the committee members and gave an overview of how the department operates. He also said that the State has a net growth of 13 million a day, that debts go through the department and North Carolina is the only state to operate this way. North Carolina has such a good credit rating that loans are made at 15% to 20% lower below others. Mr. Boyles talked about the State Retirement System and it's stability through responsible investing and the escheats growth and that the money collected from abdandoned property is used to underwrite student scholarships totaling 3,000 annually. Mr. Boyles then asked the members to refer to attachments 4 & 5.

Mr. Doug Chappell gave an overview of processed warrants and the automation used to handle the large number of checks. Volume due to the Welfare and Unemployment Systems are the main source of increase and more staff is needed to handle this properly in the future. Mr. Chappell said that volatility in funds due to market changes will be increasing in the future and the trust funds are now required to be reported as fair market

value. Mr. Boyles added that 50% of the trust fund is in stocks and 50% is in bonds and bonds are now as volatile as stocks. Mr. Boyles further remarked that reporting the fair market value will be uncomfortable for them due to accounting changes and the committee should understand that reports will reflect volatility in the market and the administration of these funds will be handled more conservatively.

Mr. Bob High spoke to the committee about the Finance Department: his overview included how the department monitors the finances, gives legislative reports, questions decisions of local level officials and complex financing such as hospitals. He stated that all debt is revenue supported and that the department gets good service in the market for paying debts on time. Mr. High noted that North Carolina has gone from a low to a moderate debt state and no units have been in default since the Great Depression. Mr. Boyles added that it took until 1960 to get a AAA rating back after the Depression. He said that North Carolina carries a debt rate of 81% versus the national rate of 69%. One area of concern he expressed is with Electricities debt. Mr. Boyles concern is how will the State handle the deregulation. **Representative Sherrill said this needs to be addressed and requested a list of cities in the Electricities.**

Mr. Jack Pruitt gave an overview of the Retirement System (see attachment #6). He stated that revenue comes from three sources: employee contributions, investments and employer contributions. Mr. Pruitt also said that an imaging system is being installed for disaster recovery. In the past, eleven employees were cut to save money: however, Mr. Pruitt said in retrospect it was too drastic because the rapidly growing population and services required takes more technical services and space. **Representative Sherrill asked if information was available online. Mr. Charles Heatherly responded that it is on the internet.** Mr. Boyles stated that this is a top priority and the public can access information at libraries, colleges and city or county offices. **Senator Ledbetter asked who selects the mutual funds. Mr. Pruitt replied the Board of Trustees selects the mutual funds and North Carolina has the largest 401K Plan in the nation**. Mr Heatherly said he would like to give a tour of the trading room and complete operations to the committee and that the computer operations will be compliant for the year 2000 by July 1997. He added that this work was done in house. **Senator Ledbetter asked if new equipment was needed to meet the year 2000 requirements and Mr. Heatherly responded that only programming adjustments were needed.** Mr. Heatherly went on to say that their greatest need was getting the eleven positions back and a 6000 to 7000 square foot space to put them. Mr. Bob High said his biggest problem was a 60% turnover in employees because of the low number of applicants due to the low salary grades for these positions. **Representative Sherrill stated that the Office of State Personnel needs to look into salary grades.** Representative Ives agreed and stated that stable employment is especially needed in the Office of the Treasurer.

Mr. Boyles thanked the members for visiting the Office of the Treasurer. He explained that he and his staff had tried to give an overview of the complexity of State Government and how they will have to deal with the volatility of the market and the new reporting methods now required. **Representative McCombs asked how many employees work**

at the Office of the Treasurer. Mr. Boyles replied 232. Senator Ledbetter asked if the State pays commissions on investments. Mr. Chappell responded that they do not trade equities that brokerage firms are contracted to handle trading at 3% -4% and the trading is done within the trust. Representative Sherrill asked how the firms are chosen. Mr. Boyles answered they are chosen through their track records and not through the bidding process. Senator Ledbetter asked what makes up the State Portfolio. Mr. Boyles replied it is 52% fixed income bonds, 47% equity and 1% real estate. In conclusion, Mr. Boyles spoke about the need to consolidate administrative cost.. He also mentioned that he felt it is wrong to tax for a surplus in unemployment tax in reference to the Federal Government Unemployment Trust Fund and that those funds could be held by the State and invested more wisely. Representative Ives thanked the Treasurer for having the committee over for a visit and expressed that some members may want to return before the Short Session begins. The meeting adjourned at 4:50 PM.

Representative William M. Ives
Cochair

Jayne N. Walton
Committee Clerk

att# 1 11-18-97

AGENDA

Joint Appropriations Subcommittee on General Government

November 18, 1997

Chairman: Representative Bill Ives

Room 415, Legislative Office Building

1:00 - 2:30 Discussion of Department of Administration Site Visit

Discussion of Subcommittee Interim Work Plan

Room 100, Albemarle Building

3:00 - 4:00 Overview of the Office of the State Treasurer

Harlan Boyles
Treasurer

Charles Heatherly
Director, Administrative Services

Doug Chappell
Director, Investment Banking Division

Bob High, Director
State and Local Government Division

4:00 -4:30 Tour of the Office of the State Treasurer

AGENDA

Joint Appropriations Subcommittee
on
General Government

November 19, 1997
8:30 a.m. - 4:00 p.m.

Department of Revenue Site Visit

8:30 - 8:45	Meet in Third Floor Lobby of Legislative Office Building
8:45	Walk to Revenue Building
9:00 - 4:00	Overview and Other Matters
	Security Division
	Administrative Services Division
	Accounting Division
	Returns Processing Division
	Planning, Development and Technology (PDT)
	Tax Administration Divisions: Ad Valorem Tax Corporate, Excise and Insurance Tax Personal Taxes Sales and Use Tax Tax Research
	Criminal Investigations Division
	Field Operations: Interstate Audit Tax Division Unauthorized Substances Tax Division
	Tax Compliance Divisions: Motor Fuels Office Examinations Office Services
LUNCH	**Compliments of the Department**

AGENDA

Joint Appropriations Subcommittee
on
General Government

November 20, 1997
9:00 a.m.

9:00	Meet in front of Legislative Office Building on corner of Lane and Salisbury Streets
9:30 -11:30	Tour the Office of the State Controller
	(Plan to have a light Breakfast with Ed Renfrow and) (OSC staff.)

ATT#2 11-18-97

November 12, 1997
Fiscal Research Division

Interim Plan of Work
Joint Appropriations Subcommittee on General Government

In keeping with the discussion on October 21 the subcommittee will divide each monthly meeting among three areas: 1) debriefing sessions (of the previous month's site visit and related issues), 2) reports required or requested by members for subcommittee discussion, and 3) site/agency visits that will involve the fourteen (14) departments or agencies under the auspices of the Joint Appropriations Subcommittee on General Government. The itinerary that follows incorporates required or requested reports during the interim period, site visits requested by the subcommittee in November and December, and visits suggested for the balance of the interim meetings. Attachment I includes the list of required reports that will be scheduled for review throughout the months.

Subcommittee Itinerary

***November* 18-20, 1997**

o Discussion of Department of Administration Site Visit

o Report(s) or Other Issues

o Site Visit(s)

Office of State Treasurer
Department of Revenue
Office of State Controller

December 16-18, 1997

o Discussion of Office of State Treasurer, Department of Revenue, and Office of the State Controller Site Visits

o Report(s) or Other Issues

Performance/Program Budgeting as it Applies to General Government Agencies

Marvin Dorman
State Budget Officer

December 16-18, 1997 (cont.)

Operations of the Low-Level Radioactive Waste Management Board

Walter Sturgeon
Executive Director

o Site Visit(s)

Offices of State Budget and Management and State Planning
Department of Cultural Resources

January 20-22, 1998

o Discussion of Offices of State Budget and Management and State Planning, and Department of Cultural Resources Site Visits

o Report(s) or Other Issues

State Health Plan Purchasing Alliance Board

Bob Joyce
Executive Director

Quality of Services Provided to Taxpayers (G.S. 143B-218.1)

Muriel Offerman, Secretary
Department of Revenue

(This report may be presented during the site visit.)

State Agencies' Accounts Receivable (G.S. 147-86.26)

Ed Renfrow
Controller

o Site Visit(s)

Department of Insurance

February 17-19, 1998

o Discussion of Department of Insurance Site Visit

o Report(s) or Other Issues

o Site Visit(s)

Office of Administrative Hearings
Office of the Governor
Low-Level Radioactive Waste Management Board
Board of Elections

March 17-19, 1998

o Discussion of Office of Administrative Hearings, Office of the Governor, Low-Level Radioactive Waste Management Board, and Board of Elections Site Visits

o Report(s) or Other Issues

Procurement Card Pilot Program

Department of Administration and Office of State Controller

o Site Visit(s)

Office of State Personnel
Department of State Auditor
Department of Secretary of State

April 14-16, 1998

o Discussion of Office of State Personnel, Department of State Auditor, and Department of Secretary of State Site Visits

o Report(s) or Other Issues

Decisions for the 1998 Short Session

Subcommittee

April 14-16, 1998 (cont.)

Feasibility of Consolidating the Budgets and Administration of Federal and State grants for Domestic Violence Programs and Rape Crisis Programs (Section 27, Chapter 443, 1997 Session Laws)

State Budget Office

Study of Department of Revenue Workload Requirements and Recommendations about Staffing for the Department (Section 29, Chapter 443, 1997 Session Laws)

State Budget Office

o Site Visit(s)

Report(s) Due Beyond Interim Period

Administration	Leased Office Space (G.S. 143-341(4) d1) ------	Annually, By May 1
Revenue	Cost of Credits claimed Pursuant to Section 3, Chapter 277, 1997 Session Laws ---	May 1
Cultural Resources	Summary of Activities of the NC Postal History Commission ---	First Report before July 1, 1998; others within 30 days of regular session

att #3 11-18-97

Questions and Issues from the October, 1997 Site Visits of the Department of Administration

Motor Fleet Management

1. How do North Carolina Motor Fleet costs compare with those of other States?

Problems with Cost and Rate Data

Information on Motor Fleet rates and the rates of other states has been provided by Motor Fleet and is listed below. The information provides a rough idea of how Motor Fleet costs compare to other states. However, for a number of reasons, we do not have enough information to make an entirely fair cost comparison:

- *Different states have different rate structures. For example, unlike North Carolina, South Carolina charges a fixed monthly rate in addition to a variable rate based on mileage. And unlike North Carolina, which charges a variety of different rates based on the make and model of the car, some other states have only one or two different rates.*

- *We don't know the age or composition of other fleets. For example, if Virginia has a policy of retiring its vehicles at 50,000 whereas North Carolina retires its cars at 90,000, we would expect Virginia to have higher costs, all other factors being equal. The same would be true if Virginia's sedans were luxury cars.*

- *We don't know which rates represent true costs, and which incorporate subsidies. For example, Motor Fleet does not pay any rent because it operates out of State-owned space. However, if Georgia leases its space, and those leasing costs are passed on to users, we would expect Georgia's rates to be somewhat higher than those of North Carolina.*

Rates By State

In North Carolina, Motor Fleet rates range from 23 cents per mile for a four cylinder sedan to 38 cents per mile for a Suburban. The average rate charged by Motor Fleet is around 25 cents per mile. Cars are billed for a minimum of 1,050 miles each month.

Virginia charges 19 cents per mile for sedans, station wagons and minivans. For cars driven less than 1,315 miles per month, Virginia charges an additional $127 per month and an additional 12 cents per mile.

South Carolina charges both fixed and variable rates that vary by type of vehicle. The rates range from $190 per month plus 12 cents per mile for a compact pick-up truck to $345 per month and 16 cents per mile for a police sedan.

Georgia charges $12.50 per day plus 22 cents per mile for sedans. Mini-vans are charged out at $16 per day and 23 cents per mile.

Tennessee charges $380 per month for full size sedans and $283 per month for compact sedans.

The chart below shows how the various rates of these states compare, assuming an average driving distance of 1400 miles per month.

COMPARISON OF NC MOTOR FLEET RATES WITH THOSE OF OTHER STATES

MONTHLY DRIVING COSTS*

FOUR CYLINDER	
NC Motor Fleet	$322
South Carolina (current)	$358
South Carolina (July, 1998)	$522
Tennessee	$283
FULL SIZE SEDANS	
NC Motor Fleet	$364-$392
Tennessee	$380
MINI-VANS	
NC Motor Fleet	$336
Georgia**	$642
POLICE SEDANS	
NC Motor Fleet	$434
South Carolina (current)	$569
South Carolina (July, 1998)	$750
GENERAL	
NC Motor Fleet average cost of operating all makes, models***	$350
Virginia sedans, station wagons, mini-vans	$266
Georgia sedans**	$630

*Assuming average monthly mileage of 1400.
**Assuming 20 working days per month.
***Based on average cost per mile of 25 cents.

Comparison of 1996 NC Motor Fleet Rates with 1996 Passenger Vehicle Costs Published by American Automobile Association

Dollars per Mile

	Motor Fleet Rates *	AAA Costs **	Adjusted AAA Costs ***
Average for All Vehicles	.24	.43	.34
Ford Taurus	.24	.43	.35

* Costs do not include market lease value of Motor Fleet facility, fuel taxes, vehicle taxes, licenses, registration or financing costs of vehicles. Costs reflect retirement of vehicles after 90,000 miles.

** Costs include licenses, registration, vehicle taxes, fuel taxes, and vehicle financing costs. Costs reflect retirement of vehicles at 60,000 miles.

*** Licenses, registration, vehicle taxes, fuel taxes, and financing costs netted out. Costs reflect retirement of vehicles at 60,000 miles.

2. Why does Motor Fleet prohibit stopping for lunch in a state-owned vehicle?

Motor Fleet prohibits stopping for lunch in a state-owned vehicle only in situations where the employee is not using the vehicle for state business. Motor Fleet has dealt with a number of situations where employees have driven their own car to work, but have driven a state-owned car to lunch in order to save miles on their personal car. The regulation is designed to prohibit this kind of abuse.

3. How does the accident rate among Motor Fleet drivers compare with that of the general population?

According to the Department of Insurance, North Carolina's loss experience and liability rates are less than fifty percent that of the general population. These rates are based on a number of factors, including the accident rate. There are a number of possible reasons that North Carolina State employees have a better accident rate than the general population:

- *The State has relatively few employees that are younger than 25. This age group tends to have a higher accident rate than the general population.*
- *State agencies often have more comprehensive fleet safety policies than do private enterprises.*
- *State vehicles are clearly marked with yellow tags, and employees who drive recklessly face a good chance of being reported.*

To further reduce the State's accident rate, the General Assembly passed legislation (GS 58-31-52) requiring the Commissioner of Insurance to adopt a State motor vehicle safety program that includes:

> *"(1) Basic criteria concerning qualifications, screening, and education of drivers.*
> *(2) Required and prohibited driving practices.*
> *(3) Safety maintenance requirements.*
> *(4) Accident reporting and review procedures."*

The Department of Insurance expects this plan to be published by July, 1998.

Facility Management

4. What does Facility Management use Freon 12 for?

Freon 12 is used primarily in two old chillers at the New Museum of Art. Facility management also uses Freon 12 in walk-in coolers that it maintains, as well as in the refrigerators in the snack bars that it maintains.

Courier Service

5. How does the lost mail rate of the Courier Service compare with that of the US Postal Service?

The Department of Administration reports that the US Postal Service has a lost mail rate of between 1.00% and 1.50%. The Courier Service reports a lost mail rate of about 0.15%.

State Property Office

6. Is the State adequately funding the operations of the Property Office?

State Construction

7. Of the seven managerial positions in the State Construction Office, how many are African-American?

None.

8. Of the 57 total positions, how many are African-American?

Two; one architect and one engineer.

9. Of the projects under design, how many involve African-American owned or women-owned firms?

Of the 1087 projects in design, 69 are with African-American or women-owned firms.

10. What are the comparable numbers for projects under construction?

Of the 343 projects under construction with costs over $100,000, 226 projects involve contractors that are African-American owned or women owned.

Indian Affairs

11. Why aren't more Indians in western counties served by Indian Affairs programs?

The Department of Administration has offered to:

- *consult with the Eastern Band of Cherokee to determine the needs of Indian citizens who reside outside the Cherokee reservation in western North Carolina.*
- *consult with local and state agencies in western North Carolina*
- *prepare a report on the needs and concerns of Indian citizens in western North Carolina*

Youth Advocacy and Involvement

12. How many interns did each university produce last year?

Attachment A on page nine lists the number of interns each university produced in 1996-97. It also lists the ethnic and gender breakdown of the interns.

Veterans Affairs

13. Has Veterans Affairs investigated making benefits information available over the Internet?

Veterans Affairs makes its benefits information available over the Internet at the Web site; http://www.doa.state.nc.us/doa/vets/vahome.htm.

14. How does North Carolina spending on Veterans programs compare with that of other states?

The following operating costs and program data provided by the Department of Administration exclude a number of benefits offered to veterans such as scholarship programs, and state-operated veterans homes. Additional work is needed to compare the level of all services and programs offered to veterans in each state.

State Veterans Affairs Offices
Operating Spending per Veteran
Fiscal Year 1996-97

	Staff	Offices	Annual Operating Expense	Veteran Population	Spending per Veteran
North Carolina	87	19	$3.7 million	710,690	$5.21
Virginia	57	16	$2.4 million	704,650	$3.42
Tennessee	67	16	$2.3 million	516,140	$4.46
Georgia	129	46	$6.0 million	684,600	$8.76

Source: Department of Administration

1996-97 INTERNSHIP PROGRAM

July 1, 1996 - June 30, 1997

A.

Name of School	*Number of Applicants from School*
Appalachian State University	6
Barton College	3
CPCC	2
Campbell University	1
Campbell University School of Law	5
Carteret Community College	1
Catawba College	2
Duke University	5
Duke University School of Law	1
East Carolina University	5
Elon College	1
Gardner-Webb University	1
Hampden-Sydney College	1
Meredith College	3
Methodist	1
Mississippi College School of Law	1
Morehouse College	1
Mount Olive College	3
NCCU	2
NCCU-Law	5
NCSU	9
Queens College	1
Rockingham Community College	1
Salem College	1
Sandhills Community College	1
Smith College Northampton, MA	1
UNC-Chapel Hill	15
UNC-Greensboro	1
UNC-Law	8
UNC-Pembroke	1
UNC-Wilmington	4
University of Illinois, Urbana	1
University of Pennsylvania Law	1
Wake Forest University	2
Wake Forest University Law	1
Western Carolina University	1
Winston-Salem State University	1

B. INTERNSHIP PLACEMENTS

Ethnicity	Number
African American Female	5
Caucasian Female	44
Native American Female	2
Asian American Female	4
Hispanic Female	2
[illegible]rican American Male	5
[illegible]ucasian Male	32
Native American Male	0
Asian American Male	1
Hispanic Male	0
Ethnicity Unknown	5
Summer interns for 1997	100

ELIGIBLE APPLICANTS

Ethnicity	Number
African American Female	23
Caucasian Female	126
Native American Female	2
Asian American Female	5
Hispanic Female	4
African American Male	9
Caucasian Male	91
Native American Male	0
Asian American Male	2
Hispanic Male	0
Ethnicity Unknown	3
Summer interns for 1997	265

State of North Carolina
Department of the Treasurer

HARLAN E. BOYLES
STATE TREASURER

November 17, 1997

325 NORTH SALISBURY STREET
RALEIGH, NORTH CAROLINA 27603-1385

MEMORANDUM

TO: Governor James B. Hunt, Jr.
Members of General Assembly
Council of State Members and Governor's Cabinet

FROM: Harlan E. Boyles

SUBJECT: $250,000,000 State of North Carolina Highway Bonds, Series 1997A (General Obligation)
Sale Date: November 5, 1997 - 11:00 a.m. - Public Offering
Winning Bid: 4.7643% submitted by a national syndicate headed by Smith Barney, Inc.

It is my privilege to inform you of a most successful sale of the referenced highway bonds and of the affirmation of North Carolina's Triple-A credit rating by all three national bond rating agencies. North Carolinians can take pride in the fiscal leadership provided over the years by Legislative and State government officials and employees. Without their efforts such a successful sale would not have been possible.

The interest rate of 4.76% on this bond sale is well below the national average rate on tax-exempt bonds as reflected in the Bond-Buyers Index of 5.35%. The rate differential yields a savings of over $12 million in reduced interest payments for the taxpayers of North Carolina.

The single most important factor in determining the applicable interest rate on a bond issue is the credit worthiness of the issuer as determined by the national rating agencies. These independent agencies analyze the financial and economic characteristics of the prospective issuer and thus award a rating based on their analysis. The coveted Triple-A rating is awarded only to those governments that have a history of exemplary budgetary control and financial management and that display an ability to sustain a strong and diverse economy. Approximately 50 governmental units in the entire United States have been able to achieve the Triple-A status. The rating agencies acknowledged the State's excellent credit history and financial standing, as reflected in the following excerpts from their news releases:

Fitch: "Economic performance remains favorable in North Carolina. Employment has gained each year since 1992, with recent increases in the 2.0% range. Diversification continues with noticeable expansion in the services and finance, insurance and real estate areas."

Standard & Poor's: "An expanding economy, coupled with permanent revenue enhancements, allowed the State to make significant progress toward rebuilding its financial position in fiscal 1992 through 1996. Despite

[more]

the adoption of a comprehensive tax reduction package in 1995, overall revenue growth and financial performance remains strong."

Moody's: "The assignment of the Aaa rating reflects North Carolina's growing and diverse economy, long-standing sound financial operations, and conservative debt policy. ..... The State's below average business costs, its status as the center of banking in the south, the presence of ... prestigious state universities, a strong durable manufacturing sector, diverse agriculture, and access to ports for exports and commerce are all benefits that contribute to North Carolina's economic strength.

Reporting good news is always a pleasure, but as State Treasurer I have a duty to keep you informed of any concerns that were expressed to us by the rating agencies. All of the agencies questioned the late adoption of the budget well after the beginning of the fiscal year. S&P stated in their news release: "The State's $24 billion 1997-1999 general fund budget was passed nearly two months late as considerable time was spent debating new program initiatives and use of surplus revenues generated in fiscal 1997. ... Standard and Poor's would expect the State to return to a more timely adoption of its budget in the future."

The rating agencies also made note of the rapid increase in debt levels in the past few years. Even though the current debt level is reasonable and manageable, it should be remembered that we have been in one of the longest economic expansion periods in history. Debt service payments are fixed; and therefore, reduce the level of flexibility the State has to deal with periods of economic stress. Standard and Poor's in assigning a stable outlook to North Carolina's Triple-A rating stated: "The outlook reflects Standard and Poor's expectation that North Carolina's economy will continue to expand and that the State will exercise budgetary discipline to maintain strong financial operations, reserve levels, and financial flexibility."

North Carolina's Triple-A credit rating also provides the prerequisite for the prestigious rating (by at least one national service) for ten units of local government — more by far than any other state. In fact, counting the State itself, over 20% of all Standard & Poor's Triple-A's nationwide are in North Carolina. Again, read the list:

Charlotte
Durham
Durham County
Forsyth County
Greensboro
Mecklenburg County
Raleigh
Wake County
Winston-Salem
Durham and Wake County Special Airport District

The General Assembly is to be commended for actions taken to restore the fiscal soundness of our State government since the early 1990s, when several belt-tightening measures were needed to maintain the fiscal integrity and to keep the budget balanced. We pledge to continue our effort to assure that North Carolina maintains its strong financial position and the resulting Triple-A credit rating that this State has earned. For further information, please feel free to contact Deputy Treasurer, Robert M. High, (telephone 919/733-3064).

In North Carolina, leadership is a tradition.

[more]

THE STATE OF NORTH CAROLINA BONDED INDEBTEDNESS

As of 6/30	Bonds (General Fund)	Bonds (Highway Fund)	Bonds (Total)
1991	$ 441,378,902	$148,635,000	$ 590,013,902
1992	548,678,902	118,695,000	667,373,902
1993	493,678,902	87,055,000	580,733,902
1994	936,191,005	55,285,000	991,476,005
1995	990,245,681	29,445,000	1,019,690,681
1996	940,252,373	4,895,000	945,147,373
1997	1,508,215,259	-0-	1,508,215,259
At 12/31/1997	1,486,740,259	250,000,000	1,736,740,259

Prior Bond Sales—

01-19-94 $400,000,000 Capital Improvement Bonds, Series 1994A, 11.86 years average maturity, 4.7065% net interest cost. Bond Buyer's Index (national): 5.31%.

09-28-94 $40,000,000 Clean Water Bonds, Series 1994A, 12.17 years average maturity, 5.7564% net interest cost. Bond Buyer's Index (national): 6.37%.

10-19-94 $20,000,000 Clean Water Bonds, Series 1994B, 3.58 years average maturity, 4.8190% net interest cost. Bond Buyer's Index (national): 6.44%.

05-31-95 $60,000,000 Clean Water Bonds, Series 1995A, 12.50 years average maturity, 5.2062% net interest cost. Bond Buyer's Index (national): 5.83%.

06-21-95 $25,000,000 Clean Water Bonds, Series 1995B, 2.92 years average maturity, 4.2668% net interest cost. Bond Buyer's Index (national): 5.86%.

01-15-97 $195,000,000 Capital Improvement Bonds, Series 1997, 11.25 years average maturity, 5.0806% net interest cost. Bond Buyers Index (national): 5.71%.

03-05-97 $450,000,000 Public School Building Bonds, Series 1997A, 11.58 years average maturity, 5.1695% net interest cost. Bond Buyer's Index (national): 5.65%.

11-05-97 $250,000,000 Highway Bonds, Series 1997A, 8.50 years average maturity, 4.7643% net interest cost. Bond Buyer's Index (national): 5.35%

PER CAPITA STATE INDEBTEDNESS

As of 6/30	Population	Outstanding Debt	Debt Per Capita
1991	6,753,728	$ 590,013,902	$ 87.36
1992	6,840,455	667,373,902	97.56
1993	6,960,110	580,733,902	83.44
1994	7,078,819	991,476,005	140.06
1995	7,202,796	1,019,690,681	141.57
1996	7,323,085	945,147,373	129.06
1997	7,436,690	1,508,215,259	202.81
At 12/31/1997	7,436,690	1,736,740,259	233.54

BONDS AUTHORIZED

Purpose	Date Approved	Authorized
Schools	November 5, 1996	$1,800,000,000
Highway	November 5, 1996	950,000,000
Total		2,750,000,000
Less: Bonds Sold		700,000,000
Bonds Authorized and Unissued		$2,050,000,000

Note: Bonds authorized and unissued will likely be offered $450,000,000 in the first quarter of 1998, $700,000,000 in fiscal 1998, $700,000,000 in fiscal 1999, and $200,000,000 in fiscal 2000.

Bonded Indebtedness

ANNUAL DEBT SERVICE REQUIREMENTS AS OF DECEMBER 31, 1997:

Fiscal Year	GENERAL Existing Debt Principal	GENERAL Existing Debt Principal & Interest	HIGHWAY Existing Debt Principal	HIGHWAY Existing Debt Principal & Interest	TOTAL Existing Debt Principal	TOTAL Existing Debt Principal & Interest
1997-98	$ 69,259,916.30	$ 107,112,630.00	$	$ 5,841,462.50	$ 69,259,916.30	$ 112,954,092.50
1998-99	90,777,302.30	161,842,882.50	16,675,000	28,357,925.00	107,452,302.30	190,200,807.50
1999-00	90,604,115.30	157,198,680.00	16,675,000	27,607,550.00	107,279,115.30	184,806,230.00
2000-01	90,554,771.60	153,069,800.00	16,675,000	26,857,175.00	107,229,771.60	179,926,975.00
2001-02	90,574,167.30	148,550,920.00	16,675,000	26,106,800.00	107,249,167.30	174,657,720.00
2002-03	90,552,158.00	143,976,180.00	16,675,000	25,356,425.00	107,227,158.00	169,332,605.00
2003-04	90,388,448.80	139,504,180.00	16,675,000	24,606,050.00	107,063,448.80	164,110,230.00
2004-05	90,737,952.60	135,532,740.00	16,675,000	23,855,675.00	107,412,952.60	159,388,415.00
2005-06	90,580,431.80	131,035,630.00	16,675,000	23,105,300.00	107,255,431.80	154,140,930.00
2006-07	90,425,722.90	126,526,580.00	16,675,000	22,354,925.00	107,100,722.90	148,881,505.00
2007-08	90,470,014.55	122,213,760.00	16,675,000	21,604,550.00	107,145,014.55	143,818,310.00
2008-09	84,315,257.30	111,661,110.00	16,675,000	20,837,500.00	100,990,257.30	132,498,610.00
2009-10	77,000,000.00	98,735,750.00	16,675,000	20,003,750.00	93,675,000.00	118,739,500.00
2010-11	77,000,000.00	94,872,750.00	16,675,000	19,170,000.00	93,675,000.00	114,042,750.00
2011-12	77,000,000.00	91,009,750.00	16,675,000	18,336,250.00	93,675,000.00	109,346,000.00
2012-13	69,500,000.00	79,632,750.00	16,550,000	17,377,500.00	86,050,000.00	97,010,250.00
2013-14	49,000,000.00	55,612,000.00			49,000,000.00	55,612,000.00
2014-15	49,000,000.00	53,065,000.00			49,000,000.00	53,065,000.00
2015-16	26,000,000.00	27,517,000.00			26,000,000.00	27,517,000.00
2016-17	3,000,000.00	3,157,500.00			3,000,000.00	3,157,500.00
	$1,486,740,258.75	$2,141,827,592.50	$ 250,000,000	$ 351,378,837.50	$1,736,740,258.75	$2,493,206,430.00

Note: Includes $250,000,000 Highway Bonds, Series 1997A sold on November 5, 1997, and scheduled for delivery on November 20, 1997, but does not include $2,050,000,000 authorized but unissued debt.

SUMMARY OF STATE AND LOCAL GOVERNMENT DEBT AND AUTHORIZATIONS AT JUNE 30, 1997[1]

	General Obligations							
	Bonds	Literary Fund Loans	Bond Anticipation Notes	Total	Non-General Obligation Bonds	Industrial Revenue Bonds	Total Indebtedness	Authorized and Unissued Bonds
State	$ 1,508,215,259	$ 0	$ 0	$ 1,508,215,259	$ 0	$ 0	$ 1,508,215,259	$ 2,300,000,000 [2]
State Authorities and Institutions	0	0	0	0	10,431,382,287	9,590,550	10,440,972,837	0
Total	$ 1,508,215,259	$ 0	$ 0	$ 1,508,215,259	$10,431,382,287	$ 9,590,550	$ 11,949,188,096	$ 2,300,000,000 [2]
Counties	$ 3,377,801,359	$ 373,550	$ 17,720,000	$ 3,395,894,909	$ 1,342,490,327	$ 0	$ 4,738,385,236	$ 680,547,000
Municipalities	2,350,945,314	0	12,609,000	2,363,554,314	1,616,924,734	0	3,980,479,048	881,224,700
Districts	202,138,688	0	32,481,600	234,620,288	101,916,827	0	336,537,115	133,795,500
Authorities	0	0	0	0	875,403,220	1,904,565,065	2,779,968,285	0
Total	$ 5,930,885,361	$ 373,550	$ 62,810,600	$ 5,994,069,511	$ 3,936,735,108	$ 1,904,565,065	$ 11,835,369,684	$ 1,695,567,200
Grand Total	$ 7,439,100,620	$ 373,550	$ 62,810,600	$ 7,502,284,770	$14,368,117,395	$ 1,914,155,615	$ 23,784,557,780	$ 3,995,567,200

[1]Outstanding bonded indebtedness above does not include the bonded indebtedness for which funds have been escrowed from advance refunding proceeds or other sources to cover the debt.

[2]Balance of an $2,750,000,000 bond authorization approved by the voters at a referendum on November 5, 1996, including $250,000,000 Highway Bonds sold on November 5, 1997.

11-18-97 att# 5

Department of State Treasurer
Program Performance Measures
Fiscal Years 1994-95 to 1996-97

	1994-95	1995-96	1996-97
Departmental Administration(Funds 1110 and 1120)			
General Departmental Administration Costs as a percent of total Departmental Expenditures	6.8%	6.5%	6.1%
Escheats Administration(Fund 1130)			
Dollar amount of property escheated per employee	$1,094,620	$1,344,727	$1,248,174
stment Management (Fund 1210)			
Ratio of cost of administration of the portfolios to the Investment Earnings	0.10%	0.10%	0.10%
Banking Operations(Fund 1220)			
Number of warrants processed per employee	1,700,000	1,700,000	1,800,000
Local Government Operations (Fund 1310)			
Value of bonds and notes sold per employee	$47,100,000	$96,200,000	$124,200,000
Retirement Operations (Fund 1410)			
Number of members per employee	4,369	4,950	5,251

11-18-97 att # 6

Honorable Members:

The Retirement Systems Division of the Department of State Treasurer administers the statutory retirement and fringe benefit plans, as authorized by the General Assembly of North Carolina, which cover the State's public employees. The administration of the several retirement systems requires a high level of fiduciary responsibility for the employees' trust funds with prudent, honest and efficient use of employees' and taxpayers' contributions. The public purpose of the existence of retirement systems and benefit plans is to recruit and retain competent employees for a career in public service, by providing a replacement income for retirement, disability, or at death, for an employee's survivors.

Our goal in the Retirement Systems Division is to administer in an effective and efficient manner the public employee retirement systems and other fringe benefit programs assigned to the department.

FRINGE BENEFIT PROGRAMS ADMINISTERED ARE:

- Teachers' and State Employees' Retirement System
- Local Governmental Employees' Retirement System
- Consolidated Judicial Retirement System
- Legislative Retirement System and Legislative Fund
- Firemen's and Rescue Squad Workers' Pension Fund
- Supplemental Retirement Income Plan [401 (K)]
- Disability Income Plan/Teachers and State Employees
- Public Employee Death Benefit Trust
- National Guard Pension Plan
- Registers of Deeds Supplemental Pension Plan

Total Monthly Benefits Paid by Division

1993	$ 986.1
1994	1,093.3
1995	1,210.0
1996	1,336.1 [+35%]

Membership

(State - Local - Judicial - Legislative - Fire - Rescue)

		Active	Retired
	1993	367,771	104,665
	1994	375,456	109,511
	1995	399,832	114,967
[+10%]	1996	404,816	120,256 [+15%]

Active membership (i.e. members not in receipt of a benefit) of the Pension System is assumed to grow at twice the rate of growth of governmental employment in North Carolina, which itself is assumed to grow at the same rate as the general population. Retired membership is assumed to grow at the historic rate of 7 percent per annum.

All Retirement Systems	1996-97	1995-96	1994-95
Net Assets (at book value)	$31.7 billion	$29.2 billion	$26.7 billion
Total Revenues	3.7 billion	3.9 billion	3.4 billion
Total Expenditures	1.5 billion	1.3 billion	1.2 billion

We operate on a receipt basis with our revenues coming from three basic sources:

Employee Contributions
Employer Contributions, and
Investment Income

During the past three years, investments have produced approximately 63% of total income.

As our membership continues to grow, our ability to serve their demands diminishes. Technology has helped us greatly as we attempt to respond to some 5,000 inquiries per week. For example, we are implementing a new electronic document management system (imaging system).

The objectives of the new imaging system are to increase efficiency by streamlining workflows, decrease processing errors, minimize any misfiling of records, reduce storage space, allow more than one employee to work with a member's or retiree's record at the same time, improve file management and security, and reduce file access time. An additional objective of the imaging system is to provide adequate disaster recovery.

As we progressed with our implementation of the imaging system, we cut 11 positions from our staff. This was based on the best advise available but was, frankly, too bold.

As a result of adverse court decisions which caused us to have to recalculate thousands of benefits, natural growth in membership, ever increasing demands by the public for more information, and more instantaneous service, we find it difficult to keep up with the volume of work required of us. Another adverse factor is the aging of our membership and the rapid growth of the number of our retired constituents. This segment of the population requires more service - more service means more personnel and more technological capabilities - which mean more space requirements - all of which, of course, will require more operating capital in the future.

11-18-97 att#7

Executive Summary

State Treasurer's Annual Report (FY 1996-97)

North Carolina's long history of good financial stability continued steady on the course during the 1996-97 fiscal year. The State's strong balance sheet is the result of both a strong economy and prudent management of our financial resources.

Many good things could be said about our excellent financial status but nothing says it better than our Triple-A credit rating. The fact that North Carolina is one of only six states to have a Triple-A credit rating is significant, as is the fact that we are among an elite of only four states to have maintained a Triple-A credit rating continuously for three decades. In addition to the honor it represents, our Triple-A credit rating saves North Carolina taxpayers well over $150 million a year.

North Carolina has enjoyed a long history of progressive State government which is responsive to the needs of our people. We have an outstanding system of higher education, both public and private. Our public schools are adapting to the changing needs of our society and are improving. State government is becoming more efficient. Our public highway system is without peer. The private sector continues to prosper and expand.

The State Treasurer is the trustee and custodian of the people's money. In that role, as keeper of the public purse, it is the Treasurer's primary duty to ensure that public funds are spent for the lawful purpose for which they are intended. I am especially proud of our long record of responsible stewardship. Earnings from the trust funds under management by the Treasurer totaled $3.2 billion during Fiscal Year 1997 and exceeded the State's share of sales tax collections. The market value of all assets under management now exceeds $50 billion and has doubled in the past five years.

Serving the people well and wisely continues to be our number one priority.

Sincerely,

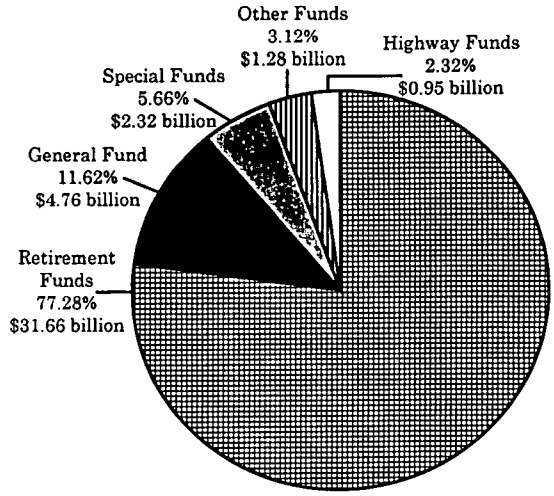
Harlan E. Boyles
State Treasurer

Department of State Treasurer
Investment Pool
Statement of Assets at Book Value
June 30, 1997

(000 omitted)

Investments	Cash Management Program	Trust Funds Investment Program	Total
Money Market Securities (Repos & CD's)	$ 96,896	$	$ 96,896
US Treasury and Agency Securities (Notes & Bonds)	7,768,427	11,775,946	19,544,373
Corporate and International Securities (Bonds)	4,909	9,120,713	9,125,622
Equity Securities (through Trust Fund Participation)		10,487,230	10,487,230
Investment in Trust Funds	758,311	423,866	423,866
Investment in Partnerships		35,220	35,220
Total Investments	$ 8,628,543	$31,842,975	$40,471,518
Cash	58,968		58,968
Net Other Assets	-351,808	721,704	369,896
Total Net Investment Pool Assets	$ 8,335,703	$32,564,679	$40,900,382

Investment Pool Ownership
Fiscal Year 1996-97



"In North Carolina, we have made a habit of good government."
Edwin M. Gill
State Treasurer, 1953-1976

Department of State Treasurer, 325 North Salisbury Street, Raleigh, NC 27603-1385 (919) 733-3951

Highlights

Treasurer

The Treasurer is the State's banker and chief financial officer. He receives and disburses all State funds. He also manages the trust funds which have been set aside for a variety of specific purposes. North Carolina's State Treasurer has more constitutional and legislatively assigned duties than any other public official except for the Governor.

The Treasurer serves on more State boards and commissions than any other elected official. Many of these assignments are mandated by the Constitution and legislation because the Treasurer can accurately report the financial condition of the State and advise agencies pertaining to matters of finance. Among the boards and commissions on which the Treasurer serves are the following: Council of State, State Board of Education, Board of Community Colleges, and as Chairman and presiding officer of the Local Government Commission, Tax Review Board, Banking Commission and Teachers' and State Employees' Retirement System.

Cash Management

In Fiscal 1997, the State Treasurer's Office managed a budgetary cash flow of $22.0 billion. Some 3 million transactions, totaling more than $5 billion, were made electronically.

Investment management

Assets under management totaled $41.0 billion at book value ($50.5 billion market value). This total represents the financial assets of the several retirement systems, other trust funds and the General and Highway Funds. Earnings from all funds managed by the Treasurer during Fiscal 1997 totaled $3.1 billion, exceeding the State's share of the sales tax.

Earnings from the Cash Management Program, which consists of those funds subject to disbursement upon the presentation of valid warrants, totaled $490.2 million, representing a net realized cash return of 6.43%

Earnings from the Trust Funds Investment Program was almost $2.7 billion, representing a net realized cash return of 8.90%.

Debt Management

The Treasurer issues and manages all State debt secured by a pledge of the taxing power of the State.

Bond Rating

North Carolina continues to maintain its Triple-A credit rating, the highest awarded, which saves taxpayers some $150 million each year in lower interest costs.

As of June 30, 1997, North Carolina's outstanding bond indebtedness totaled $1.5 billion. Interest on outstanding bonds totaled $50 million. Total outstanding debt by the State, state authorities, counties, municipalities, and other units of local government was $23.8 billion. In addition, there were $4.0 billion in authorized but unissued State and local bonds.

State and Local government bonds were sold competitively totaling $1.2 billion with rates averaging 57 basis points under the national Bond Buyer's Index, representing a reduction in interest costs of $72.3 million.

Local Government

Through the Local Government Commission, the Treasurer monitors and assists local units of government in their programs of fiscal management. Assistance is provided in establishing and operating accounting systems, internal controls, cash and investment management, budget preparation, risk management, capital planning and changes in laws and regulations. On-site assistance is provided as needed.

Each unit of local government is required to adopt a balanced budget for each fiscal year which begins July 1.

Retirement Systems

The Treasurer's Office administers the public employee retirement systems which as of December 31, 1996 included accounts for 404,816 currently employed state and local government employees. Monthly pension payments to the 131,562 retired recipients total $129.8 million.

Unclaimed Property

Escheated and unclaimed property managed by the Treasurer totaled $165.5 million. Earnings from these funds amounted to $11.7 million that resulted in 3,322 loans by the State Education Assistance Authority to worthy and needy students attending State supported institutions of higher learning, including community colleges.

Internet Site

The Treasurer's Office maintains a home page on the World Wide Web which can be reached at: http://www.treasurer.state.nc.us

VISITOR REGISTRATION SHEET

General Government — Nov 18, 1997
Name of Committee — Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Daniel Willis	DOA - Motor Fleet Management
John Massey	D.O.A Motor Fleet & Courier Services.
Joe Henderson	DOA - State Property Office
Gwen Canady	OSC
Leonard Allen	Secy. of State
Mary F. Smith	DOA / Veterans Affairs
Roz Savitt	NC Coalition Against Domestic Violence
Kenneth Williams	DOA
Gida A. Mays	DOA / Youth Advocacy & Involvement
Martha Glass	DOA
Heather Lail	OSA
Vicky Young	DOA / CFW
Sparte Flerry	State Const. Office
Alice Thorpe	State Const. Office
David McCoy	DOA
Greg Richardson	Dept - Indian Affairs
Renee' Vance	DCR
Willie Riddick	DOR
Dawn Arnold	SEANC
Carl Goodwin	OSP

MINUTES

Joint Subcommittee on General Government

November 19, 1997

The Joint Subcommittee on General Government went on an on site tour of the Department of Revenue on November 19, 1997 at 9:00 AM. Representative Ives (Cochair) presided and Representatives McCombs (Cochair), Sherrill (Cochair), Creech (APPROPRIATIONS Cochair), Braswell, Decker and three Senators attended.

Representative Ives called the meeting to order at 9:15 AM and turned the meeting over to the Secretary of Revenue, Ms. Muriel Offerman. Secretary Offerman welcomed the committee , gave out an agenda for the day (attachment #1) and then presented the "Report on Quality of Taxpayer Services" (in compliance with G. S. 143B-218.1) that generally is heard by the Joint Legislative Commission on Governmental Operations (see attachment #2). Ms. Offerman then referred the committee back to attachment #1 and started a presentation of the different departments within the DOR. A common theme throughout the site visit was the need for more employees and higher pay grades to keep them.

Assistant Secretary Mr. Dewey Sanders of Field Operations spoke about the problems concerning collections. Representative Ives asked if they freeze bank accounts during an investigation. Mr. Sanders replied that they can levy against accounts or garnish wages. Representative Decker asked if the DOR is following changes the IRS is implementing by not taking assets until the person or company is proven guilty. Mr. Sanders responded that this was already a policy before the recent IRS policy. **Representative Decker asked for more information about the shift in the burden of proof. Mr. Bernice Thomas said that a report will be released on the IRS soon and he will get it for the members as soon as available.** Representative Ives commented that many times the liabilities have stacked up before the DOR can get to them and that a big complaint is knowing of some people who do not pay their taxes. Mr. Sanders answered that they have 40-60 auditors monitoring 300 million taxpayers, but compliance increases through taxpayer education. Representative Sherrill asked if they have a hotline and Ms. Offerman replied that they do. Mr. Thomas said the DOR gets good leads from the fraud hotline. Representative Decker asked about sales tax on out of state mail orders and expressed that a law was needed to levy sales tax on these businesses. Ms. Sabre Faires responded that to collect sales tax in North Carolina, the company must have a store in the state and the Direct Marketing Association is meeting with DOR in December to work on agreements concerning audits with other states. Representative Decker asked if

the law is strong enough. Ms. Faires answered that the Supreme Court ruling does not give states the jurisdiction to collect these taxes.

Mr. Michael Boone spoke to the committee about the DOR Planning Process (see attachment #3). **He referred to the IRC Report during his presentation.** Senator Lucas asked where in the process did he reevaluate. Mr. Boone replied that changes are imbedded in the process in the evaluation model. Representative Sherrill asked if this was incorporated in the TQM program. Mr. Mike Hodges then gave an overview of what the tour would consist of and invited everyone to take a coffee break before the tour began

The tour of the divisions of the DOR went in the order of the agenda listed on pages 1 and 2 of attachment #1. The tour began with the Security Division and Mr. Mike Sumner gave an overview of the building security.

The tour then moved on to the Administrative Services Division and Mr. Tom Lamar talked to the committee about the mail room and then moved on to the print shop. Senator Lucas asked how much a bar coder costs and Mr. Lamar responded they cost $400K. Mr. Doug Whitfield answered questions about the efficiency of the print shop. Senator Lucas asked if maintenance was done in house and a staff person replied that they have service agreements. Representative McCombs asked if any printing is done out of house and Mr. Whitfield responded that only the income tax booklet and witholding tax forms are printed out of house. **Senator Page asked how much is saved this way and Mr. Whitfield did not have the figures; however, he added that DOR is rated second in printing cost efficiency.**

Mr. Keith McCombs gave a tour of the Accounting Division. He talked to the members about the operations of the division and said that 400 temporary employees are hired each year of which many are retirees starting second careers. Senator Ledbetter asked who chooses the banks they use. Mr. McCombs answered the Office of the Treasurer selects the banks. Mr. McCombs gave an overview of the department job positions and said that they take in 26,000 payments a day and 14.6 billion dollars last year. Representative Decker asked how many of these checks are deposited in North Carolina in a day. Mr. McCombs answered 26,000. He added that checks are deposited in three ways: by automated process, by mixed pocket and by electric transfer that account for 50% of the checks. Senator Lucas asked why the banks were not used to encode the checks and Mr. McCombs replied that by purchasing their own encoder it had saved the State enough money to pay for the equipment within 27 months.

Mr. Ed West, Director of the Returns Processing Division gave an overview of the employees in this division: 200 full time and 175 temporary. He said they utilize the retiree pool. Representative Decker asked how much they pay temporaries. Mr. West answered $6.50 an hour to start and $6.75 after 12 months. He then moved on to the data entry division and said it is hard to recruit for this area and 15,000 hours of overtime was

used in the division last year. **Representative Sherrill asked for more information on how many positions there are and how many are open.** She also asked what the turnover rate is and Mr. West said it is high. Representative Braswell asked if DOR can contract employees and Mr. West said yes but it is hard to do. Representative Sherrill asked if they would need to change with new technology. Mr. West replied yes that EDI and Imaging were in the future. Representative Sherrill asked if DOR will have to change it's form and Mr. West replied that they would. Representative Braswell asked if employees have an incentive to perform at a higher level. Mr. West replied no. Mr. West then took the committee to the Central Files Division. Representative Braswell asked how hard it is to transfer from one department to another. Mr. West answered that to transfer employees they would have to pass a typing and key test and most cannot pass the test. Representative Braswell asked if there is a training room to train employees and Mr. West replied that there is not.

Zieg Miller, Assistant Secretary of Planning, Development and Technology lead the committee on a tour through the computer area of DOR. He introduced Rachel Eagles, Director of Technology Services. Mr. Miller then gave an overview of the technical support areas and introduced Joe Tetro who lead a tour of the computer room. He pointed out the old IBM 4381 computer and then showed the committee the new HP client server. Mr. Tetro said that the new server had saved the State money on electricity and maintenance from $2000 to $70 a month on electricity and $8000 to $800 on maintenance.

The Secretary of Revenue then invited the committee back to the board room for a working lunch. Mr. Miller and the Secretary Offerman talked to the committee about the budget problems they will be facing concerning the year 2000 conversion. **Mr. Miller stated that on March 31, 1997 the vendor will no longer support the system because it will be non-compliant. Secretary Offerman said that the money for this conversion was not included in the 1997-1998 budget request because they did not know that they were non-compliant because the vendor did not tell them until August of 1997. Representative Braswell asked in they would be coming to the General Assembly for the funds in 1998. Mr. Miller said they would.** Representative Creech asked how much of the work can be done in house and can they automate at the same time. Mr. Miller said most of it can be done in house and they can automate at the same time. Senator Ledbetter asked if they take competitive bids and Mr. Miller replied they have one vendor. Representative Sherrill asked if they have investigated what other states are doing and Mr. Miller said that Secretary of Commerce Norris Tolson's committee is doing that. Mr. Miller said the DOR is talking to other customers to get information, not just vendors. **He also added that this year 2000 conversion must be completed by the end of 1998 to be able to test the system.** Representative Ives asked if they can integrate the system while programming for the year 2000 and Mr. Miller said they can. **Representative Sherrill asked what they are doing for revenues for the year 2000 now and Mr. Miller replied that they have gone to the Year 2000 Steering Committee.**

Mr. Jimmy Cooke, Director of Office Services Division, spoke briefly about Business Process Reengineering. He said that they had streamlined the division from 22 hands to 4 hands for a quicker, more efficient process for the public.

Secretary Offerman introduced Assistant Secretaries Mike Hannah and Sabre Faires who then lead a tour of the Tax Administration and Legal and Financial Services departments. Ms. Faires introduced Mr. Bill Wilkes of the Ad Valorem Tax division and he gave an overview of the duties and functions performed there. Representative Braswell asked if they collect from the counties for services rendered. Mr. Wilkes replied that they do not and Ms. Faires added that there is a local reimbursement through taxes.

Mr. Jack Harper of Corporate, Excise and Insurance Tax was introduced and gave an overview of the department. Mr. Harper said their main function is to administer the tax laws fairly. Representative Ives asked if the corporate tax payers are still investigated less often than the individual taxpayer. Mr. Harper responded that the largest schedule is still the corporate taxpayer. Senator Lucas asked what barometers do they use for investigation and Mr. Harper replied they use Peat Marwick.

The committee moved on to the Personal Tax Division and Ms. Nancy Pomerantz talked to the members about their duties. She said they handle protests, form designs and interpret tax laws.

Mr. Charles Collins spoke about the Sales Tax Division. **Representative Ives asked what the biggest problems are within his division. Mr. Collins answered there are more and new problems constantly some of which are: personnel, pay per view and complexity of exemptions in the sales tax.**

Ms. Saber Faires gave an overview of the Tax Research Division and the impact of tax changes on revenue that the fiscal analysts have been working on.

The Criminal Investigations Divisions was next on the tour. Mr. Tom Dixon gave the committee a history of the Governor's Crime Commission. He said most agents have 3 years auditing experience and have Federal Law Enforcement training. Mr. Dixon said most cases are referred to them from the Field Operations Department. He also said that 50% of the hotline calls are written up. He further explained that his division does not go after the little people, only the criminal cases and they have a conviction rate of 99.2%. Representative McCombs asked why the DOR only prosecutes in Wake County. Mr. Dixon replied they get better judgments in Wake County due to the large pool of experienced judges. Representative McCombs pointed out that this way the counties where the case was discovered lose the fines collected. Mr. Dixon replied that the fines do not go back to the counties. Representative Sherrill asked if the hotline number is listed in every phone book in the State and Mr. Dixon said it is. Representative Braswell asked if Mr. Dixon's division is involved with drug cases with substantial assets seized and the sale of the property. Mr. Dixon responded that would be handled in the

Controlled Substance Tax Division. Representative Braswell asked if the drug fines go back to the county where the drugs were seized and Mr. Dixon replied yes.

Mr. Dewey Sanders of the Field Operations Divisions spoke with the committee about the need in his division for more personnel. He talked about the interstate positions, personnel needs and salaries connected with these positions. **Representative Braswell asked for more information regarding revenues generated by interstate audit positions including the individual cost per auditor, their expenses and the revenue each auditor generates.**

Mr. Benny Tippett of Field Examinations talked with the committee members about problems concerning the ever increasing tax base, new businesses and the number of auditors decreasing. Representative Ives asked what percentage of businesses get investigated. Mr. Tippett responded 1% of the tax registrations.

Mr. Bernice Thomas gave an overview of the Tax Compliance Division and introduced Mr. Robert Beck who gave a history of the fuel tax and the Motor Fuel Compact. **Senator Lucas asked for figures pertaining to the collection of revenues and refunds before joining the Motor Fuel Compact as well as after joining the compact.**

Mr. Rich Riddle gave an overview of the Unauthorized Substance Tax Division. He stated they also collect the liquor tax. Representative McCombs asked if they find many stills in the State. Mr. Riddle replied yes and 95% are found in Johnston County. He added that the State only has 10 agents for this division. Mr. Riddle also said that the fiscal assessments have increased including the costs associated with employees and they are stretched at the present. He said defense attorneys are causing a problem because they object to the assessment of 10% and this makes it a long process along with pre-case conferences, witness briefings and final hearings: this all creates a great deal of paperwork. Representative Sherrill asked if any mediation is used in the field. Mr. Riddle replied no. Representative Ives asked if a case is dismissed, does the State give the money back. Mr. Riddle said most times the case is plea bargained and would still be taxed: only in a verdict of not guilty would they look into giving the money back.

As the tour continued Representative Ives asked if the State DOR pays interest on refunds. Mr. Reggie Hinton replied it does pay 5% from 45 days after the due date. The next division toured was Office Services with Mr. Jimmy Cooke. Mr. Cooke gave an overview of the duties and responsibilities within the division. He said 18 people are handling 68% of the correspondence. Mr. Cooke spoke about how electronic filing had been helpful. **He added that bankruptcies had increased 85% since 1991.** Representative Ives asked if bankruptcy eliminates state tax. Mr. Cooke said the DOR in is line behind the IRS so many times it does.

Secretary Offerman thanked the committee for taking the time to come visit the Department of Revenue and for being supportive. **Senator Lucas asked for the Tax Research Report since the committee did not hear from them.** Representative Ives

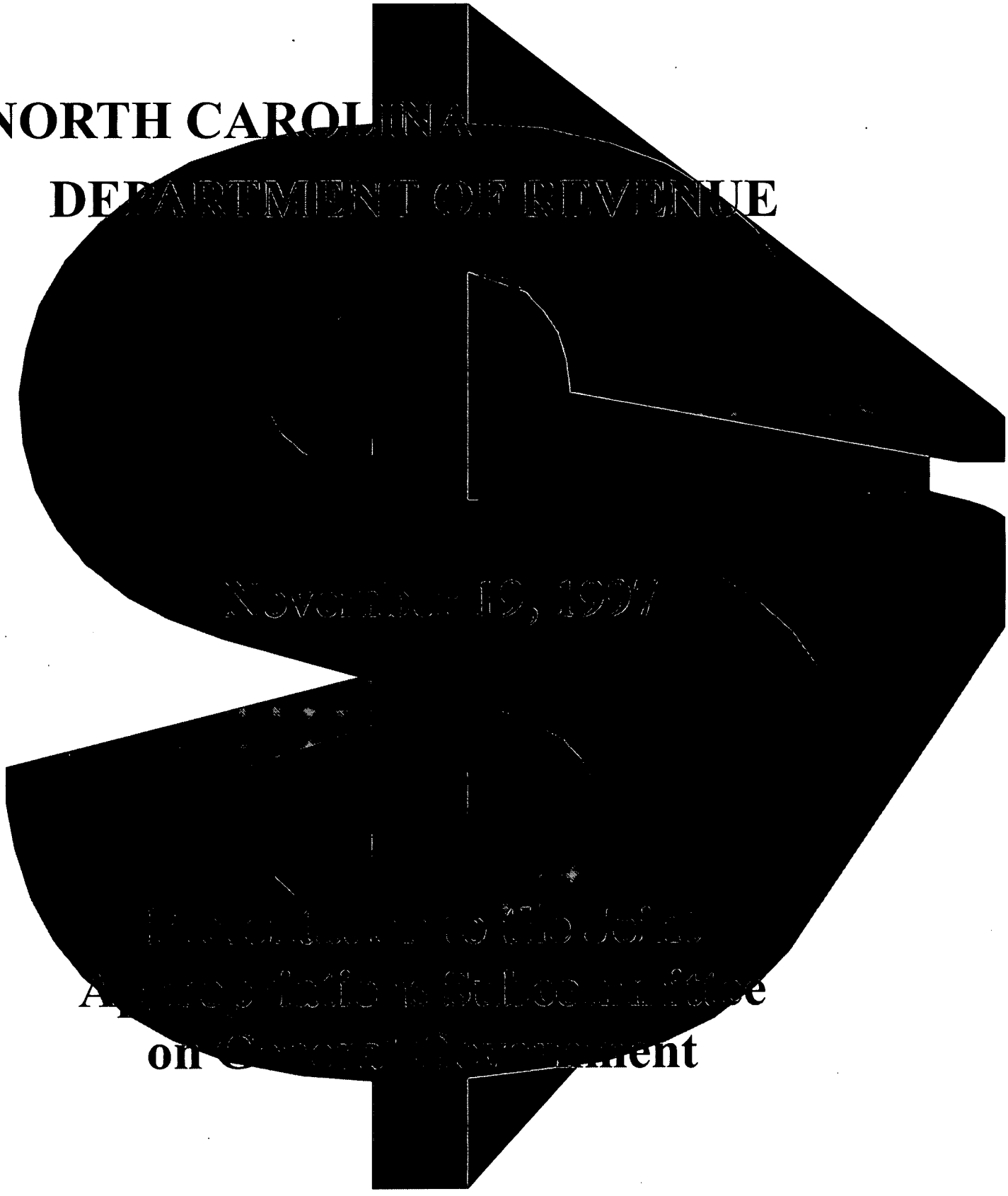
thanked Secretary Offerman for her time and for the informative site tour of the Department of Revenue. He said everyone in the General Assembly should visit the agencies to find out more about how they work. He complemented the DOR for the good job they do and adjourned the meeting at 3:45 PM.

Representative William M. Ives
Cochairman

Jayne N. Walton
Committee Clerk

att # 1
11-19-97

NORTH CAROLINA
DEPARTMENT OF REVENUE



November 19, 1997

Presentation to the Joint
Appropriations Subcommittee
on General Government

North Carolina Department of Revenue
Agenda
Joint Appropriations Subcommittee on General Government
Wednesday November 19, 1997

9:00 am - 10:00 am Room 605 Secretary's Conference Room

Welcome and Introduction of Executive Staff	Secretary Offerman
Report on Quality of Taxpayer Services	Secretary Offerman
General Discussion of IRS/NC DOR Taxpayer Issues	Assistant Secretaries for Field Operations--Dewey Sanders Tax Compliance---B. W. Thomas
Update on Departmental Planning Initiatives	Michael Boone Director of Planning
Explanation of Tour	Michael S. Hodges, Deputy Secretary

10:00 am - 10:15 am Break

10:15 am - 12:30 pm Tour of Divisions

Security Division	Mike Sumner, Physical Security Manager
Administrative Services Division	Tom Lamar, Director
Accounting Division	Keith McCombs, Director
Returns Processing Division	Ed West, Director
Planning, Development & Technology (PDT) Technology Services Division	Zieg Miller, Assistant Secretary Rachel Eagles, Director

Agenda (Continued)

12:30 pm - 1:30 pm Lunch Room 636-4

Lunch	DOR Staff & Legislators/Staff
General Discussion of Department Needs	DOR Staff
Presentation on Business Process Reengineering	Jimmy Cooke, Director Office Services Division

1:30 pm - 3:45 pm Tour of Divisions

Tax Administration Divisions:	Sabra Faires, Assistant Secretary
Ad Valorem Tax	Johnny Bailey, Director
Corporate, Excise and Insurance Tax	Jack Harper, Director
Personal Taxes	Nancy Pomeranz, Director
Sales and Use Tax	Charles Collins, Director
Tax Research	Patti Seawell, Director
Criminal Investigations Division	Tom Dixon, Director
Field Operations:	
Field Collections Division	Dewey Sanders, Assistant Secretary
Field Examinations Division	Ron Wicker, Director-East
Interstate Audit Division	David Simmons, Assistant Director
Unauthorized Substances Tax Division	Rich Riddle, Director
Tax Compliance Divisions:	B. W. Thomas, Assistant Secretary
Motor Fuels	Robert Beck, Director
Office Examination	Reggie Hinton, Director
Office Services	Jimmy Cooke, Director

3:45 pm - 4:00 pm Room 636-4

Closing Remarks	Secretary Offerman

North Carolina Department of Revenue

Executive Staff

Muriel K. Offerman, Secretary
Michael S. Hodges, Deputy Secretary
Sabra J. Faires, Assistant Secretary, Tax Administration
Michael A. Hannah, Assistant Secretary, Legal & Financial Services
Ziegler N. Miller, Assistant Secretary, Planning, Development & Technology
Dewey N. Sanders, Assistant Secretary, Field Operations
Bernice W. Thomas, Assistant Secretary, Tax Compliance

Finance & Planning

Michael Boone, Director of Planning
Keith F. McCombs, Director, Accounting Division (Budget Officer)

North Carolina Department of Revenue

Vision Statement

To create a seamless organization of highly motivated employees empowered by leadership and state-of-the-art technology to provide customer service and increase voluntary compliance.

Mission Statement

To administer the tax laws and collect the taxes due the state in an impartial, uniform and efficient manner.

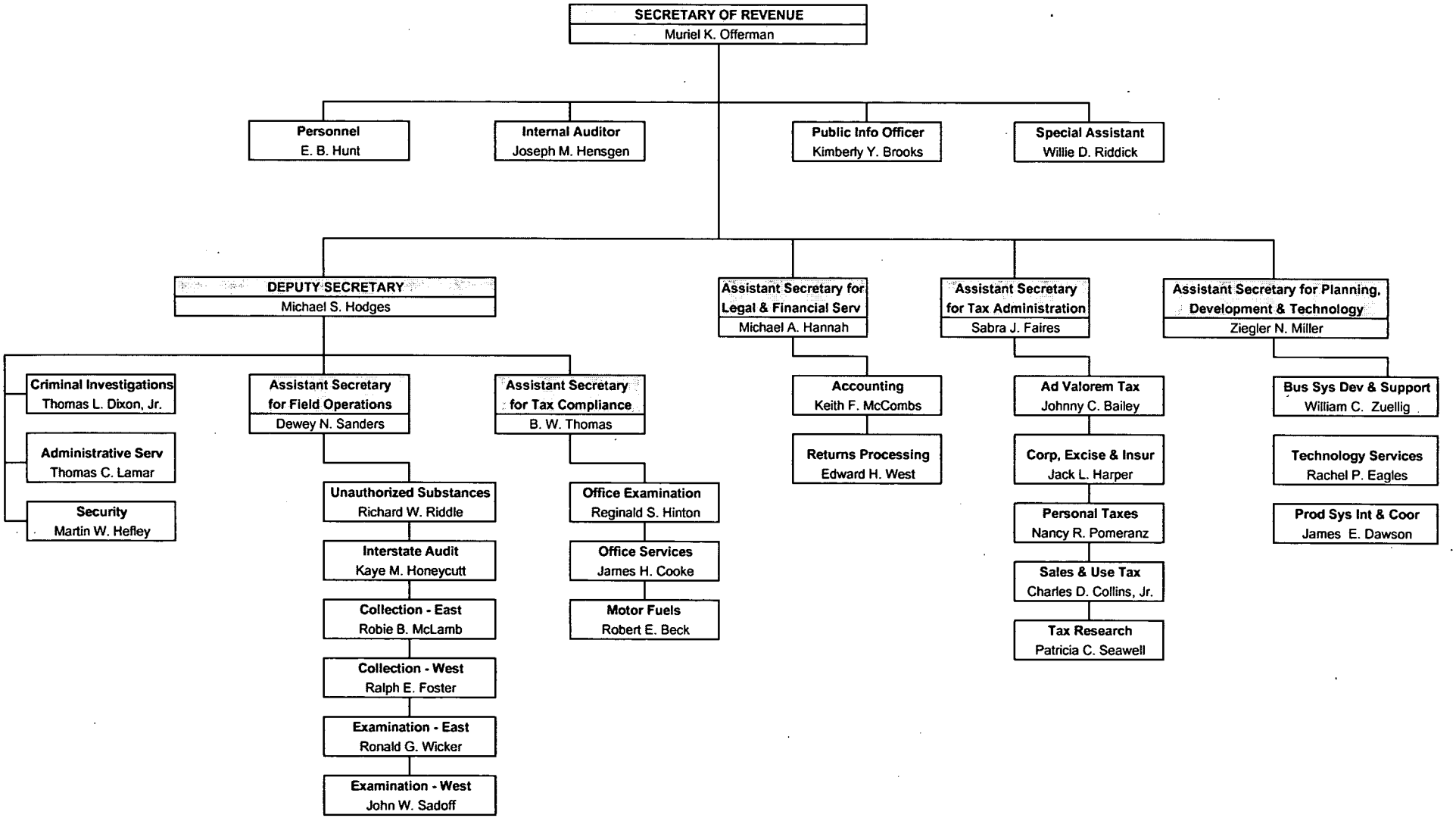
Goals

The Department of Revenue has identified seven primary goals that provide strategic directions for the agency. Energies within the agency will be expended to attain the following goals:

- Expand Communication Capability both Internally and Externally
- Provide Comprehensive Training and Development
- Improve Taxpayer Services
- Improve Compliance
- Analyze and Prioritize Resources
- Implement Total Quality Management
- Develop a Comprehensive Business Plan

NORTH CAROLINA DEPARTMENT OF REVENUE

November 19, 1997

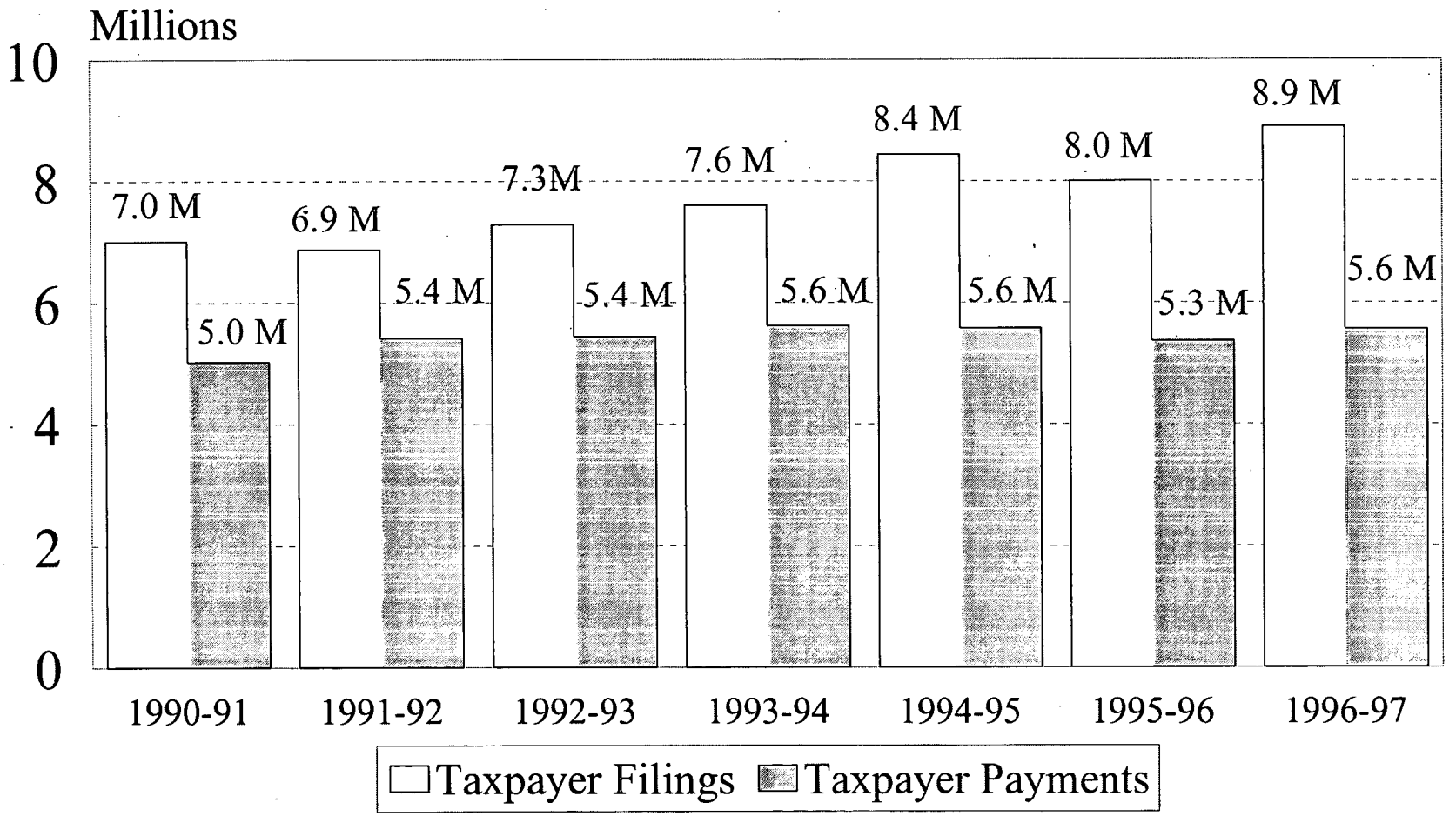


NC Department of Revenue
Facts & Figures

# of Departmental Employees FY 1997-98:	1,237
$ Department of Revenue Certified Budget for FY 1997-98:	$71.8 million
$ Gross Collections FY 1996-97:	$14.6 billion
$ Average Daily Deposit FY 1996-97:	$58.4 million
# of Pieces of Mail (Incoming) FY 1996-97:	9.5 million
# of Pieces of Mail (Outgoing) FY 1996-97:	9.8 million
# of Tax Returns Processed FY 1996-97:	8,083,194
# of Tax Payments Processed FY 1996-97:	5,804,814
$ Refunds (all tax schedules) FY 1996-97:	$1.3 billion
# of Refunds (all tax schedules) FY 1996-97:	2,441,000
$ Refunds (Individual Income) FY 1996-97:	$894.4 million
# of Refunds (Individual Income) FY 1996-97:	2,374,000
$ Distributions/Transfers to Local Governments/State Agencies FY 1996-97:	$2.0 billion
# of Individual Income Tax Refund Returns Filed Electronically in 1/1/96 - 12/31/96:	369,310
$ Gross Tax Deposits by Electronic Funds Transfer (EFT) from 1/1/94 - 6/30/97:	$18.1 billion
$ Interest Earnings on Electronic Funds Transfer (EFT) from 1/1/94 - 6/30/97:	$9.4 million

North Carolina Department of Revenue

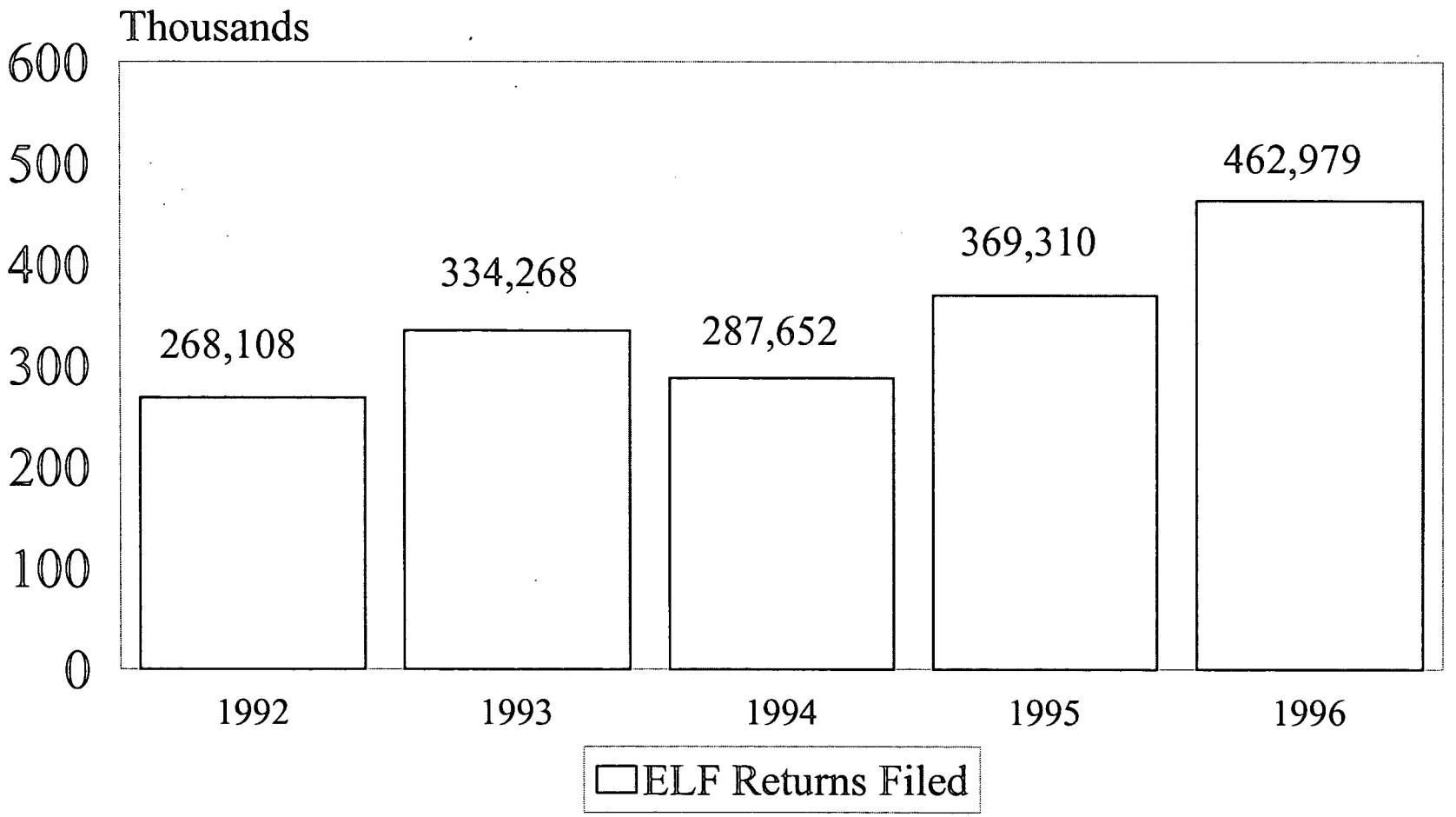
Comparison of Taxpayer Filings to Taxpayer Payments



November 18, 1997

North Carolina Department of Revenue

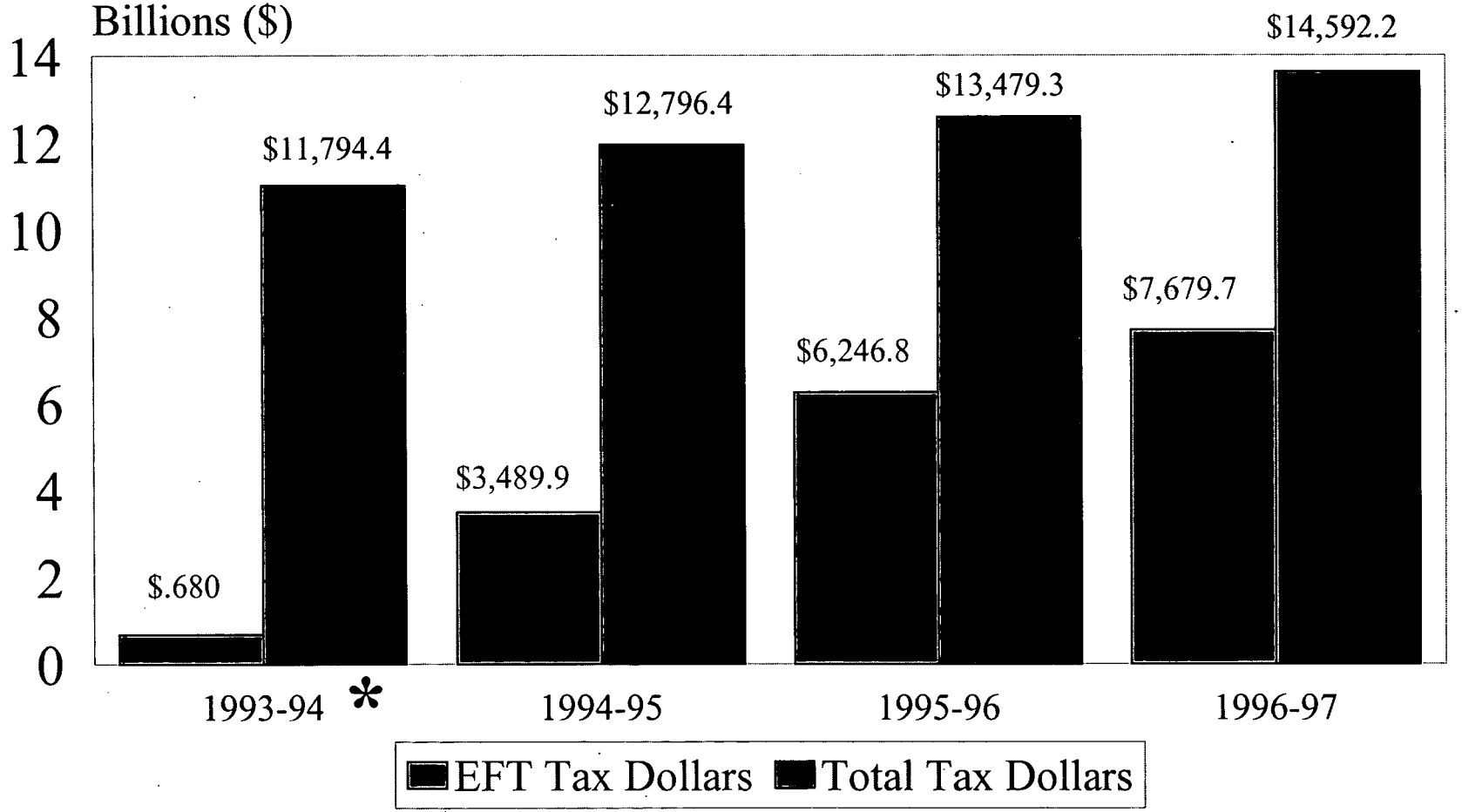
Comparison of Electronically Filed Returns (ELF)



November 18, 1997

North Carolina Department of Revenue

Comparison of Electronic Funds Transfer (EFT) Tax Collections to Total Tax Collections

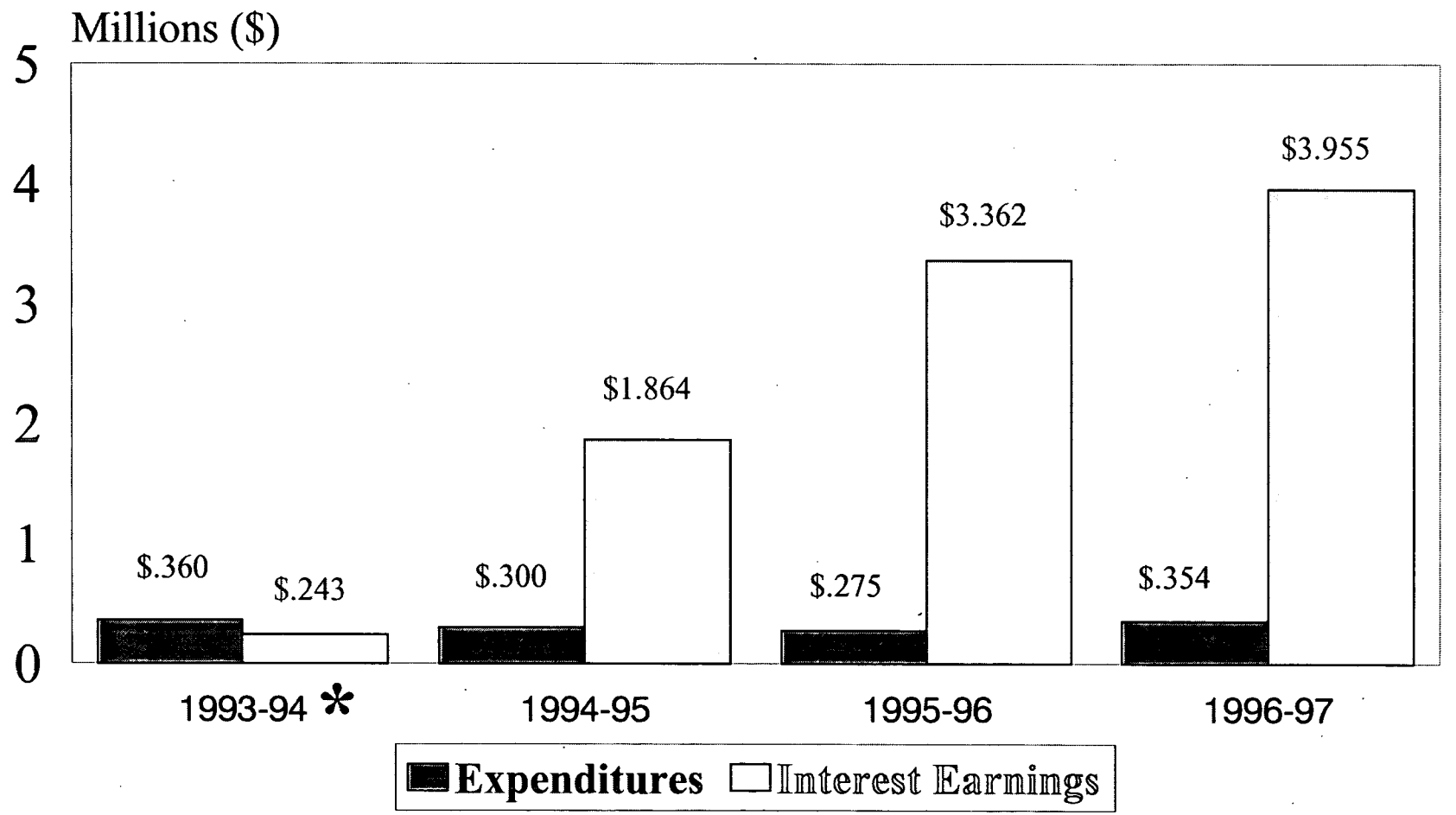


*** For the period 10/1/93 - 6/30/94**

November 18, 1997

North Carolina Department of Revenue

Comparison of EFT Expenditures to EFT Interest Earnings



***For the period 10/1/93 - 6/30/94**

November 18, 1997

Accounting Division

Budget: $2,562,826 Personnel: 70 Positions

Mission/Responsibilities: Deposits/accounts for all Departmental tax receipts and refunds; responsible for the Department's budget and payroll.

Challenges (Problems): To daily deposit all tax remittances timely; and to secure the necessary funding to design, install and implement a new tax remittance processing system compliant with the Year 2000.

Ad Valorem Tax Division

Budget: $792,723 Personnel: 14 Positions

Mission/Responsibilities: Assists and supervises local taxing units in administering property taxes, appraises public service company property, and serves as staff to the Property Tax Commission.

Challenges (Problems): A lack of resources, both in equipment and personnel, that are needed to provide the desired level of service and the inability to adequately compensate employees within the framework of the current personnel system.

Administration (Including Security)

Budget: $1,054,362 Personnel: 25 Positions

Mission/Responsibilities: Administration provides overall Departmental policy and direction in the administration of all tax laws, regulations, collections, and accounting for the taxes due under those laws. Additionally, the operating procedures of the Department and Departmental personnel policies are a responsibility of Administration. Security develops and maintains an integrated program to protect the confidentiality of all tax records (electronic and paper) in accordance with federal and state security statutes/guidelines and provide a safe and secure work place for Department employees. To secure all Department facilities in accordance with strict IRS guidelines while allowing access to taxpayers to serve their needs.

Challenges (Problems): Administration - To promote fair administration of all the tax laws and to secure the necessary resources required to make the Department function efficiently and effectively. Security - The daily challenge of allowing Department employees access to computer networks to perform their assigned work and still ensure that no outside parties can access Department networks containing tax information; and complying with increasingly demanding IRS guidelines and statutes.

Administrative Services Division

Budget: $7,621,279 Personnel: 25 Positions

Mission/Responsibilities: Responsible for shipping and receiving, building maintenance, processing outgoing mail, receiving incoming mail, purchase of equipment and supplies, and printing of forms.

Challenges (Problems): Purchase of a barcode/sorter for Departmental mail would allow the processing of incoming and outgoing mail to be more efficient and timely. The request for this equipment has been an ongoing budget request for the Department.

Corporate, Excise & Insurance Tax Division

Budget: $697,638 Personnel: 11 Positions

Mission/Responsibilities: Administers the tax laws in an impartial, uniform, and efficient manner, and provides guidance and assistance on tax laws to taxpayers and other Department personnel.

Challenges (Problems): A lack of resources, both in equipment and personnel, that are needed to provide the desired level of service and the inability to adequately compensate employees within the framework of the current personnel system.

Criminal Investigations Division

Budget: $529,873 Personnel: 10 Positions

Mission/Responsibilities: To encourage voluntary compliance with the State's tax laws through the enforcement of the criminal provisions of the Revenue Laws of North Carolina.

Challenges (Problems): The inability to timely address intentional violations of the tax laws due to staffing limitations. An increase in investigative personnel would enhance the division's ability to target pockets of noncompliance and ultimately increase tax revenues through greater voluntary compliance.

Field Operations

Budget: $20,375,480 Personnel: 416 Positions

Field Collections Division

Mission/Responsibilities: To enhance tax compliance by collecting delinquent taxes, securing delinquent returns, conducting limited tax investigations, providing education and instruction to taxpayers regarding the filing of returns and reports, and registering new businesses as required under the tax laws of North Carolina.

Field Examinations Division

Mission/Responsibilities: To enhance tax compliance by conducting financial examinations of business entities and individuals that are engaged in business or earn income in North Carolina and are subject to the tax laws of this State.

Challenges (Problems): The Department is trying to keep pace with the tremendous growth the State is experiencing, bringing with it the growing number of taxpayers who are not in compliance with our tax laws. Since the Department is unable to increase personnel, we find ourselves in a mode of continuously prioritizing our work to cover the largest number of taxpayers who are most out of compliance with the tax laws.

Interstate Audit Division

Mission/Responsibilities: To enhance tax compliance by conducting financial examinations of corporate and individual entities headquartered out-of-state that conduct business in this state and are subject to applicable tax laws of North Carolina.

Challenges (Problems): Providing technological and personnel support of an audit staff of 37, 22 of which reside in other states, with the remaining 15 traveling out-of-state 50% of the time. This support is essential for auditors to promote compliance without compromising taxpayer confidence in the Department's ability to provide the best possible customer service.

Motor Fuels Tax Division

Budget: $2,926,091 Personnel: 53 Positions

Mission/Responsibilities: Administer the Motor Fuels and Highway Fuel Use Tax Laws in an impartial, uniform and efficient manner through taxpayer education, compliance and collection activity, directed toward motor carriers and motor fuels taxpayers in an effort to enhance voluntary compliance.

Challenges (Problems): (1) Implementation of an Electronic Data Interchange (EDI) Program, (2) development of appropriate methods for taxing alternative fuels such as electricity, biodiesel and soy diesel, and (3) methods to detect and reduce motor fuels tax evasion. The personnel system continues to affect the recruitment, hiring and retention of a competent audit staff.

Office Examination Division

Budget: $8,560,232 Personnel: 215 Positions

Mission/Responsibilities: Performs office audit functions and related audit activities.

Challenges (Problems): Translating the increase in compliance information available in ITAS into realized revenue, which would result from compliance initiatives, because of a personnel resource shortage. Delivering the highest level of quality customer service because of competing priorities which utilize the same personnel resources.

Office Services Division

Budget: $2,649,540 Personnel: 61 Positions

Mission/Responsibilities: Provides taxpayer assistance and manages accounts receivables.

Challenges (Problems): (1) Meeting the continuing increase in demand for taxpayer assistance, both for information and as a result of increased tax assessments, (2) encouraging taxpayers to use the Electronic Filing (ELF) Program which will reduce processing time and related costs; and (3) meeting deadlines for the ever-increasing number of taxpayers filing for bankruptcy.

Personal Taxes Division

Budget: $515,185 Personnel: 9 Positions

Mission/Responsibilities: Administers the tax laws in an impartial, uniform, and efficient manner, and provides guidance and assistance on tax laws to taxpayers and other Department personnel.

Challenges (Problems): A lack of resources, both in equipment and personnel, that are needed to provide the desired level of service and the inability to adequately compensate employees within the framework of the current personnel system.

Personnel Division

Budget: $542,513 Personnel: 11 Positions

Mission/Responsibilities: Provides administrative and technical guidance, and human resource services to Departmental employees.

Challenges (Problems): The ability to react to the Department's ever changing environment resulting from reengineering and reorganization into a functional organization. Additionally, recruiting and maintaining a professional workforce with the barriers that are inherent in the state personnel system.

Planning, Development & Technology

Budget: $11,958,459 Personnel: 69 Positions

Mission/Responsibilities: To promote and provide quality information services and technology in an efficient manner to facilitate the administration of tax laws and the collection of taxes due the State.

Challenges (Problems): To acquire the ability to efficiently capture data and to flexibly manipulate and present that data for revenue administration purposes. This challenge is compounded by the rapid growth that North Carolina is experiencing along with the concurrent increase in data needed to effectively administer the State's tax laws. Several specific challenges face the agency as it pursues its information technology goals: (1) planning/implementation of the department's data capture/usage strategy, (2) addressing Year 2000 issues, (3) development and maintenance of up-to-date skill sets in a constantly changing technological environment, and (4) maintaining viable disaster recovery processes and procedures.

Returns Processing Division

Budget: $6,658,857 Personnel: 195 Positions

Mission/Responsibilities: Provides data entry services and has responsibility for records management of Departmental inactive files.

Challenges (Problems): The existing data entry platform and the difficulty in recruiting qualified personnel affects the capture of data in a timely, efficient manner.

Sales and Use Tax Division

Budget: $755,551 Personnel: 12 Positions

Mission/Responsibilities: Administers the tax laws in an impartial, uniform, and efficient manner, and provides guidance and assistance on tax laws to taxpayers and other Department personnel.

Challenges (Problems): A lack of resources, both in equipment and personnel, that are needed to provide the desired level of service and the inability to adequately compensate employees within the framework of the current personnel system.

Tax Research Division

Budget: $586,042 Personnel: 16 Positions

Mission/Responsibilities: Compiles and publishes statistical and descriptive information on state and local taxes, analyzes the impact of proposed changes in the tax laws, and answers inquiries from other state agencies and the public about the tax laws.

Challenges (Problems): A lack of resources, both in equipment and personnel that are needed to provide the desired level of service and the inability to adequately compensate employees within the framework of the current personnel system.

Unauthorized Substances Tax Division

Budget: $774,670 Personnel: 15 Positions

Mission/Responsibilities: To assess and collect the tax levied under General Statute 105-113.107 and to distribute the collected tax to state and local law enforcement agencies and to the general fund as required by law.

Challenges (Problems): The timely issuance and collection of required tax assessments by the 10 Enforcement Officers presently allocated to the division and the processing of the resulting objections by taxpayers. Assessments have grown from 3,406 in Fiscal Year 1992-93 to 6,096 in Fiscal Year 1996-97; during this time the division has lost one officer. The Illicit Spirituous Liquor Tax passed October 1, 1997, will further increase the number of assessments. The increased assessments will create added objections which now total over 600 per year.

NOTE: 10 positions and $450,000 in salaries and operating monies are accounted for in the Scrap Tire & White Goods Disposal Tax Programs.

11-19-97 att#2

SEC. MURIEL OFFERMAN
JOINT LEGISLATIVE COMMISSION ON GOVERNMENTAL OPERATIONS
11/19/97

ON BEHALF OF EVERYONE IN THE DEPARTMENT OF REVENUE, I'D LIKE TO WELCOME EACH OF YOU HERE TODAY AND THANK YOU FOR TAKING THE TIME TO BE WITH US.

SOME OF YOU MAY HAVE VISITED THE REVENUE DEPARTMENT BEFORE. FOR OTHERS THIS MAY BE THE FIRST TIME. WE CERTAINLY WANT TO MAKE YOU ALL FEEL AT HOME AS WE GIVE YOU AN IDEA OF WHAT WE DO HERE AND HOW WE DO IT.

FIRST, I'D LIKE TO INTRODUCE THE DEPARTMENT'S SENIOR STAFF:

- MIKE HODGES, DEPUTY SECRETARY
- SABRA FAIRES, ASSISTANT SECRETARY FOR TAX ADMINISTRATION
- MIKE HANNAH, ASSISTANT SECRETARY FOR LEGAL & FINANCIAL SERVICES
- ZIEG MILLER, ASSISTANT SECRETARY FOR PLANNING, DEVELOPMENT & TECHNOLOGY
- DEWEY SANDERS, ASSISTANT SECRETARY FOR FIELD OPERATIONS
- BERNICE THOMAS, ASSISTANT SECRETARY FOR TAX COMPLIANCE
- WILLIE RIDDICK, LEGISLATIVE LIAISON,

- AND KEITH MCCOMBS, DIRECTOR OF ACCOUNTING.

WE HAVE PLANNED A FULL, PRODUCTIVE AND BUSY DAY. AND WE WELCOME YOUR THOUGHTS, COMMENTS AND QUESTIONS AS WE GO ALONG.

UNLIKE MANY OTHER STATE GOVERNMENT AGENCIES, THE DEPARTMENT OF REVENUE MOST RESEMBLES A PRIVATE SECTOR ORGANIZATION. IT IS A PROFIT CENTER. WE HAVE A BOTTOM LINE AND OUR PRODUCTIVITY IS JUDGED BY THE AMOUNT WE COLLECT IN RATIO TO OUR COSTS -- ROUGHLY 1/2 OF 1%.

OUR EMPLOYEES' PERFORMANCE HAS A DIRECT IMPACT ON OUR ABILITY TO PROVIDE GOOD CUSTOMER SERVICE TO NORTH CAROLINA'S TAXPAYERS. BY TREATING OUR PEOPLE RIGHT, WE WILL ENGENDER INSTITUTIONAL LOYALTY AND A GREATER DESIRE TO SUPPORT OUR AGENCY'S GOALS. EMPOWERING EMPLOYEES TO MAKE DECISIONS AND GIVING THEM THE TOOLS TO DO SO IS NOT ONLY AN IMPORTANT GOAL, IT IS IMPERATIVE FOR SUCCESS.

OUR EMPLOYEES KNOW BEST WHAT WORKS AND WHAT DOESN'T.

WE ARE LIVING IN AN ERA OF CHANGE. IN MANY WAYS NORTH CAROLINA IS A LEADER WHEN IT COMES TO CHANGE AND INNOVATION -- WE HOPE TO PUT OUR DEPARTMENT AT THE FOREFRONT OF THAT INNOVATION.

OUR STATE IS ALSO EXPERIENCING STRONG GROWTH. THAT GROWTH WILL HAVE A MAJOR IMPACT ON OUR AGENCY.

WE EXPECT TO SEE:

- A GREATLY EXPANDED WORKLOAD THAT WILL INCREASE THE NUMBER OF AUDITS WE PERFORM AND THE AMOUNT OF TAXES WE COLLECT.
- GREATER DEMANDS FOR TAXPAYER ASSISTANCE AND SERVICES.
- INCREASED USE OF TECHNOLOGY TO IMPROVE OUR CAPACITY TO PROVIDE SERVICES TO TAXPAYERS.

WE CAN LET CHANGE MANAGE US, OR WE CAN MANAGE CHANGE. TO DO THAT, WE MUST PLAN STRATEGICALLY. THAT IS WHAT THE DEPARTMENT OF REVENUE STRIVES TO DO.

OUR DEPARTMENT'S FUNDAMENTAL MISSION IS TO ADMINISTER NORTH CAROLINA'S TAX LAWS AND COLLECT THE STATE'S TAXES.

WE ARE COMMITTED TO DOING THAT IN A FAIR, UNIFORM AND IMPARTIAL WAY. AND WE ARE COMMITTED TO DOING THAT AS EFFICIENTLY AS POSSIBLE.

A KEY PART OF OUR MISSION IS TO PROVIDE NORTH CAROLINA TAXPAYERS WITH THE BEST CUSTOMER SERVICE POSSIBLE. WE ARE WORKING TO PUT OUR CUSTOMERS -- THE TAXPAYERS OF NORTH CAROLINA -- FIRST.

TO HELP MAKE THAT HAPPEN, THE DEPARTMENT OF REVENUE BECAME ONE OF THE STATE'S PILOT AGENCIES IN IMPLEMENTING TOTAL QUALITY MANAGEMENT SEVERAL YEARS AGO.

TOTAL QUALITY MEANS PUTTING YOUR CUSTOMERS FIRST. IT MEANS BRINGING EMPLOYEES TO THE TABLE SO THAT THEY CAN HELP FIND WAYS TO DO THEIR JOBS MORE EFFECTIVELY. IT MEANS WORKING CONTINUOUSLY TO IMPROVE.

THE JOB IS NEVER FINISHED.

BUT IN ORDER TO MAKE THINGS BETTER, YOU MUST FIND OUT HOW THINGS STAND. OUR QUALITY COUNCIL -- THE CORNERSTONE OF OUR

DEPARTMENT-WIDE CONTINUOUS IMPROVEMENT EFFORTS -- IS IN THE PROCESS OF REVIEWING A SERIES OF TAXPAYER SURVEYS DESIGNED TO HELP ACHIEVE THAT GOAL.

WE ASKED TAXPAYERS WHO CAME TO OUR FIELD OFFICES, TO OUR HEADQUARTERS RIGHT HERE IN RALEIGH AND EVEN SOME WHO WERE IN AUDIT PROCEEDINGS TO RATE OUR SERVICE.

WE NEED THAT FEEDBACK FROM OUR CUSTOMERS SO THAT WE CAN DEVELOP STANDARDS FOR OUR DEPARTMENT'S PERFORMANCE. THOSE STANDARDS WILL HELP US DEVELOP TOOLS FOR MEASURING HOW TO IMPROVE OUR PERFORMANCE IN THE FUTURE.

THAT INFORMATION WILL HELP US DETERMINE WHERE WE STAND IN SATISFYING OUR CUSTOMERS AND HOW MUCH FURTHER WE HAVE TO GO.

OUR DEPARTMENT'S 1,200 EMPLOYEES HERE IN RALEIGH AND THROUGHOUT THE STATE WILL PLAY A VITAL ROLE IN MAKING THESE IMPROVEMENTS HAPPEN. WE ARE COMMITTED TO BRINGING THEM TO THE TABLE AND EMPOWERING THEM TO TAKE OWNERSHIP OF THEIR DUTIES AND RESPONSIBILITIES.

THEY HOLD THE KEY TO SUCCESS WHEN IT COMES TO CUSTOMER SERVICE. THEY ARE ON OUR FRONT LINES -- TALKING TO TAXPAYERS EVERYDAY. THEY KNOW BEST WHAT OUR CUSTOMERS NEED.

AND THEY KNOW BEST HOW TO MAKE THEIR JOBS MORE PRODUCTIVE AND MORE EFFICIENT. TO USE THEIR EXPERIENCE AND EXPERTISE, WE BRING TOGETHER GROUPS OF EMPLOYEES WHO ARE WORKING ON FUNCTIONS CRITICAL TO OUR DEPARTMENT'S MISSION.

THESE NATURAL WORK TEAMS ARE MAKING A DIFFERENCE THROUGHOUT REVENUE AS THEY DECIDE BY CONSENSUS HOW BEST TO GET THEIR JOBS DONE.

THAT IS A NEW CONCEPT FOR MANY. BUT WE HAVE SEEN THAT IT WORKS. WHEN EMPLOYEES FEEL THEY HAVE A REAL STAKE IN THEIR JOBS, THEY PROVIDE BETTER SERVICE. BETTER SERVICE LEADS TO MORE SATISFIED CUSTOMERS AND THAT LEADS TO GREATER TAX COMPLIANCE.

THE DEPARTMENT IS ALSO WORKING IN OTHER WAYS TO IMPROVE SERVICE AND INCREASE TAXPAYER COMPLIANCE.

NORTH CAROLINA LEADS THE NATION IN THE NUMBER OF STATE AND INDIVIDUAL INCOME TAX RETURNS FILED ELECTRONICALLY, THROUGH THE JOINT FEDERAL-STATE ELECTRONIC FILING PROGRAM.

LAST YEAR, MORE THAN 462,000 RETURNS WERE FILED ELECTRONICALLY. THAT'S UP FROM JUST OVER 369,000 THE YEAR BEFORE -- ROUGHLY A 25 PERCENT INCREASE.

WITH ELECTRONIC FILING, TAXPAYERS CAN GET REFUNDS BACK IN AS LITTLE AS THREE TO FOUR WEEKS BY SENDING THEIR STATE AND FEDERAL FORMS VIA COMPUTER.

THIS BENEFITS THE DEPARTMENT AS WELL BY REDUCING PROCESSING TIME AND COSTS -- WHICH IN TURN SAVES MONEY FOR ALL NORTH CAROLINA TAXPAYERS.

THE DEPARTMENT IS WORKING TO IMPROVE SERVICE WHILE KEEPING COSTS DOWN IN OTHER WAYS AS WELL. OUR OPERATING COSTS ARE 1/2 OF 1 PERCENT OF OUR COLLECTIONS, THE LOWEST IN THE UNITED STATES ACCORDING TO THE FEDERATION OF TAX ADMINISTRATORS.

ONE OF THE KEY WAYS WE'VE BEEN ABLE TO IMPROVE OUR EFFICIENCY IS THROUGH OUR NEW INTEGRATED TAX ADMINISTRATION SYSTEM -- OR ITAS.

THIS SYSTEM BRINGS TOGETHER THE DEPARTMENT'S SEPARATE COMPUTER OPERATIONS INTO A SEAMLESS, MODERN, EFFICIENT CENTRAL DATABASE. IT INCLUDES DATA FROM ALMOST EVERY TAX SCHEDULE AND GIVES OUR EMPLOYEES FASTER AND EASIER ACCESS TO INFORMATION.

ITAS HAS ALLOWED US TO INCREASE OUR PRODUCTIVITY, IMPROVE OUR EFFICIENCY, INCREASE TAX REVENUES AND PROVIDE BETTER CUSTOMER SERVICE.

IT HAS ALLOWED US TO SIMPLIFY OUR SYSTEMS FOR VARIOUS TAX SCHEDULES. FOR EXAMPLE, WE CAN NOW IDENTIFY A SPECIFIC BUSINESS ENTITY BY NAME, ADDRESS OR AN INTERNAL CONTROL NUMBER. BY SIMPLY ENTERING THAT NUMBER, WE CAN CROSS CHECK OUR FILES -- MAKING IT EASIER TO IDENTIFY NONFILERS.

ITAS HAS CHANGED HOW REVENUE FUNCTIONS. FOR EXAMPLE, A TAXPAYER STARTING A NEW BUSINESS CAN NOW COMPLETE ONLY ONE FORM INSTEAD OF FOUR LIKE THE DEPARTMENT REQUIRED PREVIOUSLY.

ITAS HAS IMPROVED OUR ABILITY TO FORECAST THE AMOUNT OF REVENUE THE DEPARTMENT WILL COLLECT AND IT HAS MADE IT EASIER TO RESPOND TO CHANGES IN TAX LAWS. IT HELPS US IDENTIFY THOSE WHO DON'T FILE THEIR TAXES AND CAN CROSS CHECK TAXES OWED BY AN INDIVIDUAL ACROSS MANY TAX SCHEDULES.

AND ITAS DOES IT FASTER AND MORE EFFICIENTLY, ALLOWING US TO PROVIDE TAXPAYERS WITH THE QUALITY CUSTOMER SERVICE THEY DESERVE.

PART OF THAT CUSTOMER SERVICE ALSO INCLUDES KEEPING TAXPAYERS INFORMED SO THAT THEY WILL BETTER UNDERSTAND OUR STATE'S TAX LAWS. WITH MORE FAMILIES MOVING TO NORTH CAROLINA FROM OUTSIDE OUR STATE, THIS IS AN INCREASINGLY IMPORTANT RESPONSIBILITY.

WE WILL SOON LAUNCH A MAJOR EFFORT TO KEEP TAXPAYERS INFORMED THROUGH OUR TAX TALK PROGRAM. TAX TALK OFFERS A SYSTEM OF PRERECORDED MESSAGES THAT ANSWER QUESTIONS ABOUT SPECIFIC TAX TOPICS. THESE QUESTIONS ARE THE MOST FREQUENTLY ASKED BY TAXPAYERS AND OFTEN THE EASIEST TO ANSWER.

TAX TALK WILL HELP US HELP TAXPAYERS. AND IT WILL BE ON A SEPARATE LINE FROM OUR REGULAR OPERATORS SO THAT TAXPAYERS WHO NEED TO SPEAK TO SOMEONE IN OUR DEPARTMENT WILL BE ABLE TO DO SO.

OUR DEPARTMENT ALSO CONDUCTS TAX WORKSHOPS HERE IN RALEIGH AND IN OUR FIELD OFFICES FOR TAX PROFESSIONALS, NON-PROFIT ORGANIZATIONS AND CORPORATE CUSTOMERS. THESE EFFORTS HELP KEEP TAXPAYERS INFORMED, WHICH IS THE FIRST STEP TOWARD IMPROVING COMPLIANCE WITH OUR STATE'S TAX LAWS.

WE ARE ALSO COMMITTED TO PROVIDING THAT SAME KIND OF QUALITY CUSTOMER SERVICE WE STRIVE TO ACHIEVE IN OUR

RALEIGH HEADQUARTERS IN OUR 43 FIELD OFFICES LOCATED THROUGHOUT THE STATE.

THESE OFFICES OFFER A FULL RANGE OF SERVICES TO TAXPAYERS -- FROM INSTRUCTIONS ON HOW TO FILE BUSINESS RETURNS TO HELP WITH INDIVIDUAL TAX RETURNS.

TO MAKE SURE THESE OFFICES SERVE TAXPAYERS TO THE FULLEST, WE ARE PREPARING A BUSINESS PLAN TO LOOK AT WAYS TO MAKE SURE THESE OFFICES ARE LOCATED WHERE THE PEOPLE OF NORTH CAROLINA NEED THEM MOST.

WE ARE TAKING A CLOSE LOOK AT THE SERVICES THESE OFFICES PROVIDE AND WHERE THEY ARE LOCATED SO THAT WE CAN BE SURE TAXPAYERS HAVE ACCESS TO THE HELP THEY NEED WHEN THEY NEED IT.

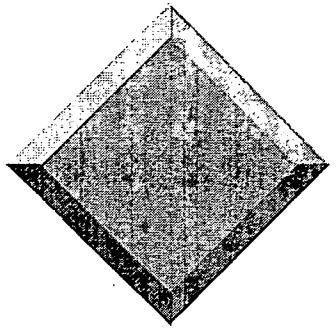
FOR MANY ACROSS OUR STATE, THESE OFFICES AND THE WORKERS WHO STAFF THEM ARE THE ONLY CONTACT THEY WILL HAVE WITH THE DEPARTMENT OF REVENUE. NO MATTER WHAT THE REASON, WE WANT TAXPAYERS TO KNOW THAT THEIR CONTACT WITH THE DEPARTMENT OF REVENUE DOES NOT HAVE TO BE A NEGATIVE

EXPERIENCE AND IN FACT, WE WANT TO MAKE IT AS POSITIVE AS POSSIBLE.

THAT SHOULD BE TRUE FOR ANY INTERACTION A TAXPAYER HAS WITH ANY EMPLOYEE AT ANY LEVEL IN THIS DEPARTMENT.

WE HOPE THAT YOU ENJOY YOUR TIME WITH US TODAY. AND WE HOPE THAT YOU WILL LEAVE WITH SOME NEW INSIGHT INTO THE DEPARTMENT OF REVENUE, OUR EMPLOYEES, OUR GOALS AND OUR DEDICATION TO SERVING THE PEOPLE OF NORTH CAROLINA.

11-19-97 att#2



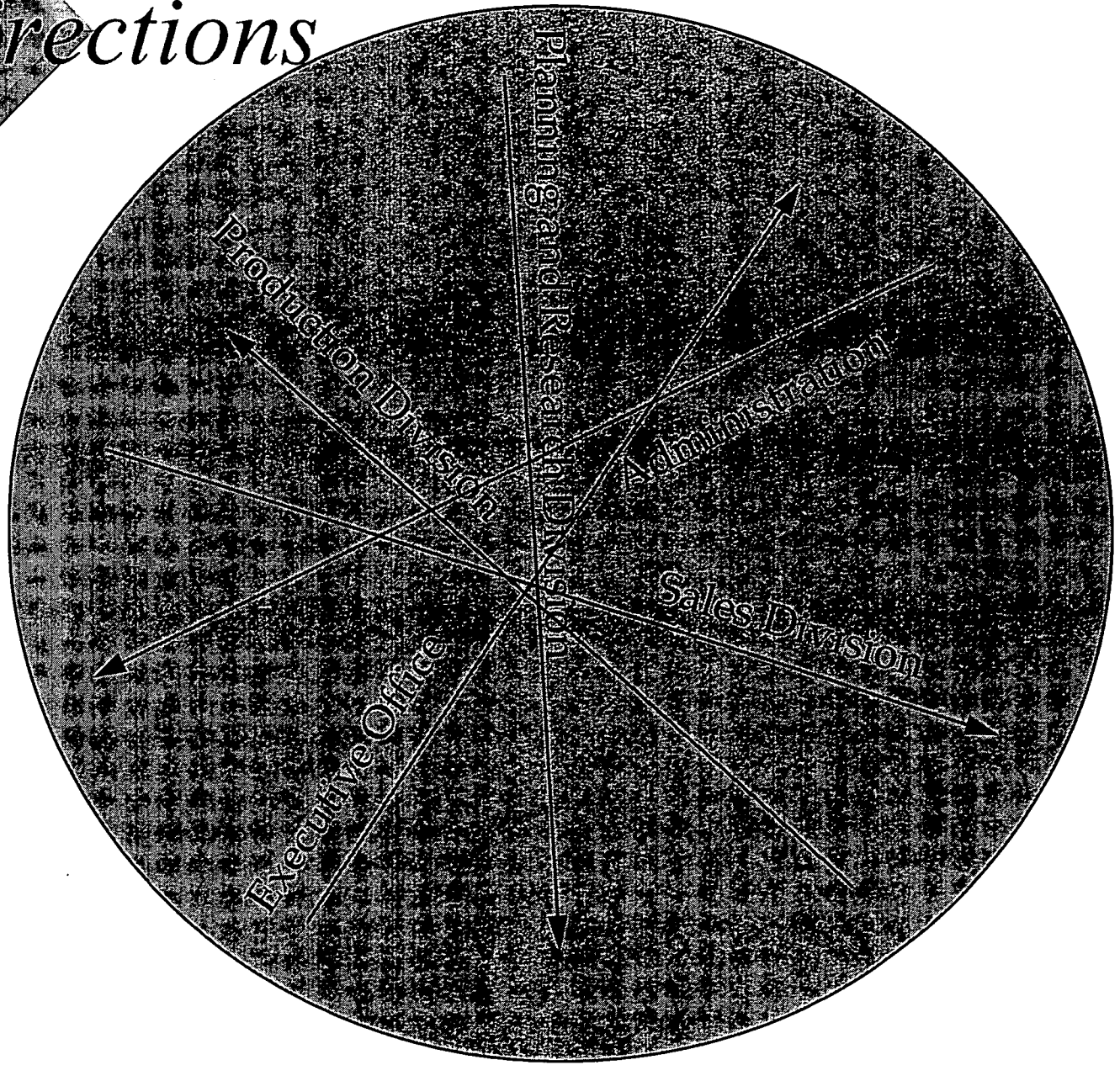
Planning Processes in the Department of Revenue

Joint Appropriations Subcommittee on General Government

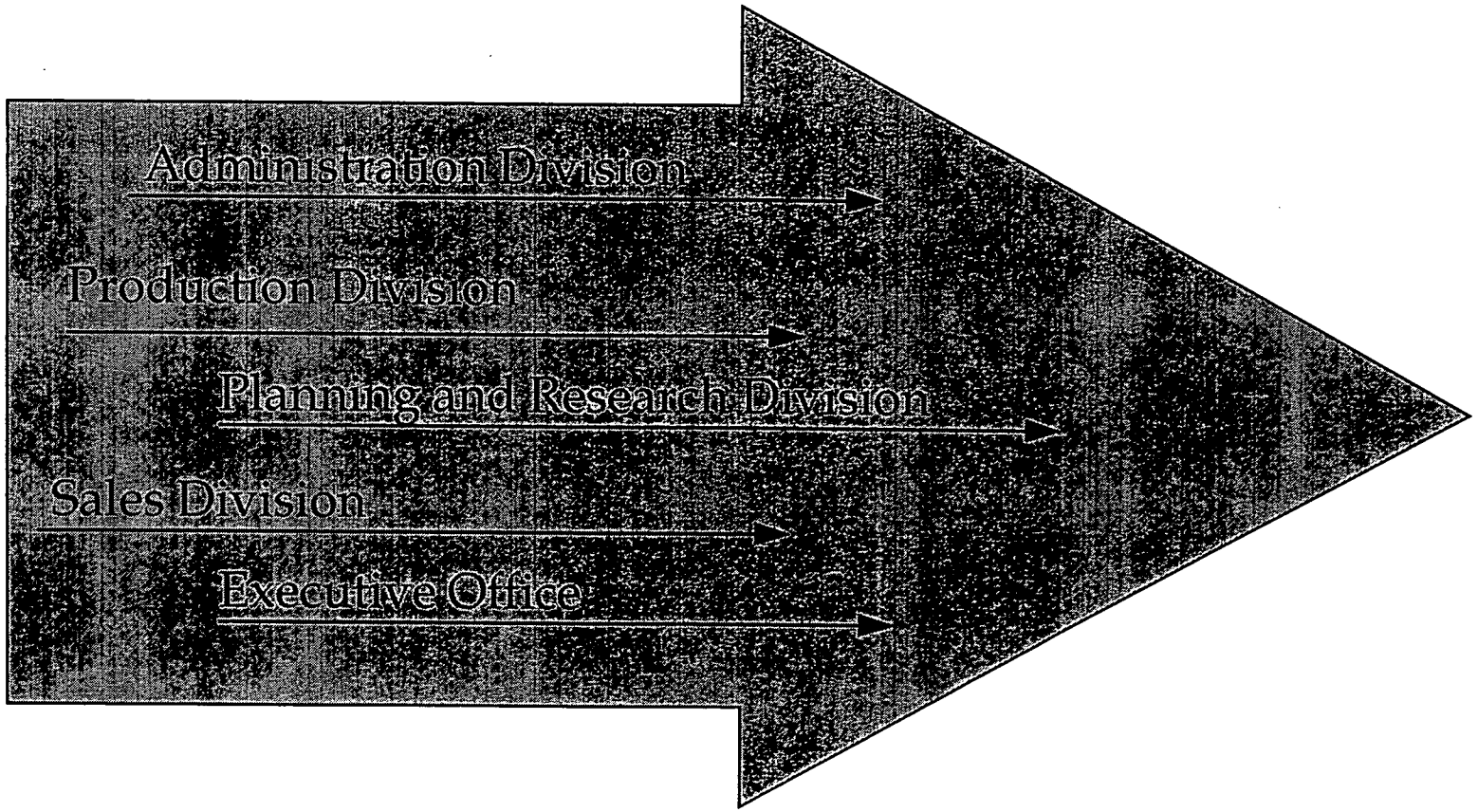
November 19, 1997

11-19-97 att#3

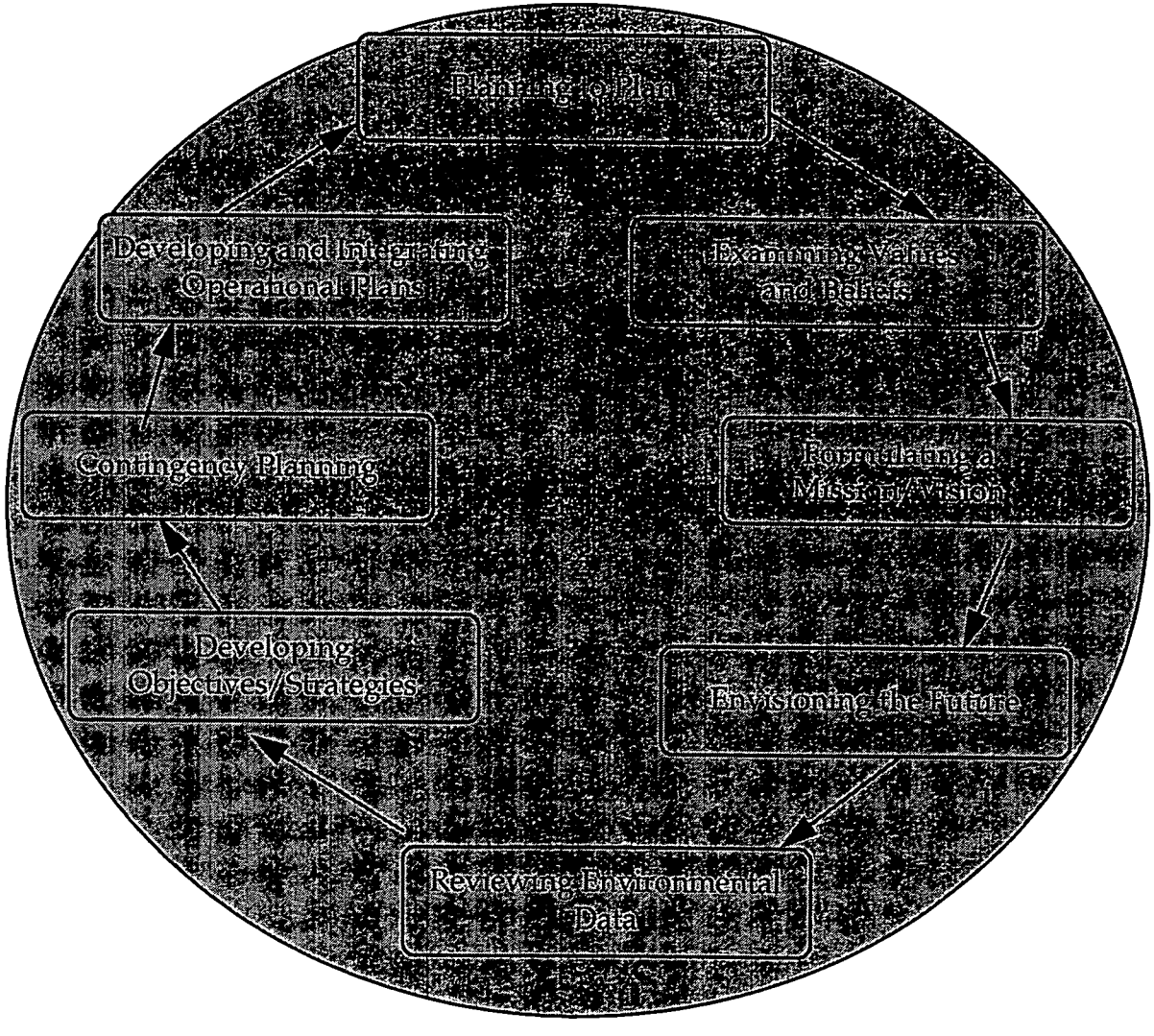
Typical Organizational Directions



Preferred Organizational Directions



Strategic Planning for NC Department of Revenue

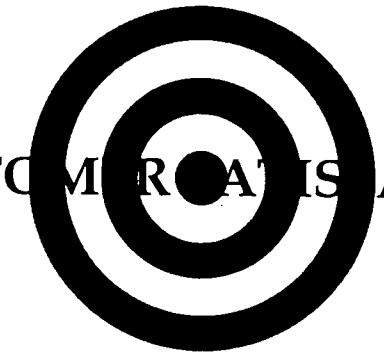




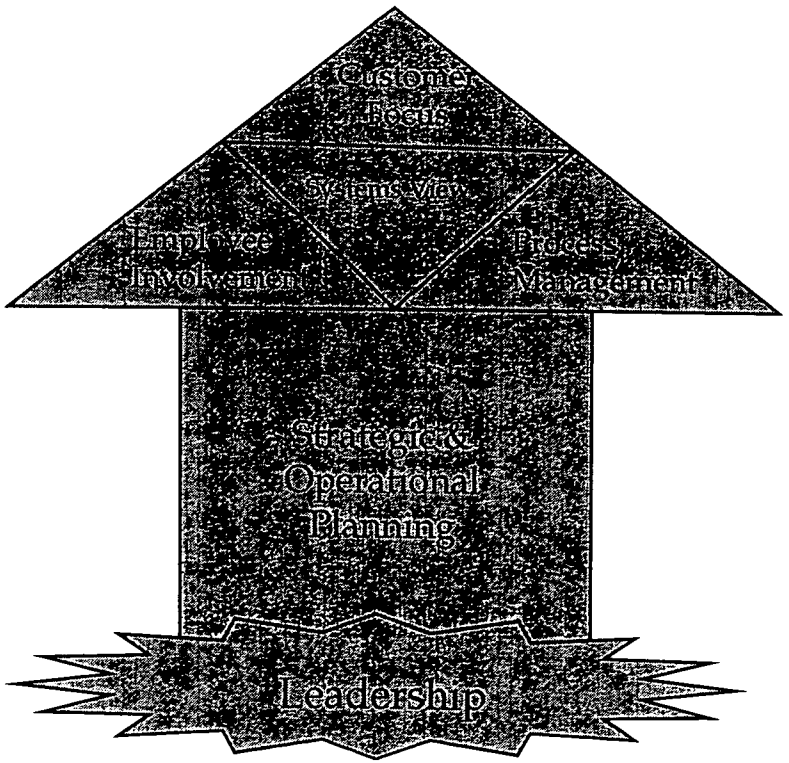
Major Planning Activities

- Organization Planning
- Developing Business Plans
- Technology Planning
  - **Data Capture/Usage**

NC Department of Revenue's Target



CUSTOMER SATISFACTION



11-19-97 att#4

UNAUTHORIZED SUBSTANCE TAX FACT SHEET

The following is a breakdown of assessment by number and net amount collected from January 1, 1990 through JuLY 31, 1997 with a breakdown of payments made to law enforcement agencies and the general fund through April 30, 1997. Gross collections for August, September and October, 1997 are also reported.

	ASSESSMENTS	AMOUNT COLLECTED
1-1-90/6-30-90	575	103,715.78
7-1-90/6-30-91	1,598	1,126,740.76
7-1-91/6-30-92	3,705	5,072,063.37
7-1-92/6-30-93	3,406	6,079,478.64
7-1-93/6-30-94	4,230	5,651,843.88
7-1-94/6-30-95	4,984	5,352,982.40
7-1-95/6-30-96	5,026	5,852,463.20
7-1-96/6-30-97	6,096	6,436,959.27
7-1-97	490	635,013.57
	30,110	36,311,260.87

Seventy-Five percent (75%) of net collections are paid to the law enforcement agencies instrumental in the arrest which results in the assessment. Those payments have been as follows:

1-1-90/6-30-90	$64,358.92
7-1-90/6-30-91	602,599.33
7-1-91/6-30-92	3,102,953.17
7-1-92/6-30-93	3,368,858.34
7-1-93/6-30-94	4,396,480.37
7-1-94/6-30-95	4,974,455.64
7-1-95/6-30-96	4,326,218.30
7-1-96/4-30-97	4,070,536.22

The total payout to law enforcement through April 30, 1997 is $24,843,101.40.

The balance of the net collections have been paid to the General Fund as follows:

1-1-90/6-30-92	$1,188,321.18
7-1-91/6-30-93	1,117,966.13
7-1-92/6-30-94	1,456,661.09
7-1-93/6-30-95	1,637,695.83
7-1-94/6-30-96	1,426,337.20
7-1-95/4-30-97	1,269,315.54

The total payout to the General Fund through February 28, 1997 is $8,096,296.97.

Gross collections for August, 1997 totaled $660,885.38. Gross collections for September, 1997 totaled $771,029.78. Gross collections for October totaled $705,113.46.

The budget for the Unauthorized Substance Tax Division is $774,670.00 per year. Payment to the General Fund for the 12 months ending February 28, 1997 totaled $1,570,086.83.

MINUTES

Joint Subcommittee on General Government

November 20, 1997

The Joint Subcommittee on General Government met on November 20, 1997 at 9:05 AM at the Office of the State Controller for a breakfast, presentation and tour (see attachment #1). Representative Ives (Cochair) presided and Representatives McCombs (Cochair), Sherrill (Cochair), Braswell, Warwick and three Senators attended.

Mr. Ed Renfrow started the meeting after welcoming everyone with introductions of his staff: Gwynn Cannady, George Morris, John Morgan, Don Wall, Chuck Cooper, John Barfield, Zee Partin, Debra Smith and Kelly Thomas. Mr. Renfrow then continued with a slide presentation about the structure, duties and mission of the Office of the State Controller (see attachments #2 and #4). During the presentation Mr. Renfrow took questions from the members. Representative Ives asked if being away from downtown Raleigh is a hardship in any way. Mr. Renfrow replied that no it is not because the services are all the same as if being downtown and the building and parking is more convenient. Representative Braswell asked if an agency makes requests to disperse funds can you track those funds. Mr. Renfrow responded yes. Mr. Cooper added that the information is available through Smart Screen on the legislative computer system. Representative Braswell asked if the OSC keeps accounting records for all state agencies. Mr. Cooper replied that it does. Senator Lucas asked if there was inappropriate spending would this office know. Mr. Cooper responded that inappropriate spending is up to the Auditor to handle. Mr. Renfrow added that there is a clause to cover quality control at the agency level and explained the requisition process and that no cash balances are allowed. Representative Sherrill asked for a list of all the employees at the OSC and Mr. Renfrow referred her to attachment #3.

Mr. Renfrow introduced Mr. Don Waugh who explained pages 9a - 9i of attachment #2. Mr. Waugh stated that the OSC reconciles accounts between 4:00 PM and 5:00 PM each day. Representative Braswell asked if the OSC decides where to put the money at the Office of the Treasurer and Mr. Waugh replied no. Representative Sherrill asked if the OSC has adjusted the corporate tax scale since the Legislature changed it. Mr. John Barfield replied that they have. Mr. Waugh referred to the Comprehensive Annual Financial Report and said that a copy should be delivered to the members by this Christmas; he also said it is available on the home page. Mr. Renfrow said that this report is dispensed throughout the world. Mr. Barfield stated that other states have auditors for each agency and the North Carolina OSC conducts over all audits. He then explained page 55 of the CAFR. **Representative Braswell requested a chart to reflect**

the money on page 9i. Mr. Wall responded that he will get that for him. Mr. Renfrow then called for a 15 minute break at 10:40 AM.

Mr. Renfrow continued with the presentation at 10:55 AM. **Ms. Michele Nelson offered to set up a hands on demonstration of the OSC home page in the Legislative Office Building for the committee. Mr. Cooper said he would be glad give the demonstration.** Representative Ives asked if this home page is open to the public. Mr. Cooper answered that it is open to the Legislative members and staff and some agencies. Mr. Renfrow went on to say that a big problem is getting and keeping qualified technical staff. Representative Sherrill asked if a "work against" would be available and Mr. Renfrow answered that it would but employees get trained and then leave for higher salaries outside state government because of the competitive market and that outsourcing is being done to get projects completed. **Senator Ledbetter asked if a contract can be required. Representative Sherrill commented that they need to look into this; however, the right to work law would have to be changed.**

Mr. Renfrow continued with page 35 of attachment #2. Representative Braswell asked about putting the accounting systems together. Mr. Renfrow replied that it is difficult to get everyone to cooperate in working with one system. He also said that the OSC has the authority to put the agencies together to streamline, but the OSC needs the money to fund it. This would make managing cost more effective, but would take some training. Mr. Renfrow then covered the Priorities for the Legislature and asked for further questions. Senator Lucas asked if the OSC was ready for the year 2000. Mr. Renfrow replied that the OSC system is compliant. Mr. Cooper gave an overview of the year 2000 conversion. Mr. Renfrow stated that a problem exists with being associated with the Year 2000 Steering Committee. He explained that too many different systems would be put on the mainframe and that may corrupt the data. Mr. Renfrow stated that it may be best to pull accounting out of SIPS to maintain the integrity to apply a high standard and added that he hopes the Legislature will give him that chance.

Mr. Renfrow then lead the committee on a tour of the new OSC building. Senator Lucas asked if the security system was adequate. Ms. Cannady replied that it calls the State Capital Police and the security company if security is breached. Representative Ives thanked Mr. Renfrow and his staff for the on site tour and the meeting adjourned at 11:35 AM.

Representative William M. Ives
Cochair

Jayne N. Walton
Committee Clerk

11-20-97 ATT# 1

State of North Carolina

Office of the State Controller

James B. Hunt Jr.
Governor

November 18, 1997

Edward Renfrow
State Controller

Memorandum

To: Members of the Joint Appropriations Sub-Committee on General Government

From: Edward Renfrow
State Controller

Subject: Site Visit

We look forward to your site visit to the Office of State Controller on Thursday morning, November 20th. In preparation for your visit, we have enclosed a few pages about the Office, our responsibilities, organizational structure, budget and personnel. We are excited about the opportunity to talk with you about the State's business functions, including the North Carolina Accounting System. We plan to share with you where we are today, the direction we are planning for the future and the potential for economies in the overall business functions of the State. We will include in our discussion major challenges to reaching the State's full potential, including adequate funding, central management cooperation, and General Assembly support.

We will pick you up at the legislative building at 9:00 am Thursday morning. Please don't eat breakfast as we will have biscuits, donuts and bagels when you arrive! Again, we look forward to your visit.

Enclosure

3512 Bush Street • Raleigh, North Carolina 27609-7509 • Telephone (919) 981-5454
State Courier 56-50-10 • FAX (919) 981-5567

An Equal Opportunity/Affirmative Action/Americans With Disabilities Employer

OFFICE OF THE STATE CONTROLLER

Edward Renfrow
State Controller

Major Duties and Responsibilities

- Prescribe, develop, implement, operate and maintain a statewide accounting system - policies, procedures, system processes and automated tools

- Develop, implement and maintain a statewide cash management system - agency disbursing agreements, allotment and requisition control, and daily reconciliation with State Treasurer

- Develop, implement and maintain a central payroll system

- Manage central compliance with IRS tax issues and federal statewide cost allocation coordination

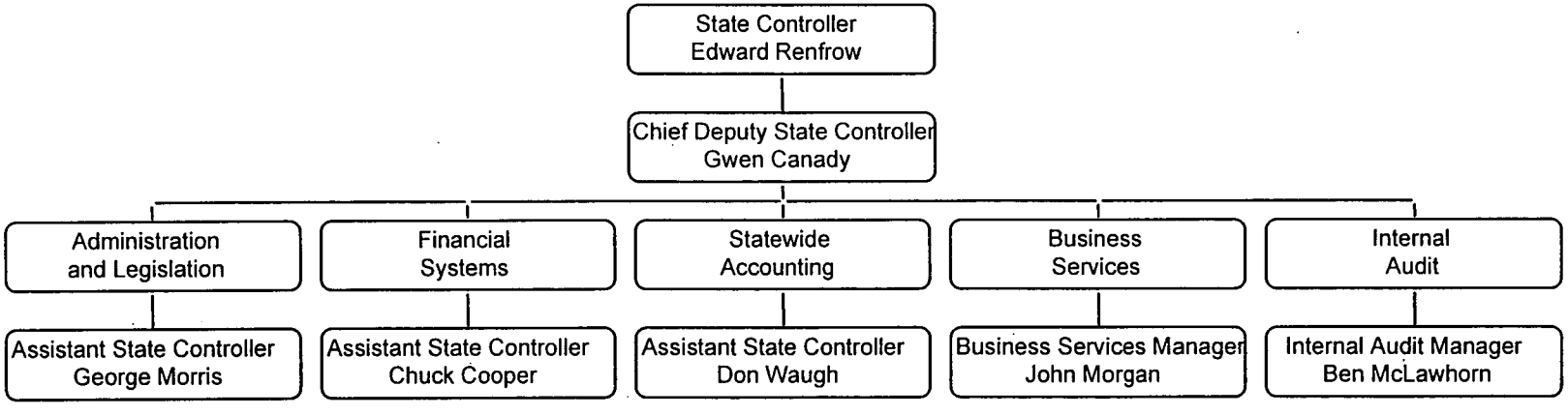
- Provide complete, timely and accurate financial records for the state enterprise - on-line, real-time financial information that culminates in daily, monthly and annual reports

11/18/97

State of North Carolina

Office of the State Controller

Overview Organization

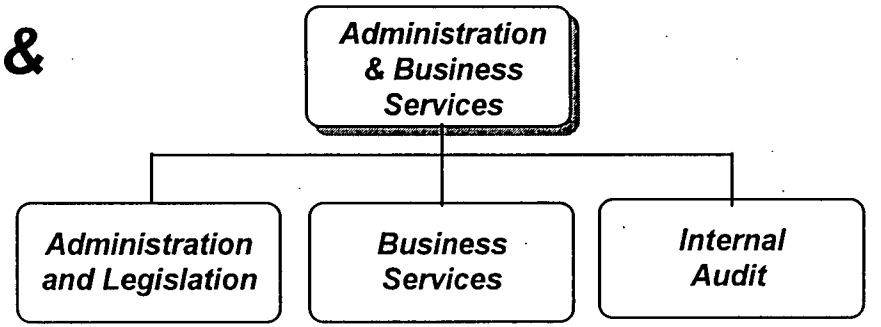


Budget: $10,557,522
Personnel: 100.75 positions

State of North Carolina
Office of the State Controller

Budget: $1,833,390
Personnel: 12.75 positions

OSC Administration & Business Services



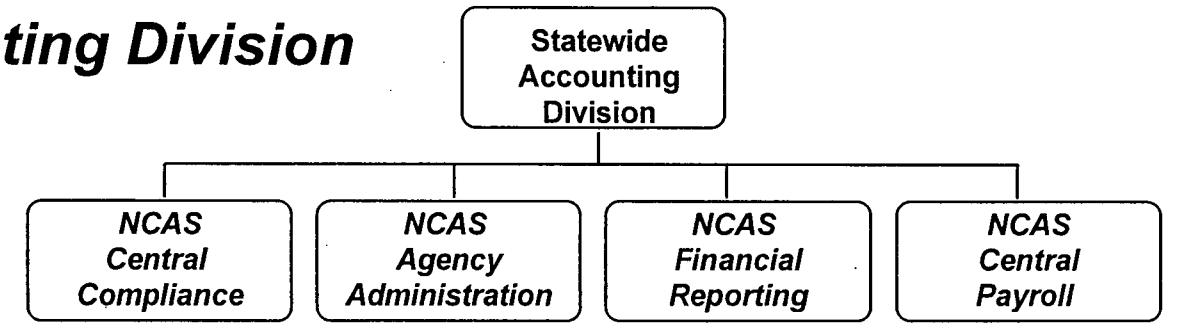
Administration & Business Services Mission Statement :

The Business and Administrative Services Division is responsible for the overall support for the Office of the State Controller. Service areas include: (1) Fiscal Services which represent a broad range of accounting functions including accounts payable, accounts receivable, fixed assets, budgeting, purchasing, maintenance of the accounting system and financial reporting; (2) Personnel Services which include preparing and maintaining personnel records, personnel policies, posting position vacancies and reporting to various oversight agencies; (3) Administrative Services which include the ordering and maintaining of supplies, processing and distribution of mail, switchboard operator/receptionist and maintaining vendor service contracts; and (4) Legislative and Internal Audit Services which include responding to legislative requests, providing input on legislative proposals, and performing internal audits on OSC operations to determine areas of inefficiency and potential for improvement.

State of North Carolina
Office of the State Controller

Budget: $2,688,110
Personnel: 40 positions

Statewide Accounting Division



Division Mission Statement :

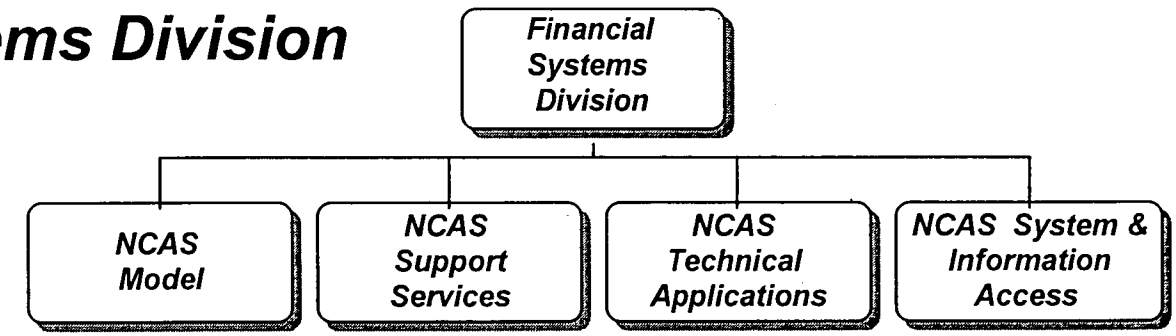
The Office of the State Controller (OSC) has the responsibility to operate the North Carolina Accounting System (NCAS). The Statewide Accounting Division is responsible for the day-to-day policy and procedural control of agencies operating within the NCAS environment. The Division establishes and provides systems control over the NCAS to ensure that all financial transactions are entered, balanced, and reconciled. The division also researches technical accounting standards and incorporates these standards into financial reporting on the State entity and provides daily, monthly, quarterly, and annual reporting on the financial condition and results of operations of the State entity. Another major responsibility involves the administration of the statewide cash management program which includes statewide appropriation and allotment control. In addition, the division operates a central payroll system, a Flexible Benefit Program and also provides tax compliance, cost allocation and disbursing services to agencies.

State of North Carolina

Office of the State Controller

Budget: $5,986,022
Personnel: 48 positions

Financial Systems Division



Division Mission Statement :

The Financial Systems Division designs, develops, implements and maintains the policies, procedures and software that form the North Carolina Accounting System (NCAS). It provides agency implementation, functional and technical systems administration, client support, and maintenance of the NCAS. The NCAS utilizes the GEAC Enterprise Server (formerly Dun & Bradstreet Software MARS/G "E" series) financial software and includes the following modules: General Ledger, Budgetary Control, Purchasing, Inventory, Accounts Payable, Accounts Receivable, Fixed Assets, Project Tracking and Financial Controller. The NCAS provides information access through the use of the mainframe based on-line real-time inquiries, GEAC Information Expert (IE) report generator, Report Management Distribution System (RMDS) on-line report viewing and printing, and client/server based GEAC SmartStream Decision Support System.

11-20-97 att#2

State of North Carolina

Office of the State Controller
Site Visit

Joint Appropriations Subcommittee on General Government

November 20, 1997

Overview of the Duties and Organization of the State Controller's Office

Major Duties and Responsibilities

- Prescribe, develop, implement, operate and maintain a statewide accounting system - policies, procedures, system processes and automated tools
- Develop, implement and maintain a statewide cash management system - agency disbursing agreements, allotment and requisition control, and daily reconciliation with State Treasurer
- Develop, implement and maintain a central payroll system

Major Duties and Responsibilities

- Manage central compliance with IRS tax issues and federal statewide cost allocation coordination

- Provide complete, timely and accurate financial records for the state enterprise - on-line, real-time financial information that culminates in daily, monthly and annual reports

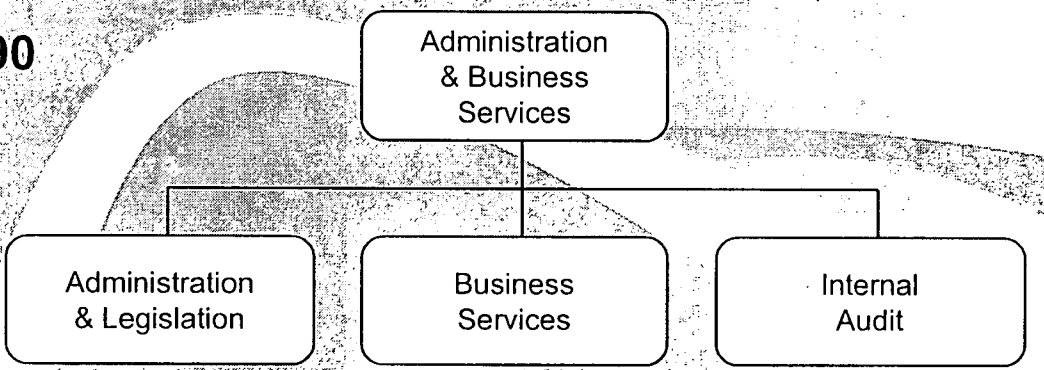
How is the OSC Organized ?

- State Controller
  - Strategic Direction and Policy Setting
- Administration and Business Services
  - Administrative Support for OSC
- Statewide Accounting Division
  - Accounting Policy and Procedures Management
  - Statewide Financial Reporting
  - Cash Management & Central Payroll
- Financial Systems Division
  - System Design, Development & Implementation
  - Functional and Technical System Management
  - System Support Services

Office of the State Controller

OSC Administration & Business Services

Personnel : 12.75
Budget : $ 1,883,390



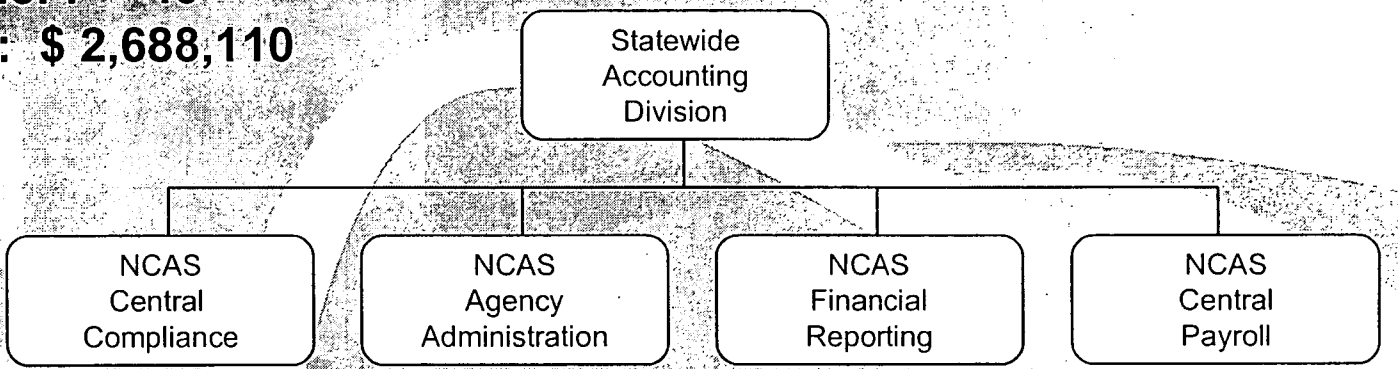
Mission Statement :

The Business and Administrative Services Division is responsible for the overall support for the Office of the State Controller. Service areas include: (1) Fiscal Services which represent a broad range of accounting functions including accounts payable, accounts receivable, fixed assets, budgeting, purchasing, maintenance of the accounting system and financial reporting; (2) Personnel Services which include preparing and maintaining personnel records, personnel policies, posting position vacancies and reporting to various oversight agencies; (3) Administrative Services which include the ordering and maintaining of supplies, processing and distribution of mail, switchboard operator/receptionist and maintaining vendor service contracts; and (4) Legislative and Internal Audit Services which include responding to legislative requests, providing input on legislative proposals, and performing internal audits on OSC operations to determine areas of inefficiency and potential for improvement.

Office of the State Controller

Statewide Accounting Division

Personnel : 40
Budget : $ 2,688,110

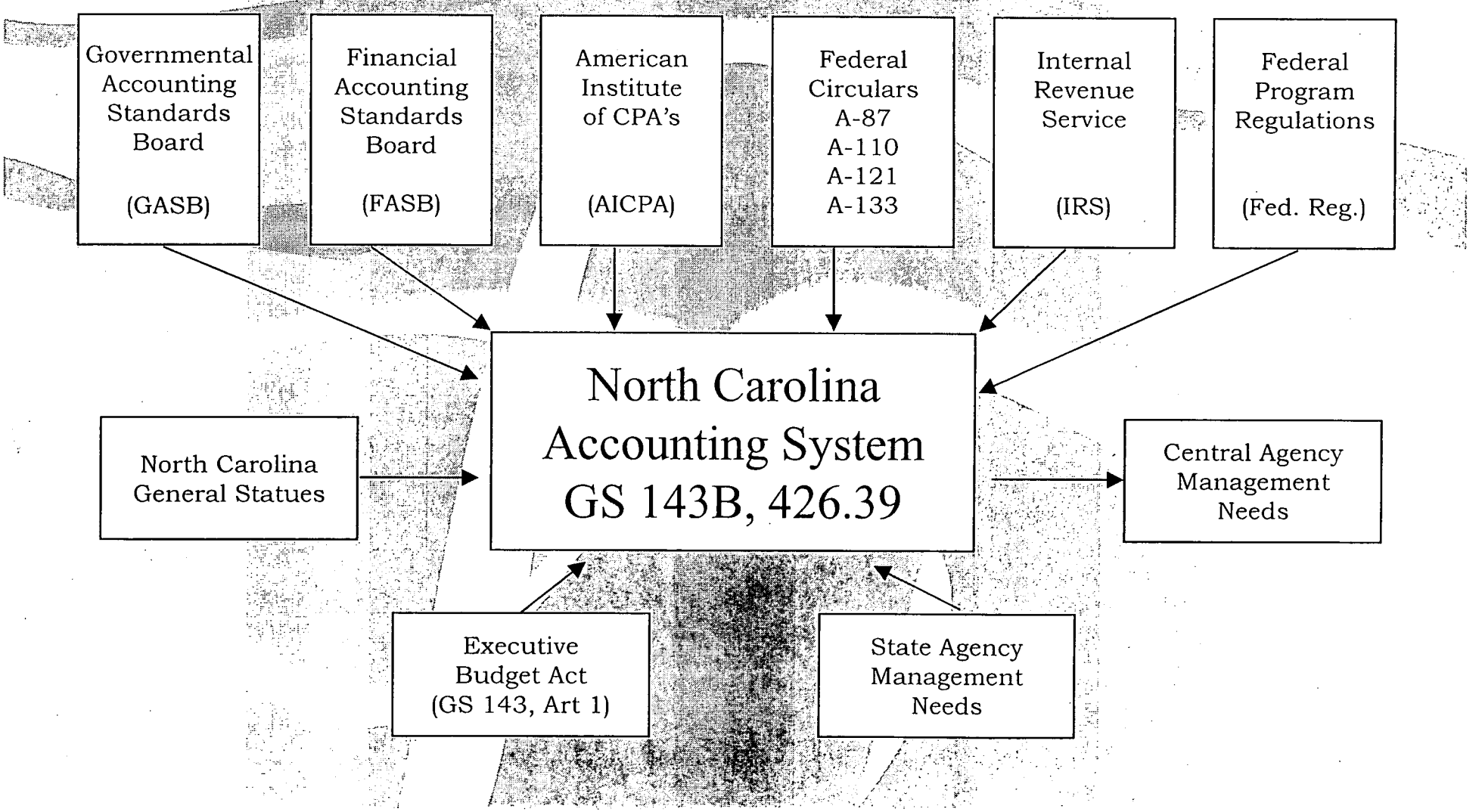


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Office of the State Controller

NCAS Standards & Legal Reporting Requirements



NCAS Reporting Examples
(Included in your handout)

- Daily Cash Availability
- Monthly Budgetary Statements
  - Balance Sheet
  - Schedule of Operations
  - Schedule of Tax Revenues
- Comprehensive Annual Financial Report (CAFR)
  - Combined Balance Sheet
  - Combined Statement of Revenues & Expenditures
  - Budget and Actual
  - Statistical Schedules
    - 10 Year Revenue and Expenditure History
    - 10 Year Permanent Positions
    - Chart of 10 Year Permanent Positions

State of North Carolina
General Fund

3:48 PM
11/18/97

	(No Setbacks) 10/31/97	(Setbacks Included) 10/31/97	Tuesday, November 18, 1997 Beginning Balances	Changes	Ending Balances
Cash and Investments	$ 2,566,565,111.78	$ 2,566,565,111.78	$ 2,012,641,819.93	$ 16,929,198.71	$ 2,029,571,018.64
Setback Receipts	N/A	8,040,189.14	N/A	N/A	N/A
Setback Expenditures	N/A	(23,689,406.30)	N/A	N/A	N/
Investments - LTIF	50,202,048.10	50,202,048.10	51,205,818.86	0.00	51,205, 86
Total Cash and Investments	2,616,767,159.88	2,601,117,942.72	2,063,847,638.79	16,929,198.71	2,080,776,837.50
Reserve for Scrap Tire	2,533,660.54	2,533,660.54	0.00	0.00	0.00
Reserve for Sales & Use Tax	470,278,133.75	470,278,133.75	115,100,000.00	0.00	115,100,000.00
Estimated Amount To Be Reserved	0.00	0.00	40,002,338.44	1,996,498.72	41,998,837.16
Subtotal	470,278,133.75	470,278,133.75	155,102,338.44	1,996,498.72	157,098,837.16
Reserve of Beverage Tax	12,413,993.92	12,413,993.92	12,413,993.92	0.00	12,413,993.92
Reserve for Chemical Alcohol Testing	352,958.49	352,958.49	352,958.49	0.00	352,958.49
Estimated Amount To Be Reserved	0.00	0.00	0.00	0.00	0.00
	352,958.49	352,958.49	352,958.49	0.00	352,958.49
Reserve for White Goods Tax	2,388,840.01	2,388,840.01	0.00	0.00	0.00
Estimated Amount To Be Reserved	0.00	0.00	0.00	0.00	0.00
	2,388,840.01	2,388,840.01	0.00	0.00	0.00
Total Reserves and Liabilities	487,967,586.71	487,967,586.71	167,869,290.85	1,996,498.72	169,865,789.57
Resv. Fund Bal. - Repair/Renovation	41,211,321.73	41,211,321.73	40,308,176.73	0.00	40,308,176.73
Resv. Fund Bal. - DSH	0.00	0.00	0.00	0.00	0.00
Resv. Fund Bal. - RHB	201,602,251.55	201,602,251.55	202,606,022.31	0.00	202,606,022.31
Resv. Fund Bal. - Savings	500,951,658.85	500,951,658.85	500,951,658.85	0.00	500,951,658.85
Resv. Fund Bal. - Capital Improvement	0.00	0.00	0.00	0.00	0.00
Resv. Fund Bal. - Railroad	61,000,000.00	61,000,000.00	61,000,000.00	0.00	61,000,000.00
Resv. Fund Bal. - Cultural Resources	0.00	0.00	0.00	0.00	0.00
Resv. Fund Bal. - Intangibles	0.00	0.00	0.00	0.00	0.00
Resv. Fund Bal. - Fed. Retiree Admin. Acc	0.00	0.00	0.00	0.00	0.00
Resv. Fund Bal. - Clean Water Mgt Fund	49,354,893.26	49,354,893.26	49,354,893.26	0.00	49,35
Unreserved Fund Balance	$ 1,274,679,447.78	$ 1,259,030,230.62	$ 1,041,757,596.79	$ 14,932,699.99	$ 1,056,690, 78

In - Process Transactions
Tuesday, November 18, 1997

Fund Balance at Beginning of Day				1,041,757,596.79
Reservation of Fund Balance - Railroad				0.00
Reservation of Fund Balance - Beverage				0.00
Release of Repair and Renovation Reserve				0.00
Reservation of Fund Balance - White Goods				0.00
Monthly Increase in Reservation of Fund Balance - RHB				0.00
Reservation of Fund Balance - Scrap Tire				0.00
Monthly Reservation of Fund Balance - Cash Availability Adj.-Inv.				0.00
Difference in Estimated and Actual Sales Tax Reserves				0.00
Release of White Goods Reserve				0.00
Release of Scrap Tire Reserves				0.00
Reservation of Fund Balance - Clean Water Management Fund				0.00
Release of Sales Tax Reserves				0.00
Receipts :	Tax and Non-Tax Revenues (Gross)		$ 47,652,535.91	
	Departmental Receipts		2,062,802.60	
	Transfers In		1,563,250.68	
	Total Receipts			51,278,589.19
	Subtotal			1,093,036,185.98
Requisitions Released :	Prior Month Settlements		2,463,481.79	
	Current Month On Account		(35,960,566.44)	
	From Reserves		0.00	
	Transfers Out		(852,305.83)	
	Total Disbursements			(34,349 48)
Current Day Receipts To Be Reserved :				
Estimated Reserve for 2% Sales Tax (30%)	[From Today's Collection of	$ 6,654,995.72]	(1,996,498.72)	
	Total To Be Reserved			(1,996,498.72)
Ending Cash Balance Available for Disbursement				$ 1,056,690,296.78

SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCE - BUDGETARY BASIS GENERAL FUND

October 31, 1997
(Expressed In Millions)

Assets		Liabilities and Fund Balance		
Deposits with State Treasurer :		***Liabilities:***		
Cash and Investments	$ 2,624.8	Sales and Use Tax Payable	$ 470.1	
		Scrap Tire Fees Payable	2.5	
		White Goods	2.4	
		Total Liabilities		$ 475.0
		Fund Balance:		
		Reserved :		
		Savings Account (G.S. 143-15.3)	$ 500.9	
		Retirees' Health Premiums	201.6	
		Repairs and Renovations (G.S. 143-15.3A)	41.2	
		Clean Water Management Trust Fd (G.S. 143-15.3B)	49.4	
		North Carolina Railroad Acquisition	61.0	
		Intangibles Tax Refunds	—	
		Chemical Alcohol Testing	0.4	
		Total Reserved		$ 854.5
		Unreserved :		
		Fund Balance - July 1, 1997	318.7	
		Contribution from Reserves - July 1, 1997	174.5	
			493.2	
		Excess of Revenue Over Expenditures - Four Months Ended October 31, 1997	802.1	
		Total Unreserved		1,295.3
		Total Fund Balance		2,149.8
Total Assets	$ 2,624.8	**Total Liabilities and Fund Balance**		$ 2,624.8

SCHEDULE OF OPERATIONS
GENERAL FUND

For the Months of October 1997 and 1996, and the Four Months Ended October 31, 1997 and 1996

(Expressed In Millions)

	Month		Year-To-Date		Authorized Budget		Percent of Budget Realized/Expended Year-To-Date	
	1997-98	1996-97	1997-98	1996-97	1997-98	1996-97	1997-98	1996-97
Beg. Unreserved Fund Balance	$1,221.9	$ 852.4	$ 318.7	$ 406.1	$ 318.7	$ 406.1		
Transfer from Reserved Fund Balance	—	—	174.5	1.6	174.5	1.6		
Transfer to Reserved Fund Balance	—	(115.5)	—	(115.5)	—	(115.5)		
	1,221.9	736.9	493.2	292.2	493.2	292.2		
Revenues:								
Tax Revenues:								
Individual Income	534.5	491.5	1,790.5	1,605.2	5,546.5	4,965.2	32.3%	32.3%
Corporate Income	15.3	26.6	131.2	139.5	679.6	663.6	19.3%	21.0%
Sales and Use	266.8	243.3	1,087.7	1,019.5	3,249.1	3,090.0	33.5%	33.0%
Franchise	52.3	36.1	124.7	111.1	409.9	366.2	30.4%	30.3%
Insurance	73.8	68.4	77.3	71.0	269.7	248.0	28.7%	28.6%
Beverage	7.7	6.8	46.8	44.8	152.7	148.6	30.6%	30.1%
Inheritance	15.3	13.3	48.7	43.7	137.8	116.2	35.3%	37.6%
Soft Drink	1.8	2.5	8.9	11.9	22.3	29.8	39.9%	39.9%
Privilege License	7.1	4.1	16.8	22.0	33.1	43.8	50.8%	50.2%
Tobacco Products	4.1	3.8	16.5	16.1	46.7	45.8	35.3%	35.2%
Real Estate Conveyance Excise	(1.1)	(0.3)	6.0	6.0	—	—	—	—
Intangibles	0.1	(0.1)	0.1	0.1	—	0.6	—	16.7%
Gift	0.5	0.3	1.4	0.9	12.7	10.0	11.0%	9.0%
White Goods Disposal	(1.8)	(1.7)	0.6	0.6	—	—	—	—
Scrap Tire Disposal	(1.7)	(1.7)	0.9	0.8	—	—	—	—
Freight Car Lines	—	—	—	—	0.5	0.5	—	—
Other	(0.1)	0.2	—	0.1	0.7	0.7	—	14.3%
Total Tax Revenue	974.6	893.1	3,358.1	3,093.3	10,561.3	9,729.0	31.8%	31.8%
Non-Tax Revenue:								
Treasurer's Investments	20.7	17.8	81.6	72.8	237.4	195.0	34.4%	37.3%
Judicial Fees	10.1	8.6	36.8	32.9	116.8	97.8	31.5%	33.6%
Insurance	0.1	0.1	5.1	4.8	20.6	20.1	24.8%	23.9%
Disproportionate Share	—	83.6	—	83.6	—	102.0	—	82.0%
Highway Fund Transfer In	—	—	3.0	2.9	12.6	11.9	23.8%	24.4%
Highway Trust Fund Transfer In	—	—	170.0	170.0	170.0	170.0	100.0%	100.0%
Other	6.1	6.5	20.6	23.8	74.9	70.0	27.5%	34.0%
Total Non-Tax Revenue	37.0	116.6	317.1	390.8	632.3	666.8	50.2%	58.6%
Total Tax and Non-Tax Revenue	1,011.6	1,009.7	3,675.2	3,484.1	11,193.6	10,395.8	32.8%	33.5%
Bond Proceeds	—	—	—	—	—	645.0	—	—
Total Availability	2,233.5	1,746.6	4,168.4	3,776.3	11,686.8	11,333.0	35.7%	33.3%
Expenditures:								
Current Operations	938.2	659.7	2,747.3	2,612.0	11,119.5	10,323.5	24.7%	25.3%
Capital Improvements:								
Funded by General Fund	—	39.3	81.8	78.6	327.3	157.3	25.0%	50.0%
Debt Service	—	—	44.0	38.1	118.5	126.9	37.1%	30.0%
	938.2	699.0	2,873.1	2,728.7	11,565.3	10,607.7	24.8%	25.7%
Capital Improvements:								
Funded by Bond Proceeds	—	—	—	—	—	645.0	—	—
Total Expenditures	938.2	699.0	2,873.1	2,728.7	11,565.3	11,252.7	24.8%	24.2%
Unreserved Fund Balance	$1,295.3	$1,047.6	$1,295.3	$1,047.6	$ 121.5	$ 80.3		

SCHEDULE OF NET TAX AND NON-TAX REVENUES AND TRANSFERS IN BUDGET VS. ACTUAL
GENERAL FUND

For the Month of October 1997, and the Four Months Ended October 31, 1997
(Expressed In Millions)

	Current Month				Year-To-Date			
	Projected Monthly Budget	Actual	Variance	Percent Realized	Projected Monthly Budget	Actual	Variance	Percent Realized
Tax Revenue								
Individual Income [1]	$ 481.8	$ 534.5	$ 52.7	110.9%	$ 1,722.9	$ 1,790.5	$ 67.6	103.9%
Corporate Income [2]	21.5	15.3	(6.2)	71.2%	146.6	131.2	(15.4)	89.5%
Sales and Use	267.3	266.8	(0.5)	99.8%	1,068.4	1,087.7	19.3	101.8%
Franchise	39.4	52.3	12.9	132.7%	116.5	124.7	8.2	107.0%
Insurance	71.1	73.8	2.7	103.8%	74.2	77.3	3.1	104.2%
Beverage	7.6	7.7	0.1	101.3%	46.6	46.8	0.2	100.4%
Inheritance	11.5	15.3	3.8	133.0%	45.8	48.7	2.9	106.3%
Soft Drink	1.8	1.8	—	100.0%	8.5	8.9	0.4	104.7%
Privilege License	3.3	7.1	3.8	215.2%	11.2	16.8	5.6	150.0%
Tobacco Products	3.9	4.1	0.2	105.1%	15.5	16.5	1.0	106.5%
Real Estate Conveyance Excise	(1.1)	(1.1)	—	100.0%	6.0	6.0	—	100.0%
Intangibles	—	0.1	0.1	—	—	0.1	0.1	—
Gift	0.2	0.5	0.3	250.0%	0.7	1.4	0.7	200.0%
White Goods Disposal	(1.8)	(1.8)	—	100.0%	0.6	0.6	—	100.0%
Scrap Tire Disposal	(1.7)	(1.7)	—	100.0%	0.9	0.9	—	100.0%
Freight Car Lines	—	—	—	—	—	—	—	—
Other	—	(0.1)	(0.1)	—	—	—	—	—
Total Tax Revenue	904.8	974.6	69.8	107.7%	3,264.4	3,358.1	93.7	102.9%
Non-Tax Revenue								
Treasurer's Investments	18.9	20.7	1.8	109.5%	77.0	81.6	4.6	106.0%
Judicial Fees	9.9	10.1	0.2	102.0%	36.8	36.8	—	100.0%
Insurance	0.1	0.1	—	100.0%	5.4	5.1	(0.3)	94.4%
Highway Fund Transfer In	—	—	—	—	3.1	3.0	(0.1)	96.8%
Highway Trust Fund Transfer In	—	—	—	—	170.0	170.0	—	100.0%
Other	6.2	6.1	(0.1)	98.4%	24.6	20.6	(4.0)	83.7%
Total Non-Tax Revenue	35.1	37.0	1.9	105.4%	316.9	317.1	0.2	100.1%
Total Tax and Non-Tax Revenue	$ 939.9	$1,011.6	$ 71.7	107.6%	$ 3,581.3	$ 3,675.2	$ 93.9	102.6%

[1] Individual Income Tax collections are reported net of the following transfer(s) :

	1997-98		1996-97	
	Current Month	Year-To-Date	Current Month	Year-To-Date
Individual Income Tax, Reported Net	$ 534.5	$ 1,790.5	$ 491.5	$ 1,605.2
Local Government Tax Reimbursement	—	129.0	—	129.0
Individual Income Tax, Adjusted for Transfers	$ 534.5	$ 1,919.5	$ 491.5	$ 1,734.2

[2] Corporate Income Tax collections are reported net of the following transfer(s) :

	1997-98		1996-97	
	Current Month	Year-To-Date	Current Month	Year-To-Date
Corporate Income Tax, Reported Net	$ 15.3	$ 131.2	$ 26.6	$ 139.5
Public School Building Capital Fund	—	23.4	—	19.0
Critical School Facility Needs Fund	—	2.5	—	2.5
Local Government Tax Reimbursement	—	101.5	—	101.5
	—	127.4	—	123.0
Corporate Income Tax, Adjusted for Transfers	$ 15.3	$ 258.6	$ 26.6	$ 262.5

ALL FUND TYPES, ACCOUNT GROUPS, AND DISCRETELY PRESENTED COMPONENT UNITS COMBINED BALANCE SHEET

June 30, 1997

(Dollars in Thousands)
11/19/97 8:44 AM

	Governmental Fund Types			*Proprietary Fund Types*	
	General	Special Revenue	Capital Projects	Enterprise	Internal Service
ASSETS AND OTHER DEBITS					
Cash and cash equivalents (Note 4)	$ 2,288,782	$ 1,916,242	$ 299,305	$ 29,780	$ 473,232
Investments (Note 4)	1,815,570	899,548	155,464	31,592	627,091
Deposit with Federal government (Note 4)	—	—	—	—	—
Receivables, net:					
Taxes receivable	553,169	97,070	—	—	—
Accounts receivable	90,145	5,112	—	7,265	15,155
Intergovernmental receivables	482,651	67,801	249	—	370
Interest receivable	17,500	9,477	—	69	2,160
Premiums receivable	—	—	—	637	1,119
Contributions receivable	14,098	—	—	—	4,968
Other receivables	—	4,871	—	—	—
Due from other funds (Note 8)	16,741	59,642	375	—	19,102
Due from component units (Note 8)	16,376	—	—	—	1,234
Due from primary government (Note 8)	—	—	—	—	—
Advances to component units (Note 8)	30,627	—	—	—	—
Notes receivable	497	99,726	—	—	—
Inventories	48,642	72,884	—	401	12,037
Food stamps	107,350	—	—	—	—
Prepaid items	11	863	—	1,640	203
Fixed assets (Note 5)	—	—	—	22,766	158,961
Goodwill	—	—	—	—	—
Sureties	—	32,147	—	—	—
Amount available in other funds	—	—	—	—	—
Amount to be provided for retirement of general long-term obligations	—	—	—	—	—
Total Assets and Other Debits	$ 5,482,159	$ 3,265,383	$ 455,393	$ 94,150	$1,315,632
LIABILITIES, FUND EQUITY AND OTHER CREDITS					
Liabilities:					
Accounts payable and accrued liabilities	$ 453,527	$ 213,287	$ 15,300	$ 219	$ 10,766
Tax refunds payable	643,224	—	—	—	—
Obligations under securities lending	1,760,112	879,314	155,464	19,606	328,666
Premium tax credit payable	104	—	—	—	—
Due to other funds (Note 8)	39,137	44,150	229	10	2,746
Due to component units (Note 8)	4,457	88,099	—	—	2,197
Due to primary government (Note 8)	—	—	—	—	—
Advance from primary government (Note 8)	—	—	—	—	—
Obligations under reverse repurchase agreements	—	—	—	—	—
Contracts payable	—	—	—	—	—
Notes payable (Note 7)	—	—	—	170	—
Claims and benefits payable	462,336	44	—	7,866	325,604
Capital leases payable (Note 6)	—	—	—	—	—
Bonds payable (Note 7)	—	—	—	—	—
Interest payable	1,159	—	—	—	—
Deposits payable	273	88,426	3,956	—	61
Accrued vacation leave	—	—	—	265	2,679
Deferred revenue	413,929	14,689	—	2,044	3,064
Total Liabilities	3,778,258	1,328,009	174,949	30,180	675,783
Fund Equity and Other Credits:					
Contributed capital	—	—	—	30,016	58,806
Retained earnings	—	—	—	33,954	581,043
Investment In fixed assets	—	—	—	—	—
Fund balances:					
Reserved/restricted (Note 15)	1,256,625	603,447	125,100	—	—
Unreserved/unrestricted (Note 15)	447,276	1,333,927	155,344	—	—
Total Fund Equity and Other Credits	1,703,901	1,937,374	280,444	63,970	639,849
Total Liabilities, Fund Equity and Other Credits	$ 5,482,159	$ 3,265,383	$ 455,393	$ 94,150	$1,315,632

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit A-1

Fiduciary Fund Types	Account Groups		TOTAL PRIMARY GOVERNMENT (Memorandum only)	Component Units		TOTAL REPORTING ENTITY (Memorandum only)
Trust and Agency	General Fixed Assets	General Long-Term Obligations		Proprietary	College and University	
$ 1,351,468	$ —	$ —	$ 6,358,809	$ 189,792	$ 1,501,528	$ 8,050,129
46,557,922	—	—	50,087,187	608,192	2,344,897	53,040,276
1,296,122	—	—	1,296,122	—	—	1,296,122
175,404	—	—	825,643	—	—	825,643
24,625	—	—	142,302	13,791	177,064	333,157
8,109	—	—	559,180	6,455	107,027	672,662
4,757	—	—	33,963	17,569	10,606	62,138
—	—	—	1,756	—	—	1,756
130,774	—	—	149,840	—	—	149,840
—	—	—	4,871	—	—	4,871
4,166	—	—	100,026	—	53,647	153,673
—	—	—	17,610	—	1,548	19,158
—	—	—	—	13,602	92,914	106,516
25,000	—	—	55,627	—	—	55,627
305,145	—	—	405,368	1,108,054	82,031	1,595,453
1,333	—	—	135,297	753	51,177	187,227
—	—	—	107,350	—	—	107,350
—	—	—	2,717	16,333	6,279	25,329
—	2,929,597	—	3,111,324	154,122	5,295,461	8,560,907
—	—	—	—	9	—	9
487,810	—	—	519,957	—	—	519,957
—	—	1,001	1,001	—	—	1,001
—	—	1,756,306	1,756,306	—	—	1,756,306
$ 50,372,635	$ 2,929,597	$ 1,757,307	$ 65,672,256	$ 2,128,672	$ 9,724,179	$ 77,525,107
$ 1,187,537	$ —	$ 20	$ 1,880,656	$ 14,979	$ 183,532	$ 2,079,167
—	—	—	643,224	—	—	643,224
3,154,762	—	—	6,297,924	157,657	859,053	7,314,634
—	—	64,066	64,170	—	—	64,170
13,759	—	—	100,031	—	53,647	153,678
11,763	—	—	106,516	171	1,377	108,064
—	—	—	—	13,940	3,670	17,610
—	—	—	—	55,627	—	55,627
—	—	—	—	—	204,986	204,986
—	—	—	—	6,858	—	6,858
—	—	6,083	6,253	10,970	27,856	45,079
43,704	—	6,523	846,077	16	40,770	886,863
—	—	318	318	7,007	1,037	8,362
—	—	1,514,477	1,514,477	1,140,906	803,939	3,459,322
—	—	—	1,159	19,028	12,079	32,266
698,335	—	—	791,051	321	264,332	1,055,704
—	—	165,820	168,764	1,331	121,330	291,425
53,023	—	—	486,749	8,241	25,546	520,536
5,162,883	—	1,757,307	12,907,369	1,437,052	2,603,154	16,947,575
—	—	—	88,822	175,841	—	264,663
—	—	—	614,997	515,779	—	1,130,776
—	2,929,597	—	2,929,597	—	4,570,367	7,499,964
43,593,200	—	—	45,578,372	—	1,430,829	47,009,201
1,616,552	—	—	3,553,099	—	1,119,829	4,672,928
45,209,752	2,929,597	—	52,764,887	691,620	7,121,025	60,577,532
$ 50,372,635	$ 2,929,597	$ 1,757,307	$ 65,672,256	$ 2,128,672	$ 9,724,179	$ 77,525,107

9-e continued

ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the Fiscal Year Ended June 30, 1997 *Exhibit A-2*

(Dollars in Thousands)

11/19/97 8:44 AM	*Governmental Fund Types*			*Fiduciary Fund Type*	*TOTALS*
	General	Special Revenue	Capital Projects	Expendable Trust	*(Memorandum only)*
Revenues:					
Taxes	$ 10,670,535	$ 1,507,070	$ —	$ 180,501	$ 12,358,106
Federal funds	5,169,286	684,656	3,738	10,859	5,868,539
Local funds	403,145	24,161	—	104	427,410
Investment earnings	340,480	114,198	—	227,288	681,966
Interest earnings on loans	—	4,280	—	5,825	10,105
Sales and services	58,744	17,127	259	28,050	104,180
Sale, rental, and lease of property	5,993	18,195	550	448	25,186
Fees, licenses, and fines	254,846	559,844	—	8,865	823,555
Contributions, gifts, and grants	14,145	16,554	1,106	146,463	178,268
Funds escheated	—	—	—	19,322	19,322
Miscellaneous	174,840	7,374	33	526	182,773
Total revenues	17,092,014	2,953,459	5,686	628,251	20,679,410
Expenditures:					
Current:					
General government	890,428	30,978	—	9,060	930,466
Education	4,593,250	182,491	—	15,391	4,791,132
Human resources	6,781,885	40,739	—	1,254	6,823,878
Economic development	104,896	189,891	—	—	294,787
Environment, health and natural resources	548,069	120,333	—	436	668,838
Public safety, corrections, and regulation	1,455,662	158,095	—	26,783	1,640,540
Transportation	—	2,205,494	—	—	2,205,494
Agriculture	65,274	147	—	4,853	70,274
Claims and benefits	—	—	—	442,804	442,804
Capital outlay	—	—	147,194	—	147,194
Debt service:					
Bond principal retirement	77,815	4,895	—	—	82,710
Bond interest	48,456	83	—	—	48,539
Total expenditures	14,565,735	2,933,146	147,194	500,581	18,146,656
Excess revenues over (under) expenditures	2,526,279	20,313	(141,508)	127,670	2,532,754
Other Financing Sources (Uses):					
Operating transfers in (Note 17)	268,424	781,225	155,428	16,947	1,222,024
Operating transfers from component units (Note 17)	35,096	713	—	—	35,809
Operating transfers out (Note 17)	(406,674)	(782,030)	(5,881)	(18,363)	(1,212,948)
Operating transfers to component units (Note 17)	(2,146,765)	(91,012)	—	(11,763)	(2,249,540)
Proceeds from capital leases	—	247	—	—	247
Proceeds from bond sale	—	645,000	—	—	645,000
Total other financing sources (uses)	(2,249,919)	554,143	149,547	(13,179)	(1,559,408)
Excess revenues and other sources over (under) expenditures and other uses	276,360	574,456	8,039	114,491	973,346
Fund balances — July 1 (Note 16)	1,422,975	1,375,570	272,428	2,795,503	5,866,476
Restatements (Note 16)	513	(266)	—	1,864	2,111
Residual equity transfers in (Note 17)	252	6	—	—	258
Residual equity transfers out (Note 17)	—	(229)	(23)	—	(252)
Increase (decrease) in reserve for related assets	3,801	(12,163)	—	(13)	(8,375)
Fund balances — June 30	$ 1,703,901	$ 1,937,374	$ 280,444	$ 2,911,845	$ 6,833,564

The accompanying Notes to the Financial Statements are an integral part of this statement.

GENERAL FUND AND SPECIAL REVENUE FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES — BUDGET AND ACTUAL (BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 1997 Exhibit A-3

(Dollars in Thousands)

	General Fund			Special Revenue Funds		
	Final Budget	*Actual*	*Variance-Favorable (Unfavorable)*	*Final Budget*	*Actual*	*Variance-Favorable (Unfavorable)*
Revenues:						
Taxes:						
Individual income	$ 4,965,200	$ 5,329,990	$ 364,790	$ —	$ —	$ —
Corporate income	663,600	717,751	54,151	—	—	—
Sales and use	3,090,000	3,127,673	37,673	—	—	—
Franchise	366,200	387,812	21,612	—	—	—
Insurance	248,000	258,504	10,504	—	—	—
Beverage	148,600	150,208	1,608	—	—	—
Intangibles	600	—	(600)	—	—	—
Other	246,800	267,209	20,409	—	—	—
Non-Tax:						
Fees, licenses and fines	97,800	99,063	1,263	—	—	—
Investment income	195,000	224,113	29,113	—	—	—
Disproportionate share receipts	102,000	100,843	(1,157)	—	—	—
Other	90,100	88,840	(1,260)	—	—	—
Transfers in	181,900	181,853	(47)	—	—	—
Departmental:						
Federal funds	5,085,471	4,663,038	(422,433)	285,741	206,188	(79,553)
Local funds	621,989	557,377	(64,612)	10,931	9,483	(1,448)
Inter-agency grants and allocations	32,802	3,493	(29,309)	14,845	5,369	(9,476)
Intra-governmental transactions	2,064,548	1,787,702	(276,846)	286,856	283,825	(3,031)
Sales and services	69,625	63,517	(6,108)	15,936	14,838	(1,098)
Sale, rental and lease of property	4,702	4,540	(162)	3,840	3,996	156
Fees, licenses and fines	103,008	103,619	611	86,958	84,788	(2,170)
Contributions, gifts and grants	64,844	58,992	(5,852)	2,353	1,801	(5
Miscellaneous	30,296	47,442	17,146	11,972	10,863	(1,1
Universities	457,239	437,484	(19,755)	80,888	80,781	(107)
Total Revenues	18,930,324	18,661,063	(269,261)	800,320	701,932	(98,388)
Expenditures:						
Current:						
General government	525,355	506,178	19,177	77,821	65,215	12,606
Education	5,802,802	5,654,700	148,102	—	—	—
Human resources	7,933,072	7,530,619	402,453	49,569	41,419	8,150
Environment, health, and natural resources	670,984	606,058	64,926	128,320	97,923	30,397
Economic development	175,176	137,013	38,163	255,378	202,687	52,691
Public safety, corrections, and regulation	1,835,053	1,586,700	248,353	244,937	205,874	39,063
Transportation	10,147	10,147	—	—	—	—
Agriculture	72,075	67,702	4,373	—	—	—
Capital outlay	157,267	157,267	—	—	—	—
Debt service	126,883	126,271	612	—	—	—
Universities	1,833,388	1,811,323	22,065	107,928	75,553	32,375
Total Expenditures	19,142,202	18,193,978	948,224	863,953	688,671	175,282
Excess revenues over (under) expenditures	(211,878)	467,085	678,963	(63,633)	13,261	76,894
(Increase) in reserves (Note 2 D)	(115,510)	(556,126)	(440,616)	—	—	—
Decrease in reserves (Note 2 D)	1,595	1,595	—	—	—	—
Unreserved fund balances (budgetary basis) at July 1, 1996	406,136	406,136	—	177,343	177,343	—
Restatements (Note 2 B)	—	—	—	1,894	1,894	—
Unreserved fund balances (budgetary basis) at June 30, 1997	$ 80,343	$ 318,690	$ 238,347	$ 115,604	$ 192,498	$ 76,894

The accompanying Notes to the Financial Statements are an integral part of this statement.

REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION
ALL GOVERNMENTAL FUND TYPES
GAAP BASIS
LAST TEN FISCAL YEARS

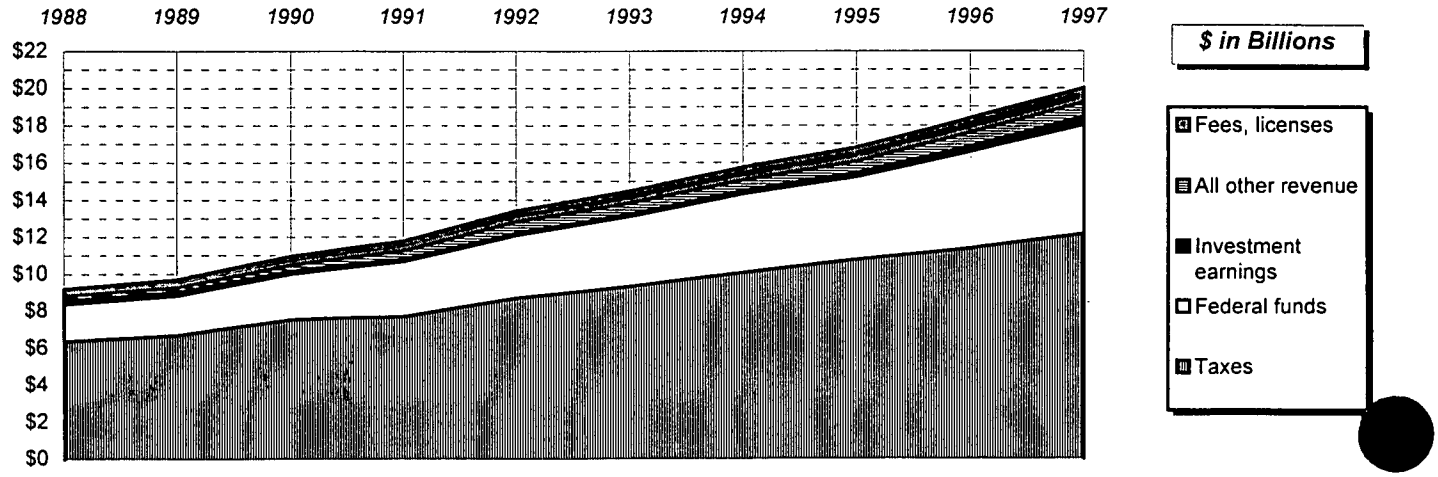
(Dollars in Thousands)

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		1997	1996	1995	1994	1993
Revenues — By Source						
Taxes	[2]	$ 12,177,605	$ 11,390,198	$ 10,773,352	$ 10,084,671	$ 9,347,575
Federal funds		5,857,680	5,192,921	4,458,959	4,243,091	3,757,961
Local funds		427,306	469,023	325,613	299,297	269,545
Investment earnings	[1]	454,678	290,536	245,388	183,574	145,771
Interest earnings on loans		4,280	1,361	121	38	—
Sales and services		76,130	82,511	46,686	74,210	32,195
Sale, rental and lease of property		24,738	23,641	13,888	9,396	7,467
Fees, licenses and fines		814,690	793,622	749,277	713,941	662,007
Contributions, gifts and grants		31,805	21,512	38,012	28,135	155,488
Miscellaneous		182,247	141,647	169,276	141,421	118,755
Total revenues		$ 20,051,159	$ 18,406,972	$ 16,820,572	$ 15,777,774	$ 14,496,764
Expenditures — By Function						
Current:						
General government	[1]	$ 921,406	$ 769,518	$ 787,164	$ 735,973	$ 825,507
Education	[1]	4,775,741	4,499,257	4,441,966	4,144,633	4,429,381
Human resources	[1]	6,822,624	6,244,976	5,211,388	4,519,194	4,090,775
Economic development	[1]	294,787	261,340	273,101	261,623	261,142
Environment, health and natural resources	[1]	668,402	576,272	591,007	538,574	458,041
Public safety, corrections, and regulation	[1]	1,613,757	1,331,964	1,209,576	1,099,081	973,708
Transportation	[1]	2,205,494	1,908,076	1,871,233	1,724,551	1,56[illegible]
Agriculture	[1]	65,421	63,174	62,257	59,552	[illegible]
Capital outlay		147,194	173,118	167,249	127,275	77,528
Debt service		131,249	150,471	141,031	123,376	124,314
Total expenditures		$ 17,646,075	$ 15,978,166	$ 14,755,972	$ 13,333,832	$ 12,870,325

All governmental fund types consist of the General Fund, special revenue funds, debt service funds and capital projects funds.

Major Revenues by Source
1988 - 1997



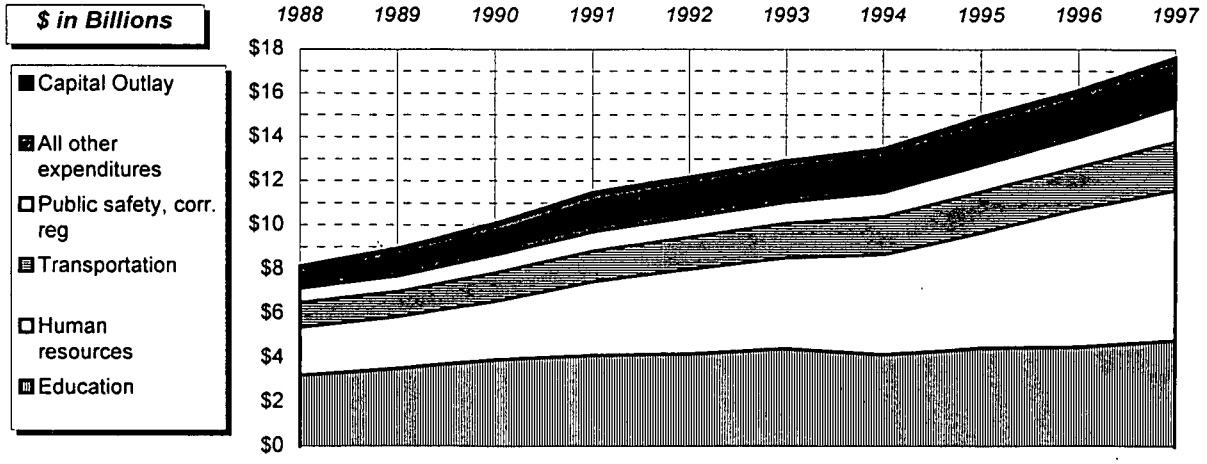
Table

1992	1991	1990	1989	1988
$ 8,703,484	$ 7,730,054	$ 7,543,587	$ 6,691,258	$ 6,381,706
3,382,683	2,940,213	2,463,686	2,141,659	1,995,659
234,428	203,171	167,093	138,713	113,035
120,891	144,823	179,575	198,774	212,731
—	—	—	—	—
33,263	54,197	63,785	52,758	69,953
6,787	6,817	5,473	5,057	5,896
621,241	529,746	518,000	425,963	404,925
266,435	143,434	10,421	8,458	9,192
69,389	52,808	44,033	44,132	35,648
$ 13,438,601	$ 11,805,263	$ 10,995,653	$ 9,706,772	$ 9,228,745
$ 786,729	$ 755,810	$ 472,543	$ 372,266	$ 274,736
4,188,854	4,135,288	3,920,038	3,547,507	3,213,663
3,824,635	3,311,811	2,631,963	2,311,578	2,169,229
242,870	244,198	242,541	73,554	66,168
391,342	355,282	333,151	502,093	327,798
903,543	868,227	834,110	715,462	636,941
1,449,123	1,401,607	1,290,250	1,128,706	1,116,397
57,316	56,472	55,272	52,503	49,091
119,343	131,565	108,867	77,080	89,815
114,928	106,692	110,396	110,980	113,182
$ 12,078,683	$ 11,366,952	$ 9,999,131	$ 8,891,729	$ 8,057,020

[1] Fiscal years prior to 1997 do not reflect the implementation of GASB Statement 28, *Accounting and Financial Reporting for Securities Lending Transactions*. The impact of GASB Statement 28 is to gross-up investment earnings by the amount of fees charged for securities lending and to increase current expenditures in the amount of fees charged. Prior to 1997, securities lending fees are netted against securities lending income. For 1997, these fees totaled $138 million.

[2] Fiscal years prior to 1995 do not reflect the implementation of GASB Statement No. 22, *Accounting for Taxpayer-Assessed Tax Revenues in Governmental Funds*.

Major Expenditures by Function
1988 - 1997



9-h continued

TOTAL NUMBER OF STATE GOVERNMENT PERMANENT POSITIONS FUNDED IN THE STATE BUDGET BY AGENCY

For the Fiscal Years 1988-1997

Table

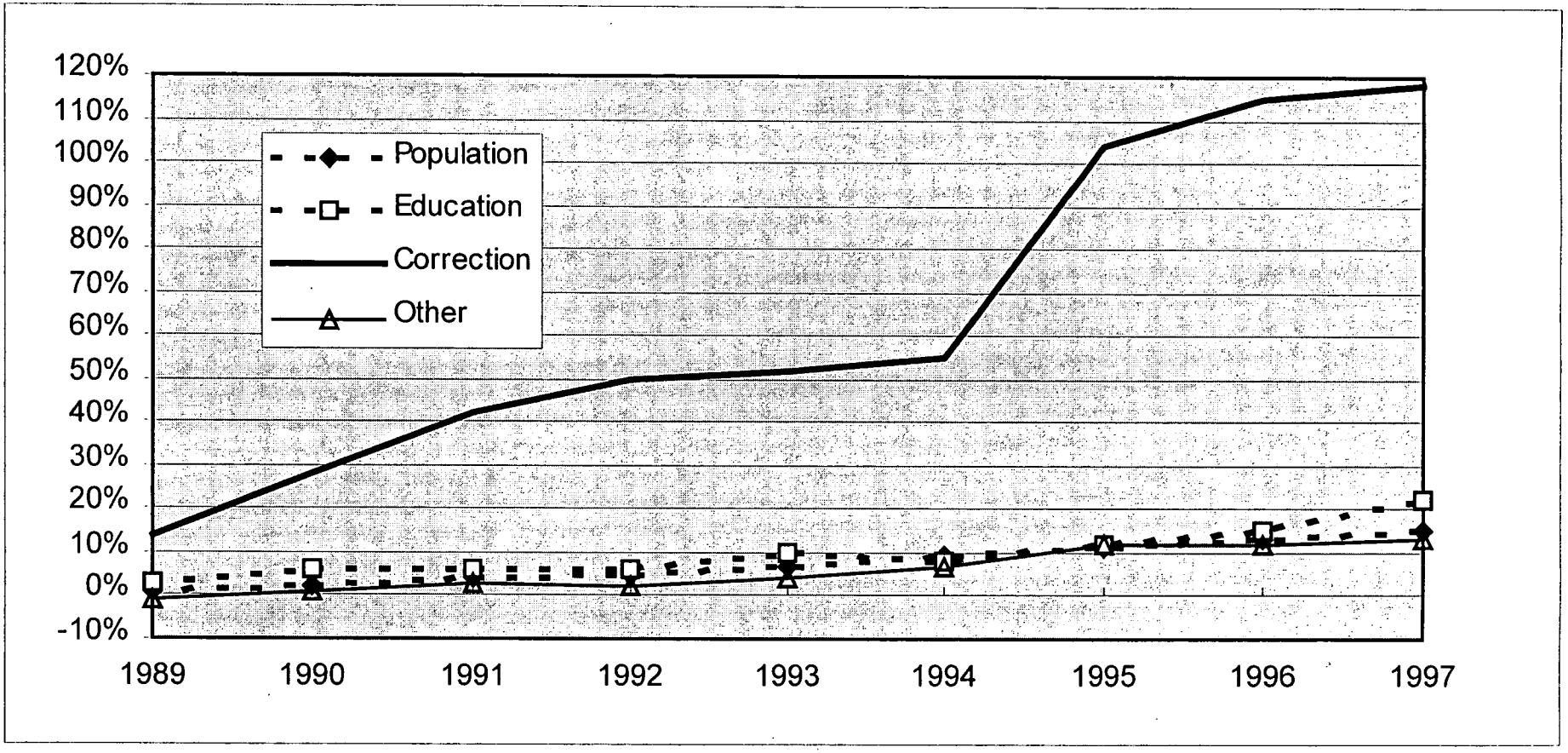
State Agency	Fiscal Years Ended June 30 1997	1996	1995	1994	1993	1992	1991	1990	1989	1988
Education:										
Public education [1]..	126,453	116,235	113,123	108,649	108,539	106,847	107,077	105,244	103,223	98,333
Higher education.....	31,012	31,012	30,094	29,611	31,621	28,702	28,225	30,478	29,866	29,435
Community colleges.....	10,135	10,555	10,814	10,892	10,660	10,076	10,005	9,626	9,251	9,945
Total Education.....	167,600	157,802	154,031	149,152	150,820	145,625	145,307	145,348	142,340	137,713
% Annual growth.....	6.21%	2.45%	3.27%	(1.11)%	3.57%	0.22%	(0.03)%	2.11%	3.36%	
% Cumulative growth.....	21.70%	14.59%	11.85%	8.31%	9.52%	5.75%	5.51%	5.54%	3.36%	
All Other:										
Human Resources.....	18,373	18,373	18,191	17,753	17,159	17,008	17,155	16,823	18,028	17,951
% Annual growth.....	0.00%	1.00%	2.47%	3.46%	0.89%	(0.86)%	1.97%	(6.68)%	0.43%	
% Cumulative growth.....	2.35%	2.35%	1.34%	(1.10)%	(4.41)%	(5.25)%	(4.43)%	(6.28)%	0.43%	
Correction.....	19,099	18,879	17,890	13,592	13,336	13,176	12,426	11,209	10,044	8,777
% Annual growth.....	1.17%	5.53%	31.62%	1.92%	1.21%	6.04%	10.86%	11.60%	14.44%	
% Cumulative growth.....	117.60%	115.10%	103.83%	54.86%	51.94%	50.12%	41.57%	27.71%	14.44%	
Transportation.....	16,536	16,411	16,593	15,451	15,556	15,096	15,127	14,560	14,189	14,760
% Annual growth.....	0.76%	(1.10)%	7.39%	(0.67)%	3.05%	(0.20)%	3.89%	2.61%	(3.87)%	
% Cumulative growth.....	12.03%	11.19%	12.42%	4.68%	5.39%	2.28%	2.49%	(1.36)%	(3.87)%	
Judicial.....	5,124	4,978	5,002	4,915	4,628	4,471	4,474	4,271	4,093	4,[illegible]
% Annual growth.....	2.93%	(0.48)%	1.77%	6.20%	3.51%	(0.07)%	4.75%	4.35%	2.22%	
% Cumulative growth.....	27.97%	24.33%	24.93%	22.75%	15.58%	11.66%	11.74%	6.67%	2.22%	
Other.....	17,138	16,904	16,921	16,186	15,425	15,267	15,574	15,468	14,023	13,912
% Annual growth.....	1.38%	(0.10)%	4.54%	4.93%	1.03%	(1.97)%	0.69%	10.30%	0.80%	
% Cumulative growth.....	23.19%	21.51%	21.63%	16.35%	10.88%	9.74%	11.95%	11.18%	0.80%	
Total Positions.....	243,870	233,347	228,628	217,049	216,924	210,643	210,063	207,679	202,717	197,117

[1] This figure includes local educational agencies receiving funding by State appropriation for elementary and secondary school teachers.

Source: North Carolina Office of State Budget and Management

N.C. population (1000's)	7,437	7,322	7,194	7,070	6,954	6,837	6,752	6,632	6,569	6,483
Annual growth	1.57%	1.78%	1.75%	1.67%	1.71%	1.26%	1.81%	0.96%	1.33%	
Cumulative growth	14.72%	12.94%	10.97%	9.05%	7.27%	5.46%	4.15%	2.30%	1.33%	

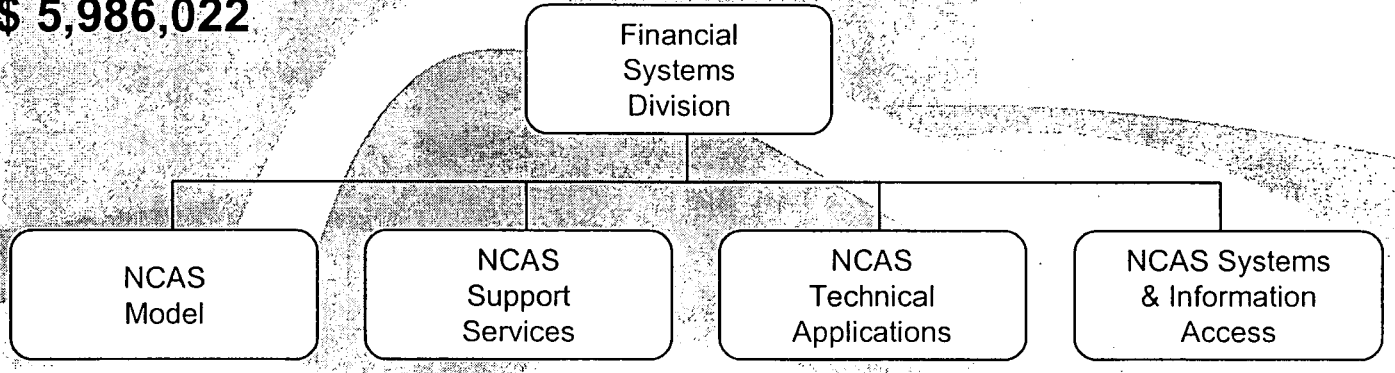
Rates of Growth in State Government Permanent Positions Funded in the State Budget Compared to the Rate of Population Growth in North Carolina



Office of the State Controller

Financial Systems Division

Personnel : 48
Budget : $ 5,986,022



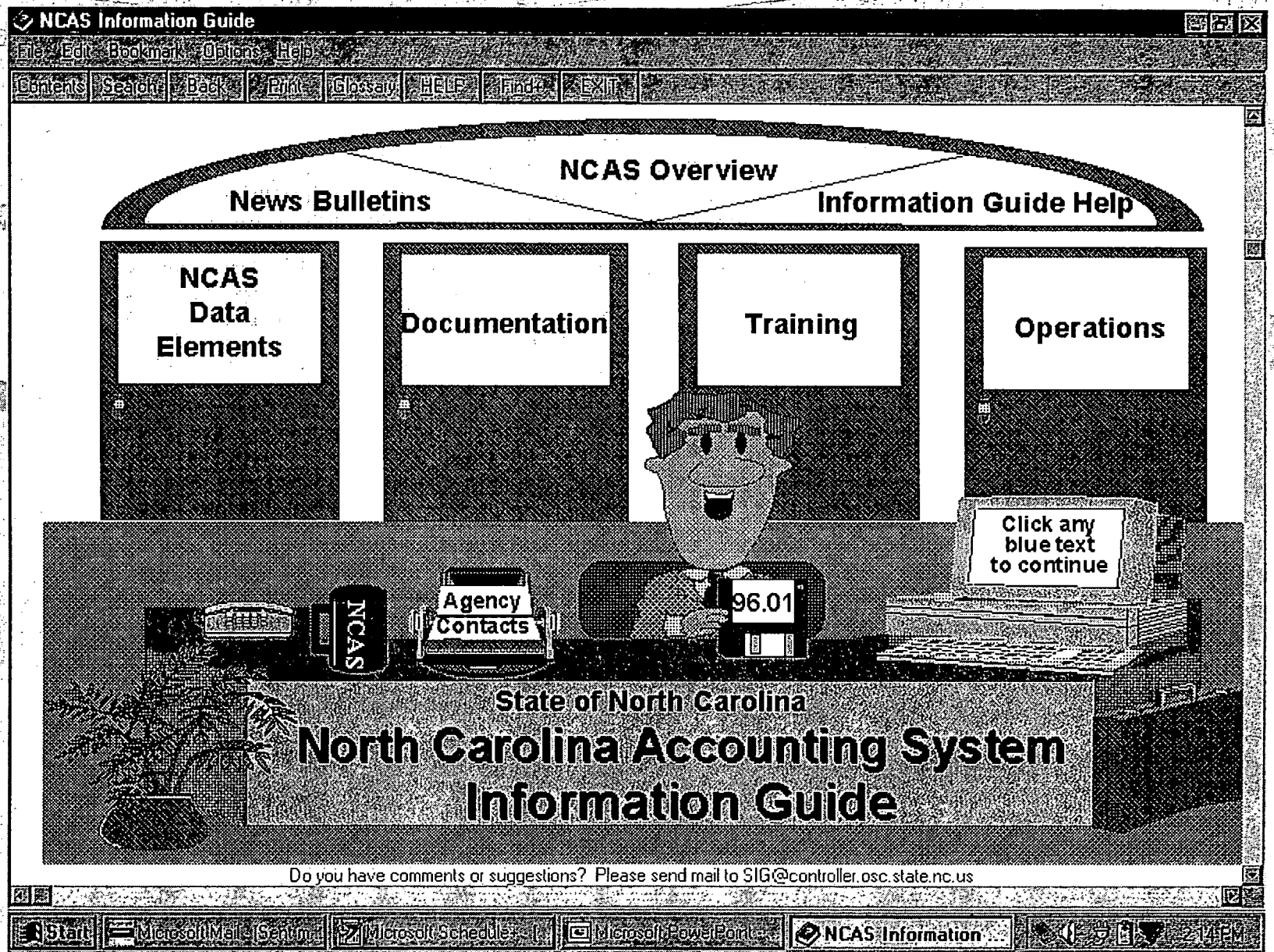
Mission Statement :

The Financial Systems Division designs, develops, implements and maintains the policies, procedures and software that form the North Carolina Accounting System (NCAS). It provides agency implementation, functional and technical systems administration, client support, and maintenance of the NCAS. The NCAS utilizes the Dun & Bradstreet Software (DBS) MARS/G "E" series financial software and includes the following modules: General Ledger, Budgetary Control, Purchasing, Inventory, Accounts Payable, Accounts Receivable, Fixed Assets, Project Tracking and Financial Controller. The NCAS provides information access through the use of the mainframe based on-line real-time inquiries, DBS Information Expert (IE) report generator, Report Management Distribution System (RMDS) on-line report viewing and printing, and client/server based SmartStream Decision Support System.

What Information Is Available in NCAS?

- Financial & Budgetary account balances (budgets, commitments, encumbrances, cash disbursements, cash availability, annual accruals)
- Performance/Program Budget account balances
- Purchasing current activity and history
- Vendor and disbursement current activity and history
- Federal grant current activity and history
- Statewide chart of accounts and agency comparisons
- Payroll current activity and history
- Daily cash availability
- Agency allotment balances

Office of the State Controller

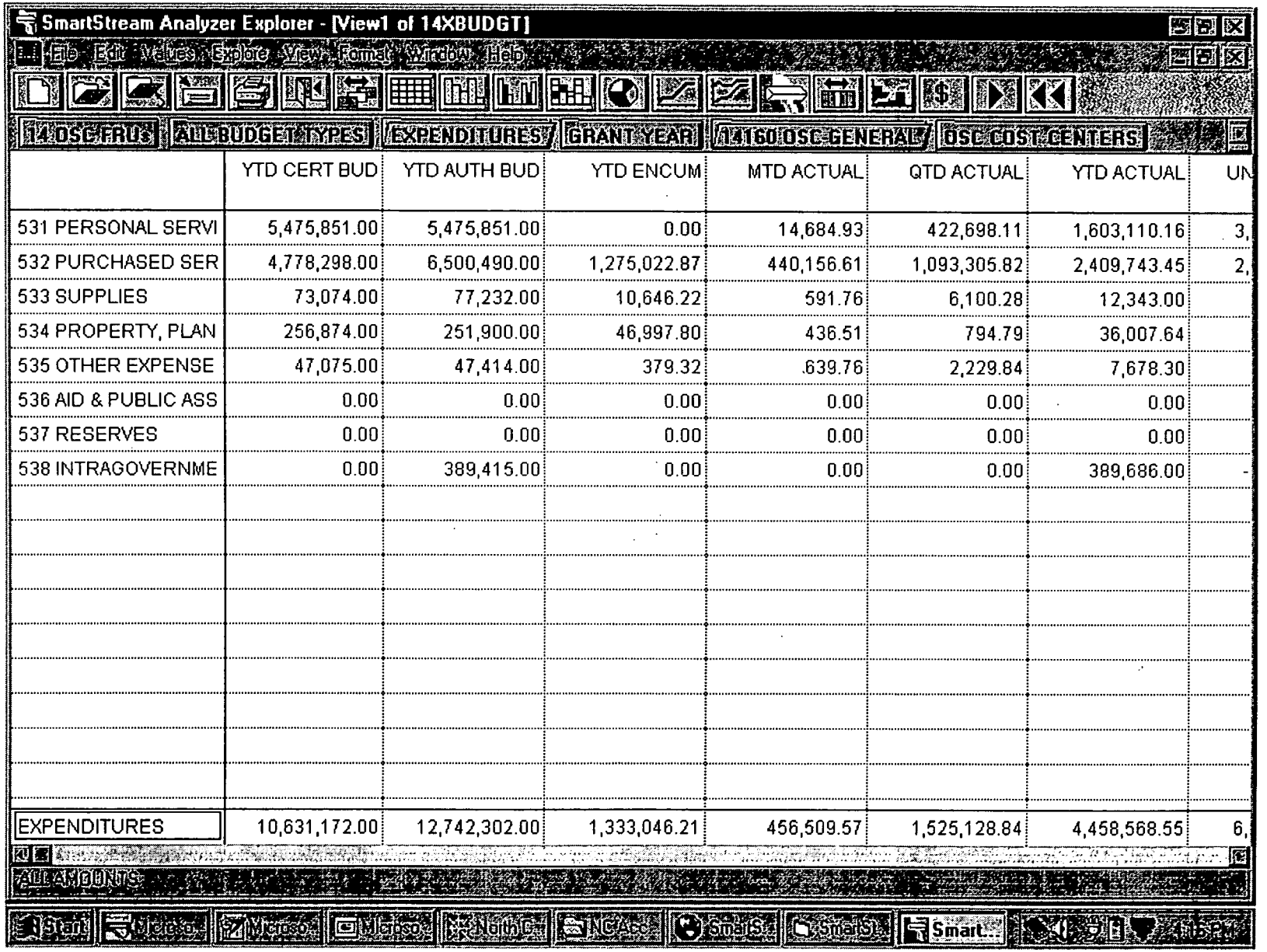


Office of the State Controller

NCAS Decision Support System Examples (Included in your handout)

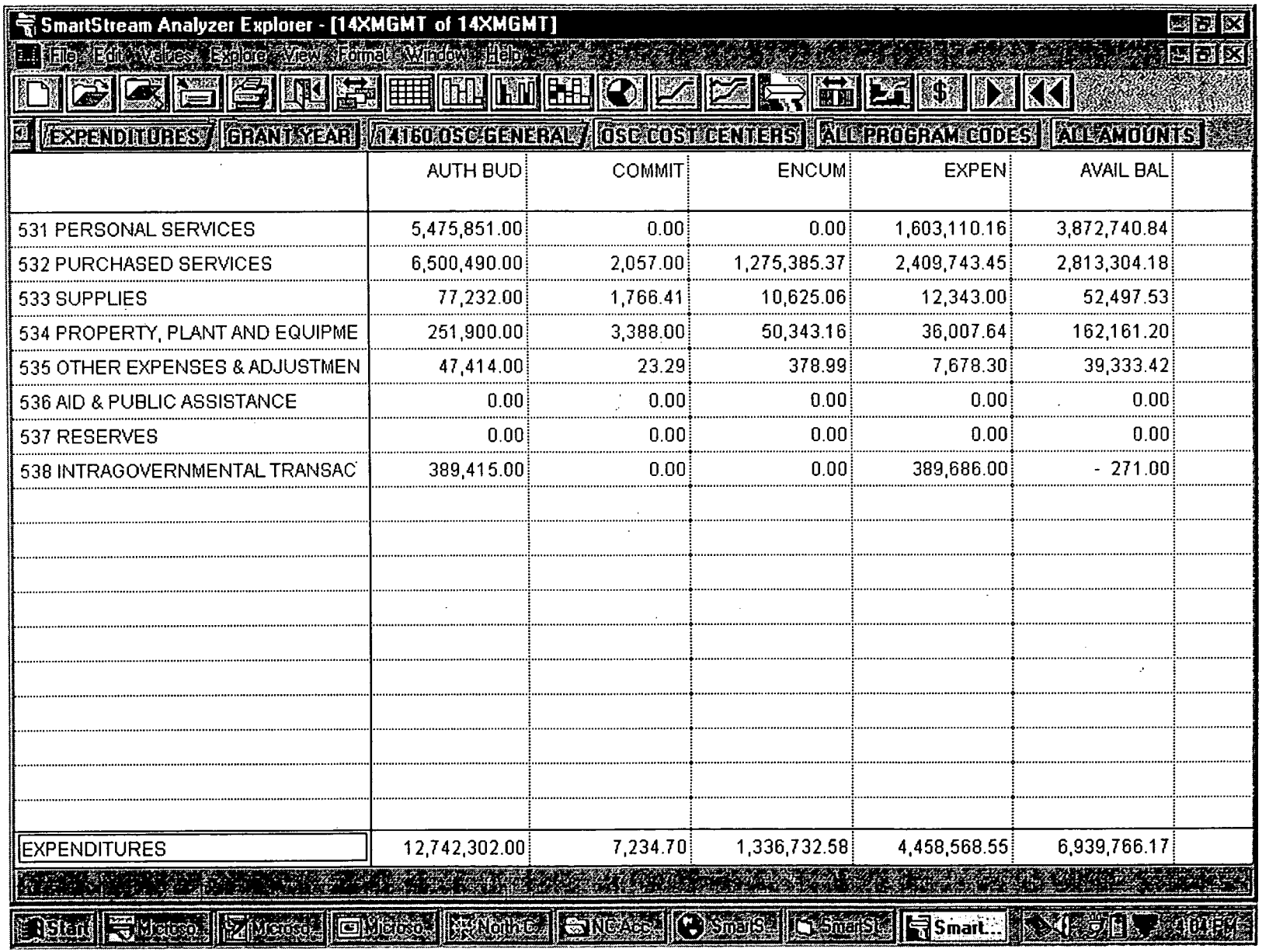
- Budgetary Basis View
- Available Funds View
- Materials Management View
- PMIS View

NCAS SmartStream DSS Budgetary Basis View



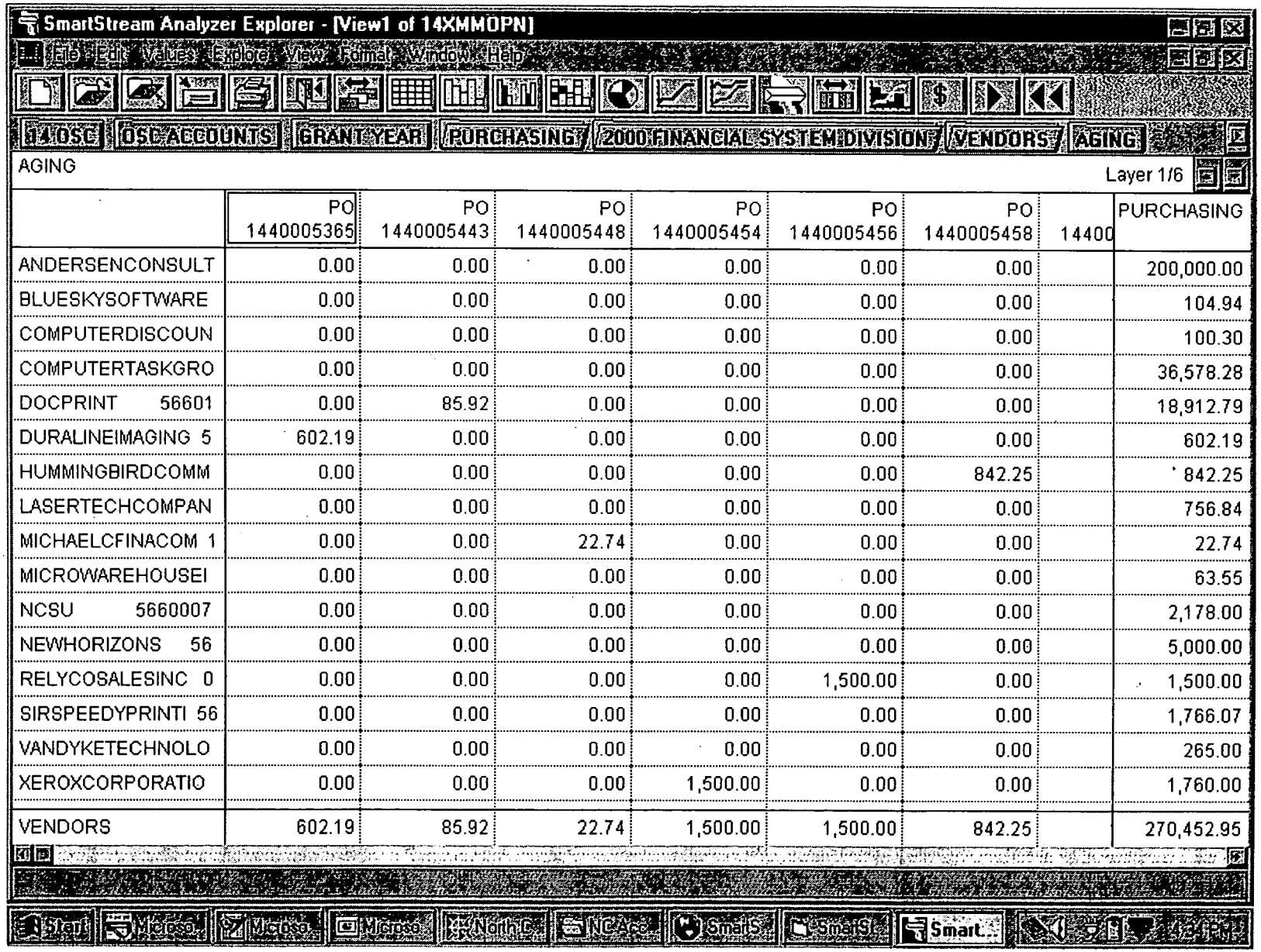
	YTD CERT BUD	YTD AUTH BUD	YTD ENCUM	MTD ACTUAL	QTD ACTUAL	YTD ACTUAL	UN
531 PERSONAL SERVI	5,475,851.00	5,475,851.00	0.00	14,684.93	422,698.11	1,603,110.16	3,
532 PURCHASED SER	4,778,298.00	6,500,490.00	1,275,022.87	440,156.61	1,093,305.82	2,409,743.45	2,
533 SUPPLIES	73,074.00	77,232.00	10,646.22	591.76	6,100.28	12,343.00	
534 PROPERTY, PLAN	256,874.00	251,900.00	46,997.80	436.51	794.79	36,007.64	
535 OTHER EXPENSE	47,075.00	47,414.00	379.32	639.76	2,229.84	7,678.30	
536 AID & PUBLIC ASS	0.00	0.00	0.00	0.00	0.00	0.00	
537 RESERVES	0.00	0.00	0.00	0.00	0.00	0.00	
538 INTRAGOVERNME	0.00	389,415.00	0.00	0.00	0.00	389,686.00	-
EXPENDITURES	10,631,172.00	12,742,302.00	1,333,046.21	456,509.57	1,525,128.84	4,458,568.55	6,

NCAS SmartStream DSS Available Funds View



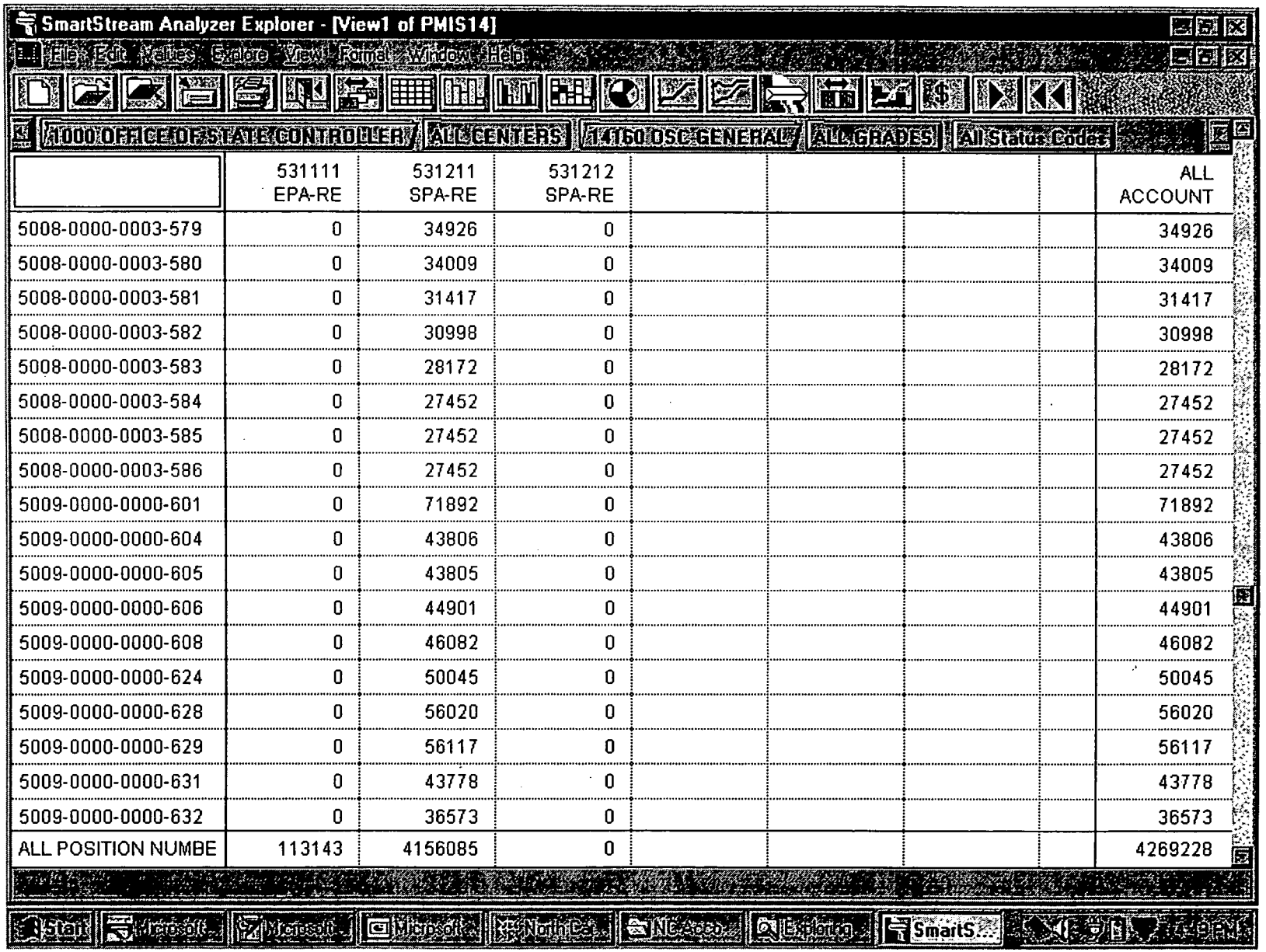
	AUTH BUD	COMMIT	ENCUM	EXPEN	AVAIL BAL
531 PERSONAL SERVICES	5,475,851.00	0.00	0.00	1,603,110.16	3,872,740.84
532 PURCHASED SERVICES	6,500,490.00	2,057.00	1,275,385.37	2,409,743.45	2,813,304.18
533 SUPPLIES	77,232.00	1,766.41	10,625.06	12,343.00	52,497.53
534 PROPERTY, PLANT AND EQUIPME	251,900.00	3,388.00	50,343.16	36,007.64	162,161.20
535 OTHER EXPENSES & ADJUSTMEN	47,414.00	23.29	378.99	7,678.30	39,333.42
536 AID & PUBLIC ASSISTANCE	0.00	0.00	0.00	0.00	0.00
537 RESERVES	0.00	0.00	0.00	0.00	0.00
538 INTRAGOVERNMENTAL TRANSAC	389,415.00	0.00	0.00	389,686.00	- 271.00
EXPENDITURES	12,742,302.00	7,234.70	1,336,732.58	4,458,568.55	6,939,766.17

NCAS SmartStream DSS Materials Management View



	PO 1440005365	PO 1440005443	PO 1440005448	PO 1440005454	PO 1440005456	PO 1440005458	14400	PURCHASING
ANDERSENCONSULT	0.00	0.00	0.00	0.00	0.00	0.00		200,000.00
BLUESKYSOFTWARE	0.00	0.00	0.00	0.00	0.00	0.00		104.94
COMPUTERDISCOUN	0.00	0.00	0.00	0.00	0.00	0.00		100.30
COMPUTERTASKGRO	0.00	0.00	0.00	0.00	0.00	0.00		36,578.28
DOCPRINT 56601	0.00	85.92	0.00	0.00	0.00	0.00		18,912.79
DURALINEIMAGING 5	602.19	0.00	0.00	0.00	0.00	0.00		602.19
HUMMINGBIRDCOMM	0.00	0.00	0.00	0.00	0.00	842.25		842.25
LASERTECHCOMPAN	0.00	0.00	0.00	0.00	0.00	0.00		756.84
MICHAELCFINACOM 1	0.00	0.00	22.74	0.00	0.00	0.00		22.74
MICROWAREHOUSEI	0.00	0.00	0.00	0.00	0.00	0.00		63.55
NCSU 5660007	0.00	0.00	0.00	0.00	0.00	0.00		2,178.00
NEWHORIZONS 56	0.00	0.00	0.00	0.00	0.00	0.00		5,000.00
RELYCOSALESINC 0	0.00	0.00	0.00	0.00	1,500.00	0.00		1,500.00
SIRSPEEDYPRINTI 56	0.00	0.00	0.00	0.00	0.00	0.00		1,766.07
VANDYKETECHNOLO	0.00	0.00	0.00	0.00	0.00	0.00		265.00
XEROXCORPORATIO	0.00	0.00	0.00	1,500.00	0.00	0.00		1,760.00
VENDORS	602.19	85.92	22.74	1,500.00	1,500.00	842.25		270,452.95

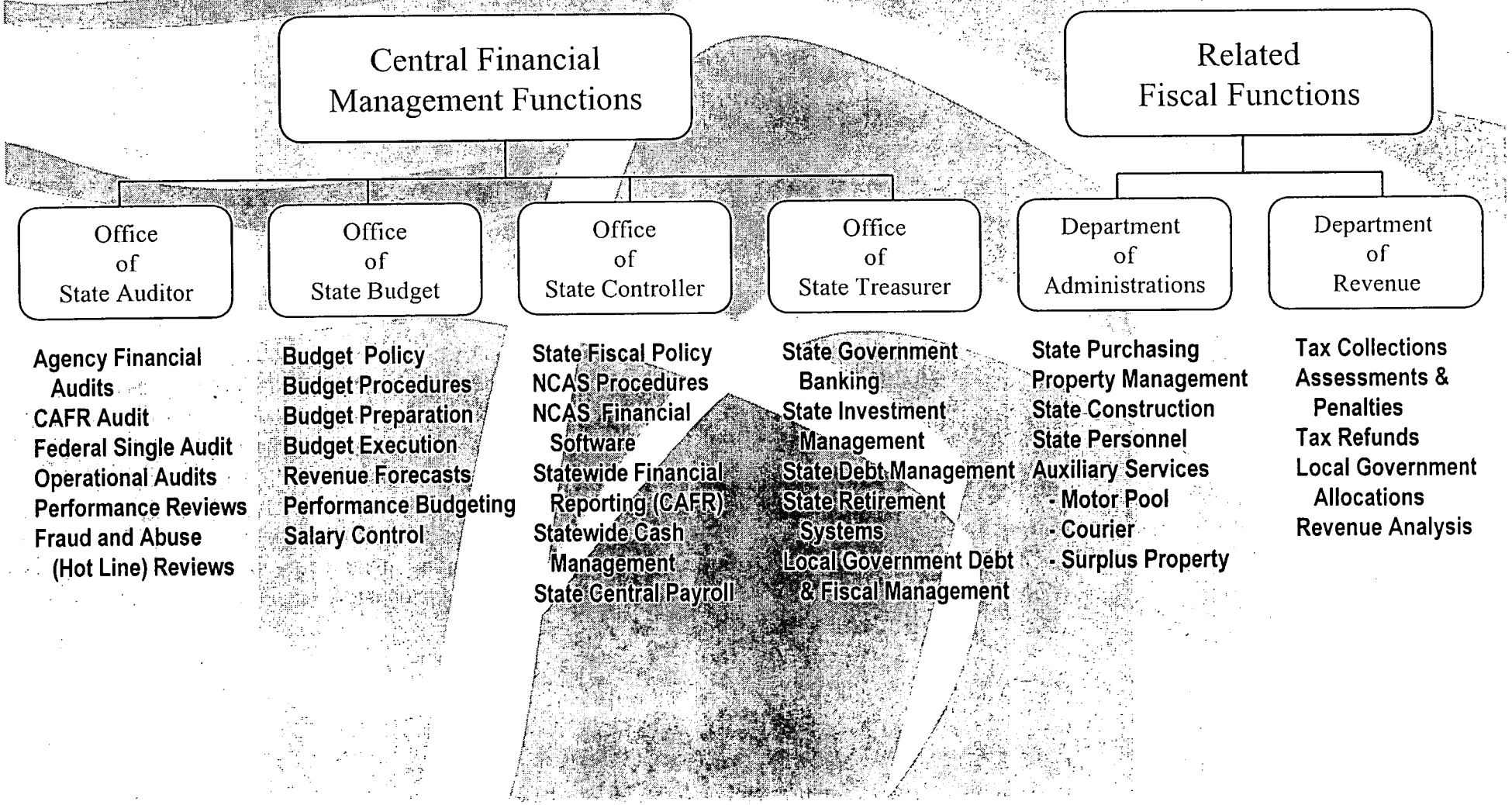
NCAS SmartStream DSS PMIS View



	531111 EPA-RE	531211 SPA-RE	531212 SPA-RE					ALL ACCOUNT
5008-0000-0003-579	0	34926	0					34926
5008-0000-0003-580	0	34009	0					34009
5008-0000-0003-581	0	31417	0					31417
5008-0000-0003-582	0	30998	0					30998
5008-0000-0003-583	0	28172	0					28172
5008-0000-0003-584	0	27452	0					27452
5008-0000-0003-585	0	27452	0					27452
5008-0000-0003-586	0	27452	0					27452
5009-0000-0000-601	0	71892	0					71892
5009-0000-0000-604	0	43806	0					43806
5009-0000-0000-605	0	43805	0					43805
5009-0000-0000-606	0	44901	0					44901
5009-0000-0000-608	0	46082	0					46082
5009-0000-0000-624	0	50045	0					50045
5009-0000-0000-628	0	56020	0					56020
5009-0000-0000-629	0	56117	0					56117
5009-0000-0000-631	0	43778	0					43778
5009-0000-0000-632	0	36573	0					36573
ALL POSITION NUMBE	113143	4156085	0					4269228

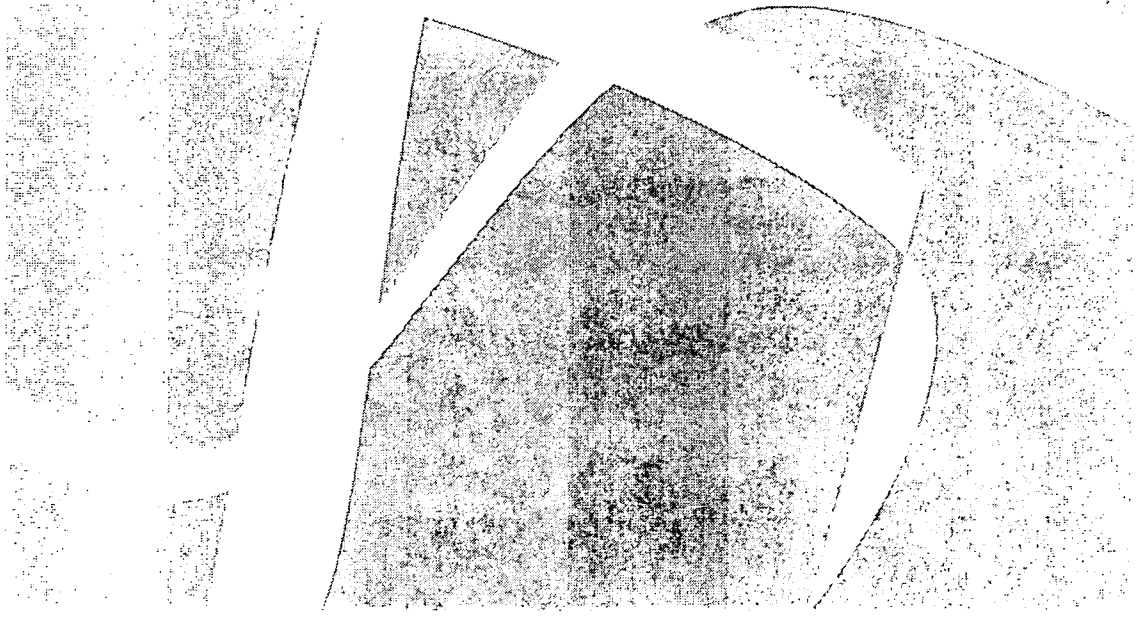
Office of the State Controller

What Are the Central Financial Management Functions ?



Office of the State Controller

North Carolina Accounting System Success Story



What Did the NCAS Project Accomplish ?

- Departmental Accounting System Replaced
- July 1995 Statewide Implementation of NCAS Core Financial Functions
- Uniform Chart of Accounts and Statewide Information Requirements
- Significant Cost Saving Opportunities
- Major Improvements to Financial Practices
- Greatly Improved Information Access
- Central Managers Have Uniform Statewide Information for the First Time

NCAS Business Process Improvements and Cost Savings

- Centralized NCAS Model Design Efficiencies
  - Centralized Support Software licenses eliminate multiple license requirements at agency sites
  - Centralized modeling of NCAS supports uniformity of information, legislative mandates and policy compliance
  - Centralized modeling ensures the support of statewide reporting requirements such as the CAFR and the monthly budgetary process
  - Centralized statewide interfaces into NCAS such as BPS, BRS and PMIS operate more efficiently in the NCAS environment

NCAS Business Process Improvements and Cost Savings

- Procurement Process Efficiencies
  - Single entry of Requisition, PO and Invoice
  - Electronic Matching of PO, receiving document and invoice
  - Central vendor file supports statewide 1099 processing
  - Central item file supports the statewide purchasing history
  - Multiple vendor invoices can be combined into single check within agencies-

NCAS Business Process Improvements and Cost Savings

- Procurement Process Efficiencies (continued)
  - Accounts Payable and Fixed Assets are integrated for asset tracking
  - Inventory system minimizes supplies on hand
  - AP automatically schedules payment process to maximize the state's cash flow
  - Information from these processes is automatically passed to the General Ledger
  - NCAS Check Printing via a micro-encoded check printer eliminates the need for preprinted check forms

NCAS Business Process Improvements and Cost Savings

- Procurement Process Efficiencies (continued)
  - Real-time funds checking provided throughout the procurement cycle
  - Faxing of PO's provides more timely procurement process

- NCAS Information Access Efficiencies
  - NCAS Inquiry Screens provide comprehensive user information reducing paper reports
  - Electronic report distribution reduces printing and paper costs

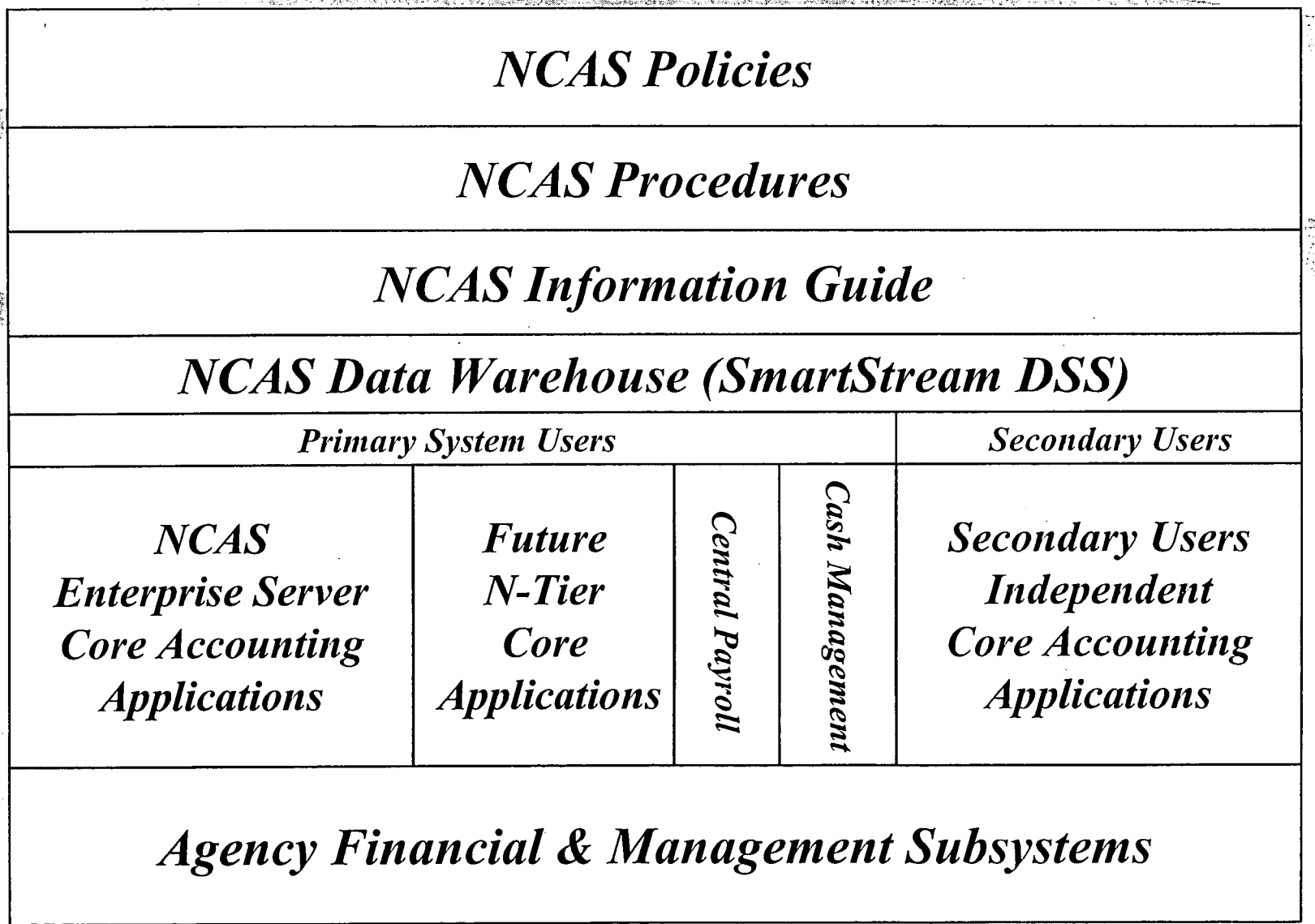
NCAS Business Process Improvements and Cost Savings

- NCAS Information Access Efficiencies (continued)
  - Daily refreshed information through Decision Support System supports timely and efficient business decision making for all agency personnel
  - NCAS information supports the General Assembly General Fund Model
  - The NCAS SmartStream Decision Support System supports the timely and efficient compiliation of the CAFR

What Is the NCAS Current Status ?

- Continuing Extended Financial Functions (EFF) statewide implementation
- Upgrading to latest release of NCAS software
- Continuing to expand the use of SmartStream DSS
- Continuing to expand the use of on-line documentation (eg. SIG and SAG)
- Reviewing initial client/server applications
- Daily support for user base of 5000 agencies staff
- Monitoring progress of Transportation fiscal project
- Maintaining growth in best business practices and retention of Certificate of Achievement

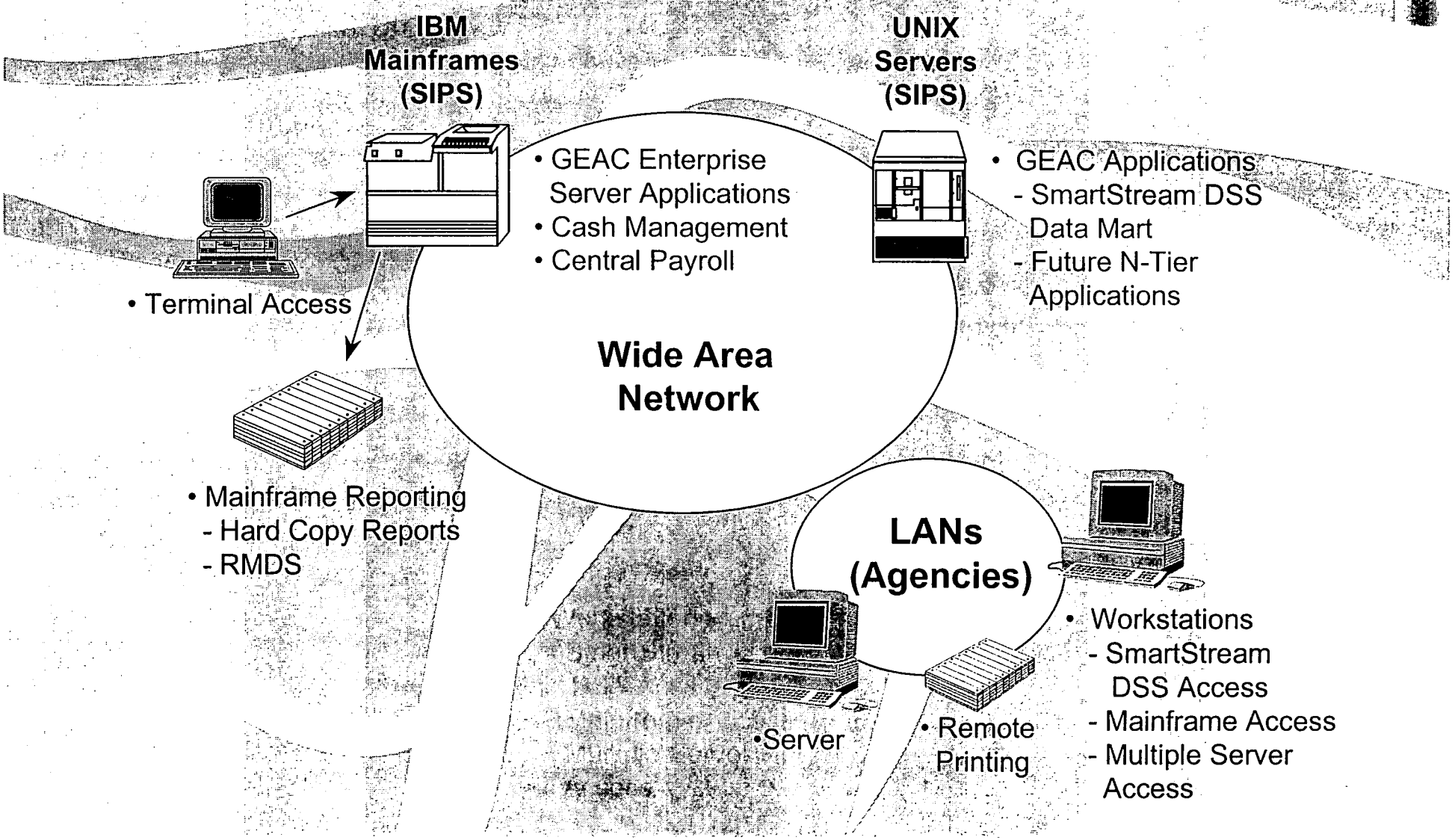
NCAS Statewide Business Model



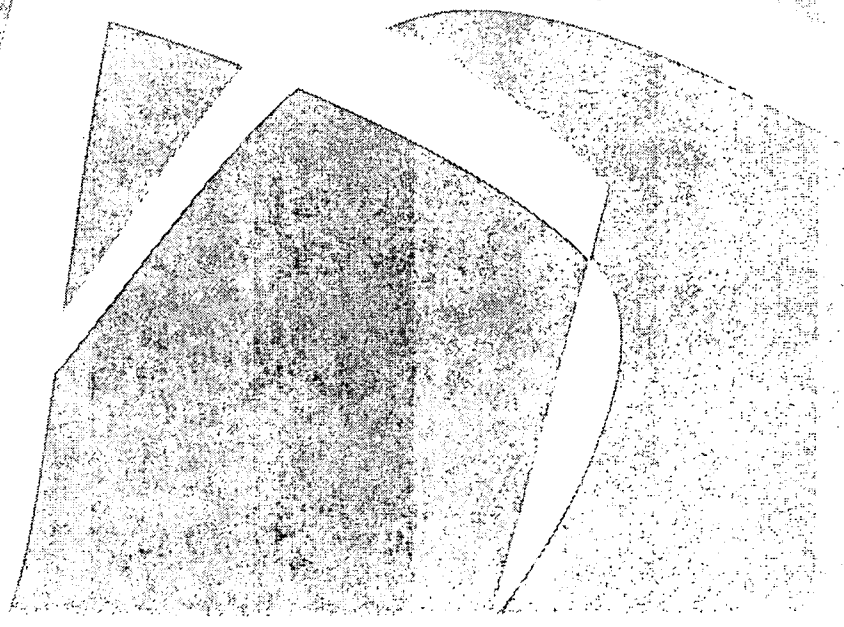
Which Agencies are Included in the NCAS ?

- Primary Users (74 Agencies)
  - General Government
  - Human Resources
- Secondary Users
  - Automated Monthly Update
    - Universities
    - Transportation
    - Employment Security Commission
  - Manual Annual Update
    - Community Colleges
    - Boards, Commissions, Others

NCAS Statewide Technical Environment



Office of the State Controller
Major Challenges



Where Is the NCAS Going ?

Enhancements Using Current Capabilities

- Pursue the adoption of NCAS enhancements, available in the current systems, that improve statewide business practices and effect cost savings
- Consolidate the common information data bases of Purchase & Contract and NCAS to remove duplicate information and required reconciliations
- Improve on-line inquiry access to transaction detail through the expansion of the NCAS Data Warehouse using SmartStream Decision Support System

Where Is the NCAS Going ?

Enhancements Requiring Additional Investment

- Electronic Commerce enhancements to take advantage of the Internet, Web Browsers and the major work flow improvements in managing the procurement and payment processes
  - Web Browser Requisitions and Purchasing
  - Electronic Payments and Receipts
  - Electronic Invoicing and Evaluated Receipts
  - Electronic Funds Transfers
  - Web Browser external reporting
- Cash Management System integration with NCAS to reduce redundant entries required of agencies

Where Is the NCAS Going ?

Enhancements Requiring Additional Investment

- Automation of legislatively mandated statewide Accounts Receivable program to improve collection efforts and accountability
- Central Payroll System upgrade to replace aged system with associated high maintenance costs
- Continue evolution of NCAS technical architecture to position the NCAS to take advantage of the efficiencies associated with work flow processing and to continue improvements in the state's business practices

What are the Major Issues ?

- **Adequate Funding**

  Stronger central resources has the potential to reduce duplicated costs of agency common services, but we continue to get hit with across-the-board reductions to our budget which dilutes our ability to effect many of these cost efficiencies

- **Central Management Cooperation**

  Business process integration and efficiencies depend on cooperation among central managers and a reduction in "turf protectionism"

What are the Major Issues ?

- Managing the Evolution of Technology
  - Addressing Internet security issues
  - Managing the pace of technology changes
  - Creating sufficient staff knowledge in new technologies and/or developing appropriate support agreements with outsourcers
  - Managing the cost of these evolutions
- General Assembly Continued Support

  Statewide benefits of NCAS and the expansion of the business process improvements depend on the General Assembly's continued support

What Should the Future of the State's Business Systems Be ?

- Fully integrated Business Systems
  - Budget, Accounting, Purchasing, Human Resources
  - Systems that reduce the cost and improve the efficiency of the daily management of the state's business
  - Improvements occur through single data entry points, common data bases, and automated work flow processes
- Full utilization of the Internet capabilities of Electronic Commerce, messaging, and information sharing

What Should the Future of the State's Business Systems Be ?

- Consolidation of business activities where updated business systems have made traditional staffing patterns obsolete (eg. Centralized Accounts Payable)
- Business Systems that have adopted the State's strategic technical architecture resulting in shared services, common data bases, and the ability to upgrade systems more efficiently and economically

What Should the Future of the State's Business Systems Be ?

- Cycle times to realize this business model is dependant on the commitment of the state's central managers to develop a common vision and purpose, and on the adequate funding of the required implementation projects
- This vision could be in place within a 3 year window

Office of the State Controller

What Are the Priority Projects for the OSC ?

Cash Management System integration into NCAS

Begin - January 1998 End - June 1999

Statewide Accounts Receivable Implementation

Begin - October 1998 End - June 2000

Central Payroll Upgrade

Begin - January 1999 End - March 2000

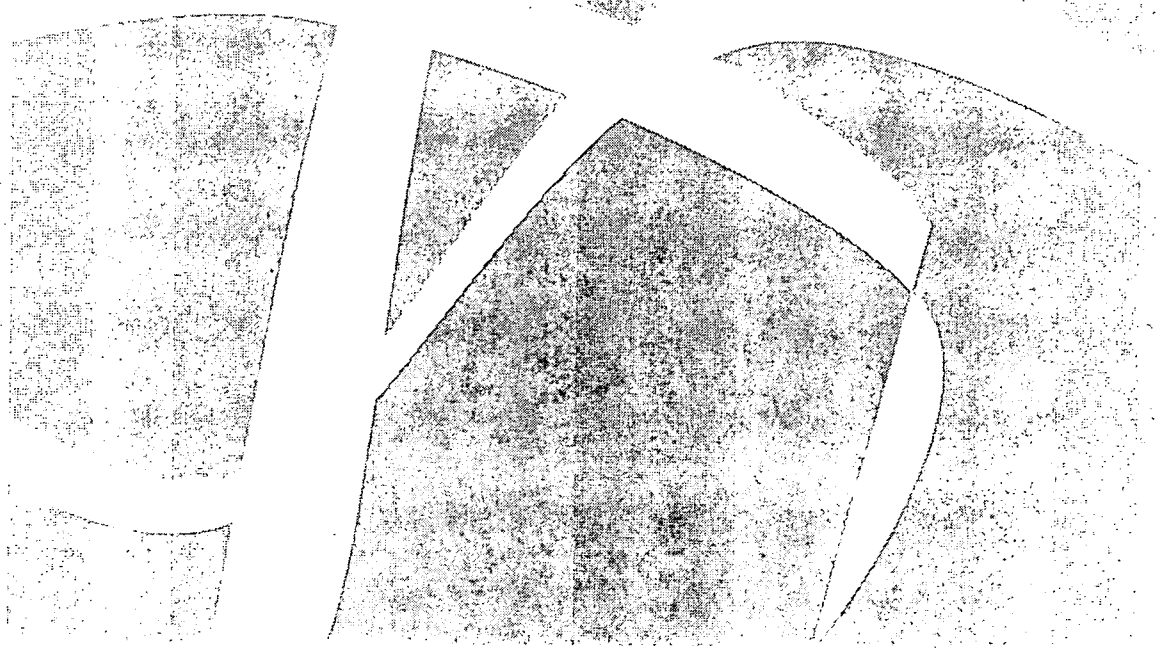
Expand the NCAS Data Warehouse

Begin - January 1998 End - December 1998

Pilot implementation of NCAS client/server version

Begin - July 1998 End - June 1999

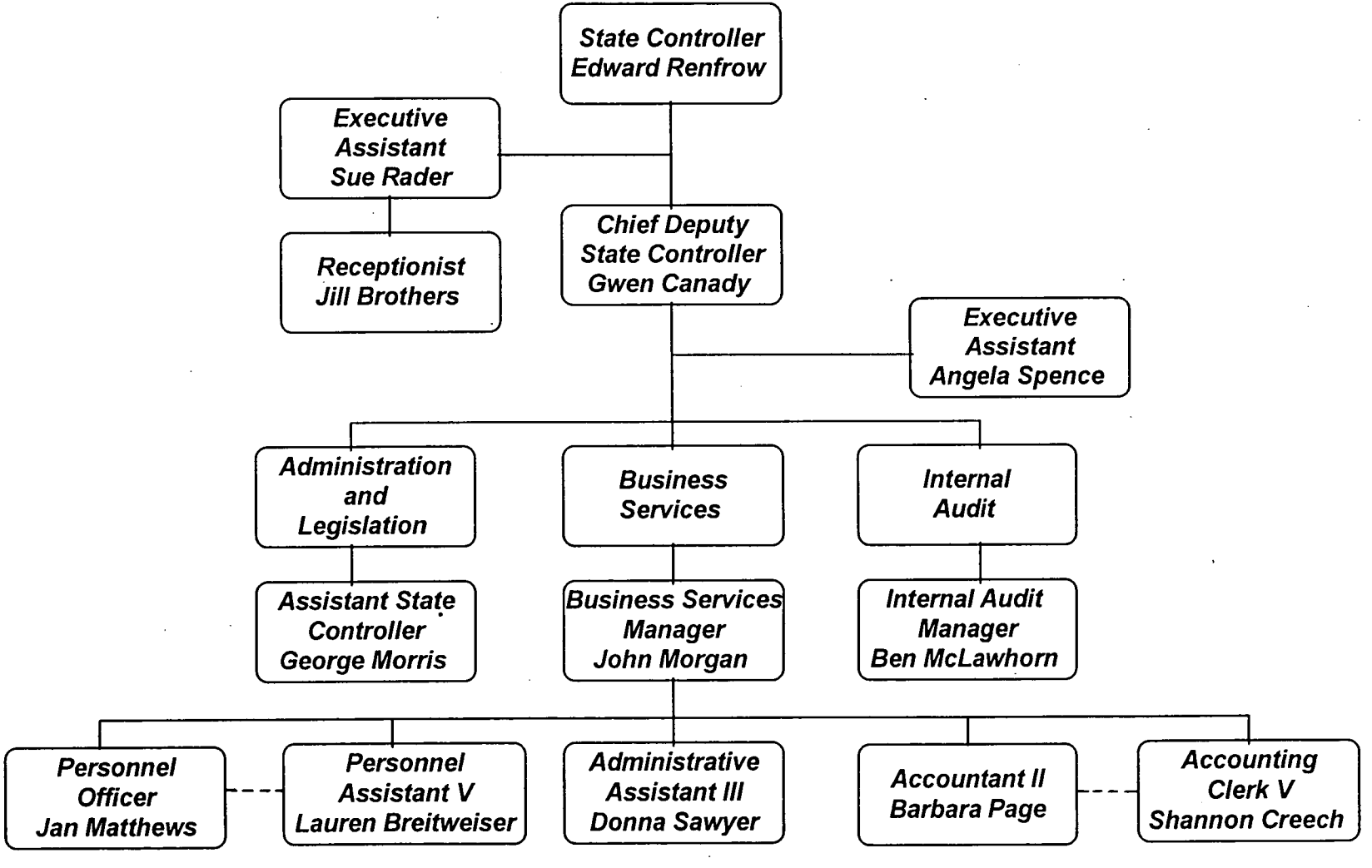
Questions and Answers



11-20-97 att: #3

State of North Carolina
Office of the State Controller

Administration and Business Services

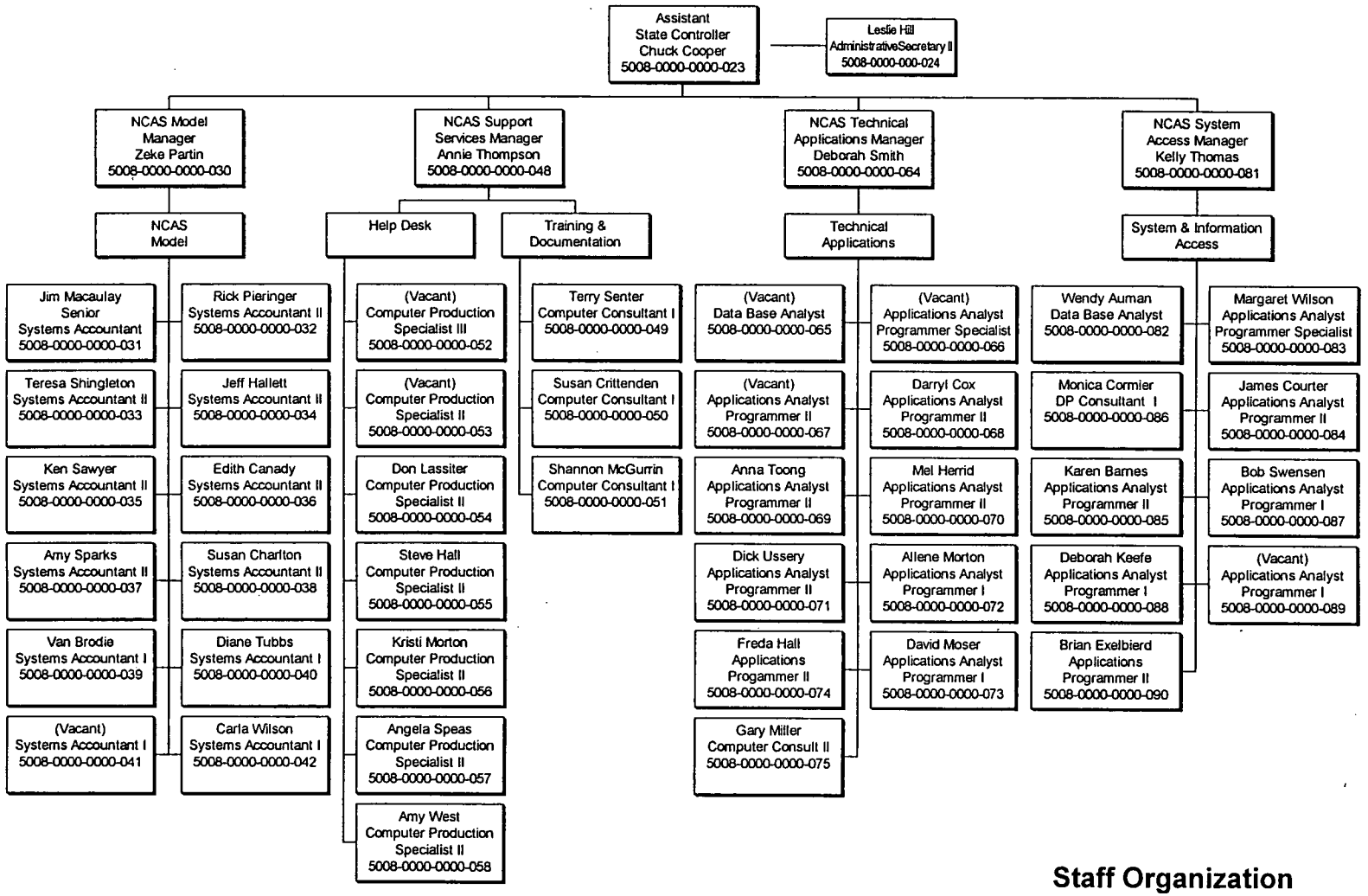


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State of North Carolina
Office of the State Controller

Financial Systems Division

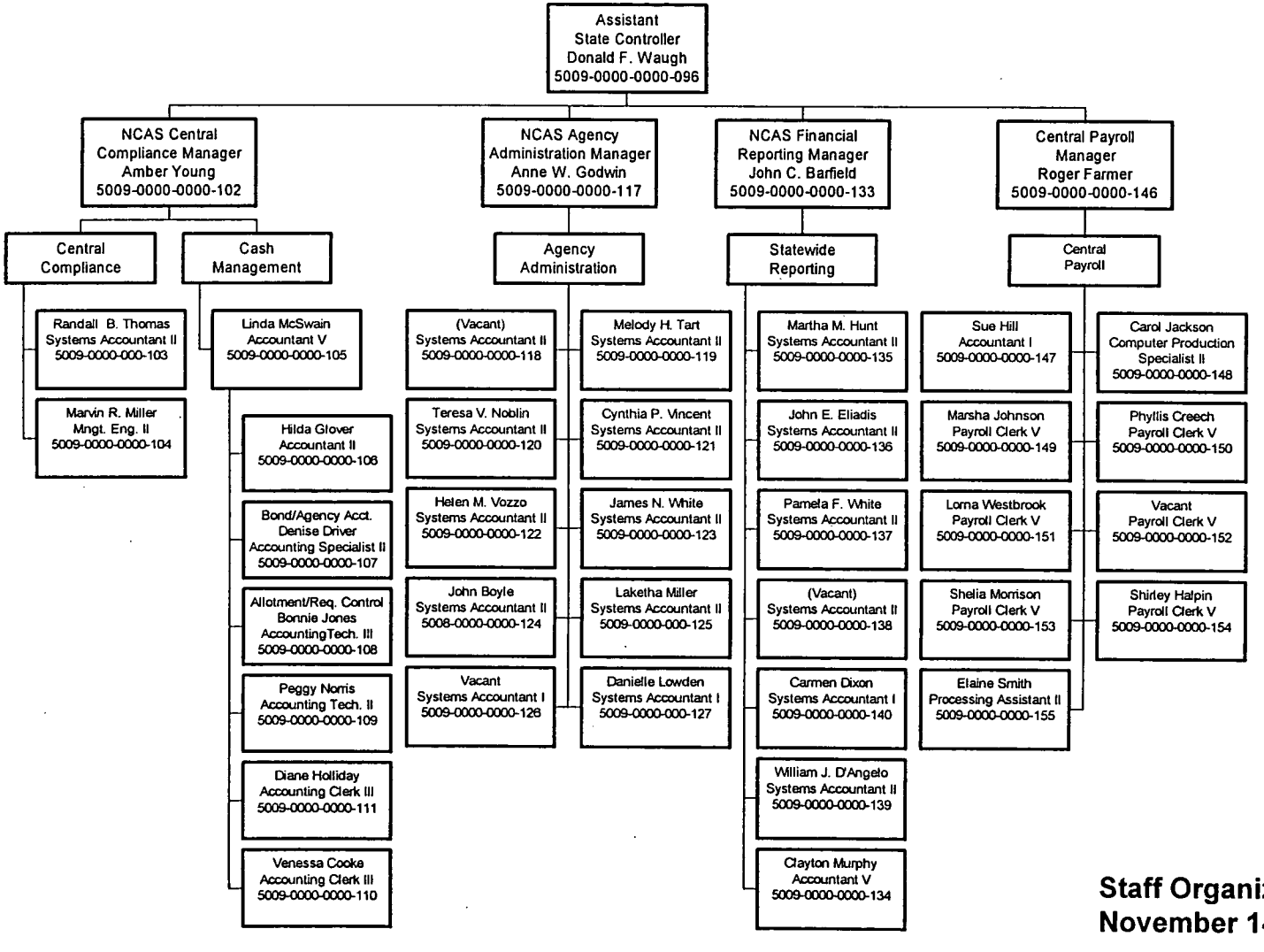


Staff Organization
November 14, 1997

State of North Carolina

Office of the State Controller

Statewide Accounting Division



Staff Organization
November 14, 1997

Office of the State Controller Statutory Responsibilities

The statutory responsibilities of the OSC and the State Controller are defined in a series of articles, which include:

General Statute 143-3 & 143-3.2 State Controller has the exclusive authority for issuing of all warrants, prescribing the manner in which all disbursements are made, authorizing and/or rescinding the use of disbursing accounts by an agency, and requiring the form and regularity of reporting for these activities.

General Statute 143-17 State Controller has the responsibility to check for and control agency compliance with allotments approved by the Director of the budget.

General Statute 143-20 State Controller has the responsibility for keeping a record of the appropriations, allotments, expenditures, and revenues of each State department, institution, board, commission, officer, or other agency in any manner handling State funds.

General Statute 143-20.1 State Controller has the responsibility for preparing an annual Comprehensive Annual Financial Report on the generally accepted accounting principles basis, by combining agency financial statements whose form and procedures for compilation is additionally prescribed by the Controller.

General Statute 143b-426.39 State Controller powers and duties are summarized in this article as follows:

- Prescribe, develop, operate, and maintain, in accordance with generally accepted principles of governmental accounting, a uniform State accounting system for all State agencies.
- Prescribe and supervise the installation of any changes in the State accounting system as necessary to secure and maintain internal control and facilitate the recording of accounting data for the purpose of preparing reliable and meaningful statements and reports.
- Maintain complete, accurate, and current financial records and balances for all funds and accounts in a manner consistent with the uniform State accounting system.
- Prescribe the uniform classification of accounts to be used by all State agencies.
- Prescribe the manner in which disbursements by State agencies shall be made.
- Operate a central payroll system.
- Maintain State agency records of all appropriations, allotments, expenditures, and revenues.
- Perform monthly reconciliation with the balances and accounts kept by the State Treasurer.
- Develop and implement the State cash management policy.
- Prepare monthly summary reports that show appropriations or funding sources and the results of financial activity by State agency.
- Prepare quarterly a report on the financial condition and results of operations for the State entity for the period.
- Prepare annually, by October 31, a Comprehensive Annual Financial Report (CAFR) of the preceding fiscal year for the State entity in accordance with generally accepted accounting principles (GAAP).
- Perform additional functions and duties assigned to the Office within the scope and context of the Executive Budget Act.
- Provide leadership and central authority over information management activities and for planning, managing, and providing information resources and services from a statewide perspective.

- Assure information systems and information technologies are both technically compatible and achieve the State's overall information processing goals.
- Exercise general coordinating authority for all telecommunications activities relating to internal management and operations of State government.

General Statute 147-86.10 & 147-86.11 State Controller has the responsibility for developing and implementing a uniform statewide cash management plan for all State agencies and for monitoring the results of those plans.

General Statute 147-86.20 through 147-86.27 State Controller has the responsibility for establishing a statewide accounts receivable program including the setting of policies and procedures, debtor information requirements, debt setoff collection policies, and reporting requirements.

JOINT APPROPRIATIONS SUBCOMMITTEE

ON

GENERAL GOVERNMENT

Minutes

January 20, 1998

The Interim Joint Appropriations Subcommittee on General Government met Tuesday, January 20, 1998 at 10:40 a.m. in Room 415 of the Legislative Office Building. Three of the Senate members were present. Representatives present were: Co-Chairs Ives, McCombs and Sherrill; and Braswell, Church, Decker, Ellis, Jeffus, Wainwright and Warwick.

Senator Ed Warren chaired the meeting. He welcomed the guests and advised the Subcommittee that the morning would be spent discussing November's site visits to the Departments of State Treasurer and State Revenue, and the Office of State Controller. Senator Warren introduced Michele Nelson, Legislative Fiscal Analyst, who went over items for which the Subcommittee had asked for more information. (Attachments 1 and 2)

Discussion followed. Representative Ellis asked if the Revenue Department had forms which the public could print on the Internet. Secretary Offerman said they did. There was concern from several members that criminal fines levied in tax cases went to the Wake County school system because the case was tried there. **Representative McCombs would like to request that legislation be drafted stating that the fines go back to the county school system from which the plaintiff comes.** Representative Ellis noted that the Wake County expenses for trying the case would need to be deducted from the fine amount first.

Senator Lucas wanted to know who received the fines and cars in DWI arrests, etc. Thomas Dixon, Revenue Department, said that that did not come under the revenue codes; however, any fines or cars would go to the plaintiff's county school system, as they have in the past.

In response to Charles Collins', Revenue Department, statement that boxing came under "pay-per-view" TV last year and is not subject to tax, Representative Ives reminded

the Subcommittee that the Boxing Commission was continued based on the premise that tax revenues would pay for it. **He said that since they pay no taxes that would not be the case, and perhaps this should be revisited.**

Relating to Item 6, Attachment 1, Representative Church wanted to know what percent of the tax assessments were actually collected. Dewey Sanders, Revenue Department, said they did not have that data. Kaye Honeycutt, Revenue Department, said it was very difficult to put together that data because an audit could extend over more than one fiscal year. In response to Representative Decker's question, Ms. Honeycutt said that all audits were done by State auditors; that they had contacted several states who had used outside auditors and had found that the costs and collections were about the same. She said that State auditors were also used because of the training, sensitive material, etc.

Senator Warren asked how many Fortune 500 companies had a presence in North Carolina. Ms. Honeycutt said there were 362; and in response to Senator Lucas' question, she said there were penalties imposed on companies who fail to pay taxes. Representative Ellis asked if data was available for assessments vs. expenses vs. total collections. Ms. Honeycutt said that the data was not presently available, but that they were working on it.

Representative Sherrill asked what expenses were paid for home offices. A home office must have one room dedicated totally to the Revenue Department and the auditor receives $250 per month in expenses; however, this is included in their salaries, and they have to pay taxes on it, Ms. Honeycutt said.

In response to Bob Beck's statement that no interest was paid on companies' in the Motor Fuel Compact refunds for overpayment for gas, Representative Warrick wondered if we were being too harsh on them, since they have lost the use of the money for that period of time.

Representative Decker asked how long the illegal liquor penalty had been in effect and how much money had been collected. Rich Riddle, Revenue Department, said that it

had been in effect since October 1, 1997, but that **he would have to get back to him on the amount collected.**

Ms. Nelson, Fiscal Analyst, said that she would get each member a copy of a report on the quality of service to taxpayers, a matter of interest to the members.

Representative Ellis asked if the Sales Tax Form could be restructured so that the questions and explanations would be together. Senator Warren asked the Revenue staff to check on this.

Senator Warren then thanked Secretary Offerman for attending a civic meeting in Greenville, and congratulated her on a job well done.

Representative Ellis asked that dollar amounts be supplied for the table on Page 9, Attachment 2. Ms. Nelson said she would ask the Controller's Office to prepare a chart with the dollar amounts included.

Representative Decker asked if the $122,000 collected in fines included any fines other than those assessed by the courts which go to the schools. Mr. Dixon said that civil tax penalties went into the State coffers. The Subcommittee adjourned for lunch at noon.

At 2:00 p.m. the Subcommittee went on a site visit to the Department of Insurance. Commissioner Jim Long welcomed the group and introduced his Assistant Commissioner Wake Hamrick, and Dascheil Propes, Chief Deputy Commissioner. Attachment 3 lists the different Divisions and their duties and their location. (The Department staff are housed in four locations.) It also has a flow chart of the personnel. Senator Warren asked Mr. Long what was his biggest challenge. Mr. Long said that it was keeping up with the changes from day to day in the $16 to $17 billion per year industry. In response to Senator Warren's question as to what was the best thing the Legislature had done for the Department this past year, Mr. Long said that it was the legislation which gave them more control of the Managed-Care Industry and additional staff to deal with that.

After a tour of the Department offices in the Dobbs Building, the meeting adjourned at 4:00 p.m. to reconvene at 9:00 a.m. Wednesday, January 21, 1998.

Respectfully submitted,

Senator Ed Warren, Chairman

Wilma Caldwell, Committee Clerk

Attachment 1

North Carolina Department of Revenue

Responses to Members' Requests from the Site Visit on November 19, 1997

The Department of Revenue has provided expanded information or an initial response to inquires made during the tour on November 19, 1997. The specific requests are identified below with page numbers of responses identified for reference within the package:

Item 1. Field Operations - Information related to the *shift in burden of proof* and collection of taxes per IRS changes. Bernice Thomas has provided an explanation of legislation proposed in H.R. 2676 --- **pp. 2-6**.

Item 2. Administrative Services Division - Savings related to out of house printing of the income tax booklet and withholding tax forms. Thomas Lamar provides the department's rationale for the commercial printing of these documents --- **p. 7**.

Item 3. Returns Processing Division - Data on the number of positions in the division, the number open (vacant), and the turnover rate. Information is offered by Edward West --- **p. 8**.

Item 4. Sales and Use Tax Division - Problems facing the division, such as personnel, pay per view, and the complexity of exemptions in sales tax. Elaboration of the concerns presented by Charles Collins --- **pp. 9-11**.

Item 5. Criminal Investigations Division - Explanation of criminal fines levied in tax cases and the impact on local school systems. Information provided by Thomas Dixon --- **pp. 12-13**.

Item 6. Interstate Audit Division/Out-of-State Offices - Information citing location of offices, [total] revenue generated by interstate audit positions, including the individual cost per auditor, expenses, and the revenue each auditor generates. Data provided by Dewey Sanders --- **pp. 14-21**.

Item 7. Tax Compliance Division - Information pertaining to the collection of revenue and refunds before and after joining the Motor Fuel Compact. Data provided by Robert Beck --- **pp. 22-24**.

Item 8. Unauthorized Substance Tax Division - Fact Sheet Breaking Down Collections on a Fiscal Year Basis. Data prepared by Rich Riddle --- **pp. 25-37**.

Item 9. Tax Research Division - Requested a report from the division since the subcommittee did not meet with staff during the tour. Description of division's responsibilities offered by Patricia Seawell --- **p. 38**.

ITEM 1

North Carolina Department of Revenue

James B. Hunt, Jr.
Governor

January 14, 1998

Muriel K. Offerman
Secretary

MEMORANDUM

TO: Senator Ed Warren, Chair
Senator Jeanne Lucas, Vice Chair
Representative Bill Ives, Co-Chair
Representative Wilma Sherrill, Co-Chair
Representative Eugene McCombs, Co-Chair
Joint Appropriations Subcommittee on General Government

FROM: B. W. Thomas
Assistant Secretary for Tax Compliance

SUBJECT: IRS Restructuring Legislation

Legislation to implement many of the recommendations of the National Commission to Restructure the Internal Revenue Service was introduced in both the House and Senate in July, 1997. The House passed its "Restructuring Bill" on November 5, 1997. The Senate Finance Committee held widely publicized hearings on the IRS this past fall and is expected to hold additional hearings in early 1998 and proceed to produce its version of "IRS Restructuring" by spring, 1998, at which time it would go to the full Senate for debate.

The House bill addresses four broad areas: (1) executive branch governance of the IRS and personnel flexibilities; (2) electronic filing; (3) taxpayer rights; and (4) Congressional oversight of the IRS (such as the responsibilities of the various committees). The three topics that are likely to be of particular interest to state tax officials are ***IRS governance, shifting the burden of proof, and expanding rights for taxpayers.***

IRS GOVERNANCE

H.R. 2676 provides for a largely private sector board to oversee and govern certain aspects of the Service. However, the board would not have the authority to hire and fire the IRS Commissioner. Further, the board would not formulate tax policy, handle enforcement matters, nor oversee IRS procurement matters.

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The Board's specific responsibilities would include: (1) review and approval of strategic plans of the IRS; (2) review of the operational functions of the IRS; (3) review of the Commissioner's selection, evaluation, and compensation of senior managers; and (4) review and approval of the Commissioner's plans for major IRS reorganization. In addition, the Board would review and approve the budget request of the IRS prepared by the Commissioner and would ensure that the budget request supports the IRS's annual and long-range strategic plans.

The 11-member Board would consist of the Secretary of the Treasury or a delegate, eight "private-life" members who are not federal officers or employees, the IRS Commissioner, and a representative from a union representing a substantial number of IRS employees. The outside members would be selected on the basis of their expertise in such areas as management of large organizations, customer service, technology, federal tax law, and taxpayer needs.

The terms of the various members are detailed. The Board would meet monthly and would be required to report each year to the President and Congress regarding the conduct of its responsibilities. Staffing would be provided by the IRS.

SHIFTING THE BURDEN OF PROOF

The bill would provide that the Secretary shall have the burden of proof in any court proceeding with respect to a factual issue involving tax liability if the taxpayer asserts a reasonable dispute with respect to such issue and fully cooperates with reasonable IRS requests to examine books, records, witnesses, and documents within the control of the taxpayer. Full cooperation also includes providing reasonable assistance to the Secretary in obtaining access to and inspection of witnesses, information, or documents not within the control of the taxpayer (including those located in foreign countries). A necessary element of fully cooperating with the Secretary is that the taxpayer must exhaust his or her administrative remedies (including any appeal rights provided by the IRS). The taxpayer is not required to agree to extend the statute of limitations to be considered to have fully cooperated with the Secretary.

Under present law, a rebuttable presumption exists that the Commissioner's determination of tax liability is correct. This presumption in favor of the Commissioner is a procedural device that requires the taxpayer to go forward with *prima facie* evidence to support a finding contrary to the Commissioner's determination. Once this procedural burden is satisfied, the taxpayer must still carry the ultimate burden of proof or persuasion on the merits. Thus, the taxpayer not only has the burden of proof of establishing that the Commissioner's determination is incorrect, but also of establishing the merit of his claims by a preponderance of the evidence.

Ways and Means Chairman Bill Archer has stated that this measure is one of his highest priorities. The provision accounts for more than a third of the total $2.7 billion cost of the restructuring package over five years.

The provision would apply to all individuals and to partnerships and corporations whose net worth is $7 million or less. The proposal would not override any current requirement of the Code or regulations obligating the taxpayer to substantiate any item.

BILL OF RIGHTS PROVISIONS

The following is a summary of the major provisions that relate to taxpayer rights:

Taxpayer Advocate. The Commissioner would be required to obtain the approval of the IRS Oversight Board in selecting the Taxpayer Advocate. A candidate for the Taxpayer Advocate must have either substantial experience representing taxpayers before the IRS or have substantial experience within the IRS. If the prospective Taxpayer Advocate was an IRS employee before being appointed as the Taxpayer Advocate, the individual is required to agree not to accept any employment with the IRS for at least five years after ceasing to be the Taxpayer Advocate.

Expansion of Authority to Issue Taxpayer Assistance Orders (TAOs). The bill would provide that in determining whether to issue a TAO, the Taxpayer Advocate should consider, among others, the following factors: (1) whether there is an immediate threat of adverse action; (2) whether there has been an unreasonable delay in resolving the taxpayer's problem; (3) whether the taxpayer may incur significant professional fees if relief is not granted; and (4) whether the taxpayer will suffer irreparable injury if relief is not granted.

Prohibiting Audit Interference. It would be unlawful for the President, Vice President, or employees of their executive offices, and all Cabinet heads (other than the Attorney General) to request any IRS employee to conduct or terminate an audit or begin or terminate an investigation with respect to a particular taxpayer. Anyone convicted of violating this provision would be punished by imprisonment of up to five years or a fine of $5,000 (or both). Routine communications for legitimate purposes are excluded from the prohibition. Currently, there is no explicit prohibition in the Internal Revenue Code on high-level Executive Branch influence over taxpayer audits and collection activity. The prohibition does not apply to requests for disclosures made under §6103, to requests made by the Secretary of the Treasury relating to a change in tax policy, or to a request made to a person that is forwarded to the IRS.

Expansion of Authority to Award Costs and Fees. The bill would: (1) provide that the difficulty of the issues presented or the local availability of tax expertise can be used to justify an award of attorneys' fees of more than the statutory limit of $110 per hour; (2) move the point in time after which costs may be awarded; (3) permit the award of attorneys' fees to specified persons who represent taxpayers on a *pro bono* basis; and (4) provide that in determining whether the IRS's position was substantially justified, a court should take into account

whether the United States has lost in courts of appeal for other circuits on substantially similar issues.

Civil Damages for Negligence in Collection Actions. Currently, a taxpayer may sue the United States for up to $1 million of civil damages caused by an employee of the IRS who recklessly or intentionally disregards the Code or regulations. The provision would allow taxpayers to also be able to recover economic damages (up to $100,000) they incur as a result of the negligent disregard of the Code or regulations by an IRS employee. Inadvertent errors in IRS functions, such as in computer programming, would not trigger the application of this provision.

Innocent Spouse Relief. The bill would eliminate the understatement thresholds that currently apply to taxpayers seeking "innocent spouse relief." Relief would be available for any underpayment of tax, provided other standards are met. The bill also requires only that the understatement of tax be attributable to an erroneous (not grossly erroneous) item of the other spouse. In addition, the bill would allow innocent spouse relief to be provided on an apportioned basis and would provide the Tax Court with jurisdiction to review the Secretary's denial of an application for innocent spouse relief.

Suspension of Statute of Limitations in Special Circumstances. The bill would allow the statute of limitations for refund claims to be suspended when the taxpayer is suffering from a physical or medical impairment which can be expected to result in death or to last for a continuous period of at least one year.

Elimination of Interest Differential. The bill eliminates the difference in interest rates that apply to overpayments and underpayments. The new interest rate would be the federal short-term interest rate plus 3 percentage points. Under the current law, underpayment interest is 3 percentage points over the federal rate and overpayment interest is 2 percentage points over the rate.

Penalty for Those Making Installments Payments. For taxpayers who have entered into installment agreements, the bill would place a cap on the "failure to pay" penalty of 9.5 percent (which, under present law, is equal to 1/2 percent per month on the unpaid amount, up to a maximum of 25 percent). The current rate is deemed too high to permit some taxpayers to pay off their total debt.

Limitation on Financial Status Audits. The bill would prohibit the IRS from using financial status or economic reality auditing techniques in the audit of a taxpayer, unless the IRS has a reasonable indication that there is a likelihood of unreported income. In some cases, the Service examines a host of financial information as well as certain aspects of one's "lifestyle" if it appears that the reported income is not capable of sustaining an apparent lifestyle.

Extensions of the Statute of Limitations. The bill would require the IRS to inform taxpayers of their right to not extend the statute of limitations whenever the Service requests an extension from taxpayers.

Offers in Compromise. The bill would require the IRS to: (1) develop national and local living allowances for use in offers-in-compromise cases to ensure that the taxpayers who enter into these agreements would be able to maintain basic living expenses; and (2) prepare guidance to be provided to taxpayers at the time they enter into offers-in-compromise explaining their rights and obligations.

Procedures and Rights. The bill would require the IRS to establish procedures to clearly alert married taxpayers who are filing joint returns of their joint and several liability for taxes in all appropriate tax publications and instructions. Also, the IRS would rewrite Publication 1 to make clearer that taxpayers may have outside representation and have the right to have the representative present during an interview. Taxpayers must be told how audits are selected for examination, why they were audited, and must be given an explanation of their appeal rights and procedures as well as the collections process.

BWT/nj

cc: Muriel K. Offerman
Secretary of Revenue

Michael S. Hodges
Deputy Secretary

ITEM 2

North Carolina Department of Revenue

James B. Hunt, Jr.
Governor

Muriel K. Offerman
Secretary

January 14, 1998

MEMORANDUM

TO: Senator Ed Warren, Chair
Senator Jeanne Lucas, Vice Chair
Representative Bill Ives, Co-Chair
Representative Wilma Sherrill, Co-Chair
Representative Eugene McCombs, Co-Chair
Joint Appropriations Subcommittee on General Government

FROM: Thomas C. Lamar, Jr., Director
Administrative Services Division

RE: Savings Related to Printing; Follow-up Response

In response to your inquiry, the Department of Revenue does not have the equipment or resources to print and assemble the income tax booklet, income tax withholding forms and other customized forms in their present format. The Department has always contracted the printing of these forms with a commercial printer and as a result, we have no historical record for comparing costs to determine the savings realized by having these forms produced and mailed by outside vendors.

The printing contracts for these forms are awarded by competitive bid. The printing companies receiving the contracts are large printing firms with the equipment and personnel to print high volume, multi-page documents. The contracts require the printer to personalize the form with the taxpayers name, address and other information which we provide, and sort the forms for mailing at the lowest possible rates. We believe the current practice of printing the forms in the private sector is very cost effective for the State since the funding required to acquire a similar capability for the Department of Revenue would represent a substantial investment for the State.

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ITEM 3

North Carolina Department of Revenue

James B. Hunt, Jr.
Governor

Muriel K. Offerman
Secretary

January 13, 1998

MEMORANDUM

TO: Representative William Ives,
Representative Wilma M. Sherrill, and
Representative Eugene McCombs, Co-Chairpersons
Joint Appropriations Subcommittee on General Government

Senator Ed Warren, Chairman, and
Senator Jeanne H. Lucas, Vice-Chairwoman
Joint Appropriations Subcommittee on General Government

FROM: Edward H. West, Director
Returns Processing Division EHW

SUBJECT: Additional Information Requested

Ms. Michele Nelson of the Fiscal Research Division requested the following information for the Returns Processing Division:

Number of positions	198
Number of positions open	3
Turnover rate	12.6%
Number of positions for temporary employees	175
Turnover rate for temporary employees	209.7%

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ITEM 4

North Carolina Department of Revenue

James B. Hunt, Jr.
Governor

Muriel K. Offerman
Secretary

January 15, 1998

MEMORANDUM:

To: Senator Ed Warren, Chair
Senator Jeanne Lucas, Vice Chair
Representative Bill Ives, Co-Chair
Representative Wilma Sherrill, Co-Chair
Representative Eugene McCombs, Co-Chair
Joint Appropriations Subcommittee on General Government

From: Charles D. Collins, Jr., Director
Sales and Use Tax Division

Re: Information Requested Per Memorandum of January 7, 1998

The North Carolina sales tax and use tax were enacted in the early 1930's. These tax levies were rewritten in the late 1950's and major changes incorporated again in 1961. These levies contain numerous exemptions, exclusions and rates. The General Assembly reviewed the sales and use tax exemptions in 1991 and a number of exemptions were repealed.

Since the enactment of the sales and use tax, there has been a significant increase in the number of exemptions. Many of the exemptions are broad and require interpretation by personnel of the Division. There has been a marked increase in taxpayer inquiries concerning the proper application of the sales and use tax to their sales and purchases. Since an interpretation sets a precedent for future application, a great deal of research is usually involved. In addition, interpretations often lead to lengthy appeals by the taxpayers directly affected.

The complexity of the exemptions and reduced tax rates may require visits to taxpayers' plant sites or business locations in order to inspect business operations and equipment used in those operations. This frequently occurs in the manufacturing industry where a manufacturer claims that a piece of equipment is a "single article" and subject to a maximum tax of $80.00. The Division is often called upon to determine if the taxpayer is

a manufacturer, and if so, what equipment is subject to the 1% rate of tax, and if subject to the 1% rate, how many articles have been purchased.

There are 43 subdivisions individually listed in the Exemptions and Exclusions section of the Law. Examples of items which are exempt from the tax are products of forests, mines, farms and waters sold in their original state by the producers; medicines sold pursuant to a written prescription; sales to the federal government and agencies thereof; certain packaging materials; motor vehicles; sales to the North Carolina Department of Transportation; and custom computer software.

In addition to the specific exemptions enumerated in the law, numerous other exemptions are incorporated in the definitions or are simply built into the language of the law. An example of an exemption which is not specifically identified as such is pay-per-view movies. The statutes do not list pay-per-view movies as being exempt from the sales or use tax. However, because of the definitions of "tangible personal property," "sale," and "lease or rental," these movies are not subject to the tax. A rental of a videotape (tangible personal property) of the same movie from a video store or other retailer is subject to the tax. Issues related to the internet have also raised the question of what constitutes tangible personal property.

In addition to the constant changes in the Sales and Use Tax Law, a number of new taxes enacted by the General Assembly are administered by the Division. These include the alternate highway use tax, scrap tire disposal tax, white goods disposal tax, and dry-cleaning solvent tax. This has increased the administrative duties of the Division. Other factors that directly influence the workload of the Division are research efforts pertaining to legislative requests. Also, the Department's new interstate audit positions recently approved will generate many more sales and use tax audits, and the increased audit activity will result in a number of additional protested cases that will be handled by this Division.

In administering the Sales and Use Tax Law, Division personnel rely on established precedents, including rules and bulletins published by the Division; private letter rulings rendered to specific taxpayers; secretaries' decisions; attorney general opinions; and court cases. As a result of rapidly changing technology, many resource materials have become outdated, and insufficient staffing prohibits ongoing reviews of technological advances in the numerous industries affected by this State's sales and use taxes. Many questions and issues can only be addressed as the need arises.

Notwithstanding the demands involved with administrative and interpretive functions, the Division is committed to providing quality customer service and education of taxpayers. The educational function requires a great deal of time preparing and making speeches/presentations and conducting training seminars, most of which are requested by professional organizations. Also, increased participation in national and regional tax organizations results in additional time away from the normal duties for the personnel involved; however, they are required to stay current on the status of various issues. The

Department has been closely following developments in the direct marketing industry to determine methods that can be implemented to increase voluntary compliance among marketing firms that do not have nexus in this State.

The expanding number of exemptions in the law, increased and changing technology which constantly raises tax-related issues that must be resolved, and increased enforcement efforts among taxpayers have placed a strain on the Division's resources to continue to provide the level of service to which North Carolina taxpayers are accustomed.

cc: Muriel K. Offerman
Michael S. Hodges
Sabra J. Faires

ITEM 5

NORTH CAROLINA DEPARTMENT OF REVENUE

James B. Hunt, Jr.
Governor

Muriel K. Offerman
Secretary

January 14, 1998

MEMORANDUM

TO: The Honorable Senator Ed Warren, Chair
The Honorable Senator Jeanne Lucas, Vice Chair
The Honorable Representative Bill Ives, Co-Chair
The Honorable Representative Wilma Sherrill, Co-Chair
The Honorable Representative Eugene McCombs, Co-Chair
Joint Appropriations Subcommittee on General Government

FROM: Thomas L. Dixon, Jr., Director
Criminal Investigations Division

SUBJECT: Legislative Inquiry

During the recent visit of the Department of Revenue by the Joint Appropriations Subcommittee on General Government, several legislators expressed concern that the school systems in their districts were not receiving criminal fines levied in tax cases recommended for prosecution by the Department's Criminal Investigations Division (CID). State law allocates criminal fines to the school system in the county where the case is prosecuted, and the legislators noted that the Department primarily prosecutes criminal tax cases in Wake County.

CID is a small specialized group dedicated to the identification, investigation and prosecution of those individuals and businesses that intentionally violate the Revenue Laws of North Carolina. The Department has found that this division operates most efficiently, and its goal of increased voluntary compliance is best met, by prosecuting these cases in Wake County. During the first few years of its existence, CID prosecuted defendants in the county where the crime was allegedly committed. To do so, agents had to travel to the county and present their findings to the local District Attorney (DA) to get approval to file charges. Although criminal tax cases were uncommon, we found that many DA's did not view them as serious offenses or feel passionate about prosecuting these white collar

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crimes. In addition, the complexity of the cases left many DA's and judges uncomfortable with their lack of experience with the issues and intricate points of law that are common in tax cases.

In prosecuting cases in jurisdictions other than Wake County, we had several experiences where we felt DA's inappropriately reduced criminal charges without our knowledge or input. Jury selection also left us at a definite disadvantage since we did not know the nuances of the political and social undercurrents in each community. In contrast, we have found that juries in Wake County tend to be more pro-government in tax cases, which is in the State's best interest.

The old saying that you learn through repetition is true, and over time the judges in Wake County have had the opportunity to better understand our tax compliance program since we regularly appear before them. Because of this, we have consistently received better judgments than when we brought charges in different counties. The judges' familiarity with tax cases has also allowed them to become more consistent in fines and sentences. All of this has had a positive impact on our goal of increased voluntary compliance.

CID has developed a special relationship with the Wake County District Attorney's Office and has found them very responsive to our needs. Repeated exposure to our cases has given the Wake County DA sufficient confidence that our investigations are professionally conducted that he allows the Associate Attorney General assigned to CID to calendar and prosecute these cases as a special prosecutor. In other districts, local DA's have been hesitant to give up this control.

A similar relationship exists between CID agents and the Wake County magistrates. The magistrates have become familiar with the Revenue statutes and CID agents, and as a result, our arrest warrants are signed much faster and our recommendations for bond given more credence. In other districts, the agents often dealt with magistrates who did not know the statute in question existed. Agents had to explain the facts of the case as well as the applicability of the statute.

CID has not experienced the scheduling problems in Wake County that have occurred in other jurisdictions. At any given time, this division has 15-20 cases pending in district and superior courts. It would be a nightmare to schedule our cases in local courthouses across the State. Our attorney would spend most of her time traveling to routine court appearances instead of being available to advise our agents and resolve cases with defense attorneys in a timely manner. During the last five years this division has prosecuted an average of 26 cases per year, a rate that would have been virtually impossible to achieve if we had prosecuted these cases in each local venue.

Prosecuting tax cases in other districts also caused logistical problems and increased expenses. Raleigh-based departmental employees who introduced evidence at trials were required to travel, often overnight, instead of making the fifteen minute trip from the Revenue Building to the Wake County Courthouse. It was also much more difficult for agents to assist with last minute trial details and witness management when cases were prosecuted in other jurisdictions.

Over the last fourteen years the Department has established that the Criminal Investigations Division operates most efficiently, and achieves greater voluntary compliance, by prosecuting criminal tax cases in Wake County. It would be detrimental to the goals of the State, the Department, and the Division to move the prosecution venue to other jurisdictions.

ITEM 6

NORTH CAROLINA DEPARTMENT OF REVENUE

James B. Hunt, Jr.
Governor

Muriel K. Offerman
Secretary

January 15, 1998

MEMORANDUM

TO: Ms. Michelle Nelson
Fiscal Research Division

FROM: Dewey N. Sanders
Assistant Secretary for Field Operations

RE: Out-of-State Offices
Interstate Audit Division

The following is a listing of locations of auditors, the area covered by that auditor, and the name of the auditor currently working in that location.

LOCATIONS	AREA COVERED	EMPLOYEE NAME
Suffern, NY	(N. NJ/S. NY)	Nancy Aden
Plainfield, NJ	(Central NJ)	Todd Forbes
Stamford, CT	(Stamford area)	Steven Winter
Huntingdon Valley, PA	(Philadelphia)	Lou Kuhn
Chagrin Falls, OH	(Cleveland)	Linda Debernardi
Columbus, OH	(Columbus area)	J.D. Privette
Algonquin, IL	(Chicago area)	Ed Ruby
Lombard, IL	(Chicago area)	Mike Leehy
Toluca Lake, CA	(Los Angeles area)	Victor Debernardi
Santa Clara, CA	(San Francisco area)	Robert Macon
Plano, TX	(Dallas area)	Roberta Brady
Houston, TX	(Houston area)	Steve Marshall
Roswell, GA	(Atlanta area)	Elaine Green
Conyers, GA	(Atlanta area)	Larry Stanfield
ADDITIONAL POSITIONS EFFECTIVE 1-5-98		
Baltimore, MD	(Baltimore/DC area)	Robert Cawthern
Homer City	(Pittsburgh area)	Frank Galasso
Lake Zurich, IL	(Chicago area)	Kevin Keenan
Mahtomedi, MN	(Minn/St Paul area)	Kim Greenwald
Los Angeles, CA	(Los Angeles area)	Michael Mizianty
Pleasanton, CA	(San Francisco area)	Julie Stiles
Atlanta, GA	(Atlanta area)	Hailey Kirk

I trust this is the information you requested.

P.O. Box 25000, Raleigh, North Carolina 27640
State Courier 51-71-00

ITEM 6

NORTH CAROLINA DEPARTMENT OF REVENUE

James B. Hunt, Jr.
Governor

Muriel K. Offerman
Secretary

January 15, 1998

MEMORANDUM

TO: Michelle T. Nelson
Fiscal Research Division

FROM: Dewey N. Sanders
Assistant Secretary for Field Operations

RE: Statistics and Supporting Data for Fiscal Year 96-97

Attached is the expanded information requested from the Interstate Audit Division. Included in the package are spreadsheets that identify each auditor position by name, the assessments generated (total revenue), salaries, and total expenses.

Attachments

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INTERSTATE AUDIT DIVISION

FOR PERIOD 7/1/96-6/30/97

RALEIGH-BASED

AUDITOR			ASSESSMENTS	SALARY	EXPENSES	BENEFITS	TOTAL EXPENSES
ALLEN			$ 3,697,941.34	$ 41,384.00	$ 20,317.27	$ 9,383.76	$ 71,085.03
BARBOUR			$ 1,851,341.00	$ 36,272.00	$ 8,014.75	$ 8,439.07	$ 52,725.82
BROOKS	*	2/1/97	$ 12,436.00	$ 21,988.00	$ 9,024.96	$ 5,799.38	$ 36,812.34
COLLAR		1/27/97	$ 19,750.00	$ 14,611.00	$ 6,437.36	$ 4,436.11	$ 25,484.47
ENNIS			$ 1,862,973.51	$ 32,607.00	$ 16,524.73	$ 7,761.77	$ 56,893.50
LOCKERMAN			$ 475,256.50	$ 48,978.00	$ 14,854.60	$ 10,787.13	$ 74,619.73
MARION		2/1/97	$ 21,057.00	$ 18,997.00	$ 9,579.08	$ 5,246.65	$ 33,822.73
MCCOY			$ 107,794.57	$ 46,130.00	$ 24,916.52	$ 10,260.82	$ 81,307.34
MCCRACKEN			$ 3,643,270.87	$ 40,210.00	$ 24,174.23	$ 9,166.81	$ 73,551.04
MILAK			$ 5,075,175.31	$ 31,593.00	$ 19,858.54	$ 7,574.39	$ 59,025.93
PEELE		1/27/97	$ 24,980.93	$ 14,611.00	$ 6,693.24	$ 4,436.11	$ 25,740.35
RHOADES			$ 1,627,103.00	$ 34,812.00	$ 1,345.06	$ 8,169.26	$ 44,326.32
RODRIGUEZ			$ 8,927,613.14	$ 40,208.00	$ 20,120.20	$ 9,166.44	$ 69,494.64
SIMMONS			$ 438,859.00	$ 42,962.00	$ 7,068.14	$ 9,675.38	$ 59,705.52
SLOCUMB			$ 338,966.00	$ 66,377.00	$ 13,351.05	$ 14,002.47	$ 93,730.52
MUSSLER	**	6/30/96 R	$ 1,004,410.00				
TOTALS			**$ 29,128,928.17**	**$ 531,740.00**	**$ 202,279.73**	**$ 124,305.55**	**$ 858,325.28**

* DATE HIRED

** DATE EMPLOYMENT TERMINATED

ITEM 6

SATELLITE		ASSESSMENTS	SALARIES W/COLA	EXPENSES	OFFICE EXPENSES	TOTAL BENEFITS	TOTAL EXPENSES
BORTNICK		$ 2,097,734.00	$ 55,268.00	$ 8,225.33	$ 3,335.00	$ 8,779.81	$ 75,608.14
BRADY	1/21/97	$ 1,796.00	$ 19,081.65	$ 4,622.60	$ 1,571.00	$ 5,094.37	$ 30,369.62
DEBERNARDI	1/21/97	$ -	$ 21,988.00	$ 4,522.14	$ 969.00	$ 5,429.98	$ 32,909.12
DRURY	9/15/96 R	$ (149,543.00)	$ 10,302.00	$ 623.05	$ 570.00	$ 3,178.28	$ 14,673.33
FORBES	1/21/97	$ -	$ 22,060.00	$ 3,828.52	$ 997.00	$ 4,778.30	$ 31,663.82
GREEN	1/1/97	$ 32,224.00	$ 20,255.00	$ 4,988.91	$ 1,091.00	$ 5,138.91	$ 31,473.82
KUHN		$ 6,439,515.00	$ 51,622.00	$ 10,373.33	$ 3,258.00	$ 8,855.21	$ 74,108.54
LEEHY		$ 2,565,060.00	$ 52,060.00	$ 4,661.74	$ 2,540.00	$ 10,101.82	$ 69,363.56
MACON		$ 3,295,225.00	$ 72,879.00	$ 7,465.23	$ 3,082.00	$ 11,220.53	$ 94,646.76
MARSHALL		$ 2,102,341.00	$ 50,110.00	$ 10,066.58	$ 1,022.00	$ 10,555.36	$ 71,753.94
MENDELSOHN	1/21/97	$ 12,754.00	$ 25,441.00	$ 5,280.36	$ 561.00	$ 5,297.74	$ 36,580.10
PRIVETTE		$ 6,338,415.00	$ 61,642.00	$ 8,614.23	$ 2,555.00	$ 12,091.86	$ 84,903.09
RUBY		$ 7,739,455.00	$ 58,210.00	$ 4,726.48	$ 1,567.00	$ 11,090.09	$ 75,593.57
STANFIELD		$ 2,853,919.00	$ 42,691.00	$ 8,051.29	$ 1,044.00	$ 8,908.09	$ 60,694.38
WINTER		$ 2,318,128.00	$ 55,268.00	$ 6,722.37	$ 1,377.00	$ 8,779.81	$ 72,147.18
TOTALS		**$ 35,647,023.00**	**$ 618,877.65**	**$ 92,772.16**	**$ 25,539.00**	**$ 119,300.16**	**$ 856,488.97**

ITEM 6

ITEM 6

INTERSTATE AUDIT DIVISION

FISCAL YEAR 96-97

SATELLITE AUDITORS	LOCATIONS (AREAS COVERED)
Bortnick (Resigned)	Southern New Jersey
Brady (1/21/97)	Dallas
Debernardi (1/21/97)	Cleveland
Drury (Resigned)	Los Angeles
Forbes (1/21/97)	Central New Jersey
Green (1/1/97)	Atlanta
Kuhn	Philadelphia
Leehy	Chicago
Macon	San Francisco
Marshall	Houston
Mendelsohn (1/21/97)	Los Angeles
Privette	Columbus, OH
Ruby	Chicago
Stanfield	Atlanta
Winter	Stamford, CT

ITEM 6

INTERSTATE AUDITORS TOTAL BENEFITS

FOR PERIOD 7/1/96-6/30/97

RALEIGH-BASED

AUDITOR	SALARY	SOCIAL SECURITY	RETIREMENT	HOSPITAL	TOTAL BENEFITS
ALLEN	$ 41,384.00	$ 3,165.88	$ 4,481.89	$ 1,736.00	$ 9,383.76
BARBOUR	$ 36,272.00	$ 2,774.81	$ 3,928.26	$ 1,736.00	$ 8,439.07
BROOKS	$ 21,988.00	$ 1,682.08	$ 2,381.30	$ 1,736.00	$ 5,799.38
COLLAR	$ 14,611.00	$ 1,117.74	$ 1,582.37	$ 1,736.00	$ 4,436.11
ENNIS	$ 32,607.00	$ 2,494.44	$ 3,531.34	$ 1,736.00	$ 7,761.77
LOCKERMAN	$ 48,978.00	$ 3,746.82	$ 5,304.32	$ 1,736.00	$ 10,787.13
MARION	$ 18,997.00	$ 1,453.27	$ 2,057.38	$ 1,736.00	$ 5,246.65
MCCOY	$ 46,130.00	$ 3,528.95	$ 4,995.88	$ 1,736.00	$ 10,260.82
MCCRACKEN	$ 40,210.00	$ 3,076.07	$ 4,354.74	$ 1,736.00	$ 9,166.81
MILAK	$ 31,593.00	$ 2,416.86	$ 3,421.52	$ 1,736.00	$ 7,574.39
PEELE	$ 14,611.00	$ 1,117.74	$ 1,582.37	$ 1,736.00	$ 4,436.11
RHOADES	$ 34,812.00	$ 2,663.12	$ 3,770.14	$ 1,736.00	$ 8,169.26
RODRIGUEZ	$ 40,208.00	$ 3,075.91	$ 4,354.53	$ 1,736.00	$ 9,166.44
SIMMONS	$ 42,962.00	$ 3,286.59	$ 4,652.78	$ 1,736.00	$ 9,675.38
SLOCUMB	$ 66,377.00	$ 5,077.84	$ 7,188.63	$ 1,736.00	$ 14,002.47
TOTALS	$ 531,740.00	$ 40,678.11	$ 57,587.44	$ 26,040.00	$ 124,305.55

SATELLITE	SALARIES W/COLA	COLA	BASE SALARY	SOCIAL SECURITY	RETIREMENT	HOSPITAL	TOTAL BENEFITS
BORTNICK	$ 55,268.00	$ 17,152.14	$ 38,115.86	$ 2,915.86	$ 4,127.95	$ 1,736.00	$ 8,779.81
BRADY	$ 19,081.65	$ 908.65	$ 18,173.00	$ 1,390.23	$ 1,968.14	$ 1,736.00	$ 5,094.37
DEBERNARDI	$ 21,988.00	$ 1,998.91	$ 19,989.09	$ 1,529.17	$ 2,164.82	$ 1,736.00	$ 5,429.98
DRURY	$ 10,302.00	$ 2,497.45	$ 7,804.55	$ 597.05	$ 845.23	$ 1,736.00	$ 3,178.28
FORBES	$ 22,060.00	$ 5,597.31	$ 16,462.69	$ 1,259.40	$ 1,782.91	$ 1,736.00	$ 4,778.30
GREEN	$ 20,255.00	$ 1,841.00	$ 18,414.00	$ 1,408.67	$ 1,994.24	$ 1,736.00	$ 5,138.91
KUHN	$ 51,622.00	$ 13,098.12	$ 38,523.88	$ 2,947.08	$ 4,172.14	$ 1,736.00	$ 8,855.21
LEEHY	$ 52,060.00	$ 6,790.43	$ 45,269.57	$ 3,463.12	$ 4,902.69	$ 1,736.00	$ 10,101.82
MACON	$ 72,879.00	$ 21,555.76	$ 51,323.24	$ 3,926.23	$ 5,558.31	$ 1,736.00	$ 11,220.53
MARSHALL	$ 50,110.00	$ 2,386.19	$ 47,723.81	$ 3,650.87	$ 5,168.49	$ 1,736.00	$ 10,555.36
MENDELSOHN	$ 25,441.00	$ 6,167.52	$ 19,273.48	$ 1,474.42	$ 2,087.32	$ 1,736.00	$ 5,297.74
PRIVETTE	$ 61,642.00	$ 5,603.82	$ 56,038.18	$ 4,286.92	$ 6,068.94	$ 1,736.00	$ 12,091.86
RUBY	$ 58,210.00	$ 7,592.61	$ 50,617.39	$ 3,872.23	$ 5,481.86	$ 1,736.00	$ 11,090.09
STANFIELD	$ 42,691.00	$ 3,881.00	$ 38,810.00	$ 2,968.97	$ 4,203.12	$ 1,736.00	$ 8,908.09
WINTER	$ 55,268.00	$ 17,152.14	$ 38,115.86	$ 2,915.86	$ 4,127.95	$ 1,736.00	$ 8,779.81
TOTALS	$ 618,877.65	$ 114,223.05	$ 504,654.60	$ 38,606.08	$ 54,654.09	$ 26,040.00	$ 119,300.17

ITEM 6

Travel Expense for period July 1, 1996 to June 30, 1997

Allen	20,317.27	
Barbour	8,014.75	
Brooks	9,024.96	
Collar	6,437.36	
Ennis	16,524.73	
Lockerman	14,854.60	
Marion	9,579.08	
McCoy	24,916.52	
McCracken	24,174.23	
Milak	19,858.54	
Peele	6,693.24	
Rhoades	1,345.06	
Rodriguez	20,120.20	
Simmoms	7,068.14	
Slocumb	13,351.05	
Subtotal Raleigh Base		202,279.73
Bortnick	8,225.33	
Brady	4,622.60	
Debernardi	4,522.14	
Drury	623.05	
Forbes	3,828.52	
Green	4,988.91	
Kuhn	10,373.33	
Leehy	4,661.74	
Macon	7,465.23	
Marshall	10,066.58	
Mendelsohn	5,280.36	
Privette	8,614.23	
Ruby	4,726.48	
Stanfield	8,051.29	
Winter	6,722.37	
Subtotal Satellite Locations		92,772.16
Total Travel Expense		**295,051.89**

ITEM 6

SATELLITE OFFICE EXPENSE

FOR PERIOD 7/1/96-6/30/97

AUDITOR	YEARLY EXPENSE
BORTINICK	$ 3,335.00
BRADY	$ 1,571.00
DEBERNARDI	$ 969.00
DRURY	$ 570.00
FORBES	$ 997.00
GREEN	$ 1,091.00
KUHN	$ 3,258.00
LEEHY	$ 2,540.00
MACON	$ 3,082.00
MARSHALL	$ 1,022.00
MENDELSOHN	$ 561.00
PRIVETTE	$ 2,555.00
RUBY	$ 1,567.00
STANFIELD	$ 1,044.00
WINTER	$ 1,377.00
TOTAL EXPENSES	$ 25,539.00

ITEM 7

North Carolina Department of Revenue

January 14, 1998

James B. Hunt, Jr.
Governor

Muriel K. Offerman
Secretary

MEMORANDUM

TO: Senator Ed Warren, Chair
Senator Jeanne Lucas, Vice-Chair
Representative Bill Ives, Co-Chair
Representative Wilma Sherrill, Co-Chair
Representative Eugene McCombs, Co-Chair
Joint Appropriations Subcommittee on General Government

FROM: Robert E. Beck, Director
Motor Fuels Tax Division

REB

SUBJECT: Follow-up to Site Visit on November 19
Item Number 7 - Data Pertaining to the Collection of Revenue and Refunds Before and After Joining the Motor Fuel Compact (IFTA)

North Carolina became a participating member of the International Fuel Tax Agreement (IFTA) effective January 1, 1992.

In response to the request by the Committee, we submit the attached data.

The net result of tax collection on carriers is calculated as follows:

(1) Tax collections of diesel fuel are made at the pumps; the majority of the diesel fuel being used by IFTA carriers.

(2) Add the amount of taxes paid on quarterly carrier returns.

(3) Then subtract the amount of refunds issued to carriers.

Please note that collections increased by an average of 6.94% for the first three years after joining IFTA, whereas, collections were virtually flat for the three years prior to joining IFTA.

If you have questions, or if we can provide additional information, please contact me at (919) 733-8200.

Attachments

P.O. Box 25000, Raleigh, North Carolina 27640
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ITEM 7

GALLON COMPARISON FOR ANNUAL YEARS 1994 TO 1989

	1994	1993	Increase Decrease	% of Change
TAXABLE - SPECIAL FUELS	754,174,225	697,180,184	56,994,041	8.17%
HFU GALLONS	79,871,553	73,763,929	6,107,624	8.28%
(REFUNDS-DEDUCTED)*	96,812,442	109,572,947	(12,760,505)	-11.65%
NET GALLONS	737,233,336	661,371,166	75,862,170	11.47%

	1993	1992		
TAXABLE - SPECIAL FUELS	697,180,184	657,712,051	39,468,133	6.00%
HFU GALLONS	73,763,929	71,459,869	2,304,060	3.22%
(REFUNDS-DEDUCTED)*	109,572,947	70,918,702	38,654,245	54.51%
NET GALLONS	661,371,166	658,253,218	3,117,948	0.47%

	1992	1991		
TAXABLE - SPECIAL FUELS	657,712,051	620,920,708	36,791,343	5.93%
HFU GALLONS	71,459,869	71,920,149	(460,280)	-0.64%
(REFUNDS-DEDUCTED)	70,918,702	89,106,579	(18,187,877)	-20.41%
NET GALLONS	658,253,218	603,734,278	54,518,940	9.03%

	1991	1990		
TAXABLE - SPECIAL FUELS	620,920,708	659,266,864	(38,346,156)	-5.82%
HFU GALLONS	71,920,149	63,470,580	8,449,569	13.31%
(REFUNDS-DEDUCTED)	89,106,579	96,412,194	(7,305,615)	-7.58%
NET GALLONS	603,734,278	626,325,250	(22,590,972)	-3.61%

	1990	1989		
TAXABLE - SPECIAL FUELS	659,266,864	667,920,529	(8,653,665)	-1.30%
HFU GALLONS	63,470,580	53,899,145	9,571,435	17.76%
(REFUNDS-DEDUCTED)	96,412,194	97,117,309	(705,115)	-0.73%
NET GALLONS	626,325,250	624,702,365	1,622,885	0.26%

	1989	1988		
TAXABLE GALLONS	667,920,529	662,388,856	5,531,673	0.84%
HFU GALLONS	53,899,145	53,314,927	584,218	1.10%
(REFUNDS-DEDUCTED)	97,117,309	102,641,360	(5,524,051)	-5.38%
NET GALLONS	624,702,365	613,062,423	11,639,942	1.90%

* REFUNDS-DEDUCTED INCLUDES IFTA RETURNS

ITEM 7

GALLON COMPARISON FOR ANNUAL YEARS
1994-1992 TO 1993-1991
AND 1991-1989 TO 1990-1988

	1994-1992	1993-1991	Increase Decrease	% of Change
TAXABLE - SPECIAL FUELS	2,109,066,460	1,975,812,943	133,253,517	6.74%
HFU GALLONS	225,095,351	217,143,947	7,951,404	3.66%
(REFUNDS-DEDUCTED)*	277,304,091	269,598,228	7,705,863	2.86%
NET GALLONS	2,056,857,720	1,923,358,662	133,499,058	6.94%

	1991-1989	1990-1988		
TAXABLE - SPECIAL FUELS	1,948,108,101	1,989,576,249	(41,468,148)	-2.08%
HFU GALLONS	189,289,874	170,684,652	18,605,222	10.90%
(REFUNDS-DEDUCTED)	282,636,082	296,170,863	(13,534,781)	-4.57%
NET GALLONS	1,854,761,893	1,864,090,038	(9,328,145)	-0.50%

* REFUNDS-DEDUCTED INCLUDES IFTA RETURNS

ITEM 8

North Carolina Department of Revenue

James B. Hunt, Jr.
Governor

Muriel K. Offerman
Secretary

MEMORANDUM

DATE: January 9, 1997

TO: Joint Appropriations Subcommittee on General Government:

Senator Ed Warren, Chair
Senator Jeanne Lucas, Vice Chair
Representative Bill Ives, Co-Chair
Representative Wilma Sherrill, Co-Chair
Representative Eugene McCombs, Co-Chair

FROM: Richard W. Riddle, Director, Unauthorized Substance Tax Division

IN RE: Fact sheet breaking down tax collections on a fiscal year basis and jurisdiction payouts as of May 31, 1997.

Attached are the documents requested by the subcommittee at the time of your visit on November 19, 1997. The tax collections are reported on a fiscal year basis through August, 1997 as reflected on the UNAUTHORIZED SUBSTANCE TAX FACT SHEET. The total payouts to the law enforcement agencies are reported on the "TAX JURISDICTION PAYOUT AS OF MAY 31, 1997 (UPDATED 12/17/97).

P.O. Box 25000, Raleigh, North Carolina 27640
State Courier 51-71-00
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ITEM 8

UNAUTHORIZED SUBSTANCE TAX FACT SHEET

The following is a breakdown of assessment by number and net amount collected from January 1, 1990 through August 31, 1997 with a breakdown of payments made to law enforcement agencies and the general fund through May 31, 1997. Gross collections for September, October and November, 1997 are also reported.

	ASSESSMENTS	AMOUNT COLLECTED
1-1-90/6-30-90	575	103,715.78
7-1-90/6-30-91	1,598	1,126,740.76
7-1-91/6-30-92	3,705	5,072,063.37
7-1-92/6-30-93	3,406	6,079,478.64
7-1-93/6-30-94	4,230	5,651,843.88
7-1-94/6-30-95	4,984	5,352,982.40
7-1-95/6-30-96	5,026	5,852,463.20
7-1-96/6-30-97	6,096	6,436,959.27
7-1-97/8-31-97	973	1,259,327.40
	30,593	36,925,574.70

Seventy-Five percent (75%) of net collections are paid to the law enforcement agencies instrumental in the arrest which results in the assessment. Those payments have been as follows:

1-1-90/6-30-90	$64,358.92
7-1-90/6-30-91	602,599.33
7-1-91/6-30-92	3,102,953.17
7-1-92/6-30-93	3,368,858.34
7-1-93/6-30-94	4,396,480.37
7-1-94/6-30-95	4,975,455.64
7-1-95/6-30-96	4,326,344.30
7-1-96/5-31-97	4,508,312.85

The total payout to law enforcement through May 31, 1997 is $25,345,362.92.

The balance of the net collections have been paid to the General Fund as follows:

1-1-90/6-30-92	$1,188,321.18
7-1-91/6-30-93	1,117,966.13
7-1-92/6-30-94	1,456,661.09
7-1-94/6-30-95	1,637,695.83
7-1-95/6-30-96	1,426,239.53
7-1-96/5-31-97	1,479,846.32

The total payout to the General Fund through February 28, 1997 is $8,306,730.08.

Gross collections for September, 1997 totaled $771,029.78. Gross collections for October totaled $705,113.46. Gross collections for November, 1997 totaled $591,254.45.

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The budget for the Unauthorized Substance Tax Division is $774,670.00 per year. Payment to the General Fund for the 12 months ending February 28, 1997 totaled $1,570,086.83.

TA[redacted]ISDICTION PAYOUT AS OF MAY 31, 1997 (Updated 12/17/97[redacted]

JURISDICTIONS	Program Total as of 12/31/96	01/01/97 thru 02/28/97	03/01/97 thru 04/30/97	05/01/97 thru 05/31/97	Total Paid 01/01/97 thru 05/31/97	Total For Program
ABC (Reidsville)	$239.69	$0.00	$0.00	$0.00	$0.00	$239.69
ABC Law Enf. (Buncombe Co.)	$375.00	$0.00	$0.00	$0.00	$0.00	$375.00
ABC Law Enf. (Cumberland Co.)	$7,476.56	$0.00	$84.00	$82.84	$166.84	$7,643.40
ABC Law Enf. (Dare)	$733.34	$0.00	$0.00	$0.00	$0.00	$733.34
ABC Law Enf. (Forsyth Co.)	$56,776.28	$912.15	$0.00	$118.50	$1,030.65	$57,806.93
ABC Law Enf. (Mecklenburg Co.)	$444.37	$0.00	$0.00	$51.75	$51.75	$496.12
ABC Law Enf. (Moore Co.)	$2,380.78	$342.13	$112.50	$112.50	$567.13	$2,947.91
ABC Law Enf. (Nash)	$8,170.86	$0.00	$89.22	$3.24	$92.46	$8,263.32
ABC Law Enf. (Northhampton Co.)	$17,324.88	$0.00	$352.17	$42.93	$395.10	$17,719.98
ABC Law Enf. (Pitt Co.)	$443.51	$0.00	$0.00	$0.00	$0.00	$443.51
ABC Law Enf. (Wilkes Co.)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
A.C.T. (Asheville Police Dept.)	$25.00	$0.00	$0.00	$0.00	$0.00	$25.00
Aberdeen Police Dept.	$7,336.50	$1,461.75	$416.25	$0.00	$1,878.00	$9,214.50
Ahoskie Police Dept.	$41,924.33	$0.00	$0.00	$583.21	$583.21	$42,507.54
Alamance Co. Sheriff's Dept..	$182,208.87	$6,177.19	$6,681.40	$4,678.37	$17,536.96	$199,745.83
Alamance City-Co. VNU	$46.14	$0.00	$0.00	$0.00	$0.00	$46.14
Albemarle Narcotics (Washington Co.)	$16,112.13	$0.00	$0.00	$0.00	$0.00	$16,112.13
Albemarle Police Dept.	$42,212.68	$475.50	$63.00	$305.25	$843.75	$43,056.43
Alexander Co. Sheriff's Dept.	$83,640.76	$1,623.73	$62.64	$968.53	$2,654.90	$86,295.66
Alexander Mills Police Dept.	$302.25	$0.00	$0.00	$0.00	$0.00	$302.25
Alleghany Co. Sheriff's Dept.	$17,946.70	$1,141.47	$18.74	$16.35	$1,176.56	$19,123.26
Angier Police Dept.	$17.81	$0.00	$0.00	$0.00	$0.00	$17.81
Anson Co. Sheriff's Dept.	$23,700.24	$0.00	$358.50	$0.00	$358.50	$24,058.74
Apex Police Dept.	$15,688.53	$2,688.15	$1,364.86	$115.53	$4,168.54	$19,857.07
Appalachian Narcotics Task Force (Wilkes/Ashe/Alleghany/Watauga S.D. & N. Wilkesboro P. D.)	$83,035.70	$0.00	$0.00	$0.00	$0.00 $0.00 $0.00	$83,035.70
Archdale Police Dept.	$11,016.89	$467.09	$4,662.15	$121.44	$5,250.68	$16,267.57
Argus (Asheville Police Dept.)	$25.00	$0.00	$0.00	$0.00	$0.00	$25.00
Asheboro Police Dept.	$24,478.36	$435.00	$553.30	$201.15	$1,189.45	$25,667.81
Ashe County Sheriff's Dept.	$92,736.46	$1,122.71	$0.00	$16.35	$1,139.06	$93,875.52
Asheville Police Dept.	$38,088.03	$758.43	$2,912.55	$1,485.54	$5,156.52	$43,244.55
Atlantic Beach Police Dept.	$21,786.88	$0.00	$0.00	$38.04	$38.04	$21,824.92
Aulander Police Dept.	$38.70	$0.00	$0.00	$0.00	$0.00	$38.70
Avery Co. Sheriff's Dept.	$6,271.76	$0.00	$114.76	$0.00	$114.76	$6,386.52
Ayden Police Dept.	$9,588.18	$0.00	$0.00	$79.85	$79.85	$9,668.03
Badin Police Dept.	$856.56	$0.00	$0.00	$0.00	$0.00	$856.56
Bailey Police Dept.	$1,491.20	$0.00	$0.00	$135.00	$135.00	$1,626.20

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Ba[redacted]k Police Dept.	$551.15	$0.[redacted]	$0.00	$0.00	$0.00	$551.15
Battleboro Police Dept.	$1,472.64	$0.00	$0.00	$0.00	$0.00	$1,472.64
Beaufort Co. Narc. Task Force	$45,154.94	$0.00	$0.00	$0.00	$0.00	$45,154.94
Beaufort County Sheriff's Dept.	$28,682.41	$0.00	$0.00	$16.87	$16.87	$28,699.28
Beaufort Police Dept.	$437.96	$167.47	$132.38	$0.00	$299.85	$737.81
Belhaven Police Dept.	$221.29	$0.00	$0.00	$0.00	$0.00	$221.29
Belmont Police Dept.	$14,448.32	$555.99	$353.25	$1,488.26	$2,397.50	$16,845.82
Benson Police Dept.	$27,105.13	$182.45	$1,472.08	$729.98	$2,384.51	$29,489.64
Bertie County Sheriff's Dept.	$9,580.28	$0.00	$771.00	$539.24	$1,310.24	$10,890.52
Bertie Hert. Northam. Drug Tk. Fc.	$11,335.47	$0.00	$0.00	$0.00	$0.00	$11,335.47
Bessemer City Police Dept.	$608.25	$0.00	$0.00	$0.00	$0.00	$608.25
Bethel Police Dept.	$3,055.64	$668.83	$595.50	$50.62	$1,314.95	$4,370.59
Biscoe Police Dept.	$1,843.27	$19.50	$0.00	$0.00	$19.50	$1,862.77
Black Mountain Police Dept.	$7,500.00	$0.00	$0.00	$0.00	$0.00	$7,500.00
Bladen City-Co. Drug Tsk. Fc.	$492.00	$173.25	$0.00	$0.00	$173.25	$665.25
Bladen Co. Sheriff's Dept.	$5,434.74	$0.00	$123.00	$1,621.41	$1,744.41	$7,179.15
Bladenboro Police Dept.	$3,705.00	$0.00	$0.00	$37.12	$37.12	$3,742.12
Bladen-Pender Drug Tk. Force	$6,141.17	$0.00	$0.00	$0.00	$0.00	$6,141.17
Blowing Rock Police Dept.	$131.04	$0.00	$0.00	$0.00	$0.00	$131.04
Blue Ridge NTF	$1,412.21	$0.00	$0.00	$0.00	$0.00	$1,412.21
Boiling Springs Police Dept.	$30.93	$0.00	$0.00	$141.00	$141.00	$171.93
Boone Police Dept.	$30,196.46	$0.00	$0.00	$0.00	$0.00	$30,196.46
Booneville Police Dept.	$887.00	$0.00	$25.50	$0.00	$25.50	$912.50
Brevard Police Dept.	$5,095.62	$0.00	$564.23	$359.67	$923.90	$6,019.52
Broadway Police Dept.	$0.00	$0.00	$251.90	$0.00	$251.90	$251.90
Brunswick Co. Sheriff's Dept.	$117,712.08	$3,369.29	$374.25	$3,438.89	$7,182.43	$124,894.51
Bryson City Police Dept.	$645.90	$0.00	$195.00	$0.00	$195.00	$840.90
Buncombe Co. S.C.E.T.	$7,874.91	$0.00	$0.00	$0.00	$0.00	$7,874.91
Buncombe County Sheriff's Dept.	$18,790.26	$846.93	$455.44	$156.56	$1,458.93	$20,249.19
Burgaw Police Dept.	$7,237.25	$327.75	$0.00	$70.50	$398.25	$7,635.50
Burke County Narcotics Task Force	$632,134.95	$18,089.59	$6,916.60	$19,937.85	$44,944.04	$677,078.99
Burke County Sheriff's Dept.	$15,452.82	$6,628.54	$822.10	$635.74	$8,086.38	$23,539.20
Burlington Police Dept.	$89,978.56	$1,481.79	$5,439.37	$5,345.25	$12,266.41	$102,244.97
Butner Public Safety	$3,210.36	$0.00	$0.00	$0.00	$0.00	$3,210.36
Cabarrus Co. Sheriff's Dept.	$355,790.42	$3,042.74	$3,913.69	$388.32	$7,344.75	$363,135.17
Caldwell Co. Sheriff's Dept.	$161,227.10	$847.38	$930.68	$3,227.68	$5,005.74	$166,232.84
Camden County Sheriff's Dept.	$5,499.36	$0.00	$0.00	$0.00	$0.00	$5,499.36
Canton Police Dept.	$4,885.13	$0.00	$0.00	$8.81	$8.81	$4,893.94
Carolina Beach Police Dept.	$5,856.54	$0.00	$0.00	$0.00	$0.00	$5,856.54
Carrboro Police Dept.	$8,489.11	$4,104.79	$438.75	$0.00	$4,543.54	$13,032.65
Carteret Co. Sheriff's Dept.	$59,105.27	$1,832.83	$601.89	$2,500.00	$4,934.72	$64,039.99
Carthage Police Dept.	$1,531.47	$232.87	$112.50	$112.50	$457.87	$1,989.34
Cary Police Dept.	$35,041.00	$6,740.25	$2,687.30	$125.37	$9,552.92	$44,593.92
Caswell Co. Sheriff's Dept.	$19,711.28	$47.36	$868.50	$180.97	$1,096.83	$20,808.11
Catawba Co. Sheriff's Dept.	$483,562.86	$8,325.04	$5,980.62	$4,342.82	$18,648.48	$502,211.34

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Cat[redacted] Police Dept.	$2,851.15	$0.[redacted]	$0.00	$0.00	$0.00	$2,851.15
Chad[redacted]n Police Dept.	$1,198.17	$0.00	$0.00	$0.00	$0.00	$1,198.17
Chapel Hill Police Dept.	$12,940.59	$5,963.64	$1,517.68	$145.53	$7,626.85	$20,567.44
Charlotte Douglas Airport	$8,302.50	$0.00	$0.00	$0.00	$0.00	$8,302.50
Charlotte Police Dept.	$420,312.07	$0.00	$0.00	$0.00	$0.00	$420,312.07
Charlotte-Mecklenburg Police Dept.	$2,092,359.95	$107,166.03	$137,475.45	$77,839.44	$322,480.92	$2,414,840.87
Chatham Co. Sheriff's Dept.	$79,772.34	$544.24	$746.11	$170.48	$1,460.83	$81,233.17
Cherryville Police Dept.	$429.92	$0.00	$303.56	$561.51	$865.07	$1,294.99
China Grove Police Dept.	$14,308.64	$0.00	$0.00	$58.50	$58.50	$14,367.14
Cherokee Co. Sheriff's Dept.	$1,101.18	$0.00	$1,155.97	$91.33	$1,247.30	$2,348.48
Cherokee Police Dept.	$260.25	$135.00	$112.50	$0.00	$247.50	$507.75
Chowan Co. Sheriff's Dept.	$764.57	$0.00	$144.66	$6.11	$150.77	$915.34
Chowan-Edenton NTF	$69.00	$0.00	$0.00	$0.00	$0.00	$69.00
City of Concord ABC Board	$12,167.87	$0.00	$0.00	$83.50	$83.50	$12,251.37
City/County Bureau of Narc. (CCBN) (Cumberland Co.)	$104,929.28	$9,666.11	$3,062.17	$7,222.86	$19,951.14 $0.00	$124,880.42
City/County Drug TKF (Bladen Co.)	$26,053.53	$1,912.56	$877.77	$537.68	$3,328.01	$29,381.54
Claremont Police Dept.	$2,750.25	$460.62	$412.26	$365.34	$1,238.22	$3,988.47
Clay County Sheriff's Dept.	$11,415.48	$0.00	$0.00	$91.33	$91.33	$11,506.81
Clayton Police Dept.	$20,980.80	$47.71	$850.82	$51.24	$949.77	$21,930.57
Cleveland Police Dept.	$1,226.20	$0.00	$0.00	$125.25	$125.25	$1,351.45
Cleveland Co. Sheriff's Dept.	$323,220.32	$3,200.57	$10,452.36	$1,980.05	$15,632.98	$338,853.30
Columbus Co. Sheriff's Dept.	$81,895.40	$1,743.94	$134.66	$15,194.01	$17,072.61	$98,968.01
Concord Police Dept.	$140,677.90	$3,377.87	$4,726.69	$2,719.38	$10,823.94	$151,501.84
Conover Police Dept.	$14,371.61	$460.62	$583.73	$0.00	$1,044.35	$15,415.96
Coolemee Police Dept.	$6,054.73	$0.00	$0.00	$0.00	$0.00	$6,054.73
Cornelius Police Dept.	$2,661.19	$0.00	$780.87	$19,047.75	$19,828.62	$22,489.81
Cramerton Police Dept.	$383.68	$0.00	$0.00	$0.00	$0.00	$383.68
Craven Co. Sheriff's Dept.	$41,561.88	$2,808.20	$82.87	$2,925.11	$5,816.18	$47,378.06
Creedmoor Police Dept.	$0.00	$0.00	$421.92	$0.00	$421.92	$421.92
Cumberland Co. Sheriff's Dept.	$220,811.11	$11,594.82	$7,704.16	$5,301.97	$24,600.95	$245,412.06
Cum. Co. Sherf. Dpt. (CCBN)	$196,025.52	$0.00	$0.00	$0.00	$0.00	$196,025.52
Currituck Co. Sheriff's Dept.	$149,055.92	$1,854.75	$423.94	$265.38	$2,544.07	$151,599.99
Dallas Police Dept.	$173.25	$0.00	$0.00	$0.00	$0.00	$173.25
Dare County Sheriff's Dept.	$21,106.11	$592.50	$2,073.07	$1,636.29	$4,301.86	$25,407.97
Davidson Co. Sheriff's Dept.	$295,574.53	$383.16	$11,444.74	$2,221.80	$14,049.70	$309,624.23
Davidson Police Dept.	$384.50	$0.00	$0.00	$0.00	$0.00	$384.50
Davie Co. Sheriff's Dept.	$25,161.00	$209.25	$0.00	$0.00	$209.25	$25,370.25
Dobson Police Dept.	$1,605.68	$0.00	$0.00	$0.00	$0.00	$1,605.68
Dunn Police Dept.	$117,590.56	$0.00	$120.75	$999.02	$1,119.77	$118,710.33
Duplin Co. Sheriff's Dept.	$79,348.81	$0.00	$1,592.24	$2,829.15	$4,421.39	$83,770.20
Durham Co. Sheriff's Dept.	$165,912.74	$0.00	$28,074.42	$6,195.59	$34,270.01	$200,182.75
Durham Parks & Recreation	$1,235.70	$0.00	$0.00	$0.00	$0.00	$1,235.70
Durham Police Dept.	$178,058.33	$15,195.87	$42,195.80	$18,945.29	$76,336.96	$254,395.29
East Carolina University Police	$409.35	$217.89	$0.00	$0.00	$217.89	$627.24

Eas[redacted]cer Police Dept.	$13,522.33	$0.[redacted]	$0.00	$143.75	$143.75	$13,666.08
Eden [redacted]olice Dept.	$6,293.18	$0.00	$0.00	$62.25	$62.25	$6,355.43
Edenton Police Dept.	$4,006.54	$0.00	$1,113.00	$97.57	$1,210.57	$5,217.11
Edgecombe Co. Sheriff's Dept.	$89,921.72	$8,698.56	$1,950.35	$3,642.43	$14,291.34	$104,213.06
Edgecombe Co. NTF	$14,948.64	$108.56	$0.00	$0.00	$108.56	$15,057.20
Elkin Police Dept.	$41,060.05	$1,457.81	$19.88	$0.00	$1,477.69	$42,537.74
Elizabeth City Police Dept.	$37,450.82	$1,504.30	$403.12	$420.00	$2,327.42	$39,778.24
Elizabethtown Police Dept.	$2,976.59	$0.00	$75.00	$0.00	$75.00	$3,051.59
Ellerbee Police Dept.	$0.00	$0.00	$1,556.25	$0.00	$1,556.25	$1,556.25
Elon College Police Dept.	$21,366.08	$676.50	$37.50	$18.75	$732.75	$22,098.83
Elm City Police Dept.	$0.00	$613.83	$0.00	$0.00	$613.83	$613.83
Emerald Isle Police Dept.	$9,046.48	$0.00	$0.00	$0.00	$0.00	$9,046.48
Enfield Police Dept.	$7,222.60	$0.00	$0.00	$183.00	$183.00	$7,405.60
Erwin Police Dept.	$9,263.91	$0.00	$0.00	$0.00	$0.00	$9,263.91
Fairmont Police Dept.	$1,125.81	$0.00	$3,415.50	$1,484.28	$4,899.78	$6,025.59
Farmville Police Dept.	$18,323.47	$367.30	$45.00	$872.16	$1,284.46	$19,607.93
Fayetteville Police Dept.	$214,291.87	$5,498.44	$5,909.22	$795.25	$12,202.91	$226,494.78
Fayetteville Police Dept.-(CCBN)	$120,907.00	$0.00	$0.00	$0.00	$0.00	$120,907.00
Fthills Dg.Tk.Fc. (Caldwell Co.)	$76,790.32	$168.93	$207.93	$732.42	$1,109.28	$77,899.60
Forest City Police Dept.	$27,582.86	$73.72	$2,273.61	$1,208.93	$3,556.26	$31,139.12
Forsyth Co. Sheriff's Dept.	$228,509.56	$2,538.75	$6,151.07	$3,071.87	$11,761.69	$240,271.25
Forsyth Municipal ABC Law Enf.	$960.63	$0.00	$0.00	$0.00	$0.00	$960.63
Franklin Co. Sheriff's Dept.	$36,561.76	$2,390.77	$254.01	$3,796.43	$6,441.21	$43,002.97
Franklin Police Dept.	$48.00	$0.00	$0.00	$0.00	$0.00	$48.00
Franklinton Police Dept.	$3,802.92	$0.00	$342.05	$0.00	$342.05	$4,144.97
Fremont Police Dept.	$3,315.70	$0.00	$0.00	$0.00	$0.00	$3,315.70
Fuquay-Varina Police Dept.	$24,290.46	$0.00	$2,361.16	$0.00	$2,361.16	$26,651.62
Garner Police Dept.	$19,462.26	$627.85	$79.78	$46.05	$753.68	$20,215.94
Garysburg Police Dept.	$0.00	$0.00	$543.88	$0.00	$543.88	$543.88
Gaston Co. Police Dept.	$119,130.37	$4,234.32	$4,758.33	$1,658.38	$10,651.03	$129,781.40
Gaston Co. Sheriff's Dept.	$5,845.22	$0.00	$227.07	$0.00	$227.07	$6,072.29
Gastonia Police Dept.	$136,196.30	$384.04	$1,343.26	$1,148.83	$2,876.13	$139,072.43
Garysburg Police Dept.	$558.31	$0.00	$0.00	$0.00	$0.00	$558.31
Gibsonville Police Dept.	$5,997.72	$4,882.59	$14,184.23	$15,402.79	$34,469.61	$40,467.33
Goldsboro Police Dept.	$121,016.48	$589.32	$1,936.15	$3,464.59	$5,990.06	$127,006.54
Graham Co. Sheriff's Dept.	$10,997.92	$1,104.96	$228.37	$0.00	$1,333.33	$12,331.25
Graham Police Dept.	$8,578.51	$260.78	$19,604.99	$22,552.10	$42,417.87	$50,996.38
Granville Co. Sheriff's Dept.	$155,426.35	$3,761.92	$4,455.07	$86.50	$8,303.49	$163,729.84
Greene Co. Sheriff's Dept.	$25,220.21	$0.00	$0.00	$103.36	$103.36	$25,323.57
Greensboro Police Dept.	$216,801.39	$10,531.12	$12,153.35	$7,158.87	$29,843.34	$246,644.73
Greenville Police Dept.	$272,572.70	$3,129.88	$89,141.72	$7,879.81	$100,151.41	$372,724.11
Grifton Police Dept.	$1,217.28	$0.00	$0.00	$0.00	$0.00	$1,217.28
Grover Police Dept.	$260.04	$0.00	$0.00	$0.00	$0.00	$260.04
Guilford Co. Sheriff's Dept.	$485,794.83	$7,962.31	$7,385.74	$13,800.20	$29,148.25	$514,943.08
Guilford Co. Metro. Inter. Tsk Force	$19.75	$0.00	$0.00	$0.00	$0.00	$19.75

Ha[redacted]o. Sheriff's Dept.	$56,845.41	$388[redacted]	$229.75	$436.72	$1,054.82	$57,900.23
Halifax Co. NTF	$42,383.30	$149.25	$634.25	$2,031.95	$2,815.45	$45,198.75
Hamlet Police Dept.	$3,894.46	$150.00	$648.75	$75.00	$873.75	$4,768.21
Harnett Co. Sheriff's Dept.	$332,533.22	$1,356.33	$5,966.39	$5,998.38	$13,321.10	$345,854.32
Havelock Police Dept.	$3,080.05	$0.00	$0.00	$0.00	$0.00	$3,080.05
Havelock Public Safety	$3,391.50	$421.51	$0.00	$0.00	$421.51	$3,813.01
Haw River Police Dept.	$14,439.91	$0.00	$667.48	$0.00	$667.48	$15,107.39
Haywood Co. Sheriff's Dept.	$12,156.56	$0.00	$0.00	$8.81	$8.81	$12,165.37
Henderson Co. Sheriff's Dept.	$82,330.91	$1,198.04	$2,367.60	$565.50	$4,131.14	$86,462.05
Henderson Police Dept.	$1,195.02	$0.00	$0.00	$83.25	$83.25	$1,278.27
Henderson/Vance Vice Unit	$141.75	$0.00	$0.00	$0.00	$0.00	$141.75
Hendersonville Police Dept.	$44,556.57	$72.00	$1,823.85	$75.00	$1,970.85	$46,527.42
Hertford Co. Sheriff's Dept.	$0.00	$0.00	$0.00	$95.90	$95.90	$95.90
Hertford Police Dept.	$5,544.82	$15.00	$15.00	$15.00	$45.00	$5,589.82
Hickory Police Dept.	$128,819.43	$10,447.59	$2,578.23	$637.99	$13,663.81	$142,483.24
High Point Police Dept.	$203,506.71	$6,538.89	$4,296.96	$6,054.78	$16,890.63	$220,397.34
High South Inter. DTF (Avery)	$750.00	$0.00	$0.00	$0.00	$0.00	$750.00
Hillsborough Police Dept.	$33,326.07	$7,293.29	$1,890.00	$970.13	$10,153.42	$43,479.49
Hoke Co. Sheriff's Dept.	$20,870.58	$112.50	$483.75	$150.00	$746.25	$21,616.83
Hoke-Robeson Drug Task Force	$77,711.48	$0.00	$0.00	$0.00	$0.00	$77,711.48
Holly Ridge Police Dept.	$2,085.44	$0.00	$0.00	$0.00	$0.00	$2,085.44
Holly Springs Police Dept.	$1,548.49	$0.00	$181.50	$0.00	$181.50	$1,729.99
Hope Mills Police Dept.	$5,542.88	$504.16	$802.21	$192.61	$1,498.98	$7,041.86
Hudson Police Dept.	$4,019.63	$0.00	$2,505.75	$22.50	$2,528.25	$6,547.88
Huntersville Police Dept.	$497.59	$0.00	$166.25	$345.00	$511.25	$1,008.84
Inter-Ag. Dg.Alcoh.Law Enf. (Sampson)	$38,261.05	$0.00	$0.00	$311.25	$311.25	$38,572.30
Inter-Ag. Tk. Fc. (Harnett)	$3,344.74	$0.00	$0.00	$0.00	$0.00	$3,344.74
Inter-Ag.Tk. Fc. (Henderson & Vance)	$85,404.13	$0.00	$0.00	$0.00	$0.00	$85,404.13
Inter-Ag. Drug Task Force (Henderson)	$2,225.88	$0.00	$0.00	$0.00	$0.00	$2,225.88
Inter-Ag. Drug Task Force (Sampson)	$40,856.72	$2,705.02	$10,187.05	$0.00	$12,892.07	$53,748.79
Inter-Ag. Drug Task Force (Vance)	$13,635.20	$5,635.63	$12,358.03	$3,821.60	$21,815.26	$35,450.46
Iredell Co. Sheriff's Dept.	$53,259.37	$191.00	$2,201.20	$6,585.31	$8,977.51	$62,236.88
Isothermal NTF (Rutherford County)	$66,658.48	$35.00	$5,404.10	$1,995.92	$7,435.02	$74,093.50
Jackson Co. Sheriff's Dept.	$12,660.99	$1,281.42	$187.50	$3,815.01	$5,283.93	$17,944.92
Jacksonville Police Dept.	$69,951.04	$6,589.98	$5,330.30	$1,200.75	$13,121.03	$83,072.07
Johnson C. Smith University Police	$2,076.16	$0.00	$0.00	$0.00	$0.00	$2,076.16
Johnston Co. Sheriff's Dept.	$148,350.91	$182.47	$3,824.01	$1,294.73	$5,301.21	$153,652.12
Jones Co. Sheriff's Dept.	$388.50	$0.00	$0.00	$367.12	$367.12	$755.62
Jonesville Police Dept.	$965.06	$0.00	$0.00	$0.00	$0.00	$965.06
Kannapolis Police Dept.	$98,769.05	$0.00	$2,693.37	$198.75	$2,892.12	$101,661.17
Kenansville Police Dept.	$0.00	$218.07	$0.00	$0.00	$218.07	$218.07
Kenly Police Dept.	$955.19	$1,180.23	$1,144.72	$621.98	$2,946.93	$3,902.12
Kernersville Police Dept.	$41,705.51	$667.50	$475.50	$104.16	$1,247.16	$42,952.67
Kill Devil Hills Police Dept.	$9,303.81	$187.50	$0.00	$0.00	$187.50	$9,491.31
King Police Dept.	$15,243.55	$0.00	$213.00	$0.00	$213.00	$15,456.55

Kin[redacted]untain Police Dept.	$28,702.39	$831[redacted]	$72.00	$1,108.12	$2,011.88	$30,714.27
Kingston Police Dept.	$738.06	$0.00	$3.91	$0.00	$3.91	$741.97
Kinston Police Dept.	$83,418.96	$3,162.93	$1,152.27	$1,230.20	$5,545.40	$88,964.36
Kitty Hawk Police Dept.	$6,234.83	$0.00	$0.00	$0.00	$0.00	$6,234.83
Knightdale Police Dept.	$9,598.86	$0.00	$0.00	$0.00	$0.00	$9,598.86
Kure Beach Police Dept.	$546.74	$135.00	$817.63	$67.50	$1,020.13	$1,566.87
Lake Lure Police Dept.	$721.76	$0.00	$246.00	$0.00	$246.00	$967.76
Laurinburg Police Dept.	$127,886.72	$1,021.73	$893.25	$150.00	$2,064.98	$129,951.70
Lee City-County Drug Unit	$12.98	$0.00	$0.00	$0.00	$0.00	$12.98
Lenoir Co. Sheriff's Dept.	$49,956.02	$8,024.88	$4,263.00	$0.00	$12,287.88	$62,243.90
Lenoir Police Dept.	$44,412.49	$0.00	$638.65	$438.18	$1,076.83	$45,489.32
Lexington Police Dept.	$160,113.44	$1,469.55	$4,845.23	$2,870.44	$9,185.22	$169,298.66
Liberty Police Dept.	$4,765.80	$0.00	$155.31	$0.00	$155.31	$4,921.11
Lillington Police Dept.	$5,905.19	$0.00	$0.00	$0.00	$0.00	$5,905.19
Lincoln Co. Sheriff's Dept.	$68,856.42	$1,323.80	$904.50	$68.25	$2,296.55	$71,152.97
Lincolnton Police Dept.	$10,058.53	$4,071.28	$1,140.85	$42.40	$5,254.53	$15,313.06
Littleton Police Dept.	$0.00	$0.00	$108.77	$0.00	$108.77	$108.77
Locust Police Dept.	$3,888.00	$0.00	$0.00	$0.00	$0.00	$3,888.00
Long Beach Police Dept.	$12,398.33	$0.00	$189.76	$750.00	$939.76	$13,338.09
Longview Police Dept.	$9,777.69	$460.63	$882.65	$372.38	$1,715.66	$11,493.35
Louisburg Police Dept.	$1,064.06	$0.00	$822.00	$0.00	$822.00	$1,886.06
Lowell Police Dept.	$639.75	$0.00	$0.00	$0.00	$0.00	$639.75
Lumberton Police Dept.	$52,455.69	$1,130.78	$1,643.94	$1,119.37	$3,894.09	$56,349.78
Macon Co. Sheriff's Dept.	$5,960.28	$0.00	$0.00	$0.00	$0.00	$5,960.28
Madison Co. Sheriff's Dept.	$19,297.52	$11.25	$33.75	$732.75	$777.75	$20,075.27
Madison Police Dept.	$3,067.54	$0.00	$0.00	$0.00	$0.00	$3,067.54
Maiden Police Dept.	$36,675.10	$4,810.05	$2,145.92	$948.67	$7,904.64	$44,579.74
Manteo Police Dept.	$2,658.48	$0.00	$0.00	$0.00	$0.00	$2,658.48
Marion Police Dept.	$6,554.60	$0.00	$12.53	$0.00	$12.53	$6,567.13
Marshall Police Dept.	$280.11	$0.00	$0.00	$0.00	$0.00	$280.11
Marshville Police Dept.	$7,139.66	$0.00	$0.00	$0.00	$0.00	$7,139.66
Martin County Sheriff's Dept.	$7,903.45	$739.50	$350.75	$168.37	$1,258.62	$9,162.07
Matthews Police Dept.	$5,836.32	$0.00	$1,471.90	$130.50	$1,602.40	$7,438.72
Maxton Police Dept.	$21,360.44	$0.00	$336.75	$0.00	$336.75	$21,697.19
Mayodan Police Dept.	$11,048.94	$0.00	$0.00	$0.00	$0.00	$11,048.94
Maysville Police Dept.	$480.50	$0.00	$0.00	$0.00	$0.00	$480.50
McAdenville Police Dept.	$154.50	$0.00	$0.00	$0.00	$0.00	$154.50
McDowell Co. Sheriff's Dept.	$104,079.45	$1,639.94	$1,773.26	$1,260.28	$4,673.48	$108,752.93
Mebane Police Dept.	$693.00	$1,397.25	$459.75	$330.00	$2,187.00	$2,880.00
MEG (Asheville/Buncombe Co.)	$287,047.18	$4,656.15	$11,453.37	$1,934.46	$18,043.98	$305,091.16
Mecklenburg Co. ABC Board	$85,810.08	$2,268.56	$4,467.36	$0.00	$6,735.92	$92,546.00
Mecklenburg Co. Park Rangers	$2,907.93	$0.00	$0.00	$0.00	$0.00	$2,907.93
Mecklenburg Co. Police Dpt.	$84,714.58	$0.00	$0.00	$0.00	$0.00	$84,714.58
Mecklenburg Co. Sheriff's Dpt.	$40,444.02	$5,951.77	$2,694.81	$5,314.53	$13,961.11	$54,405.13
Mocksville Police Dept.	$912.25	$0.00	$0.00	$0.00	$0.00	$912.25

M[redacted]x Police Dept.	$1,377.74	$75[redacted]	$0.00	$0.00	$75.87	$1,453.61
Mitchell Co. Sheriff's Dpt.	$10,062.80	$0.00	$213.75	$0.00	$213.75	$10,276.55
Mitchell Co. DTF	$3,924.25	$0.00	$0.00	$0.00	$0.00	$3,924.25
Mocksville Police Dept.	$966.94	$0.00	$0.00	$0.00	$0.00	$966.94
Monroe Public Safety	$87,494.22	$1,464.75	$6,139.32	$8,140.11	$15,744.18	$103,238.40
Montgomery Co. Sheriff's Dpt.	$53,548.82	$1,220.73	$229.78	$3,536.92	$4,987.43	$58,536.25
Moore Co. Sheriff's Dept.	$75,956.07	$1,789.21	$1,730.14	$448.45	$3,967.80	$79,923.87
Mooresville Police Dept.	$5,165.04	$0.00	$0.00	$179.00	$179.00	$5,344.04
Morehead City Police Dept.	$18,744.78	$1,707.14	$2,018.34	$788.10	$4,513.58	$23,258.36
Morganton Police Dept.	$1,762.05	$0.00	$0.00	$0.00	$0.00	$1,762.05
Morganton Dept. Public Sfty.	$3,262.89	$151.73	$334.47	$0.00	$486.20	$3,749.09
Morrisville Police Dept.	$493.31	$0.00	$0.00	$0.00	$0.00	$493.31
Mount Airy Police Dept.	$129,507.56	$243.75	$334.05	$2,178.40	$2,756.20	$132,263.76
Mount Gilead Police Dept.	$3,336.44	$430.99	$7.10	$0.00	$438.09	$3,774.53
Mount Holly Police Dept.	$8,192.59	$0.00	$100.75	$5.75	$106.50	$8,299.09
Mount Olive Police Dept.	$8,693.07	$0.00	$0.00	$0.00	$0.00	$8,693.07
Murfreesboro Police Dept.	$5,953.91	$285.00	$261.00	$106.02	$652.02	$6,605.93
Multi-Jurs. Task Force (Mecklenburg/Gaston Co.)	$5,406.62	$0.00	$0.00	$0.00	$0.00 $0.00	$5,406.62
Murphy Police Dept.	$886.19	$0.00	$0.00	$0.00	$0.00	$886.19
NC Alcohol Law Enforcement	$84,490.70	$705.44	$6,096.61	$160.38	$6,962.43	$91,453.13
N C Central University Police	$0.00	$54.75	$0.00	$0.00	$54.75	$54.75
NC Dept. of Corrections	$16.57	$0.00	$0.00	$0.00	$0.00	$16.57
NC Dept. of Crime Control & Public Safety	$7,656.24	$1,120.02	$57.43	$40.50	$1,217.95 $0.00	$8,874.19
NC Dept. of Motor Vehicles (Enf. Div.)	$25,462.70	$0.00	$47.50	$123.95	$171.45 $0.00	$25,634.15
NC Probation & Parole	$19,417.95	$0.00	$56.25	$56.25	$112.50	$19,530.45
NC State Highway Patrol	$350,405.12	$13,785.66	$21,898.57	$14,179.59	$49,863.82	$400,268.94
NC State University Police	$0.00	$0.00	$17.09	$0.00	$17.09	$17.09
NC Wildlife Resources Commission	$712.77	$0.00	$184.87	$112.87	$297.74	$1,010.51
Nags Head Police Dept.	$14,807.44	$0.00	$696.33	$112.50	$808.83	$15,616.27
Nash Co. Sheriff's Dept.	$112,837.68	$7,673.66	$28,902.07	$2,565.93	$39,141.66	$151,979.34
Nashville Police Dept.	$7,273.22	$543.75	$0.00	$6.75	$550.50	$7,823.72
Neuse River DTF (Craven Co.)	$1,054.23	$0.00	$0.00	$186.32	$186.32	$1,240.55
New Bern Police Dept.	$135,080.14	$2,577.75	$14,915.81	$4,395.87	$21,889.43	$156,969.57
New Hanover Co. Sheriff's Dept.	$277,185.97	$5,562.67	$12,888.93	$5,467.83	$23,919.43	$301,105.40
New Hanover Vice/Narcotics Unit	$8,128.17	$12.00	$112.87	$983.79	$1,108.66	$9,236.83
Newton Police Dept.	$37,992.48	$32.43	$1,529.70	$277.50	$1,839.63	$39,832.11
Newton Grove Police Dept.	$0.00	$0.00	$1,070.25	$0.00	$1,070.25	$1,070.25
Norlina Police Dept.	$460.50	$0.00	$0.00	$0.00	$0.00	$460.50
Northampton Co. ABC	$768.75	$18.75	$0.00	$0.00	$18.75	$787.50
Northampton County Sheriff's Dept.	$18,295.96	$228.75	$896.06	$108.30	$1,233.11	$19,529.07
North Topsail Beach Police Dept.	$0.00	$0.00	$8,056.24	$0.00	$8,056.24	$8,056.24
North Wilkesboro Police Dpt.	$15,966.51	$4,157.73	$7,307.62	$162.72	$11,628.07	$27,594.58

Roanoke Regional DTF (Pasquotank Co.)	$17,180.87	$0.00	$0.00	$0.00	$0.00 $0.00	$17,180.87
Norwood Police Dept.	$24,790.38	$1,168.28	$393.75	$2,437.18	$3,999.21	$28,789.59
Oakboro Police Dept.	$12,019.15	$240.31	$0.00	$0.00	$240.31	$12,259.46
Ocean Isle Police Dept.	$1,084.98	$0.00	$0.00	$0.00	$0.00	$1,084.98
Old Fort Police Dept.	$222.08	$0.00	$435.00	$45.08	$480.08	$702.16
Onslow Co. Sheriff's Dept.	$51,915.89	$1,480.50	$1,751.72	$37.50	$3,269.72	$55,185.61
Orange Co. Sheriff's Dept.	$145,921.39	$1,994.07	$739.07	$283.50	$3,016.64	$148,938.03
Oxford Police Dept.	$18,805.91	$773.87	$1,102.85	$439.44	$2,316.16	$21,122.07
Pamlico Co. Sheriff's Dept.	$11,957.89	$322.87	$870.75	$3,202.18	$4,395.80	$16,353.69
Pasquotank County Sheriff's Dept.	$48,661.42	$68.25	$999.55	$210.00	$1,277.80	$49,939.22
Pembroke Police Dept.	$4,474.02	$0.00	$604.72	$130.05	$734.77	$5,208.79
Pender Co. Narcotics Tsk Force	$16,481.10	$0.00	$0.00	$0.00	$0.00	$16,481.10
Pender Co. Sheriff's Dept.	$38,747.73	$327.76	$974.01	$1,737.18	$3,038.95	$41,786.68
Perquimans Co. Sheriff's Dept.	$3,538.15	$0.00	$252.11	$0.00	$252.11	$3,790.26
Person Co. Sheriff's Dept.	$63,652.25	$3,430.21	$0.00	$4,176.82	$7,607.03	$71,259.28
Piedmont Triad Int'l Airport Police Dept.	$241.12	$0.00	$0.00	$0.00	$0.00	$241.12
Pikeville Police Dept.	$394.09	$0.00	$0.00	$0.00	$0.00	$394.09
Pilot Mountain Police Dept.	$4,853.91	$0.00	$0.00	$0.00	$0.00	$4,853.91
Pinebluff Police Dept.	$748.21	$300.00	$0.00	$0.00	$300.00	$1,048.21
Pinehurst Police Dept.	$2,649.72	$0.00	$0.00	$0.00	$0.00	$2,649.72
Pinetops Police Dept.	$2,809.85	$375.00	$0.00	$0.00	$375.00	$3,184.85
Pineville Police Dept.	$15,505.74	$91.89	$166.25	$0.00	$258.14	$15,763.88
Pitt Co. ABC	$10.73	$0.00	$0.00	$0.00	$0.00	$10.73
Pitt/Greenville Task Force	$2,060.85	$0.00	$0.00	$0.00	$0.00	$2,060.85
Pitt Co. Sheriff's Dept.	$187,938.67	$2,638.45	$88,126.22	$682.91	$91,447.58	$279,386.25
Pittsboro Police Dept.	$1,483.49	$0.00	$0.00	$0.00	$0.00	$1,483.49
Plymouth Police Dept.	$4,500.44	$105.00	$297.81	$70.88	$473.69	$4,974.13
Polk Co. Sheriff's Dept.	$29,495.49	$0.00	$0.00	$56.82	$56.82	$29,552.31
Princeville Police Dept.	$344.24	$0.00	$0.00	$0.00	$0.00	$344.24
Queens College Campus Police	$56.52	$0.00	$0.00	$0.00	$0.00	$56.52
Raeford Police Dept.	$8,277.36	$0.00	$0.00	$0.00	$0.00	$8,277.36
Raleigh Police Dept.	$312,381.80	$13,648.54	$44,251.88	$17,825.04	$75,725.46	$388,107.26
Raleigh/Durham Int'l Airport Police	$235.50	$0.00	$0.00	$0.00	$0.00	$235.50
Ramseur Police Dept.	$5,331.19	$0.00	$0.00	$85.22	$85.22	$5,416.41
Randleman Police Dept.	$669.42	$1,289.79	$701.23	$163.14	$2,154.16	$2,823.58
Randolph Co. Sheriff's Dept.	$222,421.78	$2,485.86	$1,531.36	$24,534.94	$28,552.16	$250,973.94
Randolph/Chatham Drug Tk. Fr.	$99,483.80	$131.25	$176.86	$1,471.45	$1,779.56	$101,263.36
Ranlo Police Dept.	$265.23	$0.00	$0.00	$0.00	$0.00	$265.23
Red Springs Police Dept.	$7,791.60	$0.00	$106.50	$584.25	$690.75	$8,482.35
Region K Narcotics Tk Force (Person/Granville/Warren/Franklin)	$55,321.40	$0.00	$0.00	$0.00	$0.00 $0.00	$55,321.40
Region K Narcotics TKF (Pasquotank Co.)	$12,817.50	$0.00	$0.00	$0.00	$0.00 $0.00	$12,817.50
Reidsville Police Dept.	$24,112.52	$1,643.52	$2,713.50	$1,083.24	$5,440.26	$29,552.78

ITEM 8

W[redacted] County Sheriff's Dept.	$647.09	$0.[redacted]	$0.00	$0.00	$0.00	$647.09
Walnut Cove Police Dept.	$1,494.03	$0.00	$429.37	$1,000.00	$1,429.37	$2,923.40
Warren Co. Sheriff's Dept.	$85,203.57	$2,359.46	$2,110.00	$264.25	$4,733.71	$89,937.28
Warrenton Police Dept.	$15.00	$0.00	$0.00	$0.00	$0.00	$15.00
Warsaw Police Dept.	$3,220.11	$0.00	$45.00	$144.94	$189.94	$3,410.05
Washington Co. Sheriff's Dept.	$6,053.85	$0.00	$1.87	$106.12	$107.99	$6,161.84
Washington Police Dept.	$9,323.98	$0.00	$0.00	$512.21	$512.21	$9,836.19
Watauga Co. Sheriff's Dept.	$38,739.24	$1,513.37	$114.75	$16.35	$1,644.47	$40,383.71
Waxhaw Police Dept.	$1,710.38	$0.00	$0.00	$0.00	$0.00	$1,710.38
Wayne Co. Sheriff's Dept.	$106,032.92	$1,950.18	$1,923.73	$5,404.32	$9,278.23	$115,311.15
Weldon Police Dept.	$4,676.62	$0.00	$15.25	$184.72	$199.97	$4,876.59
Wendell Police Dept.	$5,467.27	$393.93	$7,363.39	$0.00	$7,757.32	$13,224.59
Whitakers Police Dept.	$24.38	$0.00	$0.00	$0.00	$0.00	$24.38
Whiteville Police Dept.	$3,477.74	$0.00	$0.00	$0.00	$0.00	$3,477.74
White Lake Police Dept.	$4,017.49	$0.00	$0.00	$0.00	$0.00	$4,017.49
Wilkes Co. Sheriff's Dept.	$96,199.96	$6,051.90	$8,837.63	$323.62	$15,213.15	$111,413.11
Wilkesboro Police Dept.	$6,139.81	$3,035.00	$7,275.37	$0.00	$10,310.37	$16,450.18
Williamston Police Dept.	$6,904.03	$0.00	$0.00	$0.00	$0.00	$6,904.03
Wilmington Police Dept.	$68,423.31	$2,253.60	$7,932.35	$2,178.08	$12,364.03	$80,787.34
Wilson Co. Sheriff's Dept.	$363,496.46	$9,491.38	$12,724.72	$9,667.23	$31,883.33	$395,379.79
Wilson Police Dept.	$92,334.27	$1,823.65	$607.68	$3,921.50	$6,352.83	$98,687.10
Windsor Police Dept.	$1,654.61	$0.00	$0.00	$0.00	$0.00	$1,654.61
Wingate Police Dept.	$2,169.77	$0.00	$0.00	$43.50	$43.50	$2,213.27
Winston-Salem Police Dept.	$147,703.35	$15,379.14	$980.94	$3,101.63	$19,461.71	$167,165.06
Winterville Police Dept.	$0.00	$0.00	$461.25	$275.25	$736.50	$736.50
Winton Police Dept.	$1,202.67	$0.00	$0.00	$95.90	$95.90	$1,298.57
Woodfin Police Dept.	$923.07	$0.00	$0.00	$0.00	$0.00	$923.07
Woodland Police Dept.	$42.36	$0.00	$0.00	$42.97	$42.97	$85.33
Wrightsville Beach Police Dept.	$1,535.05	$1,768.87	$0.00	$0.00	$1,768.87	$3,303.92
Yadkin County Sheriff's Dept.	$1,789.85	$1,588.50	$3,420.00	$3,116.25	$8,124.75	$9,914.60
Yadkin Police Dept.	$1,517.82	$0.00	$0.00	$0.00	$0.00	$1,517.82
Yadkinville Police Dept.	$1,366.51	$0.00	$0.00	$0.00	$0.00	$1,366.51
Yadkin Valley Multi-Jurs. Tsk.	$844.94	$0.00	$0.00	$0.00	$0.00	$844.94
Yancey County Sheriff's Dept.	$1,668.49	$0.00	$0.00	$0.00	$0.00	$1,668.49
Zebulon Police Dept.	$17,402.38	$112.39	$2,678.97	$64.75	$2,856.11	$20,258.49
SUB Total	$22,861,889.51	$613,290.58	$1,232,067.47	$638,115.36	$2,483,473.41	$25,345,362.92
GENERAL FUND	$7,496,889.11	$204,415.48	$393,780.76	$211,644.73	$809,840.97	$8,306,730.08
GROSS Total	$30,358,778.62	$817,706.06	$1,625,848.23	$849,760.09	$3,293,314.38	$33,652,093.00

ITEM 8

ITEM 9

North Carolina Department of Revenue

James B. Hunt, Jr.
Governor

January 15, 1998

Muriel K. Offerman
Secretary

MEMORANDUM

TO: Senator Ed Warren, Chair
Senator Jeanne Lucas, Vice Chair
Representative Bill Ives, Co-Chair
Representative Wilma Sherrill, Co-Chair
Representative Eugene McCombs, Co-Chair
Joint Appropriations Subcommittee on General Government

FROM: Patricia C. Seawell, Director PCS
Tax Research Division

RE: Request for follow-up information

During the November 19 visit to the Department of Revenue, the Subcommittee did not get to tour the Tax Research Division so I have been requested to provide a description of our work.

The Tax Research Division provides information about North Carolina's state and local taxes to other state agencies, industrial prospects, and the general public. This division also assists the other divisions of the Department of Revenue through preparing revenue estimates and supplying information pertinent to tax bills that have been introduced, requests from legislative study committees, and other inquiries.

The division compiles and/or maintains various databases relating to tax collections by tax schedules and tax bases for use in analyzing the performance of the major taxes, the impact of law changes on collections, and for the preparation of fiscal notes for proposed changes in the tax laws. The division compiles and publishes statistical and descriptive information on state and local taxes and prepares a number of publications, including Statistics of Taxation and the tax booklet North Carolina State and Local Taxes. We also prepare and/or update North Carolina tax information for publication by other state agencies, local governments, and private companies.

Upon request, the director of the Tax Research Division works with the Business/Industry Division in the Department of Commerce in its industrial development program by providing information to industrial prospects regarding the application of the State's taxes to businesses.

I hope this information will be helpful to the Subcommittee.

P.O. Box 25000, Raleigh, North Carolina 27640
State Courier 51-71-00
An Equal Opportunity Employer

Attachment 2

Office of State Controller

Responses to Members' Requests from the Site Visit on November 20, 1997

The subcommittee requested additional information for the two (2) items indicated below:

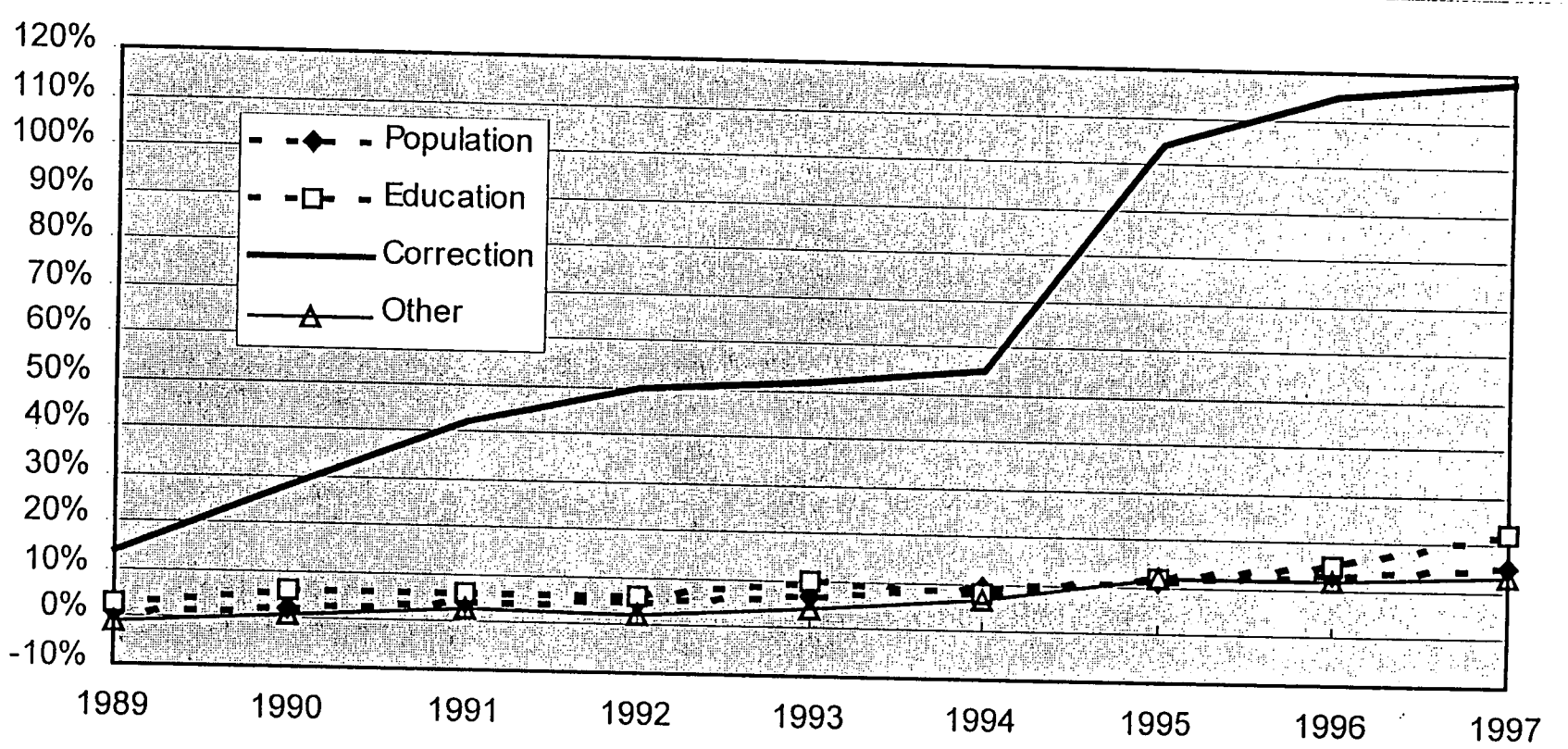
Item 1. Chart to reflect the money on page 9i (attached) of the document prepared by OSC for the subcommittee entitled "Office of State Controller Site Visit". Information to be presented January 21, when North Carolina Accounting System demonstration is scheduled.

Item 2. Require contract for employment and retention of technical staff.

Response provided by the Office of State Personnel:

"State Policy (Section 4, page 5.1 of SPM) effective September 1989, prohibits employment contracts as a condition of employment; to a minimum specified length of employment; from transferring to another state agency; that a person agree in writing or otherwise that a payment be made to the employing agency if a minimum specified period of employment is not met; or the cost of job training required be born by the employee as a condition of employment. This of course does not prohibit trainee or apprenticeship type appointments."

Rates of Growth in State Government Permanent Positions Funded in the State Budget Compared to the Rate of Population Growth in North Carolina



Attachment 3

Divisions of the NC Department of Insurance

Administration

The **Controllers Office** *(Dobbs)* prepares the department's budget; processes cash receipts; prepares cash disbursements; manages cash; controls fixed assets; employee payroll; leave record accounting; contract approval; financial statement preparation; insures proper internal accounting control and procedures are in place; and maintains NC accounting system (NCAS). This office also oversees departmental purchasing; budgeting; and mail-room operations.

The **General Counsel** *(Dobbs)* provides internal legal advice to all parts of the department, acts as liaison with the Attorney General's Office and acts as moderator and hearing officer in administrative hearings. Additionally, the unit is involved with and litigates hearings on all statutory Rating Bureau rate filings, and administrative hearings regarding such topics as license suspension/revocation and wrong doings by insurance companies as well as preparing complex orders and memoranda for the Commissioner.

The **Legislative Counsel** *(Dobbs)* coordinates, represents and assists the department on various legislative matters.

The **Personnel Office** *(Dobbs)* is responsible for recruitment and staffing; orientation of new employees; job classification; pay; benefits; employee relations; performance evaluations; personnel policies; safety and health; and workers compensation.

The **Public Information Office** *(Dobbs)* writes speeches, press releases, articles, and correspondence for commissioner and department; handles media calls and schedules interviews; and produces and edits various in-house publications.

Company Services Group

The **Actuarial Services Division** *(Dobbs)* assists in the review of rate, form, and statistical filings. In addition, this division provides actuarial studies in financial evaluation work and is involved in special projects and studies.

The **Financial Evaluation Division** *(Dobbs)* monitors the solvency of all insurance companies under the supervision of the Commissioner of Insurance; reviews and recommends for admission out-of-state, domestic, and surplus lines companies seeking to transact business in the state; examines and audits domestic and foreign insurance organizations licensed in North Carolina; and ensures the financial solvency and employee stability of self-insured workers' compensation groups in the state.

The **Information Systems Division** *(Dobbs)* manages the department's information technology resources, which include data processing, word processing, office automation, data communications, and voice communications.

The **Regulatory Actions, Administrative Supervision Division** *(Glenwood)* closely monitors the financial condition and operations of domestic insurance entities deemed to be in a potentially hazardous condition.

The **Regulatory Actions, Estate Operations Division** *(Glenwood)* manages the financial and operational affairs of domestic insurers placed into receivership and provides support for receiverships of out-of-state insurers which previously transacted business in North Carolina.

Regional Offices

The **Eastern Regional Office** *(New Bern, NC)* serves the 32 eastern-most NC counties for consumer complaints, agent inquiries, inquiries on manufactured housing, state building codes, fire and rescue(including delivery of Volunteer Fire Fund & EMS grant checks); SHIIP; and is the link between Raleigh office and the east. The Eastern Regional Office also serves as the commissioner's liaison with county/local government officials; Eastern North Carolina legislators; regulated entities and civic groups.

The **Western Regional Office** *(Asheville, NC)* serves the 29 western-most NC counties for consumer complaints, agent inquiries and hearings on manufactured housing; State Building Code; fire & rescue (including delivery of Volunteer Fire Fund & EMS grant checks); SHIIP; and is the link between Raleigh office and the west. The Western Regional Office also serves as the commissioner's liaison with county/local government officials; Western North Carolina legislators; regulated entities and civic groups.

Regulatory/Public Services Group

The **Agent Services Division** *(Dobbs)* regulates and issues licenses for every agent, adjuster, broker or appraiser doing business in North Carolina as well as nonresident brokers and agents; reviews all application for examinations; oversees agents' and adjusters' examinations; and maintains a file for each licensed individual.

The **Consumer Services Division** *(Dobbs)* helps North Carolina consumers get answers to their insurance questions and resolve their insurance problems. A staff of consumer specialists advise and acquaint consumers with courses of action they may pursue to solve their particular problems. North Carolina consumers can call toll-free at 1-800-546-5664 for assistance with their insurance questions or problems.

The **Investigations Division** *(Dobbs)* is responsible for investigating criminal violations of North Carolina's insurance laws. Requests for investigations come from within the department, consumers, law enforcement agencies, local, state and federal agencies, and insurance companies.

The **Special Services Division** *(Dobbs)* is responsible for licensing and regulating insurance premium finance companies, professional bail bondsmen and runners, collection agencies and motor clubs, and investigating all complaints involving these entities.

Safety Services Group

The **Engineering Division** *(Boylan)* has primary responsibility for administering the state building code. The division also serves as staff to the NC Building Code Council, NC Code Official Qualifications Board, and the Home Inspectors Licensing Board. The division is comprised of seven sections: code consultant, electrical, mechanical, modular, inspector certification, building code council and handicapped accessibility.

The **Fire and Rescue Services Division** *(Seaboard)* administers the Firemen's Relief Fund, develops and carries out training for fire departments and rescue squads, and works to improve fire and rescue protection in the state. The division also administers matching dollar-for-dollar grants to volunteer fire departments and rescue squads and offers fire prevention education in the public schools. The section also provides staff, administration, and research services to the Fire and Rescue Commission.

The **Manufactured Building Division** *(Boylan)* works to ensure that construction standards for manufactured homes are maintained and that warranty obligations under state law are met. The division monitors handling of consumer complaints; licenses the makers of manufactured homes, dealers, sales representatives, and set-up contractors; and acts as staff for the NC Manufactured Housing Board.

The **State Property Fire Insurance Fund** *(Boylan)* administers the self-insurance fund for state-owned property and vehicles, and assists local governments with property and casualty insured programs. They also provide staff, administration, and research services to the Public Officers and Employees Liability Insurance Commission (POELIC), which makes available professional liability coverage for law enforcement officers, public officials and employees of any political subdivision of the state.

Technical Services Group

The **Life and Health Division** *(Dobbs)* reviews rate, rule and policy form filings made by life and health insurance companies. The division also administers life replacement regulations.

The **Managed Care Division and Health Benefits Division** *(Seaboard)* monitors and regulates the activities of health maintenance organizations, preferred provider organizations, utilization review organizations, multiple employer welfare arrangements, and third-party administrators.

The **Market Examinations Division** *(Seaboard)* monitors insurance companies' behavior in the marketplace, especially as it affects consumers. The division conducts field examinations of the market practices of domestic and foreign insurers and their representatives.

The **Property and Casualty Division** *(Dobbs)* reviews homeowners, automobile, workers' compensation and other personal, commercial property or casualty insurance policies, rates and rules. The division also licenses rating, advisory and underwriting organizations.

Seniors' Health Insurance Information Program (SHIIP) *(Seaboard)* trains older adult volunteers to counsel other older adults in the areas of Medicare regulations, Medicare supplement insurance, long-term care insurance and claims procedures. SHIIP volunteers go through an extensive training program designed to teach them Medicare and private insurance benefits and options, as well as claims procedures and counseling/advocacy skills.

Boards and Commissions in the Department of Insurance

Building Code Council

North Carolina General Statutes 143-138 authorizes the Building Code Council to prepare, adopt and amend the State Building Code. The council consists of 12 members appointed by the Governor for six-year terms. Statute requires that members have expertise in areas relating to construction safety.

Code Officials Qualifications Board

The board is organized under the provision of Chapter 143, Article 9C of the North Carolina General Statutes. The board's responsibility is to establish minimum standards of employment for code enforcement officials, to certify qualified persons as code officials and to consult with local and state agencies on the development of code enforcement training.

Fire and Rescue Commission

The commission is charged with developing clarification standards for fire service and rescue personnel, and coordinating the state's involvement with the Federal Emergency Management Agency and the US Fire Administration. The commission also serves as a central clearinghouse of information for fire service activities and handles federal and state grants.

Manufactured Housing Board

The board is empowered to issue and revoke licenses, require bonds, resolve complaints, and promulgate rules as necessary to carry out these goals to ensure the safety and best interests of manufactured home consumers.

Home Inspectors Licensure Board

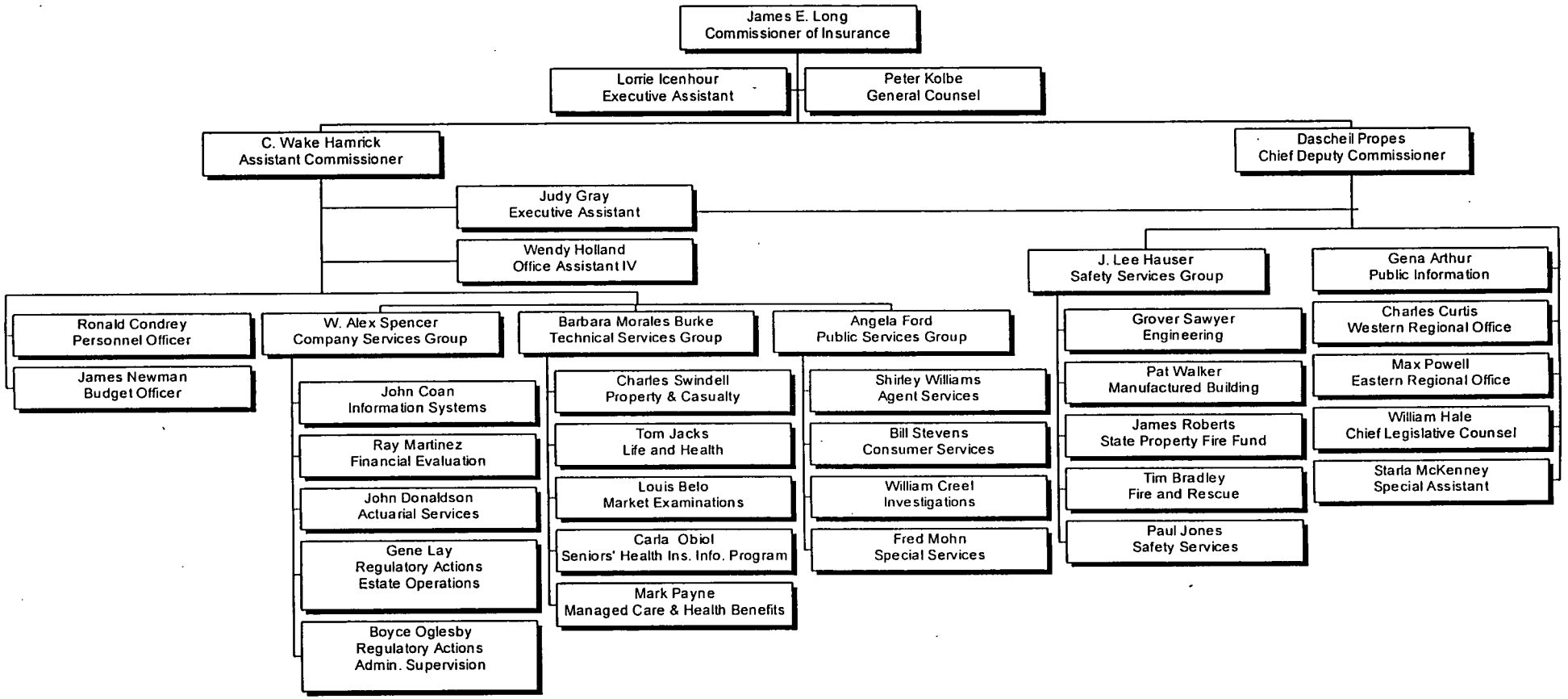
NC General Statutes 143-151.43 Article 9F created the North Carolina Home Inspectors Licensure Board to license those who perform home inspections for compensation.

Public Officers and Employees Liability Insurance Commission (POELIC)

The commission is given authority under North Carolina General Statutes 58-31-25 and 58-32-1 through 58-32-30 to make available a plan of professional liability insurance coverage for all law enforcement officers, public officials, and employees of any political subdivision of the State.

g:/adm/pubinfo/background/doidiv.doc

North Carolina Department of Insurance



January 7, 1998

VISITOR REGISTRATION SHEET

Joint Approp. Sub. on General Government

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

	NAME	FIRM OR AGENCY
1.	Katherine Joyce	SEANC
2.	Curt Williams	Gov's Office
3.	Robert E. Beck	DOR
4.	Ruth Riddle	DOR
5.	Kaye McInnes	DOR
6.	Daniel Hoffman	DOR
7.	Mike Hodges	DOR
8.	Starla H. McKenney	DOI
9.	Gwen Canady	OSC
10.	Carl Goldin	OSP
11.	Keith McCondra	DOR
22.	Enoch E. Halloway	OSBM
23.	Jim Newell	OSBM
24.	Ritchie Austin Padgett	OSPL
25.	Dewey Linden	DOR
26.	B.W. Thomas	DOR
27.	Tom Dixon	DOR
28.	Patty Seawell	DOR
29.	Tom Lomax	DOR
30.	Ed Nast	DOR
31.	Mark Collins	DOR

VISITOR REGISTRATION SHEET

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

	NAME	FIRM OR AGENCY
1.	Gordon Deer	DOR
2.	Willie Riddick	DOR
3.	Robert Powell	OSBM
4.		
5.		
6.		
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JOINT APPROPRIATIONS SUBCOMMITTEE

ON

GENERAL GOVERNMENT

Minutes

January 21, 1998

The Interim Joint Appropriations Subcommittee on General Government met Wednesday, January 21, 1998 at 9:00 a.m. at the front of the Legislative Office Building to go on site visits to agencies of the Department of Insurance. Three of the Senate members were present. Representatives present were: Co-Chairs Ives, McCombs and Sherrill; and Braswell, Church, Ellis, Jeffus, Wainwright and Warwick.

The Subcommittee members and staff were driven to the Seaboard site by DOI staff and were served a stand-up breakfast. Commissioner Long then introduced Barbara Burke, Director of the Technical Services Group, which includes the Life and Health Division, the Managed Care Division and Health Benefits Division, the Market Examinations Division, the Property and Casualty Division, and the Seniors' Health Insurance Information Program (SHIIP). She introduced Mark Payne, Deputy Commissioner in charge of the Managed Care Division, and Louis Belo, Deputy Commissioner in charge of the Market Examinations Division. His Division has a staff of 18 and **more money for travel is his greatest need.** Senator Warren asked Commissioner Long how he felt about banks selling insurance. Mr. Long said he had no problem with that; that anyone selling insurance had to be licensed and follow all of the State's laws. The agents should be worried about selling on the Internet, he said. In response to Representative Sherrill's question about burial insurance, the Commissioner said that it was, and should be, handled by the Board of Mortuary. Ms. Burke said that money from penalties received from companies goes to the Department of Public Instruction.

Commissioner Long said that he was very proud of the Senior Health Insurance Information Volunteer Program which trains older adults to counsel other older adults in the areas of Medicare regulations, Medicare supplement insurance, long-term care

insurance and claims procedures. Forty training sessions were held for these volunteers last year, he said. They presented the members a list of the names of the volunteer coordinators. (Attachment 1)

Lee Hauser, Director of the Safety Services Group, introduced Tim Bradley, Head of the Fire and Rescue Services, who gave an overview of their programs (Attachment 2) and fielded several questions from members of the Subcommittee. He said that they collect a percentage of the fire insurance premiums and receive 15 cents of the fee charged for inspection stickers for their relief fund which is granted to local departments for projects. In response to Senator Warren's questions, Mr. Bradley said that departments who could not match grant funds were given up to $3,000 if the department had less than $3,000 in assets. **Senator Lucas asked to see a rating form, and Mr. Bradley said that he would get her a copy.** He said that they have over 35,000 volunteers in the State, and that they are internationally accredited.

The next site was located on Boylan Avenue and housed the Manufactured Housing Division, (Attachment 3), the Engineering Division, (Attachment 4), and the State Property Fire Insurance Fund, (Attachment 5).

Representative Ellis was very concerned about a case where a Raleigh woman's car was hit by a Raleigh Policeman's vehicle. However, because of the immunity clause, the City was not going to pay for her damages. **He said legislation was needed to cover such instances.**

The group then walked to the Glenwood Avenue location where Alex Spencer, Chief in Charge of the Company Services Group, gave an overview of their responsibilities and took them on a tour of the offices. Lunch break at noon.

At 2:00 p.m. the Subcommittee and Staff went to the Department of Public Instruction where Chuck Cooper, Ken Sawyer and Teresa Shingleton of the Office of the State Controller, gave them an overview of the Smart Stream computer program and a hands-on demonstration for using this program, which is available to each of them.

The group returned to the Legislative Office Building at 4:00 p.m., to reconvene at 9:00 a.m. Thursday, January 22, 1998.

Respectfully submitted,

Senator Ed Warren, Chairman

Wilma Caldwell, Committee Clerk

Attachment 1

SENIORS' HEALTH INSURANCE INFORMATION PROGRAM
COORDINATORS LISTING
January 6, 1998

ALAMANCE
Jane Smith
Senior Center
PO Box 1358
Burlington, NC 27216
910-222-5135

ALEXANDER
Angela Johnson
Alexander Senior Center
590 7th Street, NW
Taylorsville, NC 28681
704-632-1717

ALLEGHANY
Janice Fender
Senior Center
PO Box 416
Sparta, NC 28675
910-372-4640

ANSON
Pearl Blount
Cooperative Extension
PO Box 633
Wadesboro, NC 28170
704-694-2915

ASHE
Louise Caudill
Ashe County Services for the Aging, Inc.
PO Box 190
McConnell Street
Jefferson, NC 28640-0181
910-246-2461

AVERY
R. D. Daniels
Avery Senior Center
PO Box 447
Newland, NC 28657
704-733-8220

BEAUFORT
Phyllis Rose
Senior Information & Referral
310 W. Main Street
Washington, NC 27889
919-975-4469

BERTIE
Amy Costelloe
Bertie Council of Aging
103 W. School Street
Windsor, NC 27983
919-794-5315

BLADEN
Sue Kennedy
Bladen County Division on Aging
PO Box 520
Elizabethtown, NC 28337
910-862-6935

BRUNSWICK
Pearl W. Stanley
Cooperative Extension
PO Box 109
Bolivia, NC 28422
910-253-2610

BUNCOMBE
Carol O'Neal
Buncombe County Council on Aging
50 S. French Broad Avenue
Suite 214
Asheville, NC 28801
704-258-8028

BURKE
Sandra Shelton
Morganton-Burke Senior Center
501 North Green Street
Morganton, NC 28655
704-437-1201

CABARRUS
Betty Pope
Cabarrus County Dept. On Aging
PO Box 707
Concord, NC 28026-0707
704-788-9899

CALDWELL
Sharon Berry
Caldwell Senior Center
650-A Pennton Avenue
Lenoir, NC 28645
704-758-2883

Janice Barger
RSVP
PO Box 972
Lenoir, NC 28645
704-754-3000

CAMDEN
Michaelene Sawyer
Camden County Senior Center
Hwy. 343, PO Box 190
Camden, NC 27921
919-338-7611

CARTERET
Pam Brecheisen, Director
Senior Enrichment Center
3820 Galantis Drive
Morehead City, NC 28557
919-247-2626

CASWELL
Donna Pointer
Cooperative Extension
PO Box 220
Yanceyville, NC 27279
910-694-4158

CATAWBA
Margie Abernathy or Mary Mode
West Hickory Senior Center
PO Box 835
Hickory, NC 28603
704-328-2269

CHATHAM
Judy Autry or Cassie Wasko
Senior Center
300 W. Salisbury Street
Pittsboro, NC 27312
919-542-4512

CHEROKEE
Cherokee Co. Senior Services
J. Robert Penland Center
105 Alpin Street
Murphy, NC 28906
704-837-2467

CHEROKEE RESERVATION
Kathi Littlejohn
Rt. 1, Box B5, Tsali Manor
Cherokee, NC 28719
704-497-4471

CHOWAN
Sherri Farless
Cooperative Extension
PO Box 1030
Edenton, NC 27932
919-482-8431

CLAY
Kathy Worley
Senior Center
PO Box 118
Hayesville, NC 28904
704-389-9271

CLEVELAND
J. D. Champion or Amy Clary
Senior Center
408 E. Marion
Shelby, NC 28150
704-482-3488

COLUMBUS
Betty Thompson
Cooperative Extension
112 W. Smith Street
PO Box 569
Whiteville, NC 28472
910-640-6607

CRAVEN
Melissa S. Hight
Cooperative Extension
300 Industrial Drive
New Bern, NC 28562
919-633-1477

Carol Glatthaar
105 Walnut Road
New Bern, NC 28562
919-636-0860

CUMBERLAND
Gloria Cain
Coordinating Council on Older Adults
339 Devers Street
Fayetteville, NC 28303-4750
910-484-0111

Ellen Hall
PO Box 246
Stedman, NC 28391
910-483-1008

CURRITUCK
Georgia Kight
Cooperative Extension
PO Box 10
Currituck, NC 27929
919-232-2261

DARE
Joyce Edwards
Senior Center
PO Box 1000
Manteo, NC 27954
919-441-1181

DAVIDSON
Sammie Hodges
Davidson County Senior Services
935 N. Main Street
Lexington, NC 27292
910-242-2290

DAVIE
Barbara Thornton
Davie Senior Center
622 N. Main Street
Mocksville, NC 27028
704-634-0611

DUPLIN
Liz Davis
Services for the Aged
PO Box 367
Kenansville, NC 28349-0367
910-296-2140

Joan Williams
Cooperative Extension
Box 949
Kenansville, NC 28349
910-296-2143

DURHAM
Theresa Clark
Cooperative Extension
721 Foster Street
Durham, NC 27701
919-560-0521

EDGECOMBE
Armeta Coledy, Adm. Asst.
Aging Program
Region L Council of Governments
309 S. Wesleyan Blvd.
Rocky Mount, NC 27802
919-446-0411

FORSYTH
(Inform caller to ask for "SHIIP HELP" when calling Center, not Cris Davis)
Cris Davis
The Shepherd's Center of Greater Winston-Salem
2569 Reynolda Road
Winston-Salem, NC 27106
910-748-0217

Betty Lyman
Senior Financial Care
926 Brookestown Ave.
Winston-Salem, NC 27101
910-725-1972

FRANKLIN
Polly J. Knott
Senior Center
127 Shannon Village
Louisburg, NC 27549
919-496-1131

GASTON
Elaine Roux
Cooperative Extension
PO Box 476
Dallas, NC 28034
704-922-0301

GATES
Helen Eure
Cooperative Extension
PO Box 46, Court Street
Gatesville, NC 27938
919-357-1400

GRAHAM
Carol Roundtree
Graham/Swain County Health Dept.
PO Box 546
Robbinsville, NC 28771
704-479-2110

Laurie Stevens
Cooperative Extension
PO Box 486
Robbinsville, NC 28771
704-479-7979

GRANVILLE
Kathy B. May
Senior Center
120 B Orange Street
Oxford, NC 27565
919-693-1930

GREENE
Shenille Rothwell
Cooperative Extension
Greene County Government Complex
229 Kinggold Blvd. Ste. E
Snow Hill, NC 28580
919-747-5831

GUILFORD
(Inform caller to ask for "SHIIP HELP", not Aimee Rotruck)
Aimee Baucom Rotruck
United Services for Older Adults
PO Box 21993
Greensboro, NC 27401
910-333-6981
High Point - 910-884-6981

HALIFAX
Regenia Walden
Cooperative Extension
PO Box 37
Halifax, NC 27839
919-583-5161

HARNETT
Nancy Wright Clifton, Director
RSVP
309 Cornelius Harnett Blvd.
Lillington, NC 27549
910-893-7579

HAYWOOD
Jacque Haney
RSVP/Mountain Project
Rt. 1, Box 732
Waynesville, NC 28786
704-452-1447

HENDERSON
Peggy Farmer
Pardee Education Center
Blue Ridge Mall
Hendersonville, NC 28793
704-692-4600

Walter Johnson
131 Ridgeview Drive
Hendersonville, NC 28792
704-692-8979

HERTFORD
Becky White
Hertford County Senior Center
Route 1, Box 3-G
Winton, NC 27986
919-358-7856

HOKE
Dianne Scarboro
Cooperative Extension
PO Box 578
Raeford, NC 28376
910-875-2162

HYDE
Jean W. Ballance
Cooperative Extension
PO Box 219
Swan Quarter, NC 27885
919-926-3201

IREDELL
Anna Rice
Iredell County Council on Aging
PO Box 344
Statesville, NC 28677
704-873-5171

JACKSON
Helen Milsaps
Department on Aging
PO Box 596
Sylva, NC 28779
704-586-8562

JOHNSTON
Jeannette Campbell
Johnston County Council on Aging
PO Box 2235
Smithfield, NC 27577
919-934-6066

JONES
Vickie McBride
Cooperative Extension
2 S. Market Street
Trenton, NC 28585
919-448-9621

LEE
Jean Jones
The Enrichment Center
1615 S. Third Street
Sanford, NC 27330
919-776-0501

LENOIR
Anne M. Gaddis
Rt. 2, Box 345
Grifton, NC 28530
919-523-9339

Lisa Jones
Cooperative Extesion
PO Box 757
Kinston, NC 28502
919-527-2191

LINCOLN
Melinda Houser
Cooperative Extension
115 W. Main Street
Lincolnton, NC 28092
704-736-8461

MACON
Harriette Baggett
Macon County Dept. On Aging
125 Hyatt Road
Franklin, NC 28734
704-349-2058

MADISON
Marion Wallin
Box 203
Marshall, NC 28753
704-649-3411

MARTIN
Iris K. Bowen
Martin County Council on Aging
210 W. Liberty Street
PO Box 1023
Williamston, NC 27892
919-792-1027

MCDOWELL
Vi Elliott
Council on Aging - Senior Center
PO Box 1162
Marion, NC 28752
704-652-8953

MECKLENBURG
Jeff Aten
Charlotte-Mecklenburg Senior Center
2225 Tyvola Road
Charlotte, NC 28210
704-522-6222

Debbie Snyder
The Shepherd's Center
PO Box 6052
Charlotte, NC 28207
704-334-4637

MITCHELL
Phyllis Hughes
Mitchell County Senior Center
120 School Road
Bakersville, NC 28705
704-688-3019

MONTGOMERY
Lori Ivey
Cooperative Extension
203 W. Main Street
Troy, NC 27371-2425
910-576-6011

Theresa Thomas
Montgomery County Senior Center
444 N. Main Street
Troy, NC 27311
910-572-4464

MOORE
Suzanne Cameron
Moore County Dept. On Aging
Box 487
Carthage, NC 28327
910-947-2881

Ernest Hanford
636 Knollwood Village
Southern Pines, NC 28387
910-692-9125

NASH
Armeta Coley, Adm. Asst.
Aging Program
Region L Council of Goverments
309 S. Wesleyan Boulevard
Rocky Mount, NC 27802
919-446-0411

NEW HANOVER
Cheryl Hoffman
RSVP
2222 S. College Road
Wilmington, NC 28403
910-452-6400

NORTHAMTPON
Donna C. Jenkins
J. W. Faison Senior Center
PO Box 644
Jackson, NC 27845
919-534-1012

ONSLOW
Sarah King or Lil Roberts
Council on Aging
PO Box 982, 105 Third Street
Jacksonville, NC 28540
910-455-2747

ORANGE
Katherine Leith
Orange County Dept. On Aging
400 S. Elliott Rd.
Chapel Hill, NC 27514
919-968-2070

PAMLICO
Anne Holton
Pamlico Senior Center
Main Street
PO Box 184
Alliance, NC 28509
919-745-7196

PASQUOTANK
Gwen Stevens
Cooperative Extension
PO Box 1608
Elizabeth City, NC 27906
919-338-3954

Sue Norton
Senior Center
Highway 17 Business
Elizabeth City, NC 27909
919-338-3981

PENDER
Wesley Davis
Pender County Senior Center
PO Box 1251
Burgaw, NC 28425-1251
910-259-9119

PERQUIMANS
Jewel Winslow
Cooperative Extension
PO Box 87
Hertford, NC 27944
919-426-7697

PERSON
Doretha Whitt
121-A Depot Street
PO Box 764
Roxboro, NC 27573
910-599-7484

Bess Hester Whitt
Cooperative Extension
304 S. Morgan St., Rm. 123
Roxboro, NC 27573
910-599-1195

PITT
Janet Bradbury
Council on Aging
PO Box 7272
1717 W. Fifth Street
Greenville, NC 27858
919-752-1717

POLK
Mary Butler
Senior Center
500 Carolina Drive
Tryon, NC 28782
704-859-9707

RANDOLPH
June Lowe
Randolph County Senior Adults
P. O. Box 1852
Asheboro, NC 27204-1852
910-625-3389
1-800-252-2899

Martha A. Judge
Cooperative Extension
2222 A South Fayetteville St.
Asheboro, NC 27203
910-318-6000

RICHMOND
Deborah Crandall or Barbara McLean
Cooperative Extension
PO Box 1358
Rockingham, NC 28379
910-997-8255

ROBESON
Linda Locklear
Lumbee Electric Corporation
PO Box 830
Red Springs, NC 28377
910-843-4131 Ext. 251

Tammy Tanner
County Government Center
Box 2280
Lumberton, NC 28358
910-671-3276

ROCKINGHAM
Edna Bunton
Senior Center
201 N. Washington Avenue
Reidsville, NC 27320
910-349-1088

ROWAN
Carol Allen
Senior Services of Rowan County
1120-A Walnut Street
Salisbury, NC 28144
704-636-2344

RUTHERFORD
Dorothy Witcher
Department on Aging
293 Callahoon Koon Rd. #132
Spindale, NC 28160-2219
704-287-6409

SAMPSON
Anna Peele
Cooperative Extension
369 Rowan Road
Clinton, NC 28328
910-592-7161

SCOTLAND
Sybil Sikes
Parks & Recreation
PO Box 1652
Laurinburg, NC 28352
910-277-2585

Joe Knott
8120 Glasgow Drive
Lauringburg, NC 28352-5958
910-277-2584

STANLY
Patsy McNeill or Lori Ivey
Cooperative Extension
26032E Newt Road
Albemarle, NC 28001
704-983-7269

Jody Floyd
Senior Center
283 North Third Street
Albemarle, NC 28001
704-983-7334

STOKES
Marie Dillon White
Senior Center
PO Box 29
Danbury, NC 27016
910-593-8156

SURRY
Elaine Whitaker
Cooperative Extension
PO Box 324
Dobson, NC 27017
910-401-8032 (Direct Line)
910-401-8035 (Main Line)

Phyllis Reynolds
Chatham Memorial Hospital Complex
Parkwood Drive
Elkin, NC 28621
910-526-6000

SWAIN
Bettie Seay
State of Franklin Services for Senior Citizens
PO Box 356
Bryson City, NC 28713
704-488-3047

TRANSYLVANIA
Mary Jordan, RN
Transylvania Community Hospital
PO Box 1116
Brevard, NC 28712
704-884-2007

Marcia Weber
203 Laurel Lane
Brevard, NC 28712
704-883-2953

Ed Judge
11 Arnie Dr.
Etowah, NC 28729
704-891-5270

TYRRELL
Dee Furlough
Cooperative Extension
PO Box 209
Columbia, NC 27925
919-796-1581

UNION
Joann Hodge
Council on Aging
PO Box 185
Monroe, NC 28110
704-289-1797

VANCE
Rachel E. Hedrick, Director
Senior Center
126 S. Garnett Street
Henderson, NC 27536
919-430-0257

WAKE
Lisa Gibson
N. C. Department of Insurance
PO Box 26387
Raleigh, NC 27611
919-733-0111

WARREN
Carolyn B. Williams
Senior Center
435 West Franklin Street
Warrenton, NC 27589
919-257-3111

WASHINGTON
Paige Bolz
Cooperative Extension
116 Adams Street
Plymouth, NC 27962
919-793-2163

WATAUGA
Sue Counts
Cooperative Extension
971 W. King Street
Boone, NC 28607
704-264-3061

Sherry Harmon
Watauga County Project on Aging
304 W. King Street
Boone, NC 28607
704-264-2060

WAYNE
Louise B. Phillips
Services For the Aged
204 East Walnut, PO Box 227
Goldsboro, NC 27530
919-731-1591

WILKES
Tina Czarnecki
Senior Center
PO Box 2695
North Wilkesboro, NC 28659
910-670-2644

WILSON
Candace Murray
Cooperative Extension
1806 S. Goldsboro Street
Wilson, NC 27895
919-237-0112

YADKIN
Olivia S. Simpson
Cooperative Extension
PO Box 97
Yadkinville, NC 27055
910-679-2061

YANCEY
Mildred Renfro
Yancey County Committee on Aging
10 Swiss Avenue
Burnsville, NC 28714
704-682-6011

Attachment 2

North Carolina Department of Insurance

Fire and Rescue Services Division

Division Programs

Sections

- Fire and Rescue Relief Funds - 1.5 Employees. Collect and distribute relief fund moneys collected for fire and rescue departments
- Fire Department and Rescue Grant Funds - 1.5 Employees. Provide $20,000 and $15,000 matching grants annually based on need to volunteer fire and rescue departments.

Sections

- Fire Department Inspections. Provide initial and continuous ratings for 964 rural fire departments, which comprise 74% of all rated departments in NC. This section has 4 employees.

Sections

- Government Assistance. Provide assistance to county and city governments on managing fd's, including assistance with death benefits, contracts, annexation issues, and Occupational Safety and Health. All section assist with this service.

Sections

- Training. Provide direct delivery and special schools to fire and rescue departments statewide. Also provide Instructor Qualification training, instructor upgrade training, and train-the-trainer to 2200 part time instructors statewide. 12 people are in this section.

Sections

- Program Development. Develops teaching outlines, courses, audio visuals, and support manuals for delivery of training classes. Also produces publications and periodicals on fire and rescue issues. This section has 3 employees.
- *An estimated 76% of all fire and rescue training in NC starts in our Division.

Sections

- NC Fire and Rescue Commission Staff. Provides staff support for the Fire and Rescue Commission, including fire/rescue incident reporting, information sharing, and a professional certification/qualification system that is internationally accredited and involves over 46,000 NC fire and rescue people. This staff includes 7 .

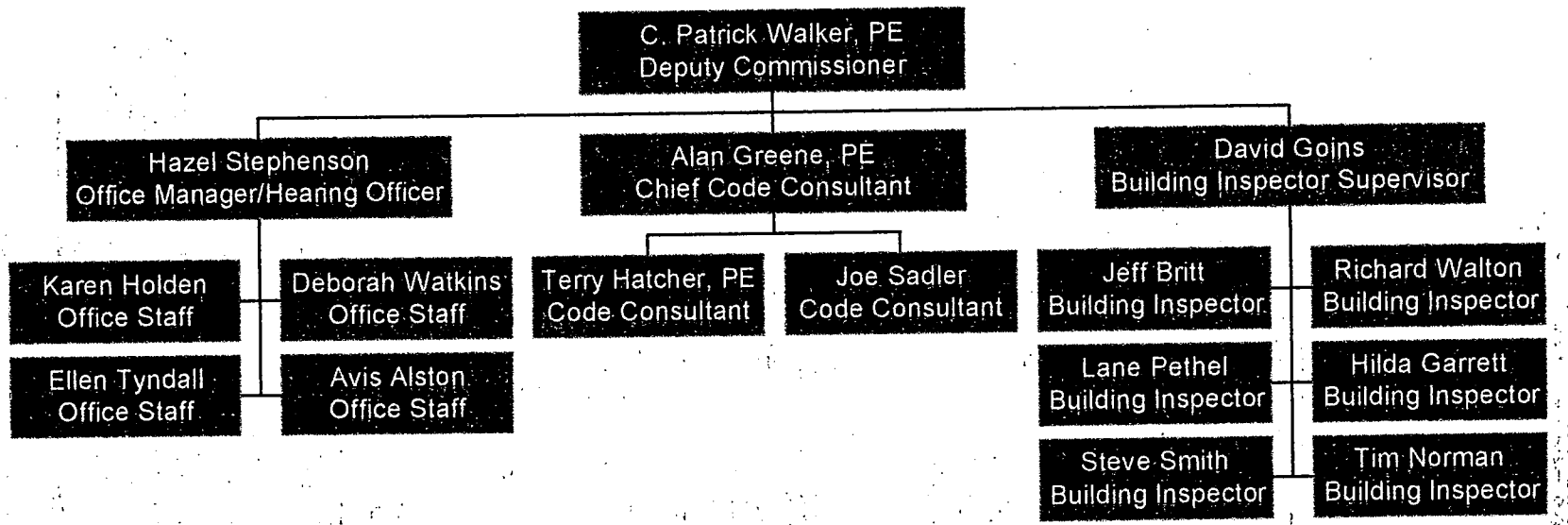
Sections

- Injury Prevention and Education. Conducts injury prevention and train-the-trainer programs for such areas as Learn Not to Burn, Buckle up Kids, and Safe Kids. This section has 3 employees and is the lead agency for fire and rescue childhood injury prevention in the State, coordinating National Safe Kids in NC.

Sections

- S.E.R.T. Operations - Coordinates the movement of fire and rescue equipment during state activation of the State Emergency Response Team. All staff members participate in this activity.

Manufactured Building Division



	Manufactured Housing (formerly mobile homes)	**Modular Buildings** (NC Code complying residential and commercial buildings)
Responsibilities:		
Programs:	Federal Manufactured Housing Program NC State Warranty Law	NC Modular Construction Program
Staff For:	NC Manufactured Housing Board	NC Building Code Council
No. Employees:	16 Total (9 Office Staff, 7 Field Staff)	

NC Dept. of Insurance
January 21, 1998

Attachment 3

Manufactured Building Division

Responsibilities:	**Manufactured Housing**	**Modular Buildings**
Programs:	Federal Manufactured Housing Program NC State Warranty Law	NC Modular Construction Program
Serve as Staff for:	NC Manufactured Housing Board	NC Building Code Council

No. Employees: 16 Total = 9 Office Staff & 7 Field Staff

Phone No.: 919-733-3901
Fax No.: 919-715-9693
Toll Free Consumer Assistance Line: 1-800-587-2716

Manufactured Housing Facts

License Issued:

Manufacturers -	91
Dealers -	830
Set-Up Contractors -	620
Salesmen -	3018

Consumer Complaints Cases Opened:
1996 - 1221 cases
1997 - 1320 cases

Pre-Hearing Conferences Held: 1997 - 240 cases heard

NC Manufactured Housing Board Hearings: 1997 - 14 cases heard

Modular Construction Facts

Modular Manufacturers Currently Certified - 97

Third Party Certification Agencies Currently Approved - 7

Modular Validating Stamps Issued (1 stamps per residential unit, one stamp per floor section commercial units)
1996 - 407 stamps per month avg.
1997 - 500 stamps per month avg. (11 months)

Attachment 4

INFORMATION SHEET

1/9/98

ENGINEERING DIVISION

NORTH CAROLINA DEPARTMENT OF INSURANCE

AND

Boards Staffed by the Engineering Division North Carolina Department of Insurance

NORTH CAROLINA BUILDING CODE COUNCIL

NORTH CAROLINA CODE OFFICIALS QUALIFICATION BOARD

NORTH CAROLINA HOME INSPECTORS LICENSURE BOARD

Mailing/Street Address:

410 North Boylan Avenue
Raleigh, N. C. 27603

Mailing Address:

P. O. Box 26387
Raleigh, N. C. 27611-6387

Telephone Number 919-733-3901
Fax Number 919-733-9171

Department of Insurance

Engineering Division (partial list of responsibilities)

Plan Review Section - Reviews plans, interprets Building Code Vol I and Vol VII Ch. 1-9, and serves as staff to the North Carolina BuildingCode Council.

Electrical Section - Inspects electrical construction on State owned buildings, interprets the Electrical Code, and serves as staff to the North Carolina Building Code Council.

Accessibility Section - Reviews plans, interprets Building Code Vol 1-C, and serves as staff to the North Carolina Building Code Council.

Mechanical Section - Reviews plans, interprets Mechanical, Fire, Gas and Plumbing Codes, and serves as staff to the North Carolina Building Code Council.

Certification Section - Certification, training, and testing of code officials and home inspectors; and serves as staff to the North Carolina Code Officials Qualification Board and the North Carolina Home Inspectors Licensure Board.

Code Council Section - Sells, prints, and maintains the Building, Plumbing, Mechanical, Fire, Gas, Energy and Electrical Codes, and serves as staff to the North Carolina Building Code Council.

Education Section - Co-ordination and developement of Qualification Board and Engineering Division Training Courses, and serves as staff to the North Carolina Code Officials Qualification Board.

Table 602[1, 3]

North Carolina Department of Insurance, Engineering Division

Document Approval for New Construction & Additions

Occupancy Group	Building Plans to be Approved
Group R–Residential	Over 3 stories or over 100 rooms
Group B–Business	Over 4 stories or over 75,000 sq. ft. per floor
Group F–Industrial	Over 4 stories or over 75,000 sq. ft. per floor
Group M–Mercantile	Over 4 stories or over 75,000 sq. ft. per floor
Group E–Educational[2]	Buildings having a total gross area exceeding 10,000 sq. ft.
Group I–Institutional[2]	Buildings having a total gross area exceeding 10,000 sq. ft.
Group A–Assembly	Over 300 people
Group H–Hazardous	Over 100 people
Buildings Owned by State	All Buildings
Buildings Owned by Cities or Counties[2]	Buildings having a total gross area exceeding 10,000 sq. ft.

1. When an Inspection Department receives plans for a building or other structure, or components thereof, which its CEO's are not certified to approve under the rules of the North Carolina Code Officials Qualification Board, that department may require that the plans be submitted to and approved by the Commissioner of Insurance.
2. Also applies to alterations and/or renovations exceeding 10,000 sq. ft. gross area.
3. Plans and specifications are not required by the Engineering Division on buildings which are located in a city or county inspection jurisdiction approved to perform plan review listed in 602.2.4.

Exception: Plans shall be required by the Engineering Division on all buildings classified as:

1. High Rise,
2. Group A1-Large Assembly,
3. Group H-Hazardous over 100 people,
4. Covered malls,
5. All buildings owned by a city, or county having a total gross area exceeding 10,000 sq. ft. and
6. All buildings owned by the State shall be submitted to the State Property and Fire Insurance Fund Division.

NORTH CAROLI[redacted]ARTMENT OF INSURANCE
E[redacted]ng Division
410 N. Boylan Avenue
Raleigh, North Carolina 27603
Telephone: (919) 733-3901
Fax: (919) 733 9171

Jim Long, Commissioner

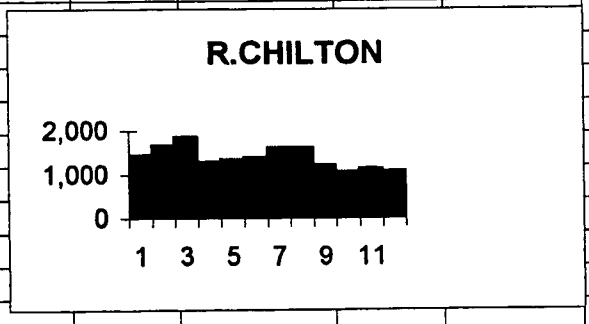
Lee Hauser, PE, Senior Deputy Commissioner | Mary Clayton
Grover Sawyer, PE, Deputy Commissioner | Admins.Asst.

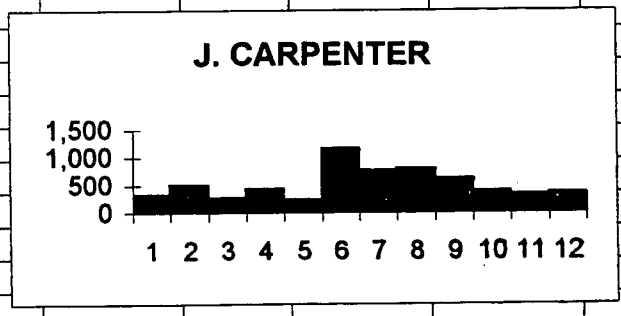
PLAN REVIEW SECTION	ELECTRICAL SECTION	ACCESSIBILITY SECTION	MECHANICAL SECTION	CERTIFICATION SECTION	CODE COUNCIL SECTION	EDUCATION SECTION
Plan Review and Interpretations General Construction, Volume I Residential Code, Volume VII Chapters 1-9 25, 27, 28	Inspection of State Buildings and Interpretations of National Electrical Code	Interpretations Accessibility, Volume I-C and General Construction, Volume I	Interpretations Plumbing Code, Volume II Heating Code, Volume III Fire Prevention, Volume V Gas Code, Volume VI Residential Code, Volume VII Chapters 10-24	Interpretations Code Officials Qualification Board Home Inspectors Licensure Board	Publications and Availability of Codes & Amendments	Co-ordination & Development of Qualification Bd. and Engineering Division Training Courses
Barry Gupton, PE	Jim Carpenter	Jeff Kanner, Arch	Henry Webster, PE	Mike Page, PE	Elaine Brown, PE	Kay Becton Jones
Bill Murchison, PE	Ron Chilton		Rick Dipert, PE	Wanda Edwards, PE	Sylvia Sears	
David Mallette			Billy Hinton, PE	Kathy Williams	Jackie Grizzel	
Carole Acquesta, Arch				Vacant		
Timothy Morrison, PE				Jennifer Hollyfield		
Laurel Wright						
Renee James	Field Staff					
Dena Yarborough	Richard Dawson, Jr.					
	Kinston					
	919-522-4189					
	Richard Carpenter					
	Maiden					
	704-428-3813					

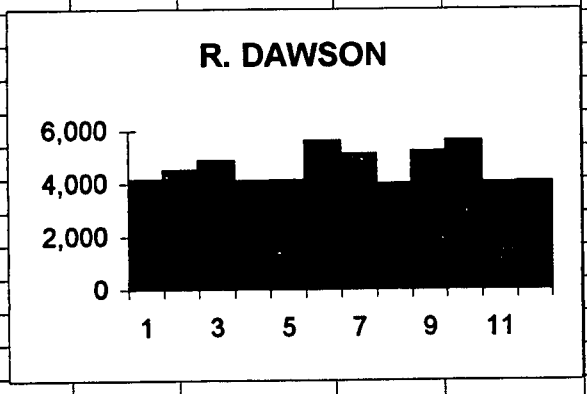
ADDITIONAL AND SECONDARY DUTIES

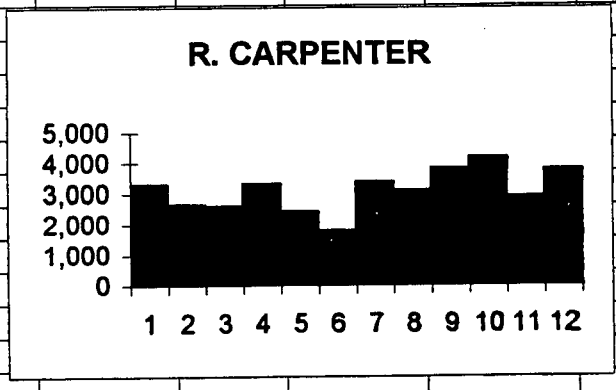
Barry Gupton	Section Supervisor, Residential
Bill Murchison	Structural, Wind
David Mallette	Sprinklers, Hazardous Materials Disposal
Carole Acquesta	Accessibility, Day Care
Timothy Morrison	Structural, Seismic
Laurel Wright	Residential, Accessibility
Vacant	Section Supervisor
Jim Carpenter	Electrical Engineer, Electrical Inspector Supervisor , 3rd Party Program
Ron Chilton	Electrical Inspections (Raleigh, Chapel Hill Area)
Richard Dawson	Electrical Inspections (Eastern N. C.)
Richard Carpenter	Electrical Inspections (Western N.C.)
Jeff Kanner	Accessibility, Volume I Interpretations
Henry Webster	Section Supervisor, Plumb/Mech, Energy, Fire Prevention
Rick Dipert	Fire Prevention, Sprinklers, Alarm Systems
Billy Hinton	Mechanical, Plumbing, Gas, Energy
Mike Page	Section Supervisor, QB Complaint Investigator, Computers
Wanda Edwards	QB Complaint Investigator, Computers
Kay Becton Jones	Educational Programs Development
Kathy Williams	Qualification Applications and Examinations
Vacant	Home Inspectors Licensure Board
Jennifer Hollyfield	Secretary, Certification Section
Elaine Brown	Section Supervisor, Assists with Council Committees
Mary Clayton	Secretary Supervisor, Schedules Meetings for Council and Inspector Organizations
Sylvia Sears	Secretary to Elaine, Types Council agenda and minutes
Renee James	Assists Building Inspectors Association, Code Consultant Typing, Files Plans
Dena Yarborough	Code Consultant Typing and Filing
Jackie Grizzel	Code Sales
Vacant	Receptionist and Switchboard Operator

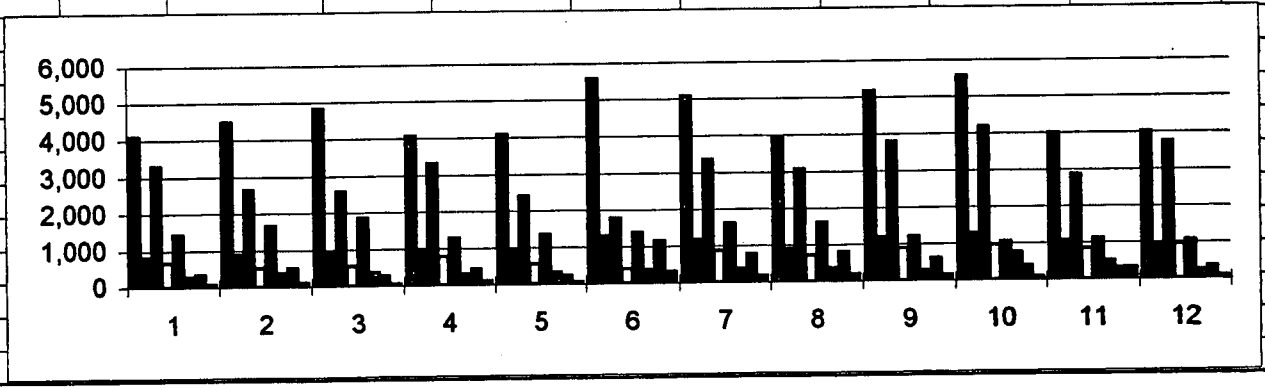
TRAVEL FOR 1997										
	R. DAWSON		R. CARPENTER		R. CHILTON		J. CARPENTER		TOTAL	
JAN	4,117	$823.40	3,302	$660.40	1,439	$287.80	325	$65.00	9,183	$1,836.60
FEB	4,487	$897.40	2,653	$530.60	1,669	$368.80	500	$100.00	9,309	$1,896.80
MAR	4,844	$968.80	2,591	$546.20	1,852	$370.40	266	$55.04	9,553	$1,940.44
APR	4,074	$971.02	3,321	$791.83	1,282	$294.86	432	$102.08	9,109	$2,159.79
MAY	4,086	$965.78	2,407	$553.61	1,345	$309.35	233	$58.52	8,071	$1,887.26
JUN	5,593	$1,286.39	1,782	$409.86	1,390	$373.14	1,150	$317.93	9,915	$2,387.32
JUL	5,095	$1,171.85	3,367	$878.57	1,601	$368.23	765	$178.35	10,828	$2,597.00
AUG	3,942	$906.66	3,075	$713.65	1,606	$369.38	801	$184.23	9,424	$2,173.92
SEP	5,177	$1,190.71	3,802	$900.86	1,212	$278.76	613	$150.63	10,804	$2,520.96
OCT	5,579	$1,283.17	4,174	$960.02	1,047	$749.23	385	$88.55	11,185	$3,080.97
NOV	4,008	$1,059.12	2,876	$833.16	1,122	$500.62	322	$324.54	8,328	$2,717.44
DEC	4,028	$926.44	3,761	$944.03	1,059	$249.54	347	$79.81	9,195	$2,199.82
TOTAL	55,030	$12,450.74	37,111	$8,722.79	16,624	$4,520.11	6,139	$1,704.68	114,904	$27,398.32
AVG	4586	$1,037.56	3093	$726.90	1385	$376.68	512	$142.06	9575	$2,283.19



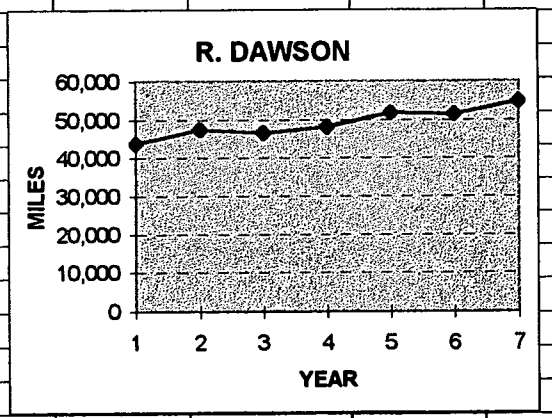


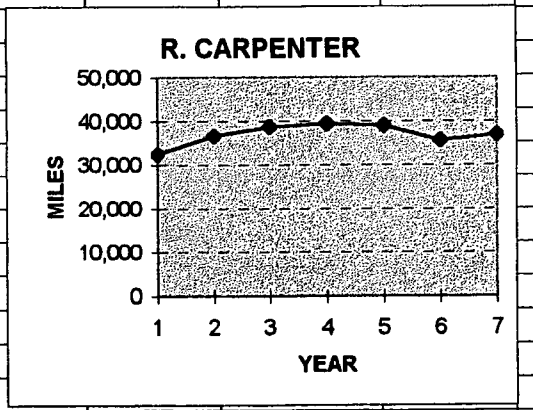


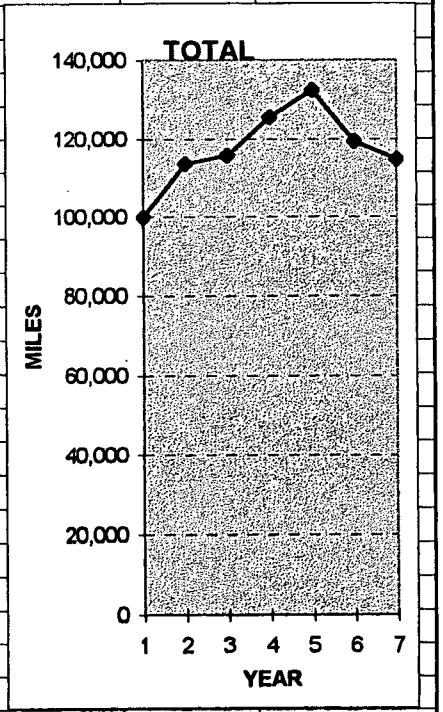


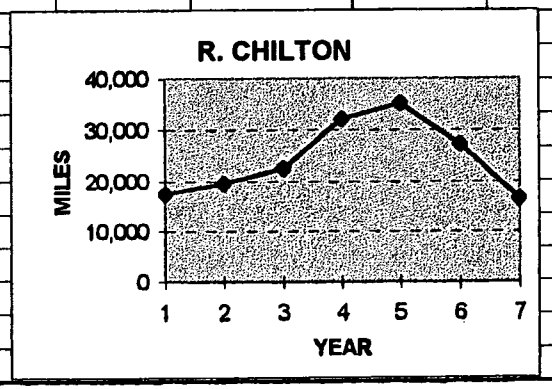


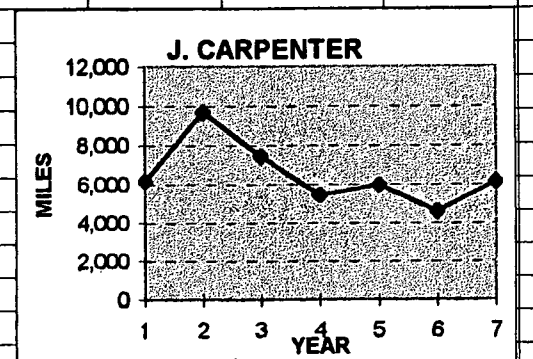
TRAVEL FOR YEARS 1991 - 1997										
	R. DAWSON		R. CARPENTER		JIM & RON		J. CARPENTER		TOTAL	
1991	43,879	$ 9,348.35	32,510	$ 7,287.19	17,503	$ 3,789.99	6,173	$ 1,581.90	100,065	$ 22,007.43
1992	47,572	$ 9,970.13	36,833	$ 7,846.27	19,661	$ 4,524.26	9,729	$ 2,965.66	113,795	$ 25,306.32
1993	46,772	$10,025.24	38,917	$ 8,238.97	22,604	$ 5,248.12	7,492	$ 1,703.77	115,785	$ 25,216.10
1994	48,262	$10,231.34	39,616	$ 8,119.88	32,291	$ 7,435.62	5,459	$ 1,579.98	125,628	$ 27,366.82
1995	52,028	$10,714.52	39,129	$8,594.14	35,364	$7,102.39	5,975	$1,358.22	132,496	$27,769.27
1996	51,688	$10,716.65	35,766	$7,449.50	27,313	$6,517.03	4,633	$1,404.36	119,400	$26,087.54
1997	55,030	$12,450.74	37,111	$8,722.79	16,624	$4,520.11	6,139	$1,704.68	114,904	$27,398.32
TOTAL	345,231	$73,456.97	259,882	$56,258.74	171,360	$39,137.52	45,600	$12,298.57	822,073	$181,151.80
AVG	49,319	$10,493.85	37,126	$8,036.96	24,480	$5,591.07	6,514	$1,756.94	117,439	$25,878.83

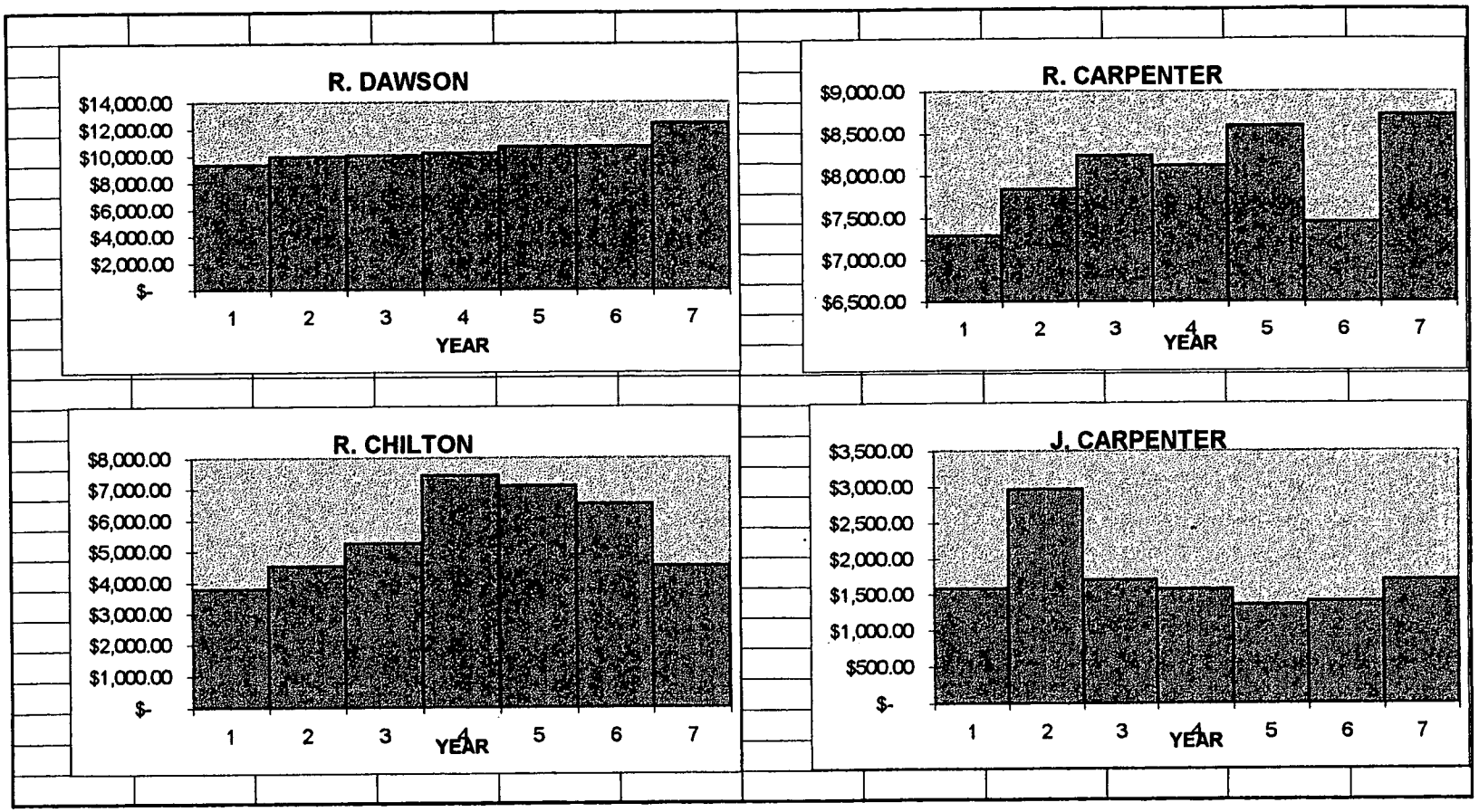











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NORTH CAROLINA
CODE OFFICIALS QUALIFICATION BOARD

P. O. Box 26387
Raleigh, N. C. 27611-6387

410 N. Boylan Avenue
Raleigh, N. C. 27603

919-733-3901
919-733-9171 (fax)

Staff and Administrative Agency:
N. C. DEPT. OF INSURANCE

JIM LONG
Commissioner

LEE HAUSER, PE
Senior Deputy Commissioner
Secretary to the Board

FRANK M. PAGE, JR., PE
Chief Certification Engineer

List of Current Standard Inspection Courses

January 1, 1998

Course and Level	Dates	Days	Time	Community College
Building I	1/3/98 - 1/18/98	Sat - Sun	8:00 - 5:00	Lenoir CC
Building I	1/8/98 - 3/3/98	Tu, Th	6:30 - 9:30	Guilford Technical CC
Building I	1/22/98 - 1/31/98	Thur-Sat	8:00 - 5:00	Davidson CC
Building I	1/26/98 - 3/18/98	Mon - Wed	6:30 - 9:30 pm	Wake Technical CC
Building I	3/24/98 - 5/21/98	Tue - Thurs	6:30 - 9:30	Guilford Technical CC
Building I	4/3/98 - 4/12/98	Fri - Sun	8:00 - 5:00	Wilkes CC
Building I	4/11/98 - 4/26/98	Sat - Sun	8:00 - 5:00	Lenoir CC
Building I	5/21/98 - 5/30/98	Thur - Sat	8:00 - 5:00	Davidson CC
Building II	2/5/98 - 2/14/98	Thur - Sat	8:00 - 5:00	Davidson CC
Building II	2/7/98 - 2/15/98	Sat - Sun	8:00 - 7:00	Lenoir CC
Building II	3/28/98 - 5/23/98	Sat	8:00 - 1:00	Guilford Technical CC
Building II	5/1/98 - 5/10/98	Fri - Sun	8:00 - 5:00	Wilkes CC
Building II	5/9/98 - 5/17/98	Sat - Sun	8:00 - 7:00	Lenoir CC
Building III	1/10/98 - 2/28/98	Sat	8:00 - 1:00	Guilford Technical CC
Building III	1/23/98 - 2/7/98	Fri - Sat	8:00 - 5:00	Wilkes CC
Building III	3/7/98 - 3/22/98	Sat - Sun	8:00 - 7:00	Lenoir CC
Building III	3/6 ~~3/12~~98 ~~3/21~~/98 3/14 ~~Thur~~ - Sat		8:00 - 5:00	Davidson CC
Building III	6/5/98 - 6/14/98	Fri - Sun	8:00 - 5:00	Wilkes CC
Building III	6/6/98 - 6/14/98	Sat - Sun	8:00 - 7:00	Lenoir CC
Electrical I	1/5/98 - 3/16/98	Mon - Wed	5:30 - 7:30	Stanley CC
Electrical I	1/8/98 - 1/17/98		8:00 - 5:00	Davidson CC
Electrical I	1/22/98 - 1/31/98	Thur - Fri	8:00 - 5:00	Wilkes CC
Electrical I	1/23/98 - 2/1/98	Fri - Sun	6-10:00Fri/8:00-5:00	Vance Granville CC
Electrical I	3/28/98 - 5/23/98	Sat	8:00 - 1:00	Guilford Technical CC
Electrical I	4/17/98 - 4/26/98	Fri- Sun	6-10:00Fri/8:00-5:00	Vance Granville CC
Electrical II	2/20/98 - 2/28/98	Fri - Sat	8:00 - 5:00	Wilkes CC
Electrical II	2/27/98 - 3/7/98	Fri - Sun	8:00 - 5:00	Davidson CC
Electrical II	2/28/98 - 3/8/98	Sat - Sun	8:00 - 5:00	Vance Granville CC
Electrical III	1/10/98 - 2/21/98	Sat	8:00 - 1:00	Guilford Technical CC
Electrical III	1/10/98 - 1/18/98	Sat - Sun	8:00 - 5:00	Catawba Valley CC
Electrical III	3/13/98 - 3/21/98	Fri - Sat	8:00 - 5:00	Wilkes CC
Electrical III	4/17/98 - 4/25/98	Sat - Sun	8:00 - 5:00	Davidson CC
Electrical III	5/16/98 - 5/24/98	Sat - Sun	8:00 - 5:00	Vance Granville CC
Fire Prevention I	1/10/98 - 1/18/98	Sat - Sun	8:00 - 7:00	Lenoir CC
Fire Prevention I	1/21/98 - 1/31/98	Th - Sat	8:00 - 5:00	Wilkes CC
Fire Prevention I	1/31/98 - 2/8/98	Sat - Sun	8:00 - 6:00	Fayetteville Technical CC
Fire Prevention I	2/13/98 - 2/21/98	Fri - Sat	8:00 - 5:00	Davidson CC
Fire Prevention I	2/23/98 - 3/3/98	Mon-Wed, Mon Tue	8:00 - 5:00	Catawba Valley CC
Fire Prevention I	5/2/98 - 5/10/98	Sat - Sun	8:00 - 6:00	Fayetteville Technical CC
Fire Prevention II	2/14/98 - 2/22/98	Sat - Sun	8:00 - 5:00	Fayetteville Technical CC
Fire Prevention II	3/6/98 - 3/14/98	Fri - Sat	8:00 - 5:00	Wilkes CC
Fire Prevention II	3/7/98 - 3/15/98	Sat - Sun	8:00 - 5:00	Davidson CC
Fire Prevention III	1/30/98 - 2/1/98	Fri - Sun	8:00 - 5:00	Davidson CC
Fire Prevention III	3/14/98 - 3/21/98	Sat - Sun	8:00 - 5:00	Fayetteville Technical CC
Fire Prevention III	4/2/98 - 4/4/98	Th - Sat	8:00 - 5:00	Wilkes CC

Course and Level	Dates	Days	Time	Community College
Law and Administration	1/17/98 - 1/24/98	Sat	8:00 - 5:00	Guilford Technical CC
Law and Administration	2/26/98 - 2/27/98	Thurs - Fri	8:00 - 4:30	Durham Technical CC
Law and Administration	2/26/98 - 2/27/98	Wed - Thurs	8:00 - 4:30	Durham Technical CC
Law and Administration	3/6/98 - 3/7/98	Fri - Sat	8:30 - 5:00	Davidson CC
Law and Administration	3/21/98 - 3/28/98	Sat	8:00 - 1:00	Guilford Technical CC
Law and Administration	3/28/98 - 3/29/98	Sat - Sun	8:00 - 5:00	Craven CC
Law and Administration	5/8/98 - 5/9/98	Fri - Sat	8:30 - 5:00	Davidson CC
Law and Administration	6/4/98 - 6/5/98	Thurs - Fri	8:00 - 4:30	Durham Technical CC
Law and Administration	6/4/98 - 6/5/98	Wed - Thurs	8:00 - 4:30	Durham Technical CC
Mechanical I	1/10/98 - 1/18/98	Sat - Sun	8:00 - 5:00	Wilkes CC
Mechanical I	1/31/98 - 2/8/98	Sat - Sun	8:00 - 5:00	Fayetteville Technical CC
Mechanical I	2/4/98 - 2/7/98	Wed - Sat	8:00 - 5:00	Forsyth Technical CC
Mechanical I	3/6/98 - 3/13/98	Fri - Sat	8:00 - 5:00	Davidson CC
Mechanical I	5/2/98 - 5/10/98	Sat - Sun	8:00 - 5:00	Fayetteville Technical CC
Mechanical II	2/14/98 - 2/22/98	Sat - Sun	8:00 - 5:00	Fayetteville Technical CC
Mechanical II	3/12/98 - 3/14/98	Th - Sat	8:00 - 5:00	Forsyth Technical CC
Mechanical II	4/24/98 - 4/26/98	Fri - Sun	8:00 - 5:00	Davidson CC
Mechanical III	2/21/98 - 2/22/98	Sat - Sun	8:00 - 5:00	Davidson CC
Mechanical III	3/7/98 - 3/8/98	Sat - Sun	8:00 - 5:00	Wilkes CC
Mechanical III	3/14/98 - 3/22/98	Sat - Sun	8:00 - 5:00	Fayetteville Technical CC
Mechanical III	4/23/98 - 4/25/98	Th - Sat	8:00 - 5:00	Forsyth Technical CC
Plumbing I	1/23/98 - 1/31/98	Fri - Sat	8:30 - 5:30	Southwestern CC
Plumbing I	1/23/98 - 1/31/98	Fri - Sat	8:00 - 5:00	Davidson CC
Plumbing I	1/31/98 - 2/8/98	Sat - Sun	8:00 - 5:00	Fayetteville Technical CC
Plumbing I	2/11/98 - 2/14/98	Wed - Sat	8:00 - 5:00	Forsyth Technical CC
Plumbing I	3/28/98 - 5/23/98	Sat	8:00 - 1:00	Guilford Technical CC
Plumbing I	5/2/98 - 5/10/98	Sat - Sun	8:00 - 5:00	Fayetteville Technical CC
Plumbing II	1/12/98 - 1/27/98	Mon - Tue	6:00 - 10:00 pm	Cape Fear CC
Plumbing II	2/14/98 - 2/22/98	Sat - Sun	8:00 - 5:00	Fayetteville Technical CC
Plumbing II	3/26/98 - 3/28/98	Th - Sat	8:00 - 5:00	Forsyth Technical CC
Plumbing III	1/10/98 - 2/28/98	Sat	8:00 - 1:00	Guilford Technical CC
Plumbing III	2/7/98 - 2/8/98	Sat - Sun	8:00 - 5:00	Wilkes CC
Plumbing III	2/9/98 - 2/17/98	Mon - Tue	6:00 - 10:00 pm	Cape Fear CC
Plumbing III	3/7/98 - 3/8/98	Sat - Sun	8:00 - 5:00	Durham Technical CC
Plumbing III	3/7/98 - 3/8/97	Fri - Sat	8:00 - 5:00	Durham Technical CC
Plumbing III	3/14/98 - 3/15/98	Sat - Sun	8:00 - 5:00	Fayetteville Technical CC
Plumbing III	4/30/98 - 5/2/98	Th - Sat	8:00 - 5:00	Forsyth Technical CC

The next course notice list will be available in April, 1998.

Pre-registration is required at least ten days prior to the beginning date of each course. Each community college may increase the cost of the course depending upon the number of students that have pre-registered. In the event of a cost increase, the community college will notify all students that have pre-registered.

TEXTBOOKS: The following volumes of the State Building Code are used as textbooks in the courses. To purchase, contact the Code Council Section, NC Department of Insurance, at 919-733-3901. Allow at least two weeks for delivery.

Building: Volumes I, I-C, and VII
Fire Prevention: Volume V
Plumbing: Volumes II and VII
Electrical: Volume IV
Mechanical: Volumes III, VI, and VII

Law And Administration:
Volume I-A and Qualification Board's Rules and Regulations (See above for purchasing instructions)
Legal Aspects of Building Code Enforcement in North Carolina, Philip P. Green, Jr., 1987 edition - To purchase the Legal Aspects textbook, contact the Publications Office, Institute of Government, at 919-966-4119.

NC Code Officials Qualification Board

List Of Community Colleges and Technical Institutes in North Carolina Teaching the Standard Inspection Courses

Community College	Location	Contact Person	Assistant Contact	Telephone
Alamance CC	Graham	David W. Parker	Joe Jacaruso	910-578-2002
Asheville-Buncombe Tech. CC	Asheville	Skye Myrick. Ext. 133		704-254-1921
Bladen CC	Dublin	Charles B. Moore	Donald Wire	910-862-2164
Blue Ridge CC	Flat Rock	Frank Simpson, Ext. 224	Delores Hogsed, Ext. 225	704-692-3572
Brunswick CC	Southport	Perry Hall. Ext. 382		910-754-8775
Caldwell CC	Hudson	Elaine Lockhart	Reva Tunmire	704-726-2200
Cape Fear CC	Hampstead	Ernie Bryant	Juanita Arthur	910-270-3069
Carteret CC	Morehead City	Perry L. Harker. Ext. 203		919-247-4448
Catawba Valley CC	Hickory	Sue Asp. Ext. 330		704-327-7006
Central Carolina CC	Sanford	Jane Alderson		919-775-5401
Central Piedmont CC	Charlotte	John Duncan	Dinah Wehbie, 330-6299	704-330-6575
Cleveland CC	Shelby	David M. "Pete" Stamey	Nancy Carpenter	704-484-4058
Coastal Carolina CC	Jacksonville	Steve Forney	Henry Rhodes	910-938-6340
College of the Albemarle	Elizabeth City	Floyd Horton, Ext. 233	Sherry Hewitt, Ext. 250	919-335-0821
Craven CC	New Bern	Julie Bremer	Judy Cox	919-638-7248
Davidson County CC	Lexington	Jewell McDade. Ext. 388	Don Lanning, Ext. 707	910-249-8185
Durham Technical CC	Durham	Sue Jackson		919-686-3350
Fayetteville Technical CC	Fayetteville	Sherry Turpin	Peggy Horne, 678-8309	910-678-8227
Forsyth Technical CC	Winston-Salem	Wesley Hutchins. Jerri Cathey	Juanita Perryman	910-760-2373
Gaston College	Dallas	John Merritt	Phillip Welch	704-922-6250
Guilford Technical CC	Jamestown	Bobbi Simmons, Ext. 2588	Teri Veiga, Ext. 2590	910-334-4822
Haywood CC	Clyde	Greg Rutherford	L. J. Moore	704-627-2821
Isothermal CC	Spindale	Fred Bayley	Iverson Smith	704-286-3636
Johnston CC	Smithfield	Joyce Britt	Carol Butts	919-934-3051
Lenoir CC	Kinston	Jessie Wooten, Ext. 716	Ozell Williams, Ext. 709	919-527-6223
Martin CC	Williamston	Frankie McKeel	Milton Council	919-792-1521
Mayland CC	Spruce Pine	Sandy Lusk		704-733-5883
Nash CC	Rocky Mount	Jay Dornseif. Ext. 312	Bill Carver	919-443-4011
Pitt CC	Greenville	David Martin	Jack Robinson	919-321-4216
Randolph CC	Archdale	Rhonda S. Winters		910-861-4241
Rockingham CC	Wentworth	George Ferguson. Ext. 154	Judy Presley, Ext. 140	910-342-4261
Rowan-Cabarrus CC	Concord	Bob Szakal. Ext. 508	Jeanie Moore	704-788-3197
Sampson CC	Clinton	Louise Fann	J. W. Simmons	910-592-7176
Sandhills CC	Pinehurst	Ben Pate	Barbara Carter	910-692-6185
Southeastern CC	Whiteville	Beverlee Nance, Ext.208	Diane Tyson/Harry Foley	910-642-7141
Southwestern CC	Bryson City	Donna Cogdill	Dwight B. Wiggins	704-488-6413
Stanly CC	Albemarle	Tanya Davis, Ext. 249		704-982-0121
Surry CC	Dobson	Claude V. Ayers	Garrett Hinshaw	910-386-8121
Tri-County CC	Murphy	Terrence Powell	Lisa Thompson	704-837-6810
Vance-Granville CC	Henderson	Daniel W. Guin	Alison Proctor	919-492-2061
Wake Technical CC	Raleigh	Diane Savage		919-662-3449
Western Piedmont CC	Morganton	Lamar Wommack	Amy Ballantyne	704-438-6000
Wilkes CC	Wilkesboro	Calvin Dull	Amy Massengill, 838-6206	910-838-6208
Wilson Technical CC	Wilson	Alex J. Proctor	James Woodhouse	919-291-1195
Institute of Government	Chapel Hill	Richard Ducker, 966-4179	Emmalou Hughey	919-966-4171

Engineering Division

7 Sections---30 Employees---14 professional Engineers or Registered Arch

Division serves as Staff to the **NCBCC**, **NCCOQB**, and **NCHILB**

Each section files monthly reports on section activities and a summation is as follows for the year 1997:

Plan Review Section - 1997 Averages (6 Eng or Arch & 2 Clerical)

Handled Average of 2000 phone calls/month
Reviewed Average of 187 sets of plans/month
Generated some 467 correspondence letters/month (Ea Ave 10 Code Violations)
Met with an Average of 110 visitors/month
Conducted/attended 34 meetings, inspections, or workshops/month

Section has 6-8 week delay in plan reviews. Construction plans receipts are still increasing need 2 plan reviewers and 1 clerical

Electrical Section - 1997 Averages (1 Eng 3 Field Inspectors)

Handled Average of 335 phone calls/month
Conducted Average of 158 inspections/month
Issued Average of 30 Power Certificates/month
Section Averaged over 9000 miles of travel/month

State is divided into three sections Each Field Inspector has 1/3 of the State to cover. Field staff is overwhelmed need 2 additional field inspectors

Accessibility Section - 1997 Averages (1 Arch plan review does clerical)

Handled Average of 100 phone calls/month
Reviewed Average of 10 sets of plans/month
Met with an Average of 10 visitors/month

Mechanical Section - 1997 Averages (3 Eng plan review does clerical)

Handled Average of 821 phone calls/month
Conducted/attended 8 meetings, inspections, or workshops/month

Certification Section - 1997 Averages (2 Eng 2 Technicians 1 clerical)

Handled Average of 1200 phone calls/month
Reviewed Average of 425 applications/month
Administered an Average of 125 exams/month
Met with an Average of 70 visitors/month

Section is staff for two boards need 2 additional staff for HILB

Code council Section - 1997 Averages (1 Eng 2 clerical)

Handled Average of 550 phone calls/month
Met with an Average of 315 visitors/month
Section handles between $800,000 and $1,000,000 code sales each year

Education Section - 1997 Averages (1 technician)

Handled Average of 175 phone calls/month
Section Advertises and monitors some 75 courses/quarter

Division Totals

Handled Average of 5181 phone calls/month
Reviewed Average of 187 sets of plans/month
Met with an Average of 505 visitors/month
Issued Average of 30 Power Certificates/month
(This division turns the power on 1 State project Every day of the month)
Reviewed Average of 425 applications/month
Administered an Average of 125 exams/month
Section handles between $800,000 and $1,000,000 code sales each year

Staffing levels in the Engineering Division have not changed in the last five years while construction has increased dramatically. (Both State and private)

Grover Sawyer
Deputy Commissioner
Engineering Division

Attachment 5

STATE PROPERTY FIRE INSURANCE FUND

This Division of the Department of Insurance is responsible for the operation and maintenance of the State Property Fire Insurance Fund, the self-insurance plan for State property. With jurisdiction over 13,000 State-owned buildings having a combined value of over $10 billion, the Division investigates claims, adjusts, and pays losses with approval of the Council of State. The Division also reviews and approves all building plans, insures the finished buildings, and inspects them annually (statutory requirements).

The Fund provides basic fire and lightning insurance coverage for all State-owned property and offers optional insurance for wind, hail, riot, explosion, smoke, theft, sprinkler leakage, vandalism, business interruption, etc. The Division procures from private insurance carriers other needed insurance such as auto liability and physical damage, inland marine, ocean marine, aircraft liability and physical damage, boiler and machinery, workers' compensation, accident and health, general liability, crime, professional liability, and bonds.

By law, plans for all new State building construction and renovation must be approved by the Fund. Plans are reviewed to achieve design that is desirable for insurance purposes, as well as safe for building occupants. Emphasis is placed on proper exits, building fire resistance, and fire protection systems. The Division also develops specifications for fire detection and alarm systems, sprinkler systems, and other life safety equipment. These are used by designers of State buildings.

Loss control through annual inspection of all State-owned buildings is accomplished by five inspectors who are certified in the interpretation of codes and standards for fire protection and construction. Reports are made to agency management for correction of deficiencies. The staff also provides advice on corrective measures.

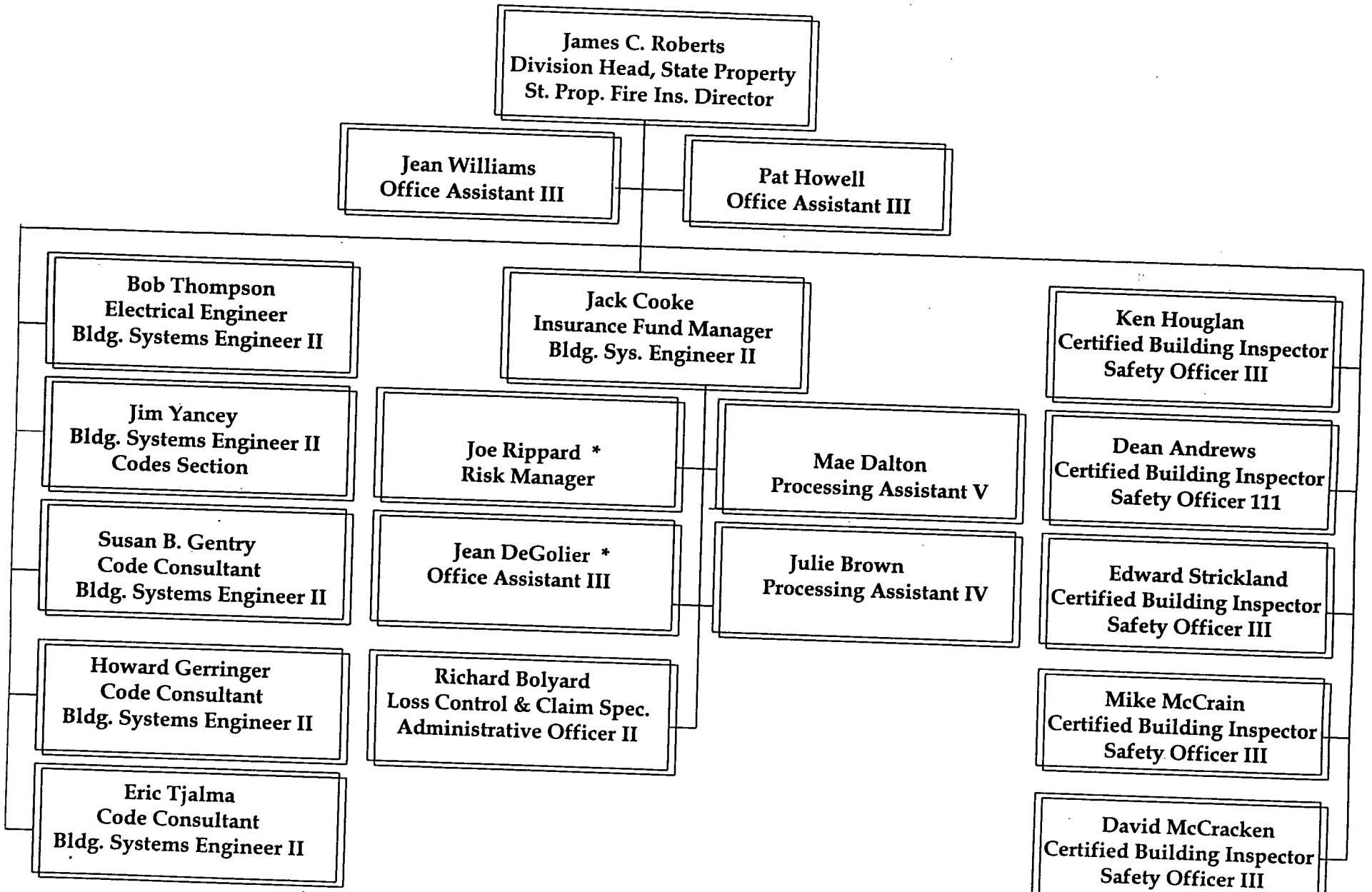
Consultation with agencies on updating all types of fire protection systems in existing buildings is a continuous process. Emphasis is placed on improving the protection of high rise buildings, places of assembly, major computer installations, libraries, and other areas having either a concentration of people or high property value.

The risk management section serves as the resource for State agencies in resolving risk issues. It administers the State's automobile insurance program covering 33,000 vehicles. It also helps local governments review their insurance needs and implement risk management programs. Several hundred North Carolina communities and counties have received insurance surveys and risk management services since 1985.

This section also provides staff, administration, and research services to the Public Officers and Employees Liability Insurance Commission. This commission is charged with making available a plan of professional liability coverage for all law enforcement officers, public officials, and employees of any political subdivision of the State.

NORTH CAROLINA DEPARTMENT OF INSURANCE

State Property Fire Insurance Fund



* These employees serve as staff to the Public Officers Employees Liability Insurance Commission

AGENDA

Joint Appropriations Subcommittee
on
General Government

January 22, 1998
Room 415, LOB
9:00 a.m. - 11:00 a.m.

Chairman: Senator Ed Warren

Focus on 1998 Session - Reductions and Expansion

Marvin Dorman
State Budget Officer

Report on the Operation of the Low-Level Radioactive Waste Management Board.

Walter Sturgeon
Executive Director

JOINT APPROPRIATIONS SUBCOMMITTEE

ON

GENERAL GOVERNMENT

Minutes

January 22, 1998

The Interim Joint Appropriations Subcommittee on General Government met Thursday, January 22, 1998 at 9:20 a.m. in Room 415 of the Legislative Office Building. Three of the Senate members were present. Representatives present were: Co-Chairs Ives, McCombs and Sherrill; and Braswell, Church, Decker, Ellis, Jeffus, Wainwright and Warwick.

Senator Warren, Chair for the day, introduced Marvin Dorman, Jr., State Budget Officer, and asked him to give the Committee some insight into reduction and expansion items to be considered in preparing the 1998 budget. Mr. Dorman noted that the Regular Session of 1997 began the first year of a four-year goal to bring North Carolina public school teachers' average salary to the national average salary, and that additional funding will be required in the 1998-99 budget to continue this goal and to complete statewide funding for Smart Start by 2000-01. He also said that additional university and community college funding will be needed, as well as funding for environmental programs, juvenile crime, business related programs and health services, among others. A salary increase for State employees will be included also in the recommended budget.

Mr. Dorman said that because models, jointly developed by the Budget Office and the Legislative Fiscal Research Division, indicate that additional revenue beyond the 1998-99 authorized level will not be sufficient to support the necessary expansion needs of State Government, additional budget reductions will be required. That reduction amount is $150 million. (Attachment 1)

He said that $135 million had been set aside for capital improvements and non-recurring items, such as the approximately $50 million for the Clean Water Trust Fund. Funds may also be needed to keep the Rainy Day fund at the required 5 percent level. The remainder could be used for special projects and grants.

Senator Warren asked Mr. Dorman if he felt the Committee could begin work on the Continuation Budget in March. Mr. Dorman said that his office staff would not be available to assist them at that time, but they could certainly begin to get it into place if they so chose. In response to Senator Warren's question as to the source of the revenue growth in April of last year, Mr. Dorman said that it was primarily due to the capital gains aspect. He noted that corporate sales were up 10 percent and individual sales 8 or 9 percent. However, he said, they have to make sure that that was not just a one-time happening before they put that in the model.

Representative Ives asked why they were drastically cutting the University budget when enrollment is growing. Mr. Dorman noted that their budget is driven by enrollment and that 70 percent is fixed by formula.

Representative Church wanted to know the status of hiring a profit recovery group to come in and review departmental accounts payable, (this group would retain a certain percentage of recovered revenue as its fee). Mr. Dorman stated that from time to time the State had hired people to work to collect owed revenues in certain departments, but that many departments had programs in place which they feel are sufficient. He also said that they now do post audits and monthly reconciliations to catch errors. After more discussion, Representatives Ellis and Wainwright expressed interest in going forth with this.

Representative Braswell asked what would happen to the model if the Legislature decided to reduce taxes during the short session. Mr. Dorman assured him that they had taken that into consideration, and that some things would have to be changed if that took place.

Senator Ledbetter wanted to know if there was any truth to a rumor he had heard that university faculty salaries vary according to the cost-of-living in the area in which the

university is located. Mr. Dorman said that he believed that the salaries were based on level and type of programs at the university, i.e. research, doctoral, etc. He reminded the Committee that the Board of Governors was given a lump sum of money to allocate as they saw fit. Representative Braswell said that he had received a copy of all university salaries. **Representative Wainwright wants a copy.**

Senator Kinnaird wanted to know what effect the Asian financial crisis was going to have on North Carolina. Mr. Dorman said that the far West, Southwest and Texas would be hurt most because about 60 percent of their exports go to Asia. He noted, however, that only about 1.7 percent of North Carolina's exports go there, so he sees no real detrimental effect. In response to Senator Warren's question, Robert Powell of the State Budget Office, stated that tobacco was our number one export. Representative Ives noted that during our site visits most of the departments told the members that if they had more staff, they could generate more revenue, and he asked Mr. Dorman if he felt asking for the 1-1/2 percent cut was productive. Mr. Dorman said that he felt asking departments to seek ways of performing their tasks more efficiently was always a good idea, and he said that allowances would be made in the cuts if necessary.

Chairman Warren then asked Mr. Dorman to tell the Committee something about the Advisory Budget Commission. Mr. Dorman noted that the ABC is made up of 15 members—5 appointed by the Governor, 5 by the Speaker of the House of Representatives, and 5 by the President Pro Tem of the Senate; that, by law, the Commission members tour the State every other year—an educational process by which the Commission members gain insight which enables them to better advise the Governor on budget matters. Senator Warren thanked Mr. Dorman for his presentation, and recognized Garland Garrett, new lobbyist for the Governor's Office.

Mr. Walter Sturgeon, Executive Director for the N. C. Low-Level Radioactive Waste Management Authority, was then asked to summarize the past actions of the Authority and explain the current status of the proposed site.

Attachment 2 is a copy of Mr. Sturgeon's presentation, and Attachment 3 contains copies of the overheads shown. There were questions and discussion. Senator Kinnaird said that 90 percent of the waste came from power plants who should be responsible for their own waste, and she was concerned that the nuclear power plants were aging and when dismantled all of their waste would come to the N.C. site. Mr. Sturgeon said that only 40 percent of the waste came from power plants, and that all of the waste at shut down would go to the S. E. Compact; however, by the time most of them shut down, N. C.'s 20 years required service would be over. He also said that he believes the Nation will go back to nuclear power, but that there are no new plants being built now. Mr. Sturgeon noted that we are required by Federal law to have a waste site and that a large waste stream was needed to bring in the necessary revenue. Senator Kinnaird was concerned that Chatham County had spent approximately $1 million monitoring the Authority's actions, which they would like to recover. Mr. Sturgeon did not respond to that concern.

Evan Rodewald, Fiscal Analyst, explained to Representative Decker that the Authority came under the Department of Administration's umbrella, and that the Committee was responsible for it's budget. Mr. Decker wanted to know what was considered "low-level" waste. Mr. Sturgeon said it would consist of contaminated clothing articles, boots, lumber, resins, etc. In response to Representative Ives questions, Mr. Sturgeon said that "high-level" waste was handled by the Federal Government; and that the "low-level" waste was dry material, so leakage would only pose a problem if liquid somehow entered the sealed containers, was contaminated, and then ran out. He said that some isotopes remained active for hundreds of years but that most of the danger was gone after 100 years, and that they would use concrete storage bins which would last for at least 100 years.

Mr. Sturgeon said that the project had been halted because South Carolina had pulled out of the Southeast Compact because they felt that North Carolina was not going

to build a site, and that we could not afford the cost of the site without their waste stream revenue.

George Givens, Legislative Staff Attorney, said that the Congress of the United States had passed laws in 1980 and 1985 requiring states to take care of their own waste, and that North Carolina had joined the Southeast Compact in 1983.

Attachment 4 is a summary of the N. C. Low-Level Radioactive Waste Management Authority expenditures.

The meeting adjourned at 11:20 a.m.

Respectfully submitted,

Senator Ed Warren, Chairman

Wilma Caldwell, Committee Clerk

Attachment 1

State of North Carolina
Office of State Budget and Management

James B. Hunt Jr.
Governor and Director
of the Budget

Marvin K. Dorman, Jr.
State Budget Officer

November 4, 1997

MEMORANDUM

To: Department Heads and
Chief Fiscal Officers

FROM: Marvin K. Dorman, Jr.

SUBJECT: General Fund Budget Reductions for 1998-99

As you are aware, the 1997 General Assembly will convene its 1998 Session on May 11, 1998. Governor Hunt will be submitting to the 1998 Session his budget recommendations to continue expansion of important programs. The Regular Session of 1997 began the first year of a four year goal to bring North Carolina public school teachers' average salary to the national average salary. The second year funding will be requested in 1998-99 to continue this goal. Smart Start expansion funds were appropriated in 1997-98, and additional expansion funds will be required in order to complete statewide funding by 2000-01. These are two examples of expansion budget recommendations the Governor will be proposing. Additional university and community college funding will be required, along with funding for environmental programs, juvenile crime, business related programs, and health services among others. Further, a 1998-99 salary increase for State employees will be included in the recommended budget.

It can be expected, based on revenue and expenditure models jointly developed by this office and the Legislative Fiscal Research Division, that additional revenue beyond the 1998-99 authorized level will not be sufficient to support all the necessary expansion needs of State government. Therefore as has been previously displayed in Governor Hunt's 1997-99 biennial budget, additional budget reductions will be required. The necessary budget reduction amount is $150 million.

We are requesting each department, the State Board of Education, the Board of Community Colleges and the Board of Governors of the University of North Carolina to provide by January 15, 1998 the following:

1. A summary plan for reductions in its 1998-99 recurring general fund operation budgets;
2. The budget reductions must equal 1.5% of your recurring 1998-99 general fund operating budget (s);
3. The budget reductions must be prioritized in order of less serious (#1) to more serious reductions to your operating budgets;
4. Reductions may include adjustments to recurring budgeted receipts, recurring levels of budgeted programs, salary reserve, and 1998-99 expansion funds determined to be at levels greater than necessary;
5. The staff reductions which come from the Span of Control analysis for your department; and,
6. A statement of the impact on the departments' daily operations and services with each reduction listed.

This office will be continuing the Span of Control study and will involve staff from each department during the analysis. Staff in this office will be available to consult with you and your staff on other matters. Please do not hesitate to contact your budget analyst here in OSBM.

Governor Hunt will review the prioritized reductions from each department and make his decision on recommended budget reductions by mid-March 1998.

Attachment 2

EXECUTIVE DIRECTOR'S PRESENTATION TO THE APPROPRIATIONS SUB-COMMITTEE ON GENERAL GOVERNMENT
January 22, 1998

Good morning! I appreciate the opportunity to meet with you and to bring you up-to-date on the State's effort to develop a low-level waste disposal site in Wake County. Despite the fact that we have made very good technical progress of late, the project is currently shut down as a result of the Southeast Compact's decision to stop financial support. Without this support the Authority does not have the funds needed to pursue its charge of developing a disposal site for North Carolina generators and the Southeast Compact.

I am not sure how well you have been able to keep up with the status of the project so I will review the history very briefly. The Wake site was selected in December, 1993 after an extensive screening and selection process that considered over two hundred areas statewide. A license application was submitted that same month. The license application, after several months of review by the Division of Radiation Protection and several other regulatory agencies, generated almost 600 interrogatories. At this point the Authority contracted Harding Lawson Associates to review the efforts of the other contractors and make recommendations on how to proceed. That report came out in April of 1995 suggesting a change in direction for the field work and among other recommendations, HLA suggested the need for a Work Plan to address the large number of interrogatories. Shortly after this report South Carolina withdrew from the Compact stating lack of progress in NC as the reason. This withdrawal is significant because fees assessed from each generator disposing of waste at Barnwell provided funds to the SECC commission for use in developing the site in North Carolina.

This was the only source of revenue to the Compact and the reserves established prior to South Carolina's withdrawal are what has been supporting the project.

The Compact notified the Authority in November 1995 that funding would be stopped until the technical questions surrounding the site and the project could be addressed. The Authority continued work on the project until existing available funds ran out at which time all site and technical activity was stopped in July, 1996. At that time, the Authority had reached agreement with DRP on a Licensing Work Plan which was designed to address all outstanding interrogatories and detailed the plan for future site activities. The Licensing Work Plan has a series of Decision Points that are designed to either establish that agreement to move forward has been concurred in by the regulators, or in the case of DP-2 a business decision has been made by the Authority. The cost and schedule for this plan was developed showing an estimated cost of $27 million dollars and about 42 months to complete.

In October of 1996 the Southeast Compact passed a motion with several conditions for project restart and release of Compact funds. These included prior to restart:

1. Authority's commitment to LWP cost and schedule estimates,

2. Interagency Committee(IAC) commitment to provide regulatory resources,

3. Authority's commitment to expanded level of detail of the LWP schedule,

4. Quarterly reporting of cost and schedule changes and the immediate reporting of the discovery of a "fatal flaw",.and

5. Assurance that Authority and DRP senior management would be involved.

There were two conditions to be completed prior to proceeding past the first two decision points in the LWP:

1. Waste stream projections were to be reviewed and site capacity requirements were to be confirmed, and

2. LWP and construction funding issues were to be resolved.

This last condition is important because it led to our current problem, which I will discuss in more detail later.

The Authority and the IAC satisfied the initial conditions late in 1996, and the Compact authorized funds to restart the project in December. The Project technical activities restarted in January of last year and site activities resumed in March of 1997 with parallel work commencing on both Decision Points 1 and 2.

Decision Point 2 was reached first in late June. This decision point addressed whether the disposal area and buffer zone needed to be reconfigured based upon a review of the potential for shallow groundwater occurrence within the buffer zone. This Decision Point was considered a business decision for the Authority, but it was ultimately concurred in by DRP. As a result of the work done on DP-2, the potential disposal site area was adjusted to better utilize the conditions existing on the site. The potential disposal area is actually larger than the original layout.

Decision Point 1 was reached in November with agreement that there was an alternate set of diagnostic tools available to more accurately

characterize the site and reduce the footage of very expensive core samples needed to accomplish the work.

So in summary, the project is going very well technically and there is no reason to believe that further work on site characterization will lead to identification of a fatal flaw that would make the site unusable. When the project was stopped, we were starting the cost and schedule revision mandated by the LWP. If we had been able to complete this eight week effort, we would have a much better estimate of the costs necessary to get to a licensing decision.

In the Compact Commission's motion of October 1996, one of the conditions required that a plan be in place to finance the funding shortfall expected in completing the licensing effort and to finance construction of the disposal facility once it is licensed. The Commission established a Facility Funding Task Force to address the need for funding beyond the point when available Compact funds are exhausted. The Task Force met several times during the spring of 1997 and came up with a series of recommendations that were adopted by the Commission. Those recommendations included:

1. That the Commission expend available funds ~ $20M,

2. That the Authority seek from major generators funds to complete the LWP ~ $7M,

3. North Carolina bear litigation expense defending agency decisions,

4. Authority seek investors for revenue bonds to support construction with assurances from generators, and

5. That the Authority address community benefits, long term care, and the closure fund as part of agreement on "2" above.

During the final stages of the Task Force's work the Southeast Generator's Group approached the Authority staff with an offer to address the licensing funding shortfall and the capital needs for site construction. This group is made up of six southeast nuclear electric utility generators excluding CP&L and Duke. We had several rounds of rather non-productive negotiations with this group before they decided to introduce the offer to the SECC in August. The offer was in the form of a "Memorandum of Understanding" that would ultimately require agreement in principle by the Authority, the Compact, and the generators. During its two-day meeting in August 1997, the SECC agreed in principal with the MOU and recommended the offer to the Authority and to North Carolina through Governor Hunt. This recommendation generated a series of letters and meetings between the SECC, the Authority, the SEGG, and the Governor's office/staff. The offer was reviewed in depth by the Authority staff, by the Authority, by a financial consultant to the Authority, and by several State agencies potentially effected.

While the offer from the SEGG did include a loan of $7M and operational revenue guarantees designed to ensure successful issuance of bonds for site construction, it was fatally flawed by the conditions on the loan and the revenue guarantee. The SEGG has been unwilling to date to revise its offer to address the issues raised during the extensive Authority and State review. These issues centered around the inability of the Authority to commit to repayment of the proposed loan for the licensing effort in the event the project was stopped for other than technical problems with the site and with several of the conditions placed on the revenue guarantee. These conditions included a tax cap, certain cost control measures, preferential rates, export allowances, and a

guarantee against state-supported intervenor legal action. While the Authority was not in conflict with many of these conditions, it does not have the ability to commit the State to them, nor in some instances could we find anyone in the state that could commit to them. Many of these conditions were described as revenue guarantee termination conditions, and our financial consultant felt that bond holders are looking for firm commitments to pay off the bonds and would be very uncomfortable with so many ways for termination of the revenue guarantee. The Authority has made several counter-proposals which would help to gain acceptance of the MOU, but the SEGG has been unresponsive to date to suggested changes.

The Authority can find no way to commit to a loan from the generators and has suggested a grant that would be repaid when and if the facility comes on line. It is obvious that without a Compact law change preventing states from withdrawing from the Compact once site construction bonds are issued , a guarantee from the generators is needed. The form must be a guaranteed waste stream or a guaranteed revenue stream to ensure construction bond repayment. Without some form of contract with or guarantee from the generators, there is probably no chance of issuing revenue bonds.

With respect to current status of the project, the SECC stopped funding effective December 1, 1997 and project work toward licensing was halted at that time. The Authority met in November and authorized expenditure of existing Authority reserves to keep the HLA management team together for the month of December in order to complete documentation on Decision Point 1 and to prevent the loss of key project people in the event a quick resolution to the funding issue could be found. Obviously the resolution did not occur, so the Authority met again December 19 and authorized additional expenditures to shut down and cleanup the site except for certain monitoring activities that will be

assumed by Authority staff and to archive all project records. Unless a solution is found within the next few weeks, effort by all contractors will be suspended by the end of February when this work is done.

The Authority is seeking a meeting with the State Legislature's Joint Select Committee on Low-Level Radioactive Waste to inform it of current project status, to make recommendations on how to proceed given our legislative mandate to address radioactive waste disposal needs of the State of North Carolina and the host state commitment to the SECC, and to seek direction. Prior to a meeting with the Joint Select Committee, we felt that it was extremely important that we collect the concerns of the low-level waste generators in North Carolina. We had talked to many of them individually, but we felt that an open and frank discussion between them was needed. Glaxo-Welcome hosted a meeting of low level waste generators and invited us to update them on current status of the project. A total of 24 individuals representing 30 licenses attended the meeting. This represents almost half of the states 69 licensees.

During discussions following the presentation several points were made very clearly by the generators:

1. **Jobs are at stake if North Carolina does not deal with this waste issue.** Some generators were moving work out of state, if possible, to avoid generating waste that they had no apparent way to dispose of. Other generators were simply not bidding on work that required the use of radioactive material thus loosing business to out- of-state competition.

2. **Waste is being stored in approximately 70 sites around the state** and in some cases a single generator is storing waste at several sites on their property.

3. **Significant expenditures are being made to add storage space.** UNC, for example, is building a $1.0M facility to collect and store waste currently stored at several locations on campus.

4. **Some generators are concerned about extreme weather conditions**, like those posed by hurricane Fran, effecting the integrity of their storage. Some generators are storing waste drums outside.

5. **Some of the State's low-level radioactive waste generators have no place to dispose of waste.** The only disposal option currently available to North Carolina generators is the Envirocare Facility in Utah. Some of the generator's waste does not meet the narrow acceptance criteria for disposal there and others cannot meet the minimum volume requirements.

6. **Some generators are substituting other less desirable and more expensive alternatives to the radioactive isotopes normally used**. In some cases generating hazardous material not radioactive material.

Many of the generators we talked to do not have an immediate problem and appear to be approaching the issue with a "wait and see" attitude. The generators are planning another meeting in the near future to discuss issues of common concern and the need to become a more formal organization. They also hope to reach out to all the generators who were not able to make the first meeting.

As I stated earlier, the project is currently at a standstill. Without the financial support from the Southeast Compact, we have no other source of funds available to keep our contractors on the job. They are presently completing the archiving of the files and records and working to pass on

the monitoring role to our staff. No further testing can be performed until funds are committed to the project from some source.

The Compact has funds from fees collected from generators available for continued testing, however, they will not cover the projected cost of reaching a point when a licensing decision can be made. Approximately $7 million in addition to available compact funds will be necessary to reach this point. The Compact has required that we identify a source of these funds as a condition to further release of funds they hold.

Attachment 3

Brief History

• Wake Site selected	12/93
• License Application filed	12/93
• HLA Site Assessment Report	4/95
• So. Carolina withdraws from SE Compact	6/95
• LWP adopted by Authority & DRP	6/96
• Site & technical activity suspended	7/96
• SECC establishes restart conditions	10/96
• Work restarts under LWP	1/97
• Business Plan adopted by Authority	2/97
• Site work restarted	3/97
• Facility Funding Task Force Report	6/97
• DP-2 reached	6/97
• DP-1 reached	11/97
• SECC stops funding	12/97

Facility Funding Task Force Recommendations

1) Commission expend available funds ~$20M
2) Authority seek funds to complete LWP from major generators - $7M
3) NC bear litigation expense defending agency decisions
4) Authority seek investors for revenue bonds to support construction with assurances from generators
5) Address community benefits, long term care, and closure fund as part of agreement on 2 above

GENERATOR'S CONCERNS

1. Jobs are at stake if North Carolina does not deal with this waste issue.

2. Waste is being stored in approximately 70 sites around the state.

3. Significant expenditures are being made to add storage space.

4. Some generators are concerned about extreme weather conditions.

5. Most of the State's low-level radioactive waste generators have no place to dispose of waste.

6. Some generators are substituting other less desirable and more expensive alternatives to the radioactive isotopes normally used.

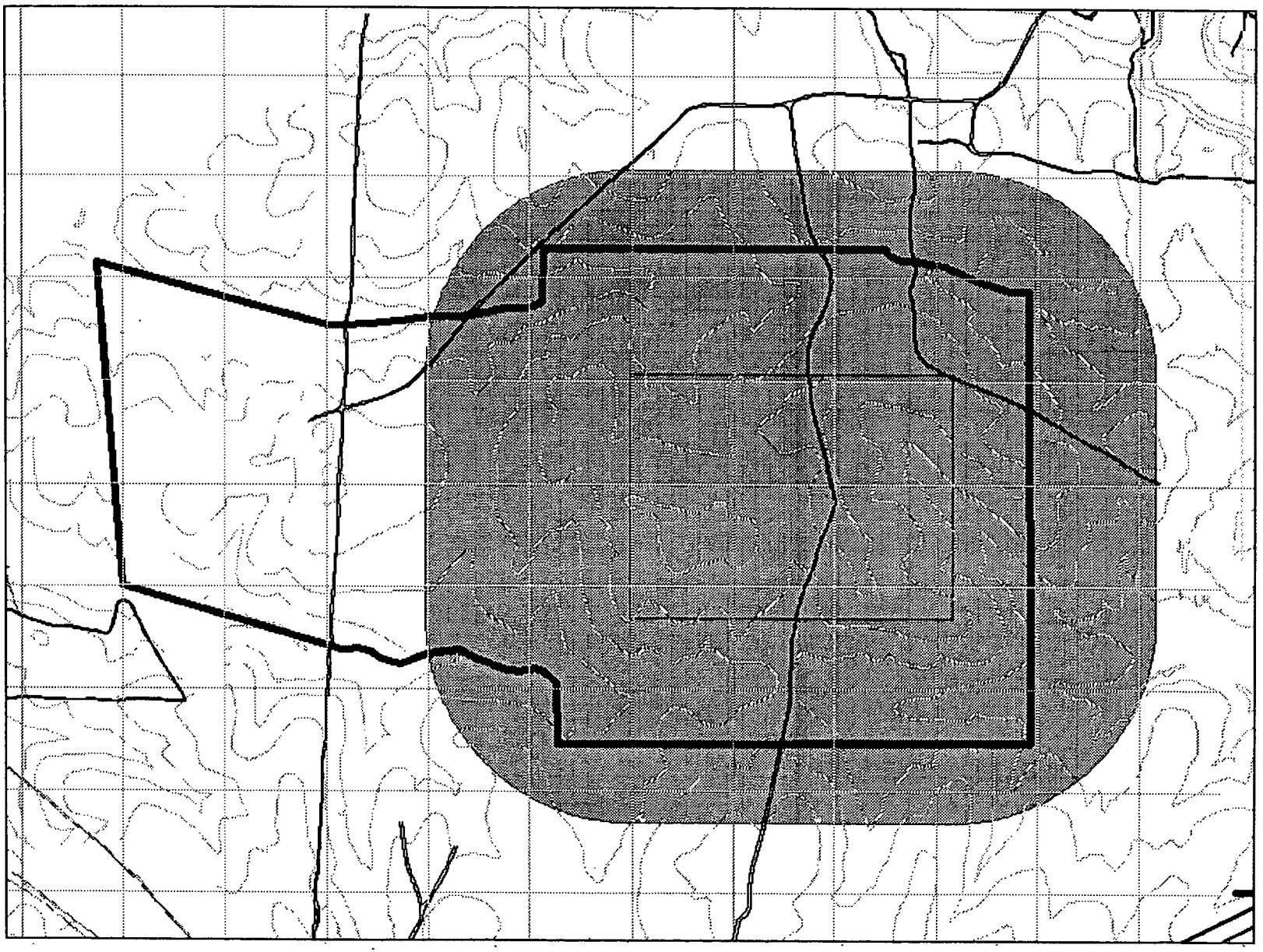
Memorandum of Understanding by Southeast Generators Group

1) SEGG would ***LOAN*** Authority $7.0M
2) SEGG would provide ***REVENUE GUARANTEES*** for construction bonds

Conditions

- Tax cap by NC
- Preferential rates for MOU participants
- Cost control of CNSI
- Insurance of adequate capacity
- NC does not fund intervenor lawsuits
- Contingent liability shared by all generators
- Ability to export waste (SECC)
- SECC spend its funds first (SECC)

Site Layout



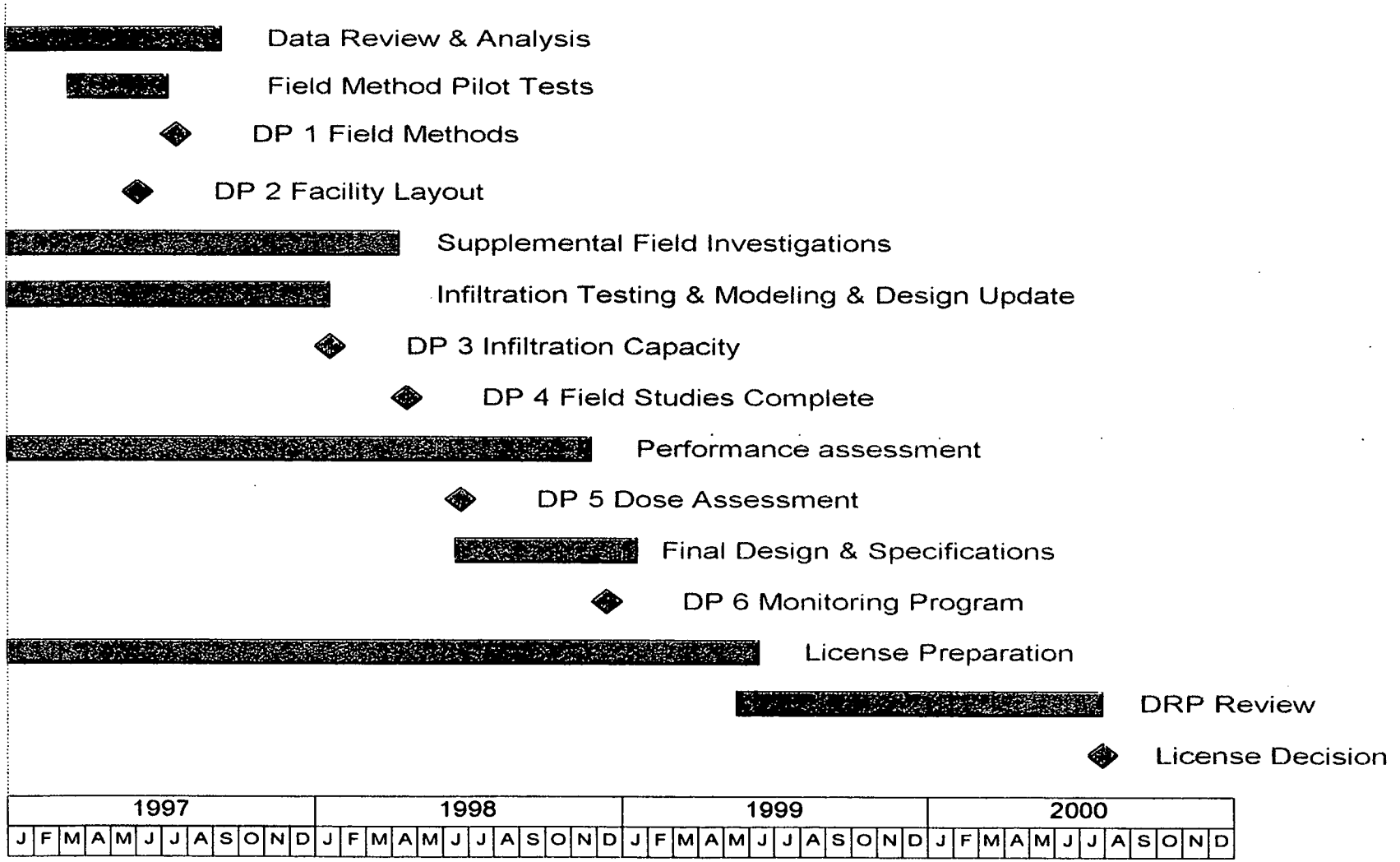
SECC 10/96: Conditions for Project Restart

1) Authority commit to LWP Cost & Schedule Estimates
2) IAC commit to provide regulatory resources
3) Authority commit to expanded level of detail in LWP schedule
4) Quarterly cost and schedule reporting and immediate reporting of any "Site Fatal Flaw"
5) Assurance that senior management from Authority and DRP would be involved

Conditions before proceeding past DP-1 and DP-2

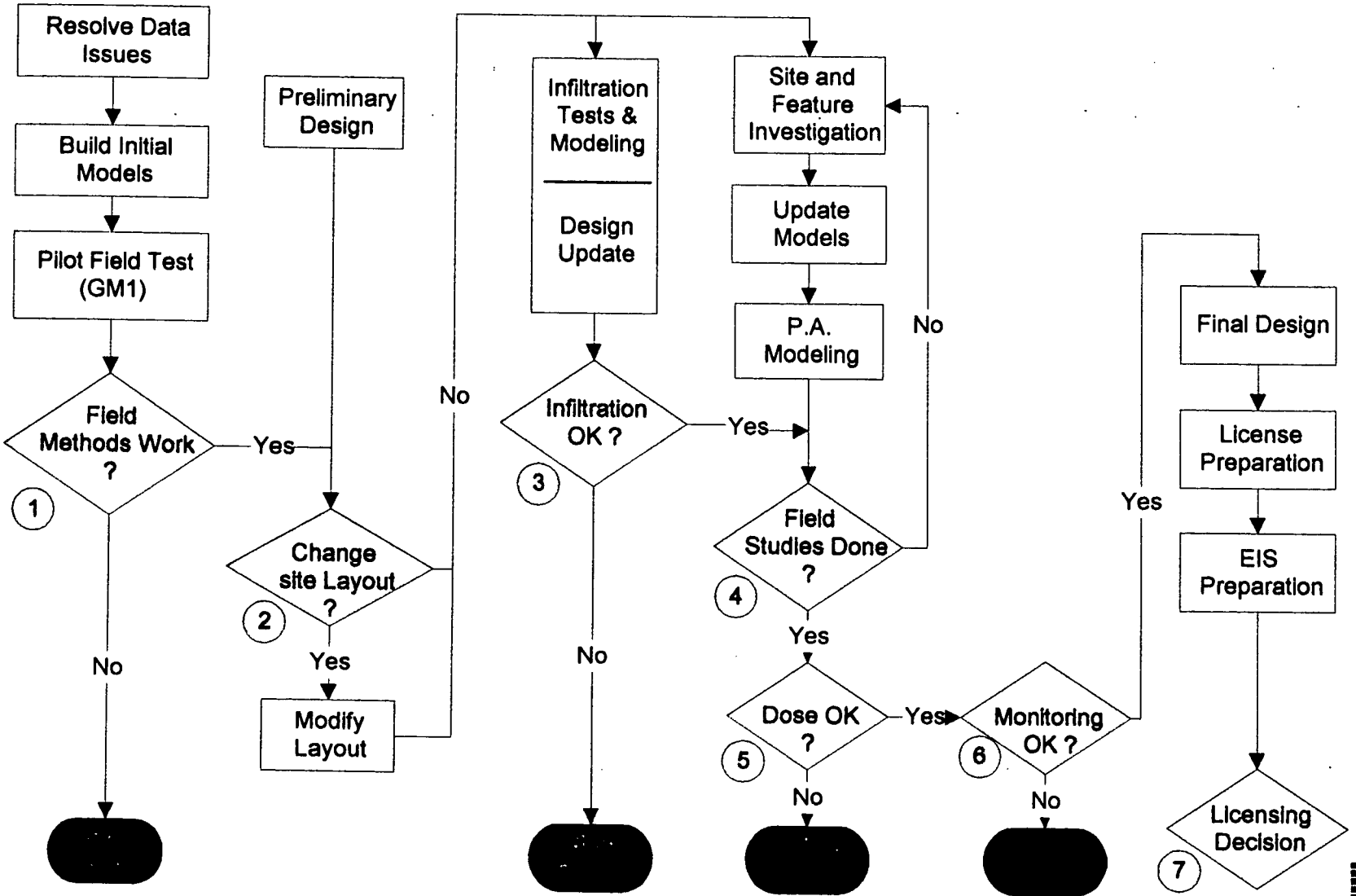
1) Review waste stream projections & confirm site requirements
2) Resolve LWP and construction funding issues

Current Licensing Work Plan Project Schedule



36595.061

Project Sequence



1995

Attachment 4

Authority Members

Warren G. Corgan, Chairman
Carolyn S. Allen
Stephen G. Conrad
Robert B. Heater
Regina L. Hopkins
R. Michael Jones, J.D.
Erin J. Kuczmarski, D.C.
Nicholas Long, Jr., J.D.
Michael Ruhe
J. Robert McLester
Michael O'Foghludha, J.D.
James E. Reddish
Douglas T. Story
John Hairr
Ingram Walters

North Carolina Low-Level Radioactive Waste Management Authority

James B. Hunt, Jr., Governor
Walter B. Sturgeon, Jr., Executive Director

January 12, 1998

MEMORANDUM

TO: Evan Rodewald
N.C. General Assembly Fiscal Research

FROM: George D. Robison, III
Director of Finance & Administration

RE: N.C. Low-Level Radioactive Waste Management Authority Expenditures

The break-out of expenses on the attached summary represents expenditures handled by the Authority ($96,622,863.63). In addition, other agencies within the State have recorded expenses which they attribute to the project, totalling $9,330,659.71. Together, this is a total of $105,953,523.30.

State appropriations covered $30,627,153.63 of these expenditures, of which, $16,000,000 represents a capital appropriation to the project and $5,296,493.92 in appropriations to cover the Authority's operations. The balance was spread throughout other departmental budgets with the greatest portion — $6,221,524.41 — in the N.C. Division of Radiation Protection area.

The balance of the funded expenditures was provided by the Southeast Compact Commission from generator fees assessed at the Barnwell (S.C.) facility.

If you need anything further, please call.

attachments

GDR/arj

Suite 2109 • 116 West Jones Street • Raleigh, North Carolina 27603-8003 • 919-733-0682
North Carolina Residents Toll Free 1-800-248-6421 • Fax 919-715-0180
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1988-1997 APPROXIMATE COSTS

Through June 30, 1997

N.C. Low-Level Radioactive Waste Management Authority
Site Development Activities

1.	Siting Rules Development & Statewide Screening *Inception Through April 1990*	**$7.6 Million**
	• Planning and mapping studies for site selection.	
2.	Site Characterization *(From May 1990)*	
	Pre-Application (See Notes) — 2 Sites	**$27.6 Million**
	Post-Application — 1 Site	**$6.6 Million**
	Licensing Work Plan (from January 1997)	**$2.3 Million**
	• Technical work at the sites, including core borings, hydrology, geology, seismology along with other testing and evaluation.	
3.	Public Information/Education	**$4.3 Million**
	• Work related to informing public, conducting public meetings statewide, answering calls and information requests. Developing educational materials to help N.C. students understand radiation.	
4.	Engineering & Preliminary Design	
	Pre-Application	**$8.1 Million**
	Post-Application	**$5.8 Million**
	• Design activities for the disposal units and site operations.	
5.	Licensing & Safety Analysis	
	Pre-Application	**$4.0 Million**
	Post-Application	**$4.0 Million**
	• Testing, evaluations and meeting regulatory standards.	
6.	Project Management, Security Services, Quality Assurance & Raleigh Office Expenses *(CNSI Only)*	**$9.7 Million**
	• Chem-Nuclear's Raleigh office and staff.	
7.	Landowner Relations & Land Acquisition Services	**$3.5 Million**
	• Land surveys, appraisals, payment for damages during site testing (including Richmond County).	
8.	Legal Fees *(Authority & CNSI Outside Counsel)*	**$2.7 Million**
	• Cost of defending the two parties in early lawsuits.	
9.	Authority & Staff Operations *(Inc. In-House Counsel)*	**$9.5 Million**
	• General Authority activities.	
10.	Site Shutdown & Redeployment *(July 1996-January 1997)*	**$1.0 Million**
TOTAL	***(Direct Project Expenses)***	***$96.7 Million***
	Costs Accrued By Other State Agencies)	***$ 9.3 Million***
GRAND TOTAL		***$106.0 Million***

Notes:

A. Costs are inception date unless otherwise noted.

B. ***Pre-Application:*** Costs leading up to the submittal of the license application, from inception through December 1993.

C. ***Post-Application:*** Costs since the license application submittal, from January 1994 to date.

D. Shutdown due to lack of funding and redeployment under agreed upon Licensing Work Plan (from July 1996 to January 1997).

E. Licensing Work Plan activities from January 1997.

F. Charges from other State Agencies shown on attached spreadsheet.

NORTH CAROLINA LOW-LEVEL RADIOACTIVE WASTE MANAGEMENT AUTHORITY

Raleigh, North Carolina

FINANCIAL STATEMENTS

For the Year Ended June 30, 1997

MEMBERS OF THE BOARD

Warren G. Corgan, Chairman

Carolyn S. Allen
Stephen G. Conrad
Regina Hopkins
R. Michael Jones, J.D.
Dr. Erin Kuczmarski
Nicholas Long, Jr.
Nicholas Long, Jr.
John W. McAlister
J. Robert McLester
Michael J. O'Foghludha
Fred L. Van Swearingen

Walter B. Sturgeon, Jr., Executive Director
Katie G. Dorsett, Secretary, Department of Administration

NC LOW LEVEL RADIOACTIVE WASTE MANAGEMENT AUTHORITY
Payable for Interest Calculation
For Year Ended June 30, 1997

	FY 1988	FY 1989	FY 1990	FY 1991	FY 1992	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997	TOTAL
STATE APPROPRIATION:											
General	$ 399,986.21	$ 454,693.73	$ 520,830 58	$ 752,944.19	$ 468,976 87	$ 668 452 18	$ 533,632 14	$ 539,112 27	$ $533,253 46	424,612 29	$ 5,296,493 92
Capital Improvements		2,000,000 00	8,000,000 00	6,000,000 00							16,000,000 00
											0 00
OTHER AGENCIES											0 00
Division of Land Resources	23,512 37	12,121 89	32,230 94	68,958 24	52,553 90	87,259 38	295,432 01	175,302 37	193,579 34	187,958 19	1,128,908 63
Division of Environmental Management	189 59	344 04	1,637 25								2,170 88
Division of Groundwater			6,825 00	56,654 27	23,652 47	169,423 40	232,707.21	224,449 79		107,234 49	820,946 63
Governor's Waste Management Board				65,069 16	5,333 63	387,500 00	119,298 35				577,201.14
Solid Waste Management				5,141 04							5,141 04
Division of Radiation Protection				329,809 54	286,530 94	637,800 11	1,177,601 93	1,312,563 27	1,463,106 00	1,014,112.62	6,221,524.41
Air Quality Section				8,083 98			28,841 46	13,138 01	6,387 33	220 02	56,670 80
Highway Patrol					288 163 40	174 436 05					462,599 45
Water Quality Section					7,061 06	90,570 84	(86,571 97)				11,059 93
											0 00
TRANSFERS:											0 00
Board of Science and Technology (DOA)	50,000 00										0 00
											50,000 00
											0 00
ADJUSTMENT: REFUND TO GENERAL FUND											0 00
Retirement Benefits				(5,563 20)							0 00
											(5,563 20)
TOTAL STATE FUNDING PER ANNUM	$ 473,688.17	$ 2,467,159 66	$ 8,561,523.77	$ 7,281,097 22	$ 1,132,272 27	$ 2,215,441 96	$ 2,300,941 13	$ 2,264,565 71	$ 2,196,326 13	$ 1,734,137 61	30,627,153 63
											0 00
CASH BALANCES ON HAND:											0 00
CI Code 48801		(246,030.02)	(49,735 03)	(49,735 03)	(49,735 03)						0 00
CI Code 48901			(2,216,610 51)	(3,360,392 78)							(395,235 11)
CI Code 48981			246,030 02	2,266,345 54	3,410,127 81	49,735 03					(5,577,003 29)
Expenditure of FY Cash Balance											5,972,238 40
											0 00
PAYABLE FOR interest CALCULATION	$ 473,688 17	$ 2,221,129 64	$ 6,541,208 25	$ 6,137,314 95	$ 4,492,665 05	$ 2,265,176 99	$ 2,300,941 13	$ 2,264,565 71	$ 2,196,326 13	$ 1,734,137 61	30,627,153 63

Schedule 3

NC LOW LEVEL RADIOACTIVE WASTE MANAGEMENT AUTHORITY
Payable To North Carolina Calculation
For The Year Ended June 30, 1997

	FY 1988	FY 1989	FY 1990	FY 1991	FY 1992	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997
STATE FUNDS	$473,688.17	$2,221,129.64	$6,541,208.25	$6,137,314.95	$4,492,665.05	$2,265,176.99	$2,300,941.13	$2,264,565.71	$2,196,326.13	$1,734,137.61
INTEREST CALCULATION	9,970.01	140,388.53	533,560.79	1,097,508.31	1,497,421.42	1,651,007.35	1,766,305.74	2,117,891.43	2,435,299.76	2,664,303.65
CASH BALANCE		246,030.02	2,266,345.54	3,410,127.81	49,735.03	0.00	0.00	0.00		
PRIOR YEAR CASH BALANCE			(246,030.02)	(2,266,345.54)	(3,410,127.81)	(49,735.03)	0.00	0.00		
PRIOR YEAR PAYABLE BALANCE		483,658.18	3,091,206.37	12,186,290.93	20,564,896.46	23,194,590.15	27,061,039.46	31,128,286.33	35,510,743.47	40,142,369.36
CURRENT YEAR PAYABLE BALANCE	$483,658.18	$3,091,206.37	$12,186,290.93	$20,564,896.46	$23,194,590.15	$27,061,039.46	$31,128,286.33	$35,510,743.47	$40,142,369.36	$44,540,810.62

Schedule 4

VISITOR REGISTRATION SHEET

General Government 1-22-98

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

	NAME	FIRM OR AGENCY
1.	George Robison	NCLLRWMA
2.	Dianne Arnett	SEANC
3.	K. Rogers	NCDENR
4.	Roger Bone	Rose & Assoc.
5.	Glen Peterson	DOA
6.	Garland Garrett	Gov. Office
7.	Jim Nowell	OSBM
8.	Kathie Austin Padgett	OSPL
9.	Mary MacDowell	Chatham County
10.	JW Rud	OSBM
11.	Walter Sturgeon	NCLLRWMA
22.		
23.		
24.		
25.		
26.		
27.		
28.		
29.		
30.		
31.		

THE JOINT APPROPRIATIONS SUBCOMMITTEE

ON

GENERAL GOVERNMENT

MINUTES

1997 - 1998 INTERIM

BOOK 2 OF 2

Senator Ed Warren, Senate Chair
Representative Bill Ives, House Co-Chair
Representative Gene McCombs, House Co-Chair
Representative Wilma Sherrill, House Co-Chair

Wilma Caldwell, Senate Committee Clerk
Jayne Walton, House Committee Clerk
Suzanne Erskine, House Committee Clerk
Rosa Kelley, House Committee Clerk

JOINT MEETINGS OF THE APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT

INTERIM 1997-1998

February 17, 1998

February 18, 1998

February 19, 1998

March 17, 1998

March 18, 1998

March 19, 1998

April 21, 1998

Joint APPROPRIATIONS/General Government Committee

Minutes

February 17, 1998

The Joint APPROPRIATIONS/General Government Committee met on February 17, 1998 in the Legislative Office Building in Room 415. The following members were present: Representatives McCombs (Cochair), Sherrill (Cochair), Church, Decker, Jeffus, Warwick and three Senators. Representative McCombs presided.

Representative McCombs called the meeting to order at 10:41 a. m. Mr. Bill Spencer gave an explanation of the response to questions from the Department of Insurance tour in January (see attachment #1). Mr. Dascheil Propes answered the committees' questions. Senator Lucas asked why some counties have more than one contact person in SHIPP. Mr. Propes said he would get the answer for her. Senator Lucas asked what the volunteer fire departments' rating is based on. Mr. Propes responded that it is based on the equipment they have. Senator Lucas asked how often the volunteer fire departments are inspected and how many are inspected per year. Mr. Propes replied they are inspected every 2 1/2 years and 300 are inspected each year. Senator Lucas asked how many personnel are involved to carry out the inspections. Mr. Propes responded 3 full time employees. Senator Lucas asked about the breakdown of employees at each substation. Mr. Propes said eight are dedicated and volunteers to fill in. Representative Sherrill asked if any recommendation had been made regarding information for item #4. Mr. Propes did not remember any instructions being given for a recommendation. Representative Sherrill asked if they would be coming with a recommendation and Mr. Propes said item #4 is the recommendation. Mr. Propes said this is a regulatory surcharge not a premium tax. Representative Decker asked what the total income is for the DOI brought in by the regulatory surcharges. Mr. Propes responded that the income for this year will be 18 million. Representative Decker requested a break down of item #4 for the next meeting. Senator Lucas asked for a sample of an HMO and how the formula is applied.

Representative McCombs introduced Michele Nelson to give an overview of attachment #2 concerning the Department of Revenue. Senator Lucas asked for an explanation of the criminal fines. Representative McCombs explained that the fines all go to Wake County because all cases are heard in Wake and a bill has been drafted to return the money to the counties where the plaintiff resides and further explained the fines go to support the school fund. Representative Decker asked how many fines are levied on court cases. Tom Dixon responded that every case is a criminal case and a result of a judge ordering an individual to pay a fine. Representative Decker asked if any fines are collected that are not court ordered. Mr. Dixon replied yes the department assesses taxes and penalties. Senator Lucas asked why all the cases are heard in Wake County. Mr. Dixon replied it is easier and more economical for the cases to be held here than to send personnel out to the

counties. Michele Nelson added that they should look into a way to defray the cost. Representative McCombs added that Wake County should keep the court costs but the fines should go back to the original counties where the crimes occurred. Representative Decker asked what percentage of cases does the Department of Revenue win. Mr. Dixon replied out of 250 cases last year they lost only 2.

Ms. Nelson asked the committee to look at the Personal Services and Employee Benefits for the years 1996 and 1997 from the Office of the State Controller (see attachment #3). Ms. Nelson explained the chart. Mr. Bob Joyce of the State Health Alliance Board gave an overview of attachments #4 and #5. Mr. Joyce said they have seen good growth over the last year. Mr. Joyce also said that there is constant consolidation in the HMO market. Mr. Joyce said more growth will be necessary to become self sufficient. Mr. Joyce explained how the uninsured children's coverage would be handled and said one change they may be asking for is to go from group choice to employer choice to choose the plan and they may ask for a smaller number of carriers. Representative Church asked how the plan has been marketed in Burke County. Mr. Joyce responded that Burke County did not have a carrier. Representative Sherrill asked what the projection is for self sufficiency for the program. Mr. Joyce replied that by the end of the year 2 regions out of 4 will be self sufficient. Representative Sherrill asked regarding the uninsured children , how will the families get their money. Mr. Joyce responded that the State would ask a number of insurance companies to price the uninsured children benefits and sell the policy and Mr. Bruton's office would handle the children's premium through the Department of Medical Assistance and the employee's premium would be deducted from payroll as usual. Mr. Bruton's estimate is $104 per child per month as a capitated fee. Dr. Bruton would send the money to the health carrier as part of the premium. Representative Sherrill added that it requires a lot of paperwork. Senator Lucas asked how this plan would be marketed to the eligible people. Mr. Joyce replied that it would be marketed like regular insurance by agents going into the businesses to talk to the people that make 200% of the poverty level. Representative Decker asked how the premium tax will affect your program. Mr. Joyce said that the group size average is 5 and any increase would be a detriment. Representative Decker asked what the average monthly premium would be. Mr. Joyce said it varies widely according to region and age, a 25 year old would be $70. Representative Sherrill asked for the numbers on the active group. Mr. Joyce responded 4250 are members and 53% were not covered previously. Evan Rodewald referred the committee to attachment #6, page 2 for further clarification. Senator Lucas asked if a formula is established to help with the start up of operations. Mr. Joyce replied yes there is and the company is required to send in a budget to the Alliance. Senator Lucas asked what is the level of self sufficiency. Mr. Joyce responded that by getting enough paying members that would create self sufficiency.

Representative McCombs introduced Mr. Don Waugh of the State Controllers Office who gave an overview of the State Agencies Account Receivables Report. Mr. Waugh talked to the committee about the study being conducted to determine whether it is desirable and feasible for the State to establish a central clearinghouse for compiling debt setoff information. Representative Decker asked how much revenue can be collected from tax

refunds. Mr. Waugh answered that the debt has to be $50 or more and the OSC gets a list of people who owe taxes before refunds are sent out. Representative Decker requested those figures. Representative Decker also asked if this was offset by the Deadbeat Dads program. Mr. Waugh replied that it is and offered to get those figures for the committee. Mr. Waugh was not sure if it is totally cost justified. Representative Decker asked how long this program has been in place. Mr. Waugh said this program has been in place for quite some time and the Department would like to expand the program to include vendors payments. Mr. Waugh stated that the clearinghouse concept would establish what state agency should handle the program or if outsourcing is a possibility. Mr. Waugh said the report based on a study being done in the department will be reported in April. Mr. Waugh then went over pages 5,6,7 and 13 of attachment #6.

Representative Sherrill gave the committee instructions for the next day's meeting and adjourned the committee at 12:27 p.m.

Eugene McCombs

Representative Eugene McCombs
Cochair

Jayne N. Walton

Jayne N. Walton
Committee Clerk

2-17-98 att#1

DEPARTMENT OF INSURANCE

State of North Carolina

P. O. Box 26387

RALEIGH, N. C. 27611

JIM LONG
COMMISSIONER OF INSURANCE

(919) 733-7343

MEMORANDUM

To: General Government Sub-Committee

From: North Carolina Department of Insurance

Re: Questions from Committee Visit

Date: February 17, 1998

This memorandum is in response to questions asked during your January 20 and January 21 meeting.

1. Request for a list of SHIIP coordinators.
   See attachment

2. Request for information explaining the Department's rating process for Volunteer Fire Departments.
   See attachment

3. Estimate of how much the Volunteer Safety Worker's Compensation Fund has saved fire and rescue department's on worker's compensation.

   We estimate that the savings to volunteer fire workers in volunteer fire department's is approximately 630,000. It is also estimated that the savings for employees is in excess of 3 million.

4. How much money would be generated by placing a regulatory surcharge on HMO's similar to that placed on the rest of the insurance industry?

   - *Projected funds from HMO's* 1,703,587
     (excluding BCBS & using 1.9% as a premium tax base)
   - *Projected funds from HMO's* 2,191,693
     (including BCBS & using .5% as a premium tax base)
   - *Projected funds from HMO's* 3,558,390
     (including BCBS & using 1.9% as a premium tax base)

SENIORS' HEALTH INSURANCE INFORMATION PROGRAM
COORDINATORS LISTING
January 6, 1998

[illegible]AMANCE
[illegible]ane Smith
Senior Center
PO Box 1358
Burlington, NC 27216
910-222-5135

ALEXANDER
Angela Johnson
Alexander Senior Center
590 7th Street, NW
Taylorsville, NC 28681
704-632-1717

ALLEGHANY
Janice Fender
Senior Center
PO Box 416
Sparta, NC 28675
910-372-4640

ANSON
[illegible]arl Blount
[illegible]operative Extension
PO Box 633
Wadesboro, NC 28170
704-694-2915

ASHE
Louise Caudill
Ashe County Services for the Aging, Inc.
PO Box 190
McConnell Street
Jefferson, NC 28640-0181
910-246-2461

AVERY
R. D. Daniels
Avery Senior Center
PO Box 447
Newland, NC 28657
704-733-8220

[illegible]EAUFORT
[illegible]yllis Rose
Senior Information & Referral
310 W. Main Street
Washington, NC 27889
919-975-4469

BERTIE
Amy Costelloe
Bertie Council of Aging
103 W. School Street
Windsor, NC 27983
919-794-5315

BLADEN
Sue Kennedy
Bladen County Division on Aging
PO Box 520
Elizabethtown, NC 28337
910-862-6935

BRUNSWICK
Pearl W. Stanley
Cooperative Extension
PO Box 109
Bolivia, NC 28422
910-253-2610

BUNCOMBE
Carol O'Neal
Buncombe County Council on Aging
50 S. French Broad Avenue
Suite 214
Asheville, NC 28801
704-258-8028

BURKE
Sandra Shelton
Morganton-Burke Senior Center
501 North Green Street
Morganton, NC 28655
704-437-1201

CABARRUS
Betty Pope
Cabarrus County Dept. On Aging
PO Box 707
Concord, NC 28026-0707
704-788-9899

CALDWELL
Sharon Berry
Caldwell Senior Center
650-A Pennton Avenue
Lenoir, NC 28645
704-758-2883

Janice Barger
RSVP
PO Box 972
Lenoir, NC 28645
704-754-3000

CAMDEN
Michaelene Sawyer
Camden County Senior Center
Hwy. 343, PO Box 190
Camden, NC 27921
919-338-7611

CARTERET
Pam Brecheisen, Director
Senior Enrichment Center
3820 Galantis Drive
Morehead City, NC 28557
919-247-2626

CASWELL
Donna Pointer
Cooperative Extension
PO Box 220
Yanceyville, NC 27279
910-694-4158

CATAWBA
Margie Abernathy or Mary Mode
West Hickory Senior Center
PO Box 835
Hickory, NC 28603
704-328-2269

CHATHAM
Judy Autry or Cassie Wasko
Senior Center
300 W. Salisbury Street
Pittsboro, NC 27312
919-542-4512

CHEROKEE
Cherokee Co. Senior Services
J. Robert Penland Center
105 Alpin Street
Murphy, NC 28906
704-837-2467

CHEROKEE RESERVATION
Kathi Littlejohn
Rt. 1, Box B5, Tsali Manor
Cherokee, NC 28719
704-497-4471

[redacted]OWAN
[redacted]erri Farless
Cooperative Extension
PO Box 1030
Edenton, NC 27932
919-482-8431

CLAY
Kathy Worley
Senior Center
PO Box 118
Hayesville, NC 28904
704-389-9271

CLEVELAND
J. D. Champion or Amy Clary
Senior Center
408 E. Marion
Shelby, NC 28150
704-482-3488

COLUMBUS
Betty Thompson
[redacted]perative Extension
[redacted] W. Smith Street
PO Box 569
Whiteville, NC 28472
910-640-6607

CRAVEN
Melissa S. Hight
Cooperative Extension
300 Industrial Drive
New Bern, NC 28562
919-633-1477

Carol Glatthaar
105 Walnut Road
New Bern, NC 28562
919-636-0860

CUMBERLAND
Gloria Cain
Coordinating Council on Older Adults
339 Devers Street
[redacted]etteville, NC 28303-4750
[redacted]0-484-0111

Ellen Hall
PO Box 246
Stedman, NC 28391
910-483-1008

CURRITUCK
Georgia Kight
Cooperative Extension
PO Box 10
Currituck, NC 27929
919-232-2261

DARE
Joyce Edwards
Senior Center
PO Box 1000
Manteo, NC 27954
919-441-1181

DAVIDSON
Sammie Hodges
Davidson County Senior Services
935 N. Main Street
Lexington, NC 27292
910-242-2290

DAVIE
Barbara Thornton
Davie Senior Center
622 N. Main Street
Mocksville, NC 27028
704-634-0611

DUPLIN
Liz Davis
Services for the Aged
PO Box 367
Kenansville, NC 28349-0367
910-296-2140

Joan Williams
Cooperative Extension
Box 949
Kenansville, NC 28349
910-296-2143

DURHAM
Theresa Clark
Cooperative Extension
721 Foster Street
Durham, NC 27701
919-560-0521

EDGECOMBE
~~Arneta Geledy,~~ Adm. Asst.
Aging Program
Region L Council of Governments
309 S. Wesleyan Blvd.
Rocky Mount, NC 27802
919-446-0411

FORSYTH
(Inform caller to ask for "SHIIP HELP" when calling Center, not Cris Davis)
Cris Davis
The Shepherd's Center of Greater Winston-Salem
2569 Reynolda Road
Winston-Salem, NC 27106
910-748-0217

Betty Lyman
Senior Financial Care
926 Brookestown Ave.
Winston-Salem, NC 27101
910-725-1972

FRANKLIN
Polly J. Knott
Senior Center
127 Shannon Village
Louisburg, NC 27549
919-496-1131

GASTON
Elaine Roux
Cooperative Extension
PO Box 476
Dallas, NC 28034
704-922-0301

GATES
Helen Eure
Cooperative Extension
PO Box 46, Court Street
Gatesville, NC 27938
919-357-1400

GRAHAM
Carol Roundtree
Graham/Swain County Health Dept.
PO Box 546
Robbinsville, NC 28771
704-479-2110

Laurie Stevens
Cooperative Extension
PO Box 486
Robbinsville, NC 28771
704-479-7979

[redacted]ANVILLE
[redacted]hy B. May
Senior Center
120 B Orange Street
Oxford, NC 27565
919-693-1930

GREENE
Shenille Rothwell
Cooperative Extension
Greene County Government Complex
229 Kinggold Blvd. Ste. E
Snow Hill, NC 28580
919-747-5831

GUILFORD
(Inform caller to ask for "SHIIP HELP", not Aimee Rotruck)
Aimee Baucom Rotruck
United Services for Older Adults
PO Box 21993
Greensboro, NC 27401
910-333-6981
[redacted]h Point - 910-884-6981

HALIFAX
Regenia Walden
Cooperative Extension
PO Box 37
Halifax, NC 27839
919-583-5161

HARNETT
Nancy Wright Clifton, Director
RSVP
309 Cornelius Harnett Blvd.
Lillington, NC 27549
910-893-7579

HAYWOOD
Jacque Haney
RSVP/Mountain Project
Rt. 1, Box 732
Waynesville, NC 28786
704-452-1447

HENDERSON
Peggy Farmer
Pardee Education Center
Blue Ridge Mall
Hendersonville, NC 28793
704-692-4600

Walter Johnson
131 Ridgeview Drive
Hendersonville, NC 28792
704-692-8979

HERTFORD
Becky White
Hertford County Senior Center
Route 1, Box 3-G
Winton, NC 27986
919-358-7856

HOKE
Dianne Scarboro
Cooperative Extension
PO Box 578
Raeford, NC 28376
910-875-2162

HYDE
Jean W. Ballance
Cooperative Extension
PO Box 219
Swan Quarter, NC 27885
919-926-3201

IREDELL
Anna Rice
Iredell County Council on Aging
PO Box 344
Statesville, NC 28677
704-873-5171

JACKSON
Helen Milsaps
Department on Aging
PO Box 596
Sylva, NC 28779
704-586-8562

JOHNSTON
Jeannette Campbell
Johnston County Council on Aging
PO Box 2235
Smithfield, NC 27577
919-934-6066

JONES
Vickie McBride
Cooperative Extension
2 S. Market Street
Trenton, NC 28585
919-448-9621

LEE
Jean Jones
The Enrichment Center
1615 S. Third Street
Sanford, NC 27330
919-776-0501

LENOIR
Anne M. Gaddis
Rt. 2, Box 345
Grifton, NC 28530
919-523-9339

Lisa Jones
Cooperative Extesion
PO Box 757
Kinston, NC 28502
919-527-2191

LINCOLN
Melinda Houser
Cooperative Extension
115 W. Main Street
Lincolnton, NC 28092
704-736-8461

MACON
Harriette Baggett
Macon County Dept. On Aging
125 Hyatt Road
Franklin, NC 28734
704-349-2058

MADISON
Marion Wallin
Box 203
Marshall, NC 28753
704-649-3411

MARTIN
Iris K. Bowen
Martin County Council on Aging
210 W. Liberty Street
PO Box 1023
Williamston, NC 27892
919-792-1027

MCDOWELL
Vi Elliott
Council on Aging - Senior Center
PO Box 1162
Marion, NC 28752
704-652-8953

MECKLENBURG
Jeff Aten
Charlotte-Mecklenburg Senior Center
2225 Tyvola Road
Charlotte, NC 28210
704-522-6222

Debbie Snyder
The Shepherd's Center
PO Box 6052
Charlotte, NC 28207
704-334-4637

MITCHELL
Phyllis Hughes
Mitchell County Senior Center
120 School Road
Bakersville, NC 28705
704-688-3019

MONTGOMERY
Lori Ivey
Cooperative Extension
W. Main Street
Troy, NC 27371-2425
910-576-6011

Theresa Thomas
Montgomery County Senior Center
444 N. Main Street
Troy, NC 27311
910-572-4464

MOORE
Suzanne Cameron
Moore County Dept. On Aging
Box 487
Carthage, NC 28327
910-947-2881

Ernest Hanford
636 Knollwood Village
Southern Pines, NC 28387
910-692-9125

NASH
Armeta Coley, Adm. Asst.
Aging Program
Region L Council of Goverments
309 S. Wesleyan Boulevard
Rocky Mount, NC 27802
919-446-0411

NEW HANOVER
Cheryl Hoffman
RSVP
2222 S. College Road
Wilmington, NC 28403
910-452-6400

NORTHAMTPON
Donna C. Jenkins
J. W. Faison Senior Center
PO Box 644
Jackson, NC 27845
919-534-1012

ONSLOW
Sarah King or Lil Roberts
Council on Aging
PO Box 982, 105 Third Street
Jacksonville, NC 28540
910-455-2747

ORANGE
Katherine Leith
Orange County Dept. On Aging
400 S. Elliott Rd.
Chapel Hill, NC 27514
919-968-2070

PAMLICO
Anne Holton
Pamlico Senior Center
Main Street
PO Box 184
Alliance, NC 28509
919-745-7196

PASQUOTANK
Gwen Stevens
Cooperative Extension
PO Box 1608
Elizabeth City, NC 27906
919-338-3954

Sue Norton
Senior Center
Highway 17 Business
Elizabeth City, NC 27909
919-338-3981

PENDER
Wesley Davis
Pender County Senior Center
PO Box 1251
Burgaw, NC 28425-1251
910-259-9119

PERQUIMANS
Jewel Winslow
Cooperative Extension
PO Box 87
Hertford, NC 27944
919-426-7697

PERSON
Doretha Whitt
121-A Depot Street
PO Box 764
Roxboro, NC 27573
910-599-7484

Bess Hester Whitt
Cooperative Extension
304 S. Morgan St., Rm. 123
Roxboro, NC 27573
910-599-1195

PITT
Janet Bradbury
Council on Aging
PO Box 7272
1717 W. Fifth Street
Greenville, NC 27858
919-752-1717

POLK
Mary Butler
Senior Center
500 Carolina Drive
Tryon, NC 28782
704-859-9707

RANDOLPH
June Lowe
Randolph County Senior Adults
P. O. Box 1852
Asheboro, NC 27204-1852
910-625-3389
[redacted]-252-2899

Martha A. Judge
Cooperative Extension
2222 A South Fayetteville St.
Asheboro, NC 27203
910-318-6000

RICHMOND
Deborah Crandall or Barbara McLean
Cooperative Extension
PO Box 1358
Rockingham, NC 28379
910-997-8255

ROBESON
Linda Locklear
Lumbee Electric Corporation
PO Box 830
Red Springs, NC 28377
910-843-4131 Ext. 251

Tammy Tanner
[redacted]ty Government Center
[redacted] 2280
Lumberton, NC 28358
910-671-3276

ROCKINGHAM
Edna Bunton
Senior Center
201 N. Washington Avenue
Reidsville, NC 27320
910-349-1088

ROWAN
Carol Allen
Senior Services of Rowan County
1120-A Walnut Street
Salisbury, NC 28144
704-636-2344

RUTHERFORD
Dorothy Witcher
[redacted]partment on Aging
[redacted] Callahoon Koon Rd. #132
[redacted]ndale, NC 28160-2219
704-287-6409

SAMPSON
Anna Peele
Cooperative Extension
369 Rowan Road
Clinton, NC 28328
910-592-7161

SCOTLAND
Sybil Sikes
Parks & Recreation
PO Box 1652
Laurinburg, NC 28352
910-277-2585

Joe Knott
8120 Glasgow Drive
Lauringburg, NC 28352-5958
910-277-2584

STANLY
Patsy McNeill or Lori Ivey
Cooperative Extension
26032E Newt Road
Albemarle, NC 28001
704-983-7269

Jody Floyd
Senior Center
283 North Third Street
Albemarle, NC 28001
704-983-7334

STOKES
Marie Dillon White
Senior Center
PO Box 29
Danbury, NC 27016
910-593-8156

SURRY
Elaine Whitaker
Cooperative Extension
PO Box 324
Dobson, NC 27017
910-401-8032 (Direct Line)
910-401-8035 (Main Line)

Phyllis Reynolds
Chatham Memorial Hospital Complex
Parkwood Drive
Elkin, NC 28621
910-526-6000

SWAIN
Bettie Seay
State of Franklin Services for Senior Citizens
PO Box 356
Bryson City, NC 28713
704-488-3047

TRANSYLVANIA
Mary Jordan, RN
Transylvania Community Hospital
PO Box 1116
Brevard, NC 28712
704-884-2007

Marcia Weber
203 Laurel Lane
Brevard, NC 28712
704-883-2953

Ed Judge
11 Amie Dr.
Etowah, NC 28729
704-891-5270

TYRRELL
Dee Furlough
Cooperative Extension
PO Box 209
Columbia, NC 27925
919-796-1581

UNION
Joann Hodge
Council on Aging
PO Box 185
Monroe, NC 28110
704-289-1797

VANCE
Rachel E. Hedrick, Director
Senior Center
126 S. Garnett Street
Henderson, NC 27536
919-430-0257

WAKE
Lisa Gibson
N. C. Department of Insurance
PO Box 26387
Raleigh, NC 27611
919-733-0111

WARREN
Carolyn B. Williams
Senior Center
435 West Franklin Street
Warrenton, NC 27589
919-257-3111

YANCEY
Mildred Renfro
Yancey County Committee on Aging
10 Swiss Avenue
Burnsville, NC 28714
704-682-6011

[redacted]ASHINGTON
Paige Bolz
Cooperative Extension
116 Adams Street
Plymouth, NC 27962
919-793-2163

WATAUGA
Sue Counts
Cooperative Extension
971 W. King Street
Boone, NC 28607
704-264-3061

Sherry Harmon
Watauga County Project on Aging
304 W. King Street
Boone, NC 28607
704-264-2060

WAYNE
Louise B. Phillips
[redacted]vices For the Aged
[redacted] East Walnut, PO Box 227
Goldsboro, NC 27530
919-731-1591

WILKES
Tina Czarnecki
Senior Center
PO Box 2695
North Wilkesboro, NC 28659
910-670-2644

WILSON
Candace Murray
Cooperative Extension
1806 S. Goldsboro Street
Wilson, NC 27895
919-237-0112

YADKIN
Olivia S. Simpson
Cooperative Extension
[redacted] Box 97
[redacted]dkinville, NC 27055
910-679-2061

REQUIREMENTS TO MEET THE 9S RATING FOR INITIAL CERTIFICATION/RE-INSPECTION OF FIRE DEPARTMENTS IN NORTH CAROLINA

Pursuant to G. S. 58-2-40, and G. S. 58-36-10 (3), the Insurance Commissioner authorized the standard known as Administrative Procedures Code Section .0500, **Initial Certification/Re-inspection of Fire Departments.** The result of this action was the development of requirements by which all rural fire departments will be certified with a 9S rating (effective 1987) for insurance grading purposes. This provides for the eligibility of the department's personnel to participate in the Fireman's Pension Fund and the Firemen's Death Benefit Act and the fire department's participation in the Firemen's Relief Fund. The "S" attached to the 9 classification designates that fire department as having met the current, minimum standards for a rated class 9 or split 9 fire department in North Carolina, (Ref: G.S. 86-25; G.S. 58-84.1; G.S. 143-166.1).

In July, 1991, a plan was established to bring all class 9 or split 9 departments up to a level of 9S or split 9S within a three year period (please refer to the document entitled, **New Rating Plan for Class 9S Fire Districts in North** Carolina which is available through your Fire Marshal's Office or the Fire and Rescue Services Division).

The following are minimum requirements which a fire department must meet in order to meet and/or retain the 9S classification:

Fire Department Organization (Section .0503)

1. The fire department shall be incorporated under Chapter 55A of the General Statutes of North Carolina or be operated by a city, county or sanitary district as a division of that governmental unit.

2. If the fire department is incorporated, it shall operate under a contract with either a city, county or sanitary district or an combination thereof.

3. The board of county commissioners shall establish and define the area of responsibility outside of a given municipality. A map and description of the insurance fire district shall be approved by the Fire and Rescue Services Division of the North Carolina Department of Insurance. Changes in the insurance district boundaries shall be noted on an appropriate map and be approved by the Fire and Rescue Services Division (see Section .0507, Items 4 and 5 for map requirements).

Personnel (Section .0504)

1. A. A fire department shall have a minimum of 20 personnel with 18 designated as firefighters and 2 as traffic personnel **or** show through documentation that an

average of 12 firefighters have responded to each of the previous 20 structure fires.

B. Initial certification of a new fire district shall require the 20 personnel roster.

C. Substation: If the 20-personnel option (as described in Section A above) is used, 8 additional firefighters shall be added to the roster for each substation. If the average responding personnel is used by the main station, 4 additional personnel shall be required for each substation.

Meeting and Drills (Section .0505)

1. All members shall comply with the training requirements set forth in 58-86-25, which states that fire departments shall provide four hours monthly of drills and meetings, for a total of 48 hours per year. Each firefighter shall attend at least 36 hours of drills and meetings in each calendar year.

2. While it is left up to the chief of the department to determine what constitutes these 36 hours of meetings and drills, personnel are encouraged to attend as many hours as possible of actual fire training.

Alarm and Communications (Section .0506)

1. Communications must be reliable for reporting of emergencies, notifying firefighters and dispatching apparatus.

2. The system must have a telephone listing for fire emergencies that reaches a location that can receive calls and dispatch apparatus and personnel 24 hours per day.

3. The fire station shall be equipped with a siren or each listed firefighter shall be equipped with a pager capable of being toned by the central communications center.

Records and Documents (Section .0507)

A copy of the following documents shall be available for the Inspector of the Fire and Rescue Services Division on the day of Inspection:

1. Charter (Articles of Incorporation) - indicates that the fire department is chartered as a nonprofit corporation under G.S. 55A through the Secretary of State's Office. If a municipal department operates under municipal government, they will not have a separate charter.

2. Contract with County - this is an agreement between the fire department and the county which gives the fire department the authority to provide fire protection in an area outside of the municipality. If the fire district operates in more than one county, a contract must be obtained from those counties.

3. Verification by city/town - if the fire department is chartered as a part of municipal government, there should be written verification of that recognition.

4. Map and Description - a current map and description of the insurance fire district with a maximum distance of five road miles from the fire station. The district should be indicated on a "one-inch equals one-mile" map which can be obtained from the North Carolina Department of Transportation.

5. Designation of Insurance District - a Designation form, resolution or other verification that the county commissioners have approved the boundaries of the insurance district.

6. Roster of Active Firefighters - this document should show the name, social security number and designation as firefighter or traffic control personnel (see Section 0504, Item 1, for personnel requirements).

7. Service Test on Pumper - the service test on the "first out" pumper must be complete and accurate and have been run within 12 months prior to the fire department inspection. The test should be run the full 40 minutes, form filled out and signed.

8. Certified Weight Tickets - weight tickets from a certified scale showing the gross (full) weight of the "first out" pumper and tanker are required. It is also recommended that all vehicles be periodically weighed.

9. Protective Clothing Form - if the required sets of protective clothing are not available for inspection, a notarized statement indicating the quantity and type of clothing and signed by the chief may be submitted.

The following documents will be reviewed by the inspector on the inspection site but are not needed for Fire and Rescue Services Division files.

1. Alarm Log - records showing the date, time, location, type of alarm and names of responding firefighters.

2. Meetings and Drills - this record should indicate that each firefighter whose name appears on the roster has had a minimum of 36 hours of meetings and drills per year.

3. Inventory of Equipment - this list should include equipment carried on the "first out" pumper and tanker. It is recommended that an inventory of equipment be kept on all department vehicles.

4. Apparatus Check Off List - thorough records should be kept on all apparatus inspections performed on "first out" pumper and tanker. Inspection forms for the previous 12 months will be reviewed and should include items such as lights, brakes, steering, tires, siren, etc.

Apparatus (Section .0508)

A. Pumper (Minimum Requirements)

1. Pumper shall be certified by Underwriters Laboratories, Inc. or National Bureau of Fire Underwriters.

2. Pumper shall be constructed in accordance with NFPA 1901, Standard for Automotive Fire Apparatus.

3. Pumper shall be equipped with a GVW (gross vehicle weight) plate from the manufacturer attached to the vehicle. The vehicle shall not be loaded beyond the specified limits.

4. Pump shall be rated at not less than 500 gpm at 150 psi net pump pressure.

5. Pumper shall be equipped with a minimum 500 gallon tank.

6. As noted above, a complete and accurate service test shall be performed annually; if the pumper has been purchased within the previous twelve months, the UL certificate will meet this requirement.

7. Two, 150-foot, 1 1/2-inch pre-connected hose lines with fog nozzles attached.

8. One booster reel or three pre-connected hose lines.

9. Two, 10-foot sections suction hose - size necessary to flow the capacity of pumper.

10. Four, OSHA-approved self-contained breathing apparatus in good working condition.

11. OSHA approved (at the time of purchase) protective clothing including helmet, coat, pants, boots and gloves for all firefighters. Total number of sets of protective clothing can include reflective vests for traffic personnel (see Section 0507, Item #9 for the Protective Clothing Form provision).

12. One, 12-foot roof ladder.

13. One, 24-foot extension ladder.

14. One, axe.

15. One, crowbar (Halligan Tool can replace crowbar).

16. One, prybar (Halligan Tool can replace prybar).

17. One, pike pole.

18. Two, 6 volt portable hand lights.

19. 100 feet of 1/2" rope.

20. Two, shovels.

21. Two, 20 lb. class B-C portable extinguishers.

22. One, first aid kit

23. One, bolt cutter.

B. Tanker (Minimum Requirements)

1. Tanker shall be equipped with a minimum of 1000 gallons capacity or enough to equal 1500 gallons total for pumper and tanker. Recommended that tanker not exceed 1500 gallons.

2. Tanker shall be equipped with necessary hose for filling tank and hose for transferring water to the pumper.

3. When fully loaded, the tanker shall not exceed the GVW limits as posted on the Gross Vehicle Weight plate located on the vehicle.

4. Tanker shall be properly baffled.

Fire Station Building (Section .0509)

Building shall be provided with suitable heating for all weather protection of required pumper and tanker.

Inspection (Section .0510)

Personnel from the Fire and Rescue Services Division of the North Carolina Department of Insurance shall conduct a field inspection to determine whether the initial certifica- tion requirements have been met. Re-inspections on all rural fire departments, insurance class 9 or split 9, will be conducted on a 2 1/2 to 3-year schedule.

For more information, contact the North Carolina Department of Insurance, Fire and Rescue Services Division, Post Office Box 26387, Raleigh, North Carolina 27611, Telephone 919/733-2142.

2-17-98 att# 2

North Carolina Department of Revenue

James B. Hunt, Jr.
Governor

January 29, 1998

Muriel K. Offerman
Secretary

MEMORANDUM

TO: The Honorable Senator Ed Warren, Chair
The Honorable Senator Jeanne Lucas, Vice Chair
The Honorable Representative Bill Ives, Co-Chair
The Honorable Representative Wilma Sherrill, Co-Chair
The Honorable Representative Eugene McCombs, Co-Chair
Joint Appropriations Subcommittee on General Government

FROM: Thomas L. Dixon, Jr., Director TLD
Criminal Investigations Division

SUBJECT: Criminal Fines

Attached is a schedule of the criminal fines levied in tax cases prosecuted by the Department of Revenue's Criminal Investigations Division. The schedule details by county, the total fines in each of the last three years.

Attachment

P.O. Box 25000, Raleigh, North Carolina 27640
State Courier 51-71-00
An Equal Opportunity / Affirmative Action Employer

CRIMINAL INVESTIGATIONS DIVISION
CRIMINAL FINES

COUNTY	1995	1996	1997
Alamance			
Alexander			
Alleghany			
Anson			
Ashe			
Avery			
Beaufort	4,000.00		
Bertie			
Bladen			
Brunswick			
Buncombe	8,000.00		10,000.00
Burke	50.00	15,000.00	3,000.00
Cabarrus			
Caldwell		1,000.00	10,000.00
Camden			
Carteret			
Caswell			
Catawba	500.00		
Chatham			
Cherokee			
Chowan			1,000.00
Clay			
Cleveland			
Columbus		2,500.00	
Craven			400.00
Cumberland	5,000.00	10,000.00	25,000.00
Currituck			
Dare			
Davidson			
Davie			
Duplin		10,000.00	
Durham	1,500.00	350.00	
Edgecombe			
Forsyth		16,000.00	
Franklin			

CRIMINAL INVESTIGATIONS DIVISION
CRIMINAL FINES

COUNTY	1995	1996	1997
Gaston			
Gates	5,000.00		
Graham			
Granville			
Greene			
Guilford			
Halifax			
Harnett			
Haywood	3,000.00		
Henderson			
Hertford			
Hoke			
Hyde			
Iredell	3,500.00		1,500.00
Jackson	2,500.00		
Johnson			
Jones			
Lee			
Lenoir			
Lincoln			
Macon			
Madison			
Martin			
McDowell			
Mecklenburg	30,000.00	8,300.00	13,000.00
Mitchell			
Montgomery			
Moore			
Nash		10,000.00	
New Hanover			
Northampton			
Onslow	1,250.00		
Orange			
Pamlico			
Pasquotank			

CRIMINAL INVESTIGATIONS DIVISION
CRIMINAL FINES

COUNTY	1995	1996	1997
Pender			
Perquimans	9,500.00		
Person			
Pitt			
Polk			
Randolph	11,000.00		
Richmond			
Robeson	4,000.00		
Rockingham			
Rowan			
Rutherford			
Sampson			
Scotland	6,500.00		
Stanley			
Stokes			
Surry			
Swain			
Transylvania			
Tyrrell			
Union			
Vance			
Wake		200.00	37,000.00
Warren			
Washington			
Watauga			
Wayne		6,000.00	
Wilkes		5,000.00	
Wilson			
Yadkin			
Yancey			
Out of State		38,150.00	
TOTALS	**95,300.00**	**122,500.00**	**100,900.00**

State of North Carolina

Personal Services and Employee Benefits

For the Fiscal Years 1996 and 1997

	Fiscal Years Ended June 30			
	1997	**1996**	**Change**	**% Change**
State Agency				
Higher Education	$ 1,864,761,811	$ 1,751,218,899	$ 113,542,912	6.48%
Public Education [1]	57,614,691	60,667,622	(3,052,930)	(5.03%)
Human Resources	628,839,558	611,654,477	17,185,081	2.81%
Correction	585,304,269	521,112,730	64,191,539	12.32%
Transportation	475,927,368	456,884,667	19,042,701	4.17%
Judicial	231,095,146	218,992,466	12,102,680	5.53%
Other	784,229,055	736,499,088	47,729,967	6.48%
Total	$ 4,627,771,897	$ 4,357,029,949	$ 270,741,949	6.21%

[1] This amount does not include teachers' salaries.
The technical assistance centers worked through June 30, 1996. therefore there was a decrease in salary for June 30, 1997.

2-11-98 att #3

TOTAL NUMBER OF STATE GOVERNMENT PERMANENT POSITIONS FUNDED IN THE STATE BUDGET BY AGENCY

For the Fiscal Years 1988-1997 *Table 14*

State Agency	Fiscal Years Ended June 30									
	1997	1996	1995	1994	1993	1992	1991	1990	1989	1988
Education:										
Public education [1] ..	126,453	116,235	113,123	108,649	108,539	106,847	107,077	105,244	103,223	98,333
Higher education.....	31,012	31,012	30,094	29,611	31,621	28,702	28,225	30,478	29,866	29,435
Community colleges.....	10,135	10,555	10,814	10,892	10,660	10,076	10,005	9,626	9,251	9,945
Total Education.....	167,600	157,802	154,031	149,152	150,820	145,625	145,307	145,348	142,340	137,713
% Annual growth.....	**6.21%**	**2.45%**	**3.27%**	**(1.11)%**	**3.57%**	**0.22%**	**(0.03)%**	**2.11%**	**3.36%**	
% Cumulative growth.....	**21.70%**	**14.59%**	**11.85%**	**8.31%**	**9.52%**	**5.75%**	**5.51%**	**5.54%**	**3.36%**	
All Other:										
Human Resources.....	18,373	18,373	18,191	17,753	17,159	17,008	17,155	16,823	18,028	17,951
% Annual growth.....	**0.00%**	**1.00%**	**2.47%**	**3.46%**	**0.89%**	**(0.86)%**	**1.97%**	**(6.68)%**	**0.43%**	
% Cumulative growth.....	**2.35%**	**2.35%**	**1.34%**	**(1.10)%**	**(4.41)%**	**(5.25)%**	**(4.43)%**	**(6.28)%**	**0.43%**	
Correction.....	19,099	18,879	17,890	13,592	13,336	13,176	12,426	11,209	10,044	8,777
% Annual growth.....	**1.17%**	**5.53%**	**31.62%**	**1.92%**	**1.21%**	**6.04%**	**10.86%**	**11.60%**	**14.44%**	
% Cumulative growth.....	**117.60%**	**115.10%**	**103.83%**	**54.86%**	**51.94%**	**50.12%**	**41.57%**	**27.71%**	**14.44%**	
Transportation.....	16,536	16,411	16,593	15,451	15,556	15,096	15,127	14,560	14,189	14,760
% Annual growth.....	**0.76%**	**(1.10)%**	**7.39%**	**(0.67)%**	**3.05%**	**(0.20)%**	**3.89%**	**2.61%**	**(3.87)%**	
% Cumulative growth.....	**12.03%**	**11.19%**	**12.42%**	**4.68%**	**5.39%**	**2.28%**	**2.49%**	**(1.36)%**	**(3.87)%**	
Judicial.....	5,124	4,978	5,002	4,915	4,628	4,471	4,474	4,271	4,093	4,004
% Annual growth.....	**2.93%**	**(0.48)%**	**1.77%**	**6.20%**	**3.51%**	**(0.07)%**	**4.75%**	**4.35%**	**2.22%**	
% Cumulative growth.....	**27.97%**	**24.33%**	**24.93%**	**22.75%**	**15.58%**	**11.66%**	**11.74%**	**6.67%**	**2.22%**	
Other.....	17,138	16,904	16,921	16,186	15,425	15,267	15,574	15,468	14,023	13,912
% Annual growth.....	**1.38%**	**(0.10)%**	**4.54%**	**4.93%**	**1.03%**	**(1.97)%**	**0.69%**	**10.30%**	**0.80%**	
% Cumulative growth.....	**23.19%**	**21.51%**	**21.63%**	**16.35%**	**10.88%**	**9.74%**	**11.95%**	**11.18%**	**0.80%**	
Total Positions.....	243,870	233,347	228,628	217,049	216,924	210,643	210,063	207,679	202,717	197,117

[1] This figure includes local educational agencies receiving funding by State appropriation for elementary and secondary school teachers.

Source: North Carolina Office of State Budget and Management

N.C. population (1000's)	**7,437**	**7,322**	**7,194**	**7,070**	**6,954**	**6,837**	**6,752**	**6,632**	**6,569**	**6,483**
Annual growth	**1.57%**	**1.78%**	**1.75%**	**1.67%**	**1.71%**	**1.26%**	**1.81%**	**0.96%**	**1.33%**	
Cumulative growth	**14.72%**	**12.94%**	**10.97%**	**9.05%**	**7.27%**	**5.46%**	**4.15%**	**2.30%**	**1.33%**	

State of North Carolina

Personal Services and Employee Benefits

For the Fiscal Years 1996 and 1997

	Fiscal Years Ended June 30			
	1997	**1996**	**Change**	**% Change**
State Agency				
Higher Education	$ 1,864,761,811	$ 1,751,218,899	$ 113,542,912	6.48%
Public Education [1]	57,614,691	60,667,622	(3,052,930)	(5.03%)
Human Resources	628,839,558	611,654,477	17,185,081	2.81%
Correction	585,304,269	521,112,730	64,191,539	12.32%
Transportation	475,927,368	456,884,667	19,042,701	4.17%
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Other	784,229,055	736,499,088	47,729,967	6.48%
Total	$ 4,627,771,897	$ 4,357,029,949	$ 270,741,949	6.21%

[1] This amount does not include teachers' salaries.
The technical assistance centers worked through June 30, 1996. therefore there was a decrease in salary for June 30, 1997.

2-17-98 Att #4

Prepared by Office of the State Controller

TOTAL NUMBER OF STATE GOVERNMENT PERMANENT POSITIONS FUNDED IN THE STATE BUDGET BY AGENCY

For the Fiscal Years 1988-1997 *Table 14*

State Agency	Fiscal Years Ended June 30									
	1997	1996	1995	1994	1993	1992	1991	1990	1989	1988
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Public education [1] ..	126,453	116,235	113,123	108,649	108,539	106,847	107,077	105,244	103,223	98,333
Higher education.....	31,012	31,012	30,094	29,611	31,621	28,702	28,225	30,478	29,866	29,435
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Total Education.....	167,600	157,802	154,031	149,152	150,820	145,625	145,307	145,348	142,340	137,713
% Annual growth.....	**6.21%**	**2.45%**	**3.27%**	**(1.11)%**	**3.57%**	**0.22%**	**(0.03)%**	**2.11%**	**3.36%**	
% Cumulative growth.....	**21.70%**	**14.59%**	**11.85%**	**8.31%**	**9.52%**	**5.75%**	**5.51%**	**5.54%**	**3.36%**	
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% Annual growth.....	**0.00%**	**1.00%**	**2.47%**	**3.46%**	**0.89%**	**(0.86)%**	**1.97%**	**(6.68)%**	**0.43%**	
% Cumulative growth.....	**2.35%**	**2.35%**	**1.34%**	**(1.10)%**	**(4.41)%**	**(5.25)%**	**(4.43)%**	**(6.28)%**	**0.43%**	
Correction.....	19,099	18,879	17,890	13,592	13,336	13,176	12,426	11,209	10,044	8,777
% Annual growth.....	**1.17%**	**5.53%**	**31.62%**	**1.92%**	**1.21%**	**6.04%**	**10.86%**	**11.60%**	**14.44%**	
% Cumulative growth.....	**117.60%**	**115.10%**	**103.83%**	**54.86%**	**51.94%**	**50.12%**	**41.57%**	**27.71%**	**14.44%**	
Transportation.....	16,536	16,411	16,593	15,451	15,556	15,096	15,127	14,560	14,189	14,760
% Annual growth.....	**0.76%**	**(1.10)%**	**7.39%**	**(0.67)%**	**3.05%**	**(0.20)%**	**3.89%**	**2.61%**	**(3.87)%**	
% Cumulative growth.....	**12.03%**	**11.19%**	**12.42%**	**4.68%**	**5.39%**	**2.28%**	**2.49%**	**(1.36)%**	**(3.87)%**	
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Other.....	17,138	16,904	16,921	16,186	15,425	15,267	15,574	15,468	14,023	13,912
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% Cumulative growth.....	**23.19%**	**21.51%**	**21.63%**	**16.35%**	**10.88%**	**9.74%**	**11.95%**	**11.18%**	**0.80%**	
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Annual growth	**1.57%**	**1.78%**	**1.75%**	**1.67%**	**1.71%**	**1.26%**	**1.81%**	**0.96%**	**1.33%**	
Cumulative growth	**14.72%**	**12.94%**	**10.97%**	**9.05%**	**7.27%**	**5.46%**	**4.15%**	**2.30%**	**1.33%**	

2-17-98 att#5

02/13/1998

CAROLIANCE

Your Alliance for Health Plan Choice

ACTIVE GROUPS

COUNTY	GROUP NAME	CITY
Alamance	Albright Electric Company	Burlington
Alamance	All Pro Video	Burlington
Alamance	Bason's Superior Carpet Cleaning	Burlington
Alamance	Isley Insurance	Burlington
Alamance	Kirk and Kirk Enterprises	Glen Raven
Alamance	Miss Nell's School	Burlington
Alamance	Personal Elder Care	Elon College
Alamance	United Way of Alamance County	Burlington
Alexander	Alexander County Chamber of Commerce	Taylorsville
Alexander	Pressley Building Company	Taylorsville
Alleghany	J.B. Reed Agency, Inc.	Sparta
[redacted]any	Stoney Knob Farm	Piney Creek
[redacted]	Classic Landscapes Inc.	Polkton
Ashe	Blue Ridge Medical Transport, Inc.	Jefferson
Ashe	Cardinal Tree Farms	West Jefferson
Ashe	Graham Electric Co.,Inc.	Todd
Ashe	Jon Marc Dept. Store	West Jeffeson
Ashe	Moore Solutions of NC, Inc	Crumpler
Ashe	North Fork Electric	Crumpler
Ashe	Rathey Communictions	West Jefferson
Ashe	Shatley Springs Gift Shop	Crumpler
Ashe	Steve Blind Construction	Fleetwood
Ashe	Strategics, Inc.	Crumpler
Avery	Avery/Banner Elk Chamber of Commerce	Banner Elk
Avery	Beech Mountain Area Chamber of Commerce	Beech Mountain
Avery	Crossnore Presbyterian Church	Crossnore
Beaufort	Jim Hudson Auction	Grimes Land
Bertie	J.B. Cherry Insurance Agency, Inc.	Windsor
Bladen	Ronald W. Paugh Machinist	Clarkton
Brunswick	First Baptist Church of Oak Island	Long Beach
[redacted]wick	Parsons Drywall Inc	Calabash
Buncombe	A Cook's Gallery	Asheville

CAROLIANCE
Your Alliance for Health Plan Choice

ACTIVE GROUPS

COUNTY	GROUP NAME	CITY
Buncombe	A Way With Words	Asheville
Buncombe	Absolute Automobile Insurance Agy, Inc.	Asheville
Buncombe	Accucraft, Inc.	Weaverville
Buncombe	Affordable Mufflers	Asheville
Buncombe	Air Care of Asheville, Inc.	Asheville
Buncombe	Air Craftsman Heating & Cooling,Inc.	Asheville
Buncombe	All Car Insurance Agency	Asheville
Buncombe	Allen Funk's Wallpapers	Asheville
Buncombe	Alpha International	Leicester
Buncombe	American Lifestyle Communities, Inc.	Asheville
Buncombe	Applewood Manor Inn	Asheville
[illegible]mbe	Asheville Center for Group & Family Therapy	Asheville
[illegible]mbe	Asheville Downtown Holdings, LTD	Asheville
Buncombe	Asheville Hearing Aid Center, Inc.	Asheville
Buncombe	Asheville Marine & Sports Center Inc.	Black Mountain
Buncombe	Asheville Mortuary Services, Inc.	Asheville
Buncombe	Asheville Pet Supply	Asheville
Buncombe	Asheville Tourist Baseball Club	Asheville
Buncombe	Asheville Wine Market	Asheville
Buncombe	Barber Shop	Weaverville
Buncombe	Black Mountain Billy's	Black Mountain
Buncombe	Blue Ridge Transcription	Asheville
Buncombe	Braswell Scale & Equipment Co., Inc.	Asheville
Buncombe	Bristlecone Consulting Company	Asheville
Buncombe	Brooks Forms & Systems, Inc.	Asheville
Buncombe	Burdett S. Atkinson	Asheville
Buncombe	Burnice Dwight Dotson	Asheville
Buncombe	C & J Enterprises	Arden
Buncombe	C.I.E. of VA & West VA	Asheville
Buncombe	Cairn Brae B&B	Asheville
[illegible]nbe	Canine Country Club	Asheville
Buncombe	Carol C. Bourke	Asheville

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ACTIVE GROUPS

COUNTY	GROUP NAME	CITY
Buncombe	Caroliance Western Region	Asheville
Buncombe	CAROLINA E.D.M.	Arden
Buncombe	Carpet Connection	Asheville
Buncombe	Casts of Thousands	Asheville
Buncombe	Cathedral of All Souls	Asheville
Buncombe	Century 21 Associates Ltd.	Arden
Buncombe	Christmount Christian Assembly, Inc.	Black Mountain
Buncombe	Clifton Means Contractors	Asheville
Buncombe	CMA	Asheville
Buncombe	Commercial Carrier Insurance Services, Inc	Asheville
Buncombe	Communication Service, Inc.	Asheville
[redacted]mbe	CPC	Fairview
[redacted]mbe	Daisy Mountain, LLC	Barnardsville
Buncombe	David West Company	Asheville
Buncombe	Dixie Auto Repair	Arden
Buncombe	Donegans' Daylilies	Leicester
Buncombe	Doris R. Bailey, Realtor	Arden
Buncombe	Drew Corp.	Asheville
Buncombe	Ed Mackie Contractror	Asheville
Buncombe	Elliot Construction Company Inc.	Asheville
Buncombe	Farm Equipment Co. of Asheville, Inc.	Asheville
Buncombe	Faulkner's Tune-Up Service, Inc	Asheville
Buncombe	Forehand-Stamper, Inc	Asheville
Buncombe	Forest Designs Inc	Fletcher
Buncombe	Forrest B Smith Music	Asheville
Buncombe	Four C's Jewelry	Asheville
Buncombe	Frayar Performance, Inc	Asheville
Buncombe	Freedom Contracting Group,Inc.	Asheville
Buncombe	Gateway Floral Mart, Inc	Asheville
Buncombe	George Morosani & Associates	Asheville
[redacted]nbe	Gladstone Road Productions, Inc.	Arden
Buncombe	Great Western Management Company	Asheville

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ACTIVE GROUPS

COUNTY	GROUP NAME	CITY
Buncombe	Grizzly's Truck Service	Asheville
Buncombe	Gum & Hillier, P.A.	Asheville
Buncombe	Henderson's Floor Covering	Weaverville
Buncombe	I WANNA	Asheville
Buncombe	Ice Service, Inc	Asheville
Buncombe	ImageSmith	Asheville
Buncombe	Irene Wortham Center	Asheville
Buncombe	Irene Wortham Residential Center,Inc	Asheville
Buncombe	Jack A Hunnicutt Accounting	Weaverville
Buncombe	James Shuler Trucking	Candler
Buncombe	James W. Taylor	Montreat
[redacted]mbe	JCM Construction	Asheville
[redacted]mbe	Juno Tire & Service Center, Inc	Asheville
Buncombe	Karen D. Scanzoni, CPA	Asheville
Buncombe	KME, Incorporated	Asheville
Buncombe	Ledford's Auto Sales	Leicester
Buncombe	Lentz Cabinets & Sales	Fletcher
Buncombe	Lifestyle Homes of Distinction	Asheville
Buncombe	Magic Show Video	Candler
Buncombe	Mama Gertie's Hideaway Campground	Swannanoa
Buncombe	Mama T's Infant Care	Weaverville
Buncombe	McNees Graphics, Inc.	Asheville
Buncombe	MEDA Corporation	Asheville
Buncombe	Micheal E. Casterline P.A.	Asheville
Buncombe	Miller's Mountain Lodge	Asheville
Buncombe	Mountain Tennis	Black Mountain
Buncombe	N.C. GASP, Inc.	Asheville
Buncombe	Northside Printing Company	Weaverville
Buncombe	Norvell Mays Trucking	Asheville
Buncombe	Owens Digital	Asheville
[redacted]nbe	Pamela A. Hester	Black Mountain
Buncombe	Peak Swimming	Asheville

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ACTIVE GROUPS

COUNTY	GROUP NAME	CITY
Buncombe	PECO	Arden
Buncombe	Pinnacle Engineers P.C.	Asheville
Buncombe	Precision Products Performance Center, Inc.	Arden
Buncombe	Prince Marketing, Inc.	Fairview
Buncombe	Profit Builder,Inc.	Asheville
Buncombe	R.S. Gursky	Swannanoa
Buncombe	Ravenscroft Family Health Ctr, Inc	Asheville
Buncombe	Ray & Allen Funeral Service, Inc	Asheville
Buncombe	Ready Rental and Sales, Inc	Asheville
Buncombe	Regional Allergy & Asthma Consultants	Asheville
Buncombe	Rhulon T. Fowler	Asheville
[redacted]mbe	Rice Alignment Service	Asheville
[redacted]mbe	Robin Collins Hair Design	Asheville
Buncombe	Russ Davis	Fairview
Buncombe	Sales Associates	Arden
Buncombe	Sammi A McCombs	Asheville
Buncombe	Samson Corporation	Swannanoa
Buncombe	Service Engineering Company	Asheville
Buncombe	Shadowbrook Golf & Games	Black Mtn
Buncombe	Showcase Exteriors	Asheville
Buncombe	SMS	Arden
Buncombe	Southern Hospitality Hotels & Resorts, Inc.	Asheville
Buncombe	SPARC	Asheville
Buncombe	Stevens Electric Co Inc	Asheville
Buncombe	Summersette Coatings	Black Mountain
Buncombe	Summey Inc.	Asheville
Buncombe	Sun Stuff of Asheville	Asheville
Buncombe	Swannanoa Laundry, Inc.	Asheville
Buncombe	Synergisms Unlimited, Inc.	Candler
Bu[redacted]mbe	SYSADMIN SERVICES,INC.	Asheville
B[redacted]nbe	T & Company, Inc.	Asheville
Buncombe	The Blake House Inn	Arden

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ACTIVE GROUPS

COUNTY	GROUP NAME	CITY
Buncombe	The Eagle/Market Streets Development Corporation	Asheville
Buncombe	The Hare & The Tortoise	Black Mountain
Buncombe	The Insurance Connection,Inc.	Asheville
Buncombe	Titan Earthworks	Fletcher
Buncombe	Transformation Solutions, Inc.	Fletcher
Buncombe	Trinity Baptist Church	Asheville
Buncombe	Tumbleweed Ent	Asheville
Buncombe	WeighSouth, Inc.	Asheville
Buncombe	West Star	Asheville
Buncombe	Wheeler Construction Company, Inc.	Weaverville
Buncombe	Wilder Wadford, PA	Weaverville
Buncombe	William A. Barnes Jr. PA	Weaverville
Buncombe	William C. Morris, III	Asheville
Buncombe	Williams Plating Company,Inc.	Arden
Buncombe	WJF Enterprises, LTD	Asheville
Buncombe	Worth W Hester	Black Mountain
Burke	D&R Hosiery	Connelly Springs
Burke	Stephens Sign & Erection Co.,Inc.	Hildebran
Cabarrus	Bentley's Construction Co.	Concord
Cabarrus	Bryan L. Echols	Concord
Cabarrus	Conductive Metals, Inc.	Concord
Cabarrus	David Hough Trucking	Concord
Cabarrus	Fabric Warehouse	Concord
Cabarrus	First In Sight Optometric Clinic, P.A.	Concord
Cabarrus	Gilliam Enterprises Inc.	Concord
Cabarrus	Golden Opportunities	Concord
Cabarrus	Home Town Mart,Inc.	Concord
Cabarrus	Intech Fire & Security	Kannapolis
Cabarrus	J & D Roofing	Concord
Cabarrus	Jiffy Quick	Kannapolis
Cabarrus	Precision Color & Chemical, Inc.	Concord
Cabarrus	ProMet Investigations	Concord

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ACTIVE GROUPS

COUNTY	GROUP NAME	CITY
Cabarrus	Rimer Auto Repair	Mt. Pleasant
Cabarrus	The Designer Studio	Kannapolis
Cabarrus	Wil-Grove Barber Shop	Charlotte
Caldwell	American Trade & Loan, Inc.	Lenoir
Caldwell	Bryan Hollar Nursery	Lenoir
Caldwell	Dream Homes of Cat Valley	Caldwell
Caldwell	Kelley's Sports & Awards, LLC	Lenoir
Caldwell	Mackie's Furniture Store, Inc.	Granite Falls
Caldwell	Mary V. Fox, Self Employed	Lenoir
Caldwell	Tempmasters	Granite Falls
Caldwell	Triplett's Furniture Fashions, Inc.	Lenoir
[redacted]ell	Upton Valley Nursery, Inc	Colletsville
[redacted]en	Belcross Bake Shoppe	Camden
Carteret	Ballou Trucking Co.	Morehead City
Carteret	Crystal Coast Landscaping	Morehead City
Carteret	Crystal Palate	Morehead City
Carteret	David Sledge Real Estate	Morehead City
Carteret	Dr. Paul Martinez	Newport
Carteret	Hinebaugh Associates	PineKnoll Shores
Carteret	Homeshield	Morehead City
Carteret	Interface Counseling & Consulting, Inc.	Beaufort
Carteret	Mike's Place	Emerald Isle
Carteret	Scearce & Ketner	Swansboro
Carteret	Schloemer Builders, Inc.	Salter Path
Carteret	Shirley S. Rule	Morehead City
Carteret	Steve Ballou Homes	Morehead City
Carteret	Taylor Boat Works	Morehead City
Carteret	Wachovia Bank: Julia Norris	Morehead City
Caswell	Carter's Satellite TV Systems	Elon College
Catawba	A Better Answering Service	Hickory
[redacted]a	Avia Sports	Hickory
Catawba	Battery Outlet	Hickory

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ACTIVE GROUPS

COUNTY	GROUP NAME	CITY
Catawba	Benfield & Associates	Conover
Catawba	Bowman Trailer Park	Consur
Catawba	Buck's Construction Co	Hickory
Catawba	CSM International, Inc.	Hickory
Catawba	Ever Green Landscape Management, Inc.	Hickory
Catawba	Gregory Delivery Service	Hickory
Catawba	Hair Twist Beauty Salon	Claremont
Catawba	Mayer & Associates	Hickory
Catawba	Rehabilitation Consultants of Hickory, P.A.	Hickory
Catawba	Shell's Flowers and Gifts	Claremont
Catawba	Tom Hester Electric	Conover
C[redacted]ba	Wave Communications/Doulos Prod	Hickory
C[redacted]ba	Winebarger Grocery	Springs Road
Chatham	Allan R Forbes II	Chapel Hill
Chatham	RAFI-USA	Pittsboro
Cherokee	Green Music Co.	Murphy
Cherokee	Mountain Office Systems	Murphy
Cherokee	Quality Discount Furniture	Andrews
Cherokee	Wohlgamuth's Services	Murphy
Chowan	Bonanza, Inc.	Edenton
Chowan	White's Country Store	Edenton
Clay	Christie C Rogers	Brasstown
Clay	Clay Insurance Services, Inc	Hayesville
Clay	Health-Life Retirement Plans	Hayesville
Clay	Puma Chemical	Hayesville
Clay	Roger Donaldson Farms	Hayesville
Clay	Sewell & Associates	Hayesville
Clay	Shewbird Farms, Inc.	Hayesville
Clay	Test	Raleigh
Cl[redacted]	Test Group 2	Asheville
C[redacted]nd	Field Studies Center of NC	Asheville
Cleveland	The Beeper Store	Shelby

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ACTIVE GROUPS

COUNTY	GROUP NAME	CITY
Columbus	ADPC	Whiteville
Craven	Landscape Design & Maintenance	New Bern
Craven	Movie Madness, Inc.	Havelock
Craven	Online Structural Services	Cove City
Craven	Porterfield & Company	New Bern
Craven	River Bend Properties	New Bern
Craven	Thornton Refrigeration Service	New Bern
Cumberland	American Uniform Sales, Inc. of Fayetteville	Fayetteville
Cumberland	Arvin Lewis Johnson Farming	Linden
Cumberland	Ben T. Monk Real Estate Services	Fayetteville
Cumberland	Bradford Instrumentation Ser. Co.-Robert Hill	Fayetteville
Cumberland	Crassweller Inc.	Fayetteville
Cumberland	D & R Refrigeration	Fayetteville
Cumberland	David Meadows	Fayetteville
Cumberland	Diane's Day Care	Fayetteville
Cumberland	Faymont Baptist Church	Fayettville
Cumberland	Fit For A Queen	Fayetteville
Cumberland	Fun,Fun,Fun, Inc	Fayetteville
Cumberland	Investment	Fayetteville
Cumberland	Jim Graves & Associates	Fayetteville
Cumberland	Legion Road Citgo	Hope Mills
Cumberland	Malvin Waters Trucking Inc.	Fayetville
Cumberland	Parks Chapel Free Will Baptist Church	Fayetteville
Cumberland	R E Mason Enterprises, Inc.	Fayetteville
Cumberland	RGM Construction	Fayeville
Cumberland	ROTC Specialties	Hope Mills
Cumberland	Stone Mark Financial	Fayetteville
Cumberland	Wet Willie's Car Washes	Hope Mills
Cumberland	Winfrey & Leslie, Attorneys At Law	Fayetteville
Dare	Baywatch	Kill Devil Hills
Dare	Charles R. Snyder Floor Covering	Manteo
Dare	Computer Solutions	Kill Devil Hills

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ACTIVE GROUPS

COUNTY	GROUP NAME	CITY
Dare	Curtis Petry Construction	Frisco
Dare	Daniel E Fenyak Realtor	Kill Devil Hills
Dare	Daniels Mechanical	Manteo
Dare	Dare Equipment Co.	Kill Devil Hills
Dare	Homecare Construction	Kill Devil Hills
Dare	Just For the Beach Inc	Duck
Dare	Sea Breeze Studio	Kill Devil Hills
Dare	Sparrow Advertising	Manteo
Dare	William P. Snyder	Kitty Hawk
Davidson	Coggins Memorial Baptist Church Child Develop. Ct	Lexington
Davidson	Davidson Landscape Nursery	High Point
D[redacted]on	Fisher Painting Service	Winston Salem
D[redacted]on	Gramar Construction	Lexington
Davidson	JRW Enterprises Inc.	Thomasville
Davidson	Michael J. Phillips, MD	Lexington
Davidson	Randy's Mart # 1, Inc.	Thomasville
Davidson	Rodney Thrift Body & Paint	Thomasville
Davidson	Simpson Mechanical	Thomasville
Davidson	Smith Bros Oil Co.	Winston-Salem
Davidson	Spoon & Company	Highpoint
Davidson	The Men's Den	Lexington
Davie	Miller Sheet Metal Shop	Mocksville
Duplin	George Elwood Garner III	Kenansville
Duplin	Huron L. Grimes Jr.	Faison
Duplin	Industrial Power & Lighting Inc.	Wallace
Duplin	Johnny L. Honeycutt	Clinton
Duplin	Radical Roots, LLC.	Kenansville
Durham	Alpha Management Services	Durham
Durham	Artable Wares	Durham
Durham	Brainard Associates	Durham
D[redacted]m	Carol K. Price	Durham
Durham	Caroliance	Durham

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ACTIVE GROUPS

COUNTY	GROUP NAME	CITY
Durham	CheckGuard Systems, Inc.	Durham
Durham	El Centro Hispano Inc	Durham
Durham	George Stevens Insurance Agency, Inc	Durham
Durham	Good Work	Durham
Durham	Gossett Construction	Durham
Durham	Greater Joy Baptist Church	Durham
Durham	Greater St.Paul Missionary Baptist Church	Durham
Durham	Home Care Companion Services	Durham
Durham	Housewright Remodeling	Durham
Durham	Institute for Southern Studies	Durham
Durham	Molly H. Lewis,Realtor	Durham
Durham	North Carolina Preservation Consortium,Inc	Durham
Durham	Performance Plus	Creedmoor
Durham	Piper's Deli Inc.	Durham
Durham	Quality Brake Center	Durham
Durham	R.E. Abraham & Associates, Inc.	Durham
Durham	Rags to Riches Theatre for Young Audiences	Durham
Durham	Ralph Thompson Agency	Durham
Durham	Robin F. Peaks, Real Estate Sales	Durham
Durham	Ruby's Rock-A-By-Baby	Durham
Durham	Saint James Baptist Church	Durham
Durham	Sarah's Florist	Durham
Durham	Shear Dimensions	Durham
Durham	ST. MARKS AME ZION CHURCH-TRUSTEES	Durham
Durham	Tender Loving Home Day Care	Durham
Durham	Valarie D Stevens	Durham
Durham	Vision Technologies, Inc.	Durham
Durham	Yates Baptist Church	Durham
Edgecombe	Beauti Control Cosmetics	Tarboro
Edgecombe	Deluxe Cleaners	Tarboro
Edgecombe	St. James Baptist Church	Rocky Mount
Forsyth	Business Systems Consulting	Walkertown

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ACTIVE GROUPS

COUNTY	GROUP NAME	CITY
Forsyth	Carol J. Beard	Winston-Salem
Forsyth	Carpet Associates, Inc.	Winston-Salem
Forsyth	Cue 'N Spirits	Winston-Salem
Forsyth	Dea's Repo Service	Tobaccoville
Forsyth	Doug Livengood Photographer-Author	Winston-Salem
Forsyth	Employee Assistance Provider	Winston-salem
Forsyth	ERD	Winston Salem
Forsyth	Gary E. & Viki F. Bell	Winston-Salem
Forsyth	Green Horizons, Inc.	Pfafftown
Forsyth	Ideal Printing Service	Winston Salem
Forsyth	James Foster McClean	Winston Salem
[redacted]	Jay's Place	Winston-Salem
[redacted]	Jean L Whitley	Winston-Salem
Forsyth	Konnoak Shell, Inc.	Lexington
Forsyth	L.A.B. Trucking	Kernersville
Forsyth	L.B. Harris Fence Co.	Pfafftown
Forsyth	Lenny Cohen Photography	Winston-Salem
Forsyth	M.T. Gathings & Associates	Winston-Salem
Forsyth	Mayberry Ice Cream Restaurant	Winston-Salem
Forsyth	McClearen Design	Winston-Salem
Forsyth	Safeguard Business Systems	Winston-Salem
Forsyth	Shallowford Farms	Lewisville
Forsyth	Tosa, Inc.	Winston-Salem
Forsyth	Wicks (N) Sticks	Winston Salem
Franklin	Angies House of Beauty	Louisburg
Franklin	E. Smoak Ackerman Jr., DDS	Franklinton
Franklin	Union View Baptist Church, Inc.	Franklinton
Franklin	William Shelton Associates, Inc	Louisburg
Gaston	Affordable Mortgage, Inc.	Mt. Holly
[redacted]	Baker Furniture Co,Inc.	Cramerton
[redacted]	Capp-It Electric Service Co.	Mt. Holly
Gaston	Carolinas Construction Co.	Mt.Holly

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ACTIVE GROUPS

COUNTY	GROUP NAME	CITY
Gaston	Clippard's ,Inc.	Stanley
Gaston	Cooke Enterprises	Gastonia
Gaston	Cornerstone Christian Center	Gastonia
Gaston	Dave's Food Mart	Gastonia
Gaston	Dotson's Fish Fry	Belmont
Gaston	East Gaston Heating & Air Conditioning	Mt. Holly
Gaston	Gaston Family Health Services,Inc.	Gastonia
Gaston	Jim Furr Realty	Mt.Holly
Gaston	Perrigo Heating and Air Conditioning	Mount Holly
Gaston	Postell Landscaping	Gastonia
Gaston	Ronco Construction	Belmount
[redacted]	Rushing Winds Studios	Dallas
[redacted]	SDL Construction, Inc.	Mt. Holly
Gaston	Shake Shop	Cherryville
Gaston	The Gastonia Housing Authority	Gastonia
Gaston	The Mane Attraction	Gastonia
Granville	Blevins Air Conditioning & Electrical Service,Inc.	Creedmoor
Granville	C U Electric, Inc.	Oxford
Granville	H & E Well Drilling Inc	Creedmoor
Granville	Walker's Grocery & Grill	Stem
Greene	Brann's Heating & Air Inc.	Farmville
Guilford	Andrew & Lyse Beauty	Greensboro
Guilford	Barleys Sand & Gravel A Division of C & C Sand	High Point
Guilford	Carolina Casters & Equipment, Inc.	Greensboro
Guilford	Cinema Visuals, L.L.C.	Greensboro
Guilford	Classic Designs	High Point
Guilford	Conex Forest Products Inc.	Greensboro
Guilford	Dabbs Furniture Co.Inc.	Greensboro
Guilford	Digger Enterprises, Inc.	High Point
Guilford	Digital Progressions, Inc	Greensboro
[redacted]	Dr. Cindy Nykamp	Greensboro
Guilford	Greater Metropolitan Church	Greensboro

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ACTIVE GROUPS

COUNTY	GROUP NAME	CITY
Guilford	Gregory Hardy Hinson	High Point
Guilford	Hatley & Associates, Inc.	Greensboro
Guilford	Horton Realty & Development Co.	High Point
Guilford	Integrated Data Systems, Inc	Greensboro
Guilford	It Solutions 2000,Inc.	Greensboro
Guilford	KIDS Inc.	Greensboro
Guilford	Linda Tavernise Graphics	Greensboro
Guilford	Lovett's Mobil Marts	Greensboro
Guilford	Lowell's Plumbing Inc.	Greensboro
Guilford	Marc Bush	Greensboro
Guilford	Michael F. Luther & Assoc.	High Point
[redacted]	Motor Sports, Inc.	Greensboro
[redacted]	NET WHYS	Greensboro
Guilford	Paragon Management & Consulting	Greensboro
Guilford	Planworks, Inc.	Greensboro
Guilford	Popka Supply,Inc.	High Point
Guilford	Randy's Produce	Greensboro
Guilford	Scan Tech Inc	Greensboro
Guilford	Southside Tavern	High Point
Guilford	T. Moreland & Associates, LLC	Greensboro
Guilford	The Sales Factory, Inc.	Greensboro
Guilford	Watson Mechanical,Inc.	Browns Summit
Guilford	William H. Porterfield ,CPA	Greensboro
Halifax	Entertainment Connection	Roanoke Rapids
Halifax	M C Harris, Ins	Roanoke Rapids
Halifax	P & J Auto Sales & Service	Roanoke Rapids
Halifax	Prime Time Magazine	Roanoke Rapids
Halifax	Scotfield Pro Shop	Enfield
Harnett	Advance Marketing	Burlington
Harnett	Frank Murray Real Estate & Appraisals	Lillington
[redacted]	Randy G. Stone Welding	Coats
Harnett	Service Cleaners,Inc.	Erwin

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ACTIVE GROUPS

COUNTY	GROUP NAME	CITY
Haywood	Albert M. Neal, Jr. Attorney	Canton
Haywood	Bicycle Outfitters	Waynesville
Haywood	Haywood Appliance	Clyde
Haywood	Jonathan Creek Inn	Maggie Valley
Haywood	Joshua Tree Furniture Co.	Waynesville
Haywood	Kindred Reeves	Lake Junaluska
Haywood	Media Mart, Inc.	Waynesville
Haywood	Michael F. Kennedy, CPA	Waynesville
Haywood	Robert Hart, MD	Clyde
Haywood	Waynesville Tire Inc.	Waynesville
Henderson	A & A Bonding Agency, Inc.	Hendersonville
H[redacted]rson	Bull Pen	Hendersonville
H[redacted]rson	Carol Lee Antiques	Flat Rock
Henderson	Down To Earth	Hendersonville
Henderson	FSI of Asheville	Fletcher
Henderson	George T. Williams Agency	Hendersonville
Henderson	Hendersonville Furniture Outlet, Inc.	Hendersonville
Henderson	Hill Trucking	Horseshoe
Henderson	Jackson Funeral Service	Hendersonville
Henderson	Ledford's Discount	Fletcher
Henderson	Leisure Craft Inc	Hendersonville
Henderson	Morrow Financial Services, Inc.	Hendersonville
Henderson	Pleasant Surroundings,Inc.	Flat Rock
Henderson	Polchow & Foster	New Orleans
Henderson	Quality Photo	Hendersonville
Henderson	Swanson Co.	Hendersonville
Henderson	The Furry Gourmet	Hendersonville
Henderson	Travel Plaza, Inc.	Naples
Henderson	Western Carolina Insulation	Hendersonville
Hertford	Southeastern Cable Products, Inc.	Ahoskie
I[redacted] North	Massage Works Inc	Statesville
Iredell - North	Accurate Appliance & Refrigeration Co.	Mooresville

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ACTIVE GROUPS

COUNTY	GROUP NAME	CITY
Iredell - North	B & W Wholesale	Mt. Mourne
Iredell - North	Bolt Express	Statesville
Iredell - North	Courier Automotive Body Shop	Statesville
Iredell - North	Dealer Concepts	Mooresville
Iredell - North	Deal-Rite Feed, Inc.	Statesville
Iredell - North	Designer Tile & Marble Inc.	Statesville
Iredell - North	Edmiston Realty Co.	Statesville
Iredell - North	First Discount Travel	Hwy 150 & I77
Iredell - North	K.A. Watt Construction	Statesville
Iredell - North	Kipp Carr Associates, Inc.	Statesville
Iredell - North	Lake Norman Muffler	Morresville
Iredell - North	Lake Norman Sign Center, Inc	Mooresville
Iredell - North	Miller Drafting Service	Statesville
Iredell - North	Nicholson Funeral Home, Inc.	Statesville
Iredell - North	Patterson Financial Associates	Mooresville
Iredell - North	Printcrafters, Inc.	Statesville
Iredell - North	S.M. Service Co.,Inc.	Mt. Mourne
Iredell - North	Slade, Inc.	Mooresville
Iredell - North	Speight Auto Sales Inc.	Statesville
Iredell - North	Statesville Jewelry & Loan, Co	Statesville
Iredell - North	TIPCO	Mooresville
Iredell - North	Warlick Paint Company, Inc.	Statesville
Iredell - North	Wayne E. Rogers Realty	Troutman
Iredell - South	Independent Quality Engineering	Mooresville
Iredell - South	Overcash Environmental Services,Inc.	Mooresville
Iredell - South	Reflections Hair Salon	Mooresville
Iredell - South	Southeast Chemical Sales	Mooresville
Iredell - South	Stallings Electric	Mooresville
Iredell - South	Todd W. Carey & Assoc of the Carolinas, PA	Mooresville
Jackson	Articulate Ink	Sylva
Jackson	B Loveland Contracting	Sapphire
Jackson	Cullowhee Service Center	Cullowhee

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ACTIVE GROUPS

COUNTY	GROUP NAME	CITY
Jackson	Hoopers Building Supply	Sylva
Jackson	James M Herren, DMD, PA	Sylva
Jackson	Loft Gallery	Dillsboro
Jackson	Ned D. Smith Sr	Cherokee
Jackson	Rhoads Excavating	Balsam
Jackson	Sylva Psychological Associates,PA	Sylva
Jackson	Sylva Supply Company,Inc.	Sylva
Johnston	Bill McArtan Concrete Construction	Princton
Johnston	Maron & Company	Willow Springs
Johnston	McLamb's Car Sales	Benson
Johnston	Royce Johnson Construction	Four Oaks
L	Certified Machine	Sanford
L	Good Neighbor Convenience Store	Sanford
Lee	R-K Smith & Associates, Inc	Broadway
Lincoln	Hull's 66 Service Station	Vale
Lincoln	The Glover House	Terrell
Lincoln	Wesley Shane Huss	Lincolnton
Macon	Arthur D. Haley	Franklin
Macon	Franklin Area Chamber of Commerce	Franklin
Macon	Gem Stone Cottages	Franklin
Macon	Gold-N-Clipper	Highlands
Macon	Highlands Office Supply	Highlands
Macon	House of Lord	Highlands
Macon	Iotla Baptist Church	Franklin
Macon	Lee's Trucking	Franklin
Macon	Mountain Wholesale	Highlands
Macon	Natural Nails	Franklin
Macon	Quinlan Estate Antiques, Inc	Franklin
Macon	Russell Robison	Franklin
Macon	Steven C Cox, MD	Franklin
M	Tastinger's Floor Covering	Franklin
Macon	Wilson Gas Service & Wilson Fuel Oil Service	Highlands

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ACTIVE GROUPS

COUNTY	GROUP NAME	CITY
Madison	Joseph W Penlan1d Co.	Marshall
Madison	Zenina Farms,Inc.	Marshall
Martin	Harris Feed Company Co, Inc	Williamston
McDowell	Family Services of McDowell County, Inc	Marion
McDowell	Jamlet Music	Marion
Mecklenburg	Action Resources Programs Inc	Charlotte
Mecklenburg	Adams Distributing Co.	Charlotte
Mecklenburg	Advertising & Marketing Services, Inc	Charlotte
Mecklenburg	Altura Environmental, Inc.	Charlotte
Mecklenburg	B & B Vending, Inc	Charlotte
Mecklenburg	Bakers Shoe Service	Charlotte
M[redacted]nburg	Brisbane Tutoring Center,Inc.	Charlotte
M[redacted]nburg	Bryant Communications, Inc	Matthews
Mecklenburg	Burton Engineering Associates, PC	Charlotte
Mecklenburg	Calvin W. Chesson, Attorney-At-Law	Charlotte
Mecklenburg	Can Am Concepts Inc.	Charlotte
Mecklenburg	Carter & Associates	Charlotte
Mecklenburg	Charlotte Maternal-Fetal Medicine Center,PA	Charlotte
Mecklenburg	Charlotte Motor Inn	Charlotte
Mecklenburg	Chief Executive Assistance, Inc	Charlotte
Mecklenburg	Child Nutrition Program,Inc.	Charlotte
Mecklenburg	Color Mystique of the Carolinas, Inc.	Charlotte
Mecklenburg	Cormier Food Sales	Charlotte
Mecklenburg	Crater Investments.LTD.	Cornelius
Mecklenburg	Custom Glass Works, Inc	Charlotte
Mecklenburg	Dairy Queen	Charlotte
Mecklenburg	Dancewear & More!	Charlotte
Mecklenburg	David M. Thompson/ Artist	Charlotte
Mecklenburg	David Oosting, Inc.	Huntersville
Mecklenburg	Delta-Wye Electric Company	Charlotte
M[redacted]burg	Designer Furnishings Mrketplace, Inc	Mathews
Mecklenburg	Dexter Insurance Associates	Charlotte

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ACTIVE GROUPS

COUNTY	GROUP NAME	CITY
Mecklenburg	Dukes Financial Group	Charlotte
Mecklenburg	Eagle Cleaners	Matthews
Mecklenburg	East Coast Bible College	Charlotte
Mecklenburg	Ed Means Ins. Agency	Charlotte
Mecklenburg	Father Richard Bakley	Charlotte
Mecklenburg	Fisher Sales, Inc.	Charlotte
Mecklenburg	Fuddruckers	Huntersville
Mecklenburg	George Brown Assoc	Charlotte
Mecklenburg	Gold Line Express	Charlotte
Mecklenburg	Hal Tribble Architect	Charlotte
Mecklenburg	Hinson Investigations	Charlotte
[redacted]nburg	Home Repair Services	Huntersville
[redacted]nburg	Home Team Fans, LLC	Charlotte
Mecklenburg	Horizon Products, Inc.	Charlotte
Mecklenburg	Invisible Fencing of the Carolinas	Charlotte
Mecklenburg	J.G. Trucking Company	Charlotte
Mecklenburg	Jax Enterprises Incorporated	Charlotte
Mecklenburg	Jersey Mike's Subs	Matthews
Mecklenburg	JM Management	Charlotte
Mecklenburg	John S. Sullivan Insurance	Matthews
Mecklenburg	Judy T. Drake, Owner	Matthews
Mecklenburg	Julian B. Snipes, Real Estate Brokers	Charlotte
Mecklenburg	K Highsmith, Inc.	Charlotte
Mecklenburg	Karen B. Mendenhall	Charlotte
Mecklenburg	L.D. Baker & Associates	Huntersville
Mecklenburg	L.S. Rankin & Company	Charlotte
Mecklenburg	Leonard P. Chalnick, C.P.A. J.D.	Cornelius
Mecklenburg	Linda S. Morgan	Charlotte
Mecklenburg	Lisa C. Bell Attorney At Law	Charlotte
Mecklenburg	Little Flower Asst. Living Residence	Charlotte
[redacted]nburg	Management Recruiters of CLT-North, Inc.	Charlotte
Mecklenburg	Maples Bookkeeping & Tax Service	Charlotte

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ACTIVE GROUPS

COUNTY	GROUP NAME	CITY
Mecklenburg	Masa Wholesale International	Charlotte
Mecklenburg	Matthews Holiday Haus	Matthews
Mecklenburg	Megan Macconnachie	Charlotte
Mecklenburg	Metrolina Native American Association	Charlotte
Mecklenburg	Michael H. Delong, Sales Rep	Charlotte
Mecklenburg	Miller Direct	Charlotte
Mecklenburg	Modern Haircutters	Charlotte
Mecklenburg	Money Mailer of the Carolinas	Charlotte
Mecklenburg	Money Mailer of the Piedmont	Cornelius
Mecklenburg	Moving Pictures	Charlotte
Mecklenburg	Nuray	Charlotte
Mecklenburg	Overman & Associates, Inc.	Charlotte
Mecklenburg	Park Road Shopping Center Inc	Charlotte
Mecklenburg	Pharr Retreading Inc.	Huntersville
Mecklenburg	Pineville Creamery	Pineville
Mecklenburg	Piranha Industries, Inc.	Charlotte
Mecklenburg	Plaza Road Baptist Church	Charlotte
Mecklenburg	Precision Builders, Inc.	Charlotte
Mecklenburg	Pressure Werks, Inc	Charlotte
Mecklenburg	Quality Products	Charlotte
Mecklenburg	Queenstowne Realty of Charlotte,Inc.	Charlotte
Mecklenburg	RE Consults	Charlotte
Mecklenburg	Reliable Music	Charlotte
Mecklenburg	Richard Friedman Associates,Inc.	Charlotte
Mecklenburg	Sharon R. Murdock	Charlotte
Mecklenburg	Shelley Blum Attorney at Law	Charlotte
Mecklenburg	Sherrill A. Summerfield	Huntersville
Mecklenburg	Signs Now	Charlotte
Mecklenburg	Small Business Resource Center	Charlotte
Mecklenburg	Southern Insurance Services Inc.	Matthews
Mecklenburg	Strategic Solutions	Charlotte
Mecklenburg	Tamara P. Frazier	Charlotte

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ACTIVE GROUPS

COUNTY	GROUP NAME	CITY
Mecklenburg	Tania L. Leon, P.A.	Charlotte
Mecklenburg	TCL Enterprises	Cornelius
Mecklenburg	Techniques Dental Lab Inc.	Charlotte
Mecklenburg	The Ballet School of Charlotte	Charlotte
Mecklenburg	The Cabinet Company	Charlotte
Mecklenburg	The Miramar Company	Charlotte
Mecklenburg	The Roger D Dixon Co Inc	Charlotte
Mecklenburg	Thomas Printers	Charlotte
Mecklenburg	Thrift Management	Charlotte
Mecklenburg	William N. Homan, Realtor	Charlotte
Mitchell	Kathy Buchanan	Spruce Pine
M[redacted]ll	The Klondyke Co.	Spruce Pine
M[redacted]omery	Carolina Forest Assoc, Inc	Troy
Montgomery	Dexter P. Gibson, Pastor	Troy
Moore	Basco Windshield Repair	Southern Pines
Moore	Carerway Freight Service	Southern Pines
Moore	Doris Leslie Day Care	Souther Pines
Moore	Edu Care Day Care & Preschool	Pinhurst
Moore	Frank's Food Center,Inc	Carthage
Moore	Fry and Prickett Funeral Home	Carthage
Moore	Harris and Son Construction Co.,Inc.	West End
Moore	PMI Professional Management	Southern Pines
Moore	PMI Tally Associates, Inc	Southern Pines
Moore	Rebel Clipper Dog Grooming on Wheels	Southern Pines
Moore	Resort Fire And Safety Equipment Co	Pinehurst
Moore	Sanford Distributing Co Inc	West End
Moore	Skyline Farms	Southern Pines
Nash	Dan Carpenter Co.	Rocky Mount
Nash	Dunkin Donuts	Rocky Mount
Nash	Herndon Burns Associates	Rocky Mount
N[redacted]	Interiors By Design	Rocky Mt
Nash	L J Brokers, Inc.	Rocky Mount

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ACTIVE GROUPS

COUNTY	GROUP NAME	CITY
Nash	Positive Action For Christ, Inc.	Rocky Mount
Nash	Quartermaster Co. of Rocky Mount	Rocky Mount
Nash	Whitaker Gin Co, Inc.	Whitakers
Nash	Wholesale Paint Center, Inc	Rocky Mount
New Hanover	API Affemann Personel Services International	Wilmington
New Hanover	Brickhouse Accounting	Wilmington
New Hanover	Gregg Futch Home Sales	Jacksonville
New Hanover	Little Professor Book Center	Wilmington
New Hanover	Miracle Ear-Sears	Wilmington
New Hanover	Nautilus Wellness Center	Wilmington
New Hanover	Seabreeze Contractors, Inc	Wilmington
N[redacted]anover	Sound Management Inc.	Wilmington
N[redacted]mpton	Farmers Feed & Supply Company	Rich Square
Onslow	Holly Ridge Church of God	Holly Ridge
Onslow	Jarman's Tax Service	Jacksonville
Onslow	Mark Younghans Painting	Jacksonville
Onslow	Ormond Insurance Agency, Inc	Jacksonville
Onslow	Prince Real Estate	Sneads Ferry
Onslow	T M Marketing	Jacksonville
Orange	A Helping Hand, Inc.	Chapel Hill
Orange	Aesculapius	Chapel Hill
Orange	Atwater Farm	Chapel Hill
Orange	Bright Conceptions	Chapel Hill
Orange	Carolina Farm Stewardship Association	Pittsboro
Orange	Day Care For Children	Chapel Hill
Orange	Democracy South	Chapel Hill
Orange	Gabriel, Menefee & Assoc Inc	Carrboro
Orange	Gregory Herman-Giddens, Atty at Law	Chapel Hill
Orange	Grimball & Stokes Jewelers	Chapel Hill
Orange	Karen Murphy, Attorney	Chapel Hill
C[redacted]	Katherina S. Underhill, Real Estate	Chapel Hill
Orange	Kay Charles Woods Builder	Hurdle Mills

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ACTIVE GROUPS

COUNTY	GROUP NAME	CITY
Orange	Linda B. Baudoin Realtor	Chapel Hill
Orange	Orange Rural Fire Department No. 1	Hillsborough
Orange	Packaging & Design Associates	Chapel Hill
Orange	Randall Wilson Plumbing	Hillsborough
Orange	Sarah Titus	Chapel Hill
Orange	Signal Books	Chapel Hill
Orange	Simchock Stone Masonry, Inc.	Durham
Orange	TriPoint Properties	Chapel Hill
Orange	William J Mullen	Carrboro
Pasquotank	Ascencion Recordings Inc	Elizabeth City
Pasquotank	Bray, Inc of the Albermarle	Elizabeth City
P otank	Duke Supply Co. Inc.	Elizabeth City
P otank	Headlights, Inc.	Elizabeth
Pasquotank	Meads Electrical Services	Elizabeth Cityq
Pasquotank	William L. Jackson, Sr.	Elizabeth City
Pender	Blizzard Apts.	Surf City
Pender	The Greater Topsail Area Chamber of Commerce	Surf City
Perquimans	B & C Welding	Hertford
Perquimans	Gary Underhill Attorney at Law	Hertford
Perquimans	Michelle's Family Haircare	Hertford
Perquimans	Swindell Funeral Home	Hertford
Perquimans	Video Zone	Hertford
Perquimans	Viking Silver Workers	Hertford
Pitt	Caroliance Eastern Region	Greenville
Pitt	Cherry's Parrs & Repair	Stokes
Pitt	Christianna's Family Care Home	Winterville
Pitt	Congregation Bayt Shalom	Greenville
Pitt	Gawlik Violin Shop	Greenville
Pitt	Habitat for Humanity of Greenille/Pitt Cnty	Greenville
Pitt	His and Her Hair Salon	Farmville
P	Jackson's Upholstery	Greenville
Pitt	Johnson's Jewelers	Greenville

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ACTIVE GROUPS

COUNTY	GROUP NAME	CITY
Pitt	Kues Pharmacy	Farmville
Pitt	Larry's Carpet One	Greenville
Pitt	McCarthy Family Chiropractic	Greenville
Pitt	Mediation Center of Eastern Carolina	Greenville
Pitt	Prime Printers, Inc.	Ayden
Pitt	Sascorp, Inc	Greenville
Pitt	Speedy Blue Printers, Inc.	Greenville
Randolph	Balfour Baptist Church	Asheboro
Randolph	Caraway Speedway	Sophia
Randolph	Carolina Utility Building	Asheboro
Randolph	Clark Janitorial Service	Asheboro
Randolph	Duel Audio and Video	Asheboro
Randolph	Seagrove Furniture Distributors	Asheboro
Randolph	W. Michael's by the Creek	Seagrove
Richmond	Allen's Wholesale Produce	Rockingham
Richmond	Compatable Computers	Rockingham
Richmond	Doyle's Flying Service	Rockingham
Richmond	Helms Jewelers, Inc	Rockingham
Richmond	Richmond County Chamber of Commerce, Inc	Rockingham
Robeson	E & R Farms	Lumberton
Robeson	Evans Roofing	Lumberton
Robeson	J. Nicholas Fax Jr., MDPE	Lumberton
Robeson	Percival and Moore Timber Sales and Management	Lumberton
Robeson	Rev. Jimmy L. Hunt	Lumberton
Robeson	Southeastern Ear, Nose & Throat Clinic,PA	Lumberton
Rockingham	International Computer Concepts,Inc.	Madison
Rockingham	Keith Foster	Reidsville
Rowan	Foxfire Lanes	Kannapolis
Rowan	Misty Horton	Salisbury
Rowan	P & J Tire & Diesel Service	Salisbury
Rowan	Protech Fabrication, Inc	Mt Ulla
Rowan	Stock Car Steel & Aluminum	Mooresville

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ACTIVE GROUPS

COUNTY	GROUP NAME	CITY
Rowan	The Trophy Center	Salisbury
Rowan	Tracy Everhart	Salisbury
Rowan	Van Lathem,Inc.	Salisbury
Rutherford	Ann's Restaurant	Forest City
Rutherford	Camp's Well & Pump Co.	Ellenboro
Rutherford	Gene's Recycling	Mooresboro
Sampson	Bell Realty	Clinton
Sampson	Family Care Clinic	Clinton
Sampson	Gayle J Parker	Clinton
Sampson	Haywood Jordan Welding	Clinton
Sampson	James Hubbard Butler Farms,Inc.	Clinton
S[redacted]son	James K Jones Consulting Forestor	Clinton
S[redacted]son	Jordan & Jordan Gro. Store	Clinton
Sampson	Raymond Tracy Weeks	Clinton
Sampson	Rev. Timothy P. Gore	Warsaw
Sampson	Senior Benefits Corp.	Roseboro
Sampson	Wendy Goodrich Hairdresser	Salemburg
Scotland	Gracenote Records Inc	Laurinburg
Scotland	John M> McLean Construction Co	Wagram
Scotland	R. Brent Sexton	Laurinburg
Scotland	Williams Marketing	Laurinburg
Stanly	Burris Trucking	Albemarle
Stanly	Charley's Dairy Bar & Restaurant	Albemarle
Stanly	Dot Calloway, Avon Distributor	Albemarle
Stanly	Garmon Mechanical Service	Norwood
Stanly	New Images Hair	Albemarle
Stanly	Robert D. Lee Farm	Albemarle
Stanly	Royal Chemical Company	Albemarle
Stanly	Rushing Jewelers	Albemarle
Stanly	Security Pest Control	Albemarle
S[redacted]	Tommy L Beatty	Stanfield
Stokes	Eaton Plumbing Co.	King

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ACTIVE GROUPS

COUNTY	GROUP NAME	CITY
Stokes	Smurf's Tavern	Danbury
Stokes	The Drapery Shop	Tobaccoville
Surry	Emcott Corporation	Mt. Airy
Surry	Kenneth A Smith,Attorney at Law	Pilot Mountain
Surry	Ray Short	Mt. Airy
Surry	Westfield Superette	Westfield
Surry	Wilhite's Automotive Machine Shop,Inc	Mt. Airy
Swain	Bob Interior Design	Bryson City
Swain	Century 21 Showcase Properties	Bryson City
Swain	Colville Equipment Company	Bryson City
Swain	Mountain Auto Electric, Inc	Bryson City
S	The Cherokees	Cherokee
S	Village Grocery	Cherokee
Transylvania	Bradley Real Estate,Inc.	Brevard
Transylvania	Chimney Sweep by George	Hendersonville
Transylvania	Cradle of Forestry	Brevard
Transylvania	Fissure Corporation	Lake Toxaway
Transylvania	Kenneth T. Ayers Handcrafted Furniture	Brevard
Transylvania	Marsalona	Lake Toxaway
Transylvania	Nicholson & Nicholson Accountants,Inc.	Brevard
Transylvania	Poets, Prophets & Pastries	Brevard
Transylvania	Quality Mt. View Homes	Brevard
Transylvania	Singleton Auto Sales, Inc.	Brevard
Transylvania	Suzanne Karnatz(Portrait Artist)	Brevard
Transylvania	Thomas Emma	Pisgah Forest
Transylvania	Trans Construction, Inc.	Brevard
Transylvania	Tripoli Systems LTD	Lake Toxaway
Tyrrell	Gibbs Motors	Columbia
Tyrrell	Sunnyside Elevator Inc.	Creswell
Un	AllCar - Monroe- Insurance Agency	Monroe
U	AMS Contractors	Monroe
Union	Bennetts Drywall, Inc	Monroe

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ACTIVE GROUPS

COUNTY	GROUP NAME	CITY
Union	Bess Farms	Marshville
Union	Blanchard Machine Works,Inc.	Monroe
Union	Brand Waterbeds & Furniture Inc	Monroe
Union	Caroliance	Monroe
Union	Carolina Appraisal Co, Inc	Monroe
Union	Carolina Cylinder Head Service, Inc	Monroe
Union	Carpenter Associates	Monroe
Union	Cedar Hill Farms	Waxhaw
Union	Cleaner Cars Unlimited LLC	Indian Trail
Union	Couick Concrete Finishing	Monroe
Union	Crystal	Marshville
U	DANSEA, Inc.	Waxhaw
U	David Plyler Farms	Monroe
Union	Durkin Tile Contractors, Inc.	Waxhaw
Union	Forbis Broome Woodworks, Inc	Monroe
Union	Forester Trucking Inc.	Marshville
Union	G & M Home Improvement	Monroe
Union	G.W.'S Tile & Marble	Waxhaw
Union	H & H Farm Machine Co. Inc.	Indian Trail
Union	Harold Little Turkey Farm	Marshville
Union	Interior Design & Artist	Waxhaw
Union	Jim Jones & Associates, Inc.	Matthews
Union	K & P Plumbing Co.	Monroe
Union	Kathryn Louise Wiltshire	Indian Trail
Union	Landscape Design	Monroe
Union	Lanny Simpson Farms	Monroe
Union	Lawn Care & Landscaping	Monroe
Union	Lucas Lawn & Landscaping	Indian Trail
Union	Mangum's Used Cars and Parts	Monroe
Un	Marsh Enterprise	Wingate
U	McCray Wholesale Grocery Co. Inc.	Monroe
Union	Monroe Chain Saw & Lawn Mower Co.	Monroe

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ACTIVE GROUPS

COUNTY	GROUP NAME	CITY
Union	Mullis Welding & Hydraulic Repair	Wingate
Union	RMG	Monroe
Union	Shirley Carpenter	Monroe
Union	Smith Contracting	Indian Trail
Union	Smith Enterprises	Monroe
Union	Softwise Development Services	Mattthews
Union	Southern Service Company	Waxhaw
Union	Steven R Patty, DDS	Monroe
Union	The Prudential Carolinas Realty	Monroe
Union	Triple R Farms	Marshville
Union	Triple T Farms	Monroe
U[redacted]	Union Accounting Services, Inc.	Monroe
U[redacted]	Union Exterminating Company	Monroe
Union	Union Plumbing Supply,Inc	Marshville
Union	Unity Christian Fellowship, NC	Monroe
Union	W.E. Damon & Associates	Monroe
Union	Walter Pate	Monroe
Union	Water Outlet, Inc.	Monroe
Union	Williams Porta-Jon	Monroe
Union	Wingate Excavating & Utilities	Wingate
Vance	Henderson Truss and Component	Henderson
Vance	Ninth District Community Penalities	Henderson
Wake	Aerobic Dance Classes & Skin Care	Raleigh
Wake	Allen Funk's Wallpaper	Cary
Wake	Alton Corporation	Raleigh
Wake	Arabela Coble	Raleigh
Wake	Atlantic Avenue Lawn & Garden Center, Inc.	Raleigh
Wake	Atlantic Systems Inc.	Raleigh
Wake	Barbara J. Rutledge	Apex
Wa[redacted]	Barbara Savage	Cary
W[redacted]	Blank Frank Records, Inc	Raleigh
Wake	Carle & Montanari, USA Inc.	Raleigh

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ACTIVE GROUPS

COUNTY	GROUP NAME	CITY
Wake	Classic Interior Repair	Apex
Wake	Cliff's Maytag Home Appliance Center,Inc	Cary
Wake	David G. Morris Realty	Apex
Wake	Discount Cleaners	Raleigh
Wake	Elizabeth A. Flagler	Raleigh
Wake	Environmental Landkeepers, Inc.	Raleigh
Wake	Hampton & Associates Communications	Raleigh
Wake	Insurance Education Systems, Inc.	Raleigh
Wake	Jacqueline's Restaurant at the Plantation	Raleigh
Wake	James Elwood King Jr., CPA	Garner
Wake	Jane Morris Designs	Raleigh
[redacted]	Jeffery P Gupton	Raleigh
[redacted]	John J Marks M.D. P.A.	Raleigh
Wake	John R. Moore Insurance Agency	Raleigh
Wake	John-Phillip Reuer	Raleigh
Wake	Joseph Grantham	Raleigh
Wake	L & J Enterprises	Raleigh
Wake	La Caprese, Inc.	Cary
Wake	Louis H. Mann	Raleigh
Wake	LubriChem, Inc.	Raleigh
Wake	M & J Sales / Jenny Leventry	Raleigh
Wake	Margaret Scott Lynch	Raleigh
Wake	Massey's Roffler Family Hair Center	Raleigh
Wake	McLean's Barber Shop	Fuquay-Varina
Wake	NC-aeyc	Raliegh
Wake	Network South Inc	Raleigh
Wake	Powell's Nursery	Holly Springs
Wake	Pullen Memorial Baptist Church	Raleigh
Wake	Raleigh Chocolate Factory	Raleigh
[redacted]	Raleigh Tire, Inc.	Raleigh
[redacted]	RWW Consulting,Inc.	Louisburg
Wake	Southern Ventures, Inc	Clayton

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ACTIVE GROUPS

COUNTY	GROUP NAME	CITY
Wake	Steve Hoff Real Estate Agent	Raleigh
Wake	The Planatation Inn Resort	Raleigh
Wake	Vitalink Communications	Raleigh
Warren	A & L Trucking Inc.	Norlina
Warren	Norlina Manufacturing Co. Inc.	Norlina
Warren	Quality Crafters	Warrenton
Washington	Bell Grey Farms	Creswell
Watauga	Accents	Blowing Rock
Watauga	Advertising Specialty Kaleidoscope	Boone
Watauga	Bandana's BBQ & Grill	Boone
Watauga	Bear Mountain Forge, Inc	Sugar Grove
W ga	Blue Ridge Auto Sales	Boone
W ga	DeWoolfson Down International, Inc.	Banner Elk
Watauga	Green Group Inc.	Boone
Watauga	Henderson Financial Services	Boone
Watauga	Howard F. Worsey	Boone
Watauga	J. Ret Inc.	Blowing Rock
Watauga	Magic Mountain Mini Gold	Boone
Watauga	Management Recruiters of Boone	Valle Crucis
Watauga	MedAccess, Inc	Boone
Watauga	MLMP, Inc	Boone
Watauga	Phillips Properties	Boone
Watauga	Presnells Auto Shop	Boone
Wayne	Ottis Penny	Stantonsburg
Wilkes	Anne Phillips Interiors	N.Wilkesboro
Wilkes	Excel Motorsports	Ronda
Wilkes	Ferrell Properties Farm	Boomer
Wilkes	First Discount Travel	North Wilkesboro
Wilkes	Foster Poultry Farm	Wilkesboro
Wil s	Learning Systems Inc.	Moravian Falls
W	Mastin Recreational Services	N. Wilkesboro
Wilkes	Mulberry Tabernacle	N. Wilkesboro

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ACTIVE GROUPS

COUNTY	GROUP NAME	CITY
Wilkes	Payne Power Equipment, Inc.	Wilkesboro
Wilkes	Riverview Rentals	Ronda
Wilkes	Vanhoy Electric Co.	State Road
Wilson	Ever Ready Landscaping & Lawn Maintenance Inc.	Wilson
Wilson	Phillip L. Batchelor	Wilson
Wilson	Tiara	Wilson
Yadkin	Boonville Flower & Decor,Inc.	Boonville
Yadkin	Courtney Grocery	Yadkinville
Yadkin	D & J Motors	Jonesville
Yadkin	Derek and Tamika Cave	Boonville
Yadkin	Hausco	Yadkinville
[redacted]	Larry Gillenwater, Jr	East Bend
[redacted]	Norman's Grading Inc.	East Bend
Yancey	Charles F. Price	Burnsville
Yancey	Holcombe Brothers Funeral Home	Burnsville
Yancey	Topco	Burnsville

2-17-98 att #6

NORTH CAROLINA



STATEWIDE ACCOUNTS RECEIVABLE REPORT

For the Year Ended June 30, 1997

North Carolina Office of the State Controller

Edward Renfrow, State Controller

State of North Carolina
Office of the State Controller
Statewide Accounts Receivable Report
November 1997

The Office of the State Controller is responsible for the Statewide Accounts Receivable Program. The authority originates from North Carolina General Statute 147-86.20-.27. In fulfilling the reporting requirements, the Office of the State Controller provides you with the Statewide Accounts Receivable Report for fiscal year end June 30, 1997, displayed in a three-year analysis of receivables format.

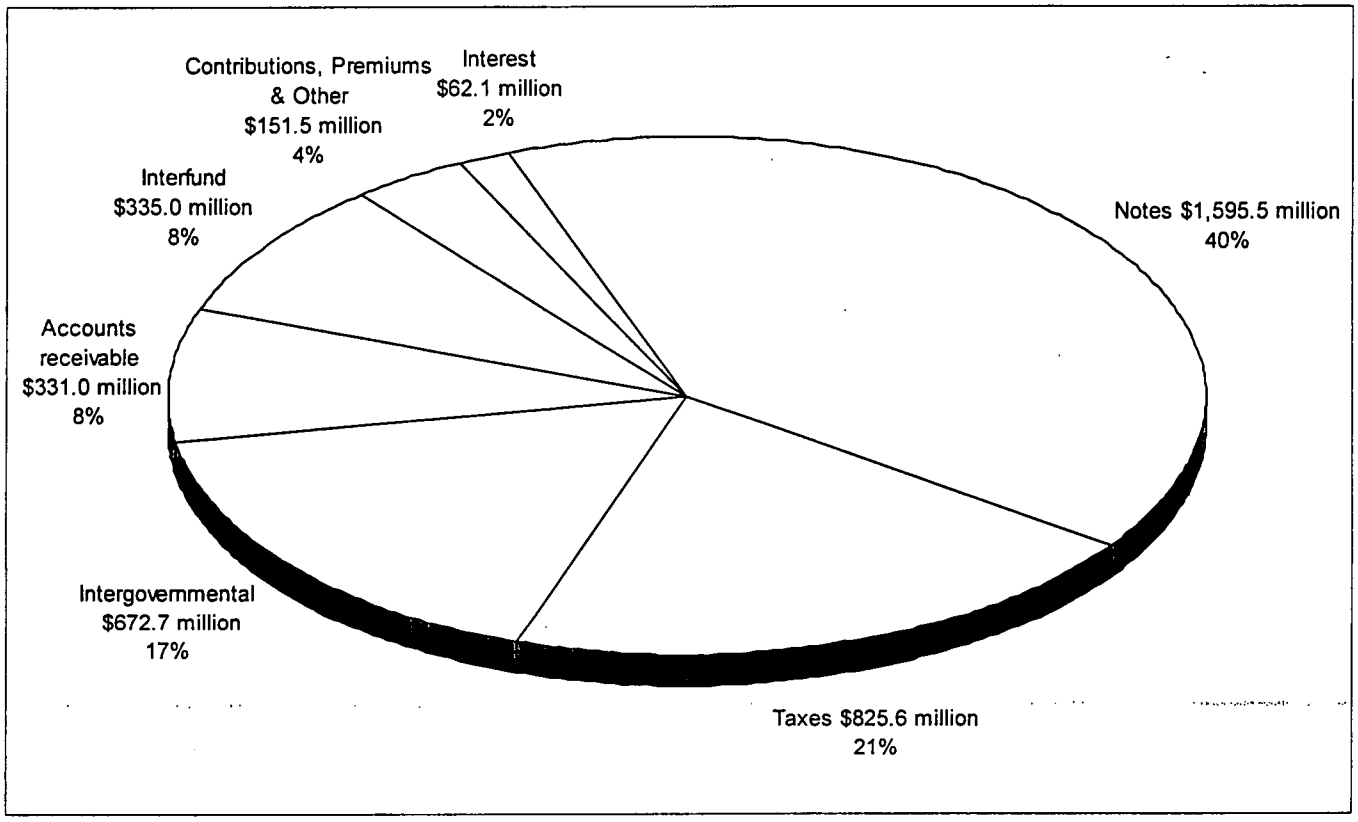
The 1997 report marks completion of our first endeavor to fully integrate all receivable types shown on the Comprehensive Annual Financial Report's combined balance sheet. The new additional receivable types include both Interfund and Notes. Interfund receivables consist of four line items. These are entitled: Due from other funds, Due from component units, Due from primary government, and Advances to component units. Notes receivable is also shown as a separate line item. Consequently, as a result of these new additions, the total receivables in this year's report are considerably higher than in reports issued in previous years. However, after restating the numbers for the three year period and doing the appropriate analysis, the ending results are all comparative.

Total receivables increased $335 million or 9.22% to $3.973 billion which equates to 13.67% of total revenues as compared to 13.40% in 1996. Total revenues increased 7.10% to $29.07 billion; therefore, there was only a slight increase in total receivables as a percent of total revenues. In summary, for every $7.32 of revenues the State earns we carry $1.00 in receivables.

To explain the $335 million increase in total receivables for 1997 we need to look at several areas. The first involves notes receivable where there was a total increase of $283 million, most of which occurred in the component unit proprietary funds. The bulk of it lies in the NC Housing Finance Agency, $101 million, and the State Education Assistance Authority, $117 million, the majority of which pertains to the non-current or long term portion of the notes. There were also increases of $28 million in the Clean Water Revolving Loan and Grant Fund notes, which fall under nonexpendable trust funds, as well as $23 million in the Clean Water Bonds Loan Fund notes, from special revenue funds. Secondly, taxes receivable increased by $51 million, involving expendable trust funds, most of which was directly attributable to an increase of $48 million in Unemployment Compensation Funds.

The following chart on page two summarizes the State of North Carolina's receivable components:

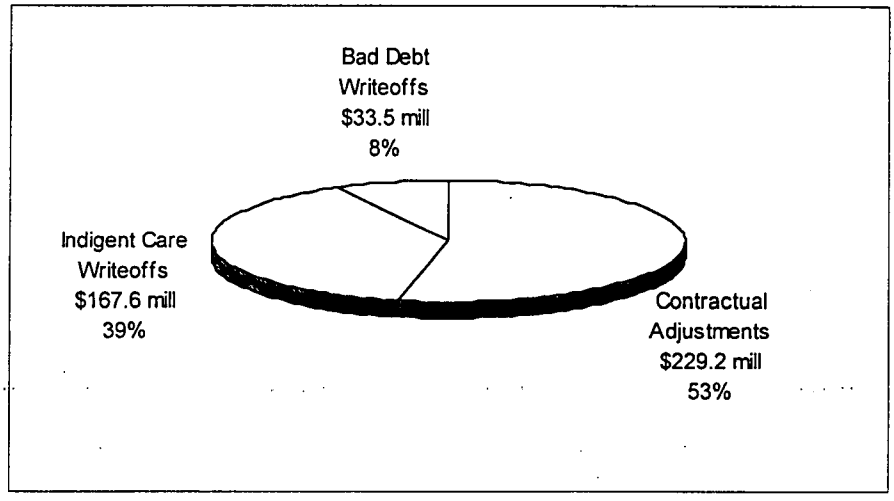
State of North Carolina Total Receivables for the Year Ended June 30, 1997
$3.973 billion



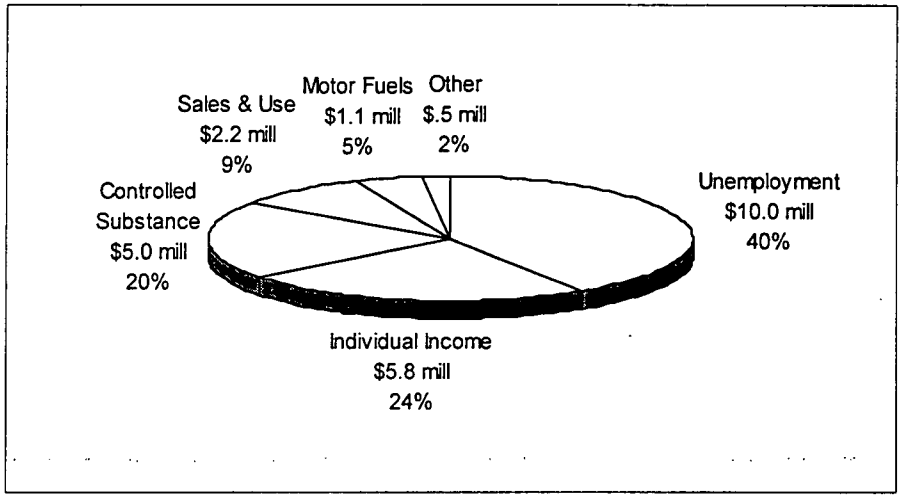
A greater effort was undertaken this year to make improvements in agency reporting of write-off information. Definite progress has been made in this area and we will continue to educate and inform the state's entities on the significant importance of reporting accurate and complete write-off information. The major area for state write-offs relates to healthcare business. This involves basically four agencies/institutions. These are UNC Hospitals, UNC Physicians & Associates of UNC-Chapel Hill, ECU's medical program and affiliation with Pitt County Hospital, and the Department of Human Resources via their hospital and patient treatment centers. The second major area for write-offs relates to taxes. These relate specifically to the Department of Revenue and the Employment Security Commission.

The following charts on page three summarize the State of North Carolina's major write-off components:

State of North Carolina Total Healthcare Write-offs for FY 1997
$430.3 million



State of North Carolina Total Tax Write-offs for FY 1997
$24.6 million



There are two areas in which the Office of the State Controller is currently undertaking activity in order to improve the Statewide Accounts Receivable Program. First, we are in the process of obtaining funding to purchase the GEAC Financial Stream accounts receivable module. This is a software package which will encompass both invoice/billing, as well as accounts receivable processing. This will provide us with the necessary standardization to enhance automated reporting of detailed accounts receivable information statewide.

Secondly, we have been directed to conduct a study to determine whether it is desirable and feasible for the State to establish a central clearinghouse for compiling debt setoff information. This directive is the result of Senate Bill 39: An Act To Revise The Setoff Debt Collection Act. It is our intent to explore the possibilities of expanding such a study to also further address statewide collections.

The State Controller believes that by continuing to stress more consistent accounts receivable policies and procedures, monitoring agency activity closely, coordinating information systems between agencies, and establishing and enforcing procedures for write-offs and setoff debt collection, the State can maximize the collection of past due accounts receivable.

Please contact the Office of the State Controller if additional information is required.

State of North Carolina
Office of the State Controller
Statewide Accounts Receivable Program
Three-Year Analysis of Receivables
(Expressed in Thousands)

	June 30		
	1997	1996	1995
Total Receivables			
Governmental Funds:			
General Fund	$ 1,221,804	$ 1,226,342	$ 1,142,781
Special Revenue Funds	343,699	293,957	224,515
Capital Projects Funds	624	1,071	14
Total Governmental Funds	1,566,127	1,521,370	1,367,310
Proprietary Funds:			
Enterprise Funds	7,971	748	614
Internal Service Funds	36,984	33,381	38,523
Total Proprietary Funds	44,955	34,129	39,137
Fiduciary Funds:			
Expendable Trust Funds	219,134	164,726	177,000
Non-expendable Trust Funds	233,996	206,379	165,776
Pension Trust Funds	118,433	114,001	112,598
Agency Funds	106,417	103,972	9,100
Total Fiduciary Funds	677,980	589,078	464,474
Component Units:			
College and University	524,837	557,995	584,758
Proprietary	1,159,471	935,627	794,845
Total Component Units	1,684,308	1,493,622	1,379,603
Total Receivables [1]	$ 3,973,370	$ 3,638,199	$ 3,250,524
Percent Increase from Prior Year	9.22%	11.93%	23.96%
Receivables as % of Total Revenues	13.67%	13.40%	13.06%
Total State Revenues	$ 29,069,960	$ 27,141,763	$ 24,903,896
Percent Increase from Prior Year	7.10%	9.00%	8.20%

[1] Total Receivables consist of the following:	1997	% of Total
Notes Receivable	$ 1,595,453	40%
Taxes Receivable	825,643	21%
Intergovernmental Receivables	672,662	17%
Accounts Receivable	331,033	8%
Interfund Receivables (CAFR-Note 8)	334,974	8%
Contributions, Premiums, Other Receivables	151,499	4%
Interest Receivable	62,106	2%
Total Receivables	$ 3,973,370	100%

Source: State of North Carolina
Comprehensive Annual Financial Report

State of North Carolina
Office of the State Controller
Statewide Accounts Receivable Program
Three-Year Analysis of Receivables
(Expressed in Thousands)

	June 30		
	1997	1996	1995
Notes Receivable			
Governmental Funds:			
General Fund	$ 497	$ 497	$ -
Special Revenue Funds	99,726	72,346	21,318
Capital Projects Funds	-	-	-
Total Governmental Funds	100,223	72,843	21,318
Proprietary Funds:			
Enterprise Funds	-	-	-
Internal Service Funds	-	-	-
Total Proprietary Funds	-	-	-
Fiduciary Funds:			
Expendable Trust Funds	72,560	63,515	51,676
Non-expendable Trust Funds	232,585	205,261	165,048
Pension Trust Funds	-	-	-
Agency Funds	-	-	-
Total Fiduciary Funds	305,145	268,776	216,724
Component Units:			
College and University	82,031	80,433	77,011
Proprietary	1,108,054	890,674	756,050
Total Component Units	1,190,085	971,107	833,061
Total Notes Receivable [1]	$ 1,595,453	$ 1,312,726	$ 1,071,103
Percent Increase from Prior Year	21.54%	22.6%	11.0%

[1] Major components of Notes Receivables for 1997:	
NC Housing Finance Agency (Long-Term)	$ 757,760
State Education Assistance Authority (Long-Term)	310,816
Clean Water Revolving Loan & Grant Fund	231,691
University Funds	81,264
Clean Water Bonds Loan Fund	76,816
401(k) Supplemental Retirement Income Plan	72,560
State Education Assistance Authority (Short-Term)	29,297
Net Amount	$ 1,560,204

Source: State of North Carolina
Comprehensive Annual Financial Report

State of North Carolina
Office of the State Controller
Statewide Accounts Receivable Program
Three-Year Analysis of Receivables
(Expressed in Thousands)

	June 30		
	1997	1996	1995
Taxes Receivable			
Governmental Funds:			
General Fund	$ 553,169	$ 555,409	$ 546,332
Special Revenue Funds	97,070	93,254	90,706
Capital Projects Funds	-	-	-
Total Governmental Funds	650,239	648,663	637,038
Proprietary Funds:			
Enterprise Funds	-	-	-
Internal Service Funds	-	-	-
Total Proprietary Funds	-	-	-
Fiduciary Funds:			
Expendable Trust Funds	90,163	42,353	50,967
Non-expendable Trust Funds	-	-	-
Pension Trust Funds	-	-	-
Agency Funds	85,241	83,522	-
Total Fiduciary Funds	175,404	125,875	50,967
Component Units:			
College and University	-	-	-
Proprietary	-	-	-
Total Component Units	-	-	-
Total Taxes Receivable [1]	$ 825,643	$ 774,538	$ 688,005
Percent Increase from Prior Year	6.60%	12.6%	N/A

[1] Major components of Taxes Receivables for 1997:	
Individual Income Tax	$ 253,172
Sales and Use Tax	209,211
Unemployment Compensation Funds	90,163
Local Sales Tax Collections	85,241
State Highway Fund	70,119
Corporate Income Tax	29,116
Franchise Tax	26,999
Highway Trust Fund	24,999
Beverage Tax	14,202
Net Amount	$ 803,222

Source: State of North Carolina
Comprehensive Annual Financial Report

State of North Carolina
Office of the State Controller
Statewide Accounts Receivable Program
Three-Year Analysis of Receivables
(Expressed in Thousands)

	June 30		
	1997	1996	1995
Intergovernmental Receivables			
Governmental Funds:			
General Fund	$ 482,651	$ 520,504	$ 467,505
Special Revenue Funds	67,801	37,903	38,552
Capital Projects Funds	249	279	13
Total Governmental Funds	550,701	558,686	506,070
Proprietary Funds:			
Enterprise Funds	-	-	-
Internal Service Funds	370	505	542
Total Proprietary Funds	370	505	542
Fiduciary Funds:			
Expendable Trust Funds	1,819	2,680	-
Non-expendable Trust Funds	-	-	-
Pension Trust Funds	-	-	-
Agency Funds	6,290	5,718	45
Total Fiduciary Funds	8,109	8,398	45
Component Units:			
College and University	107,027	106,340	126,374
Proprietary	6,455	4,122	2,880
Total Component Units	113,482	110,462	129,254
Total Intergovernmental Receivables [1]	$ 672,662	$ 678,051	$ 635,911
Percent Increase from Prior Year	-0.79%	6.63%	21.15%

[1] Major components of Intergovernmental Receivables for 1997:	
Due From Federal Agencies	$ 428,809
State Highway Fund	64,619
Community College Funds	63,447
Due From Local Governments	53,842
University Funds	43,580
Net Amount	$ 654,297

Source: State of North Carolina
Comprehensive Annual Financial Report

State of North Carolina
Office of the State Controller
Statewide Accounts Receivable Program
Three-Year Analysis of Receivables
(Expressed in Thousands)

	June 30		
	1997	1996	1995
Accounts Receivable			
Governmental Funds:			
General Fund	$ 90,145	$ 61,927	$ 53,981
Special Revenue Funds	5,112	6,416	4,683
Capital Projects Funds	-	-	1
Total Governmental Funds	95,257	68,343	58,665
Proprietary Funds:			
Enterprise Funds	7,265	75	9
Internal Service Funds	13,031	11,840	13,462
Total Proprietary Funds	20,296	11,915	13,471
Fiduciary Funds:			
Expendable Trust Funds	14,831	17,604	35,414
Non-expendable Trust Funds	3	1	-
Pension Trust Funds	358	326	325
Agency Funds	9,433	2,266	1,241
Total Fiduciary Funds	24,625	20,197	36,980
Component Units:			
College and University	177,064	170,291	172,573
Proprietary	13,791	17,410	16,844
Total Component Units	190,855	187,701	189,417
Total Accounts Receivable [1]	$ 331,033	$ 288,156	$ 298,533
Percent Increase from Prior Year	14.88%	-3.47%	N/A

[1] Major components of Accounts Receivables for 1997:	
University Funds	$ 166,602
DHR-Div'n of Medical Assistance	43,334
DHR-Div'n of Mental Health	31,943
Unemployment Compensation Funds	12,323
Community College Funds	10,462
Net Amount	$ 264,664

Source: State of North Carolina
Comprehensive Annual Financial Report

State of North Carolina
Office of the State Controller
Statewide Accounts Receivable Program
Three-Year Analysis of Receivables
(Expressed in Thousands)

	June 30		
	1997	1996	1995
Interfund Receivables*			
Governmental Funds:			
General Fund	$ 63,744	$ 57,199	$ 60,623
Special Revenue Funds	59,642	73,585	58,516
Capital Projects Funds	375	792	-
Total Governmental Funds	123,761	131,576	119,139
Proprietary Funds:			
Enterprise Funds			
Internal Service Funds	20,336	17,861	21,790
Total Proprietary Funds	20,336	17,861	21,790
Fiduciary Funds:			
Expendable Trust Funds	25,689	25,405	25,630
Non-expendable Trust Funds	-	-	-
Pension Trust Funds	-	-	-
Agency Funds	3,477	10,913	4,578
Total Fiduciary Funds	29,166	36,318	30,208
Component Units:			
College and University	148,109	191,434	200,002
Proprietary	13,602	11,355	10,237
Total Component Units	161,711	202,789	210,239
Total Interfund Receivables	$ 334,974	$ 388,544	$ 381,376
Percent Increase from Prior Year	-13.79%	1.88%	53.05%

* Interfund Receivables are comprised of:
Due From Other Funds
Due From Component Units
Due From Primary Government
Advances to Component Units
(For detail see Comprehensive Annual Financial Report - Note 8)

Source: State of North Carolina
Comprehensive Annual Financial Report

State of North Carolina
Office of the State Controller
Statewide Accounts Receivable Program
Three-Year Analysis of Receivables
(Expressed in Thousands)

	June 30		
	1997	1996	1995
Contributions, Premiums, Other Receivables			
Governmental Funds:			
General Fund	$ 14,098	$ 13,471	$ -
Special Revenue Funds	4,871	3,456	4,040
Capital Projects Funds	-	-	-
Total Governmental Funds	18,969	16,927	4,040
Proprietary Funds:			
Enterprise Funds	637	654	570
Internal Service Funds	1,119	1,055	669
Total Proprietary Funds	1,756	1,709	1,239
Fiduciary Funds:			
Expendable Trust Funds	12,735	11,853	11,995
Non-expendable Trust Funds	-	-	-
Pension Trust Funds	117,359	113,072	111,693
Agency Funds	680	324	1,879
Total Fiduciary Funds	130,774	125,249	125,567
Component Units:			
College and University	-	-	-
Proprietary	-	-	-
Total Component Units	-	-	-
Total Contributions, Premiums, Other Receivables	$ 151,499	$ 143,885	$ 130,846
Percent Increase from Prior Year	5.29%	9.97%	9.33%

Source: State of North Carolina
Comprehensive Annual Financial Report

State of North Carolina
Office of the State Controller
Statewide Accounts Receivable Program
Three-Year Analysis of Receivables
(Expressed in Thousands)

	June 30		
Interest Receivable	1997	1996	1995
Governmental Funds:			
General Fund	$ 17,500	$ 17,335	$ 14,340
Special Revenue Funds	9,477	6,997	6,700
Capital Projects Funds	-	-	-
Total Governmental Funds	26,977	24,332	21,040
Proprietary Funds:			
Enterprise Funds	69	19	35
Internal Service Funds	2,128	2,120	2,060
Total Proprietary Funds	2,197	2,139	2,095
Fiduciary Funds:			
Expendable Trust Funds	1,337	1,316	1,318
Non-expendable Trust Funds	1,408	1,117	728
Pension Trust Funds	716	603	580
Agency Funds	1,296	1,229	1,357
Total Fiduciary Funds	4,757	4,265	3,983
Component Units:			
College and University	10,606	9,497	8,798
Proprietary	17,569	12,066	8,834
Total Component Units	28,175	21,563	17,632
Total Interest Receivable	$ 62,106	$ 52,299	$ 44,750
Percent Increase from Prior Year	18.75%	16.87%	26.20%

Source: State of North Carolina
Comprehensive Annual Financial Report

State of North Carolina
Office of the State Controller
Statewide Accounts Receivable Programs
Three-Year Analysis of Due from Tax Revenues Sources - General Fund
(Expressed in Thousands)

	June 30 1997	1996	1995
Sales and Use Tax	$ 209,211	$ 211,783	$ 223,788
Individual Tax	253,172	254,549	231,943
Corporate Tax	29,116	27,915	27,553
Franchise Tax	26,999	27,813	25,712
Beverage Tax	14,202	13,431	20,413
Soft Drink Tax	2,737	3,125	3,332
Privilege Tax	4,906	5,419	2,768
Tobacco Tax	4,113	4,011	4,306
Real Estate Tax	6,864	5,801	4,769
Insurance Tax	-	-	846
Inheritance Tax	1,324	1,131	725
Intangibles Tax	382	322	177
Gift Tax	125	109	-
White Goods Tax	10	-	-
Scrap Tire Tax	8	-	-
Total Due From Tax Revenue Sources - General Fund	$ 553,169	$ 555,409	$ 546,332

	Change from Prior Year - June 30 1997	1996	1995
Sales and Use Tax	$ (2,572)	$ (12,005)	12,654
Individual Tax	(1,377)	22,606	175,734
Corporate Tax	1,201	362	16,731
Franchise Tax	(814)	2,101	(1,569)
Beverage Tax	771	(6,982)	6,750
Soft Drink Tax	(388)	(207)	(1,837)
Privilege Tax	(513)	2,651	(13,588)
Tobacco Tax	102	(295)	297
Real Estate Tax	1,063	1,032	(495)
Insurance Tax	-	(846)	309
Inheritance Tax	193	406	179
Intangibles Tax	60	145	16
Gift Tax	16	109	-
White Goods Tax	10	-	-
Scrap Tire Tax	8	-	-
Total Due From Tax Revenue Sources - General Fund	$ (2,240)	$ 9,077	$ 195,181

	% Change from Prior Year - June 30 1997	1996	1995
Sales and Use Tax	(1.2%)	(5.4%)	6.0%
Individual Tax	(0.5%)	9.7%	312.6%
Corporate Tax	4.3%	1.3%	154.6%
Franchise Tax	(2.9%)	8.2%	(5.8%)
Beverage Tax	5.7%	(34.2%)	49.4%
Soft Drink Tax	(12.4%)	(6.2%)	(35.5%)
Privilege Tax	(9.5%)	95.8%	(83.1%)
Tobacco Tax	2.5%	(6.9%)	7.4%
Real Estate Tax	18.3%	21.6%	(9.4%)
Insurance Tax	-	(100.0%)	57.5%
Inheritance Tax	17.1%	56.0%	32.8%
Intangibles Tax	18.6%	81.9%	9.9%
Gift Tax	14.7%	-	-
White Goods Tax	-	-	-
Scrap Tire Tax	-	-	-
Total Due From Tax Revenue Sources - General Fund	(0.4%)	1.7%	55.6%

Source: State of North Carolina
Comprehensive Annual Financial Report

VISITOR REGISTRATION SHEET

Appropriations Subcommittee on General Government Feb 17, 1998

Name of Committee Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Martha Glass	DOA
Katherine Joyce	SE AIVC
Bernard Allen	SOS
Bob Dyce	SHPPA
Kathie Austin Padgett	OSPL
Carl Goodwin	OSP
Sarah H. McInerney	DOI
Deschell Pryles	DOI
Jim Newell	OSBM
Bill D'Angelo	OSC
Don Wang	OSC
Willie Riddick	DOR

2-18-98 att# 1

AGENDA

Joint Appropriations Subcommittee on General Government

February 18, 1998

Department of Cultural Resources Site Visit - Day 1

8:45 a.m.	Walk from the First Floor Lobby of the Legislative Building (Jones Street Entrance - Information Desk) to the NC Museum of History
9:00 a.m.	Meet Department Staff in the Lobby of Museum. *Go to Administrative Conference Room (2nd floor) for coffee, soft drinks, and brief overview before beginning tour.* Tour Schedule: 2nd floor - Education Branch; 3rd floor - New Collections Storage Area, Health & Healing; Lower Level - Design, Conservation, Collection and Restaurant
10:30 a.m.	Leave NC Museum of History
10:45 a.m.	Arrive at Memorial Auditorium for Tour of Symphony Offices
11:40 a.m.	Leave Memorial Auditorium for NC Museum of Art
12:00 p.m.	Arrive at NC Museum of Art - Lunch
1:10 p.m.	Tour Schedule: Lower Level - Lower Gallery, Loading Dock, Storage, Conservation, American Gallery; Main Floor - Classroom and Other Collections
2:20 p.m.	Leave NC Museum of Art
2:40 p.m.	Arrive at Library for Blind and Physically Handicapped

(over)

3:30 p.m.	Leave Library of Blind and Physically Handicapped and return to Archives & History (A&H)/State Library Building
3:45 p.m.	Meet in Lobby with the Secretary and Deputy Secretary for Questions and Day 1 Wrap-up

AGENDA

Joint Appropriations Subcommittee
on
General Government

February 19, 1998

Department of Cultural Resources Site Visit - Day 2

8:45 a.m.	Walk from the Third Floor Lobby of LOB to Archives and History/State Library Building
9:00 a.m.	Meet Department Staff in the Lobby of A&H/State Library Building. Tour State Library, including *Genealogy*
9:45 a.m.	Tour Archives and History (Archives Search Room, Stacks, and Director's Office)
10:50 a.m.	Tour State Records Center: Classroom, filming/proofing areas, Storage, and retrieval data base
11:25 a.m.	Leave State Records Center
11:30 a.m.	Tour Arts Council (Person Street Building)
12:20 p.m.	Leave Person Street to return to A&H/State Library Building
12:30 p.m.	Meet in Auditorium or Secretary's Office for Day 2 Wrap-up

Joint APPROPRIATIONS/General Government Site Visit

Minutes

February 18, 1998

The Joint APPROPRIATIONS/General Government Committee met at 8:45 a. m. at the Legislative Building lobby on February 18, 1998. The committee started the site visit for Cultural Resources (see attachment #1). Members present were: Representatives Church, Ledbetter, Decker Sherrill, Jeffus and two Senators. Representative McCombs presided.

The members were welcomed at the N. C. Museum of History by Secretary Betty Rae McCain who talked about the 9.8 billion dollar tourism industry in North Carolina. Secretary McCain then introduced Dr. James McNutt who gave an overview of the Museum of History (see attachment #2). Dr. McNutt said they are doing everything to get people in the Museum or to see that they have information sent to them. Dr. McNutt also said Cultural Resources is making every effort to communicate with all the counties and especially the schools. Dr. McNutt then took the committee on a tour of the Museum of History departments and galleries including the mail room, storage areas, design, collections and staging, conservation and a tour of the classrooms. Janice Williams explained that the children's education includes more than just a tour. It includes hands-on education utilizing discovery carts and volunteers guiding the children through the galleries. Representative McCombs asked how many school groups come through the Museum of History each year. Ms. Williams replied 80,000 in school groups and this figure does not include children with their parents. Representative McCombs asked how many counties have videos and Ms. Williams replied 97 counties and they have resource packets too. The tour ended with the Past In Progress Exhibit.

The committee then went to the N. C. Symphony and the Executive Director, Dick Hoffert gave an overview of the Symphony (see attachment #3). Mr. Hoffert talked about the educational concerts they give, their travel and that they give 200 concerts a year. Representative Jeffus asked how they select the sites. Mr. Hoffert replied that they have three ways of selecting sites: some is repeat business, some are selected through the program directors and some through the community directors. Mr. Hoffert added that their goal is to reach out more through technology. Representative Sherrill asked what the process is when going out into the community. Mr. Hoffert responded that they contact the Superintendent of Music and coordinate with the local Arts Council. Representative Decker asked how much lead time is needed to book the Symphony. Mr. Hoffert answered 12-18 months. Senator Lucas asked if the Symphony goes out of the country. Mr. Hoffert answered rarely, but they did go to Japan when Governor Hunt was on a recruiting trip there. Representative Decker asked how much revenue is brought in. Mr. Hoffert replied 30%. Representative Decker asked if they have commercial companies as sponsors. Mr. Hoffert answered yes, but they have to be careful about their

non-profit status as well as image. Mr. Hoffert said Deputy Secretary Betsy Buford has asked the Governor to put $3 to 4 million in his budget recommendation for the Symphony. Mr. Hoffert then took the committee on a tour of the NC Symphony library, and Deborah Nelson gave an overview of operations.

The committee then traveled to the N. C. Museum of Art where they were welcomed by Curator Larry Wheeler. The committee was served lunch and then taken on a tour of the N. C. Museum of Art by Mr. Wheeler. Mr. Wheeler pointed out problems with the building including flooding and leakage problems. Mr. Wheeler then continued with the tour of the galleries. A history of the building and lack of storage area was discussed. Mr. Wheeler said 120,000 square feet need to be added costing 30 million dollars and the leaders of the General Assembly have expressed support for this expansion. Senator Lucas asked what the total worth of the building and contents are. Mr. Wheeler replied $36-40 million. Mr. Wheeler then lead the committee through the conservation area and the artists there spoke to the members about how they clean, repair and protect paintings and frames. Mr. Wheeler said the conservators at the NC Museum of Art are considered some of the best in the Southeast. Certified guards are an issue at the Museum and a part of the certification process. Mr. Wheeler said the cameras and motion detectors need updating. Of the expansion request Mr. Wheeler said $8 million will be toward restoration of the original building which will include bringing the security system up to code and $30 million will do all the restoration and expansion.

The next Department of Cultural Resources was the N. C. Library for the Blind and Physically Handicapped. The State Librarian, Sandra Cooper met the committee and introduced Francine Martin who gave an overview of services and a demonstration of the materials available. Ms. Martin then lead the committee on a site tour. Representative Sherrill asked how people find out about their services. Ms. Martin replied they find out about the services through social workers, doctors, libraries, etc. Representative Sherrill asked if they have enough materials to serve everyone. Ms. Martin said there is a reserve list. Representative Sherrill asked if this program is 100% state funded. Ms. Martin responded that they do get some federal funding and Ms. Cooper explained the federal funding. The committee was then taken to the Volunteer Services area. Representative McCombs asked how many people are served. Ms. Martin replied about 10,000. Evan Rodewald asked how many machines they have and Ms. Martin replied 1400 and that the circulation is 1500 a day. Senator Ledbetter asked how do people know what is available. Ms. Martin replied through CD Rom and the National Library Service Catalog. Senator Ledbetter asked how much is lost. Ms. Martin responded very little is lost that the patrons are very responsible. The committee then proceeded through the Repair Service Unit, Patron Processing Area and the Reader Advisor Area. Senator Lucas asked if movies are available and Ms. Martin said yes they are in special formats. They have 204 movies. Ms. Martin and Ms. Cooper thanked the committee for taking the time to come visit.

After instructions for the next days' site tour from the staff, the tour adjourned at 3:00 p. m.

Representative Eugene McCombs
Cochair

Jayne N. Walton
Committee Clerk

2-18-98 att #2

DEPARTMENT OF CULTURAL RESOURCES

SITE VISIT

FEBRUARY 18-19, 1998

FEBRUARY 18, 1998

NC MUSEUM OF HISTORY -- pp. 2-5

NORTH CAROLINA SYMPHONY -- p. 6

NORTH CAROLINA MUSEUM OF ART -- p. 7

LIBRARY FOR THE BLIND AND PHYSICALLY HANDICAPPED -- pp. 8-9

NORTH CAROLINA
MUSEUM OF HISTORY
James C. McNutt
DIRECTOR
5 East Edenton Street
Raleigh, NC 27601-1011
Phone: 919-715-0200
Fax: 919-733-8655

Regional Museums
Museum of the Albemarle
1116 US 17 South
Elizabeth City, NC 27909
Museum of the Cape Fear
PO Box 53693
Fayetteville, NC 28305
Mountain Gateway Museum
PO Box 1786
Old Fort, NC 28762

State of North Carolina
James B. Hunt, Jr.
GOVERNOR
Department of
Cultural Resources
Betty Ray McCain
SECRETARY

North Carolina Museum of History Division

North Carolina Museum of History (Raleigh)

Budget: $3,329,888 # of Positions: 83

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. *-adopted November 14, 1996*

Challenges (Problems):

Establishing statewide and regional identity as resource for all North Carolinians.

Devising adequate outreach facilities for both urban and rural residents of the state.

Completion of facilities in Raleigh to complete functioning of museum.

Goals:

Extend statewide access to Museum resources

Identity for Museum of History statewide with effective outreach in regional museums (Museum of the Albemarle—Elizabeth City; Museum of the Cape Fear—Fayetteville; Mountain Gateway Museum—Old Fort)

All facilities complete in Raleigh (restaurant, collections storage, lab upgrades, ADA upgrades, catering kitchen).

NORTH CAROLINA
MUSEUM OF HISTORY

James C. McNutt
DIRECTOR
5 East Edenton Street
Raleigh, NC 27601-1011
Phone: 919-715-0200
Fax: 919-733-8655

Regional Museums
Museum of the Albemarle
1116 U.S. 17 South
Elizabeth City, NC 27909
Museum of the Cape Fear
P.O. Box 53693
Fayetteville, NC 28305
Mountain Gateway Museum
P.O. Box 1286
Old Fort, NC 28762

State of North Carolina
James B. Hunt, Jr.
GOVERNOR
Department of Cultural Resources
Betty Ray McCain
SECRETARY

Museum of the Albemarle (Elizabeth City)

Budget: $284,745 # of Positions: 6

Mission: The Museum of the Albemarle, a regional section of the North Carolina Museum of History Division, promotes the understanding of history and material culture of the Albemarle region in which it is located and the state for the educational benefit of all people.
Through regional collections, historical interpretation, and professional assistance, the museum encourages citizens and visitors

- to explore and understand the past;
- to reflect on their own lives and their place in history; and
- to preserve regional history for future generations.

Challenges (Problems):

Working in outdated, inadequate facility with lack of space for exhibits, programs, and outreach tasks.

Sustaining community involvement after 10 years of attempted development with the state.

Adequate staffing for 13-county regional responsibilities.

Improved linkage to resources in Raleigh for statewide access.

Goals:

Development of Davenport Motors site for future museum w/ 1997 appropriation.

Capital campaign to provide funds for new museum exhibitions.

Conduct exhibit planning audience survey.

Improve programming and visitation to increase awareness of Museum in Albemarle region.

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SECRETARY

Museum of the Cape Fear (Fayetteville)

Budget: $483,496 # of Positions: 10

Mission: The Museum of the Cape Fear Historical Complex is a regional section of the North Carolina Museum of History Division. The historical complex collects, preserves and interprets the cultural history of southern North Carolina and the state for the education and enjoyment of present and future generations. Through exhibits and educational programming the complex raises public awareness of the past and its influence on the present. The historical complex also provides technical and professional assistance to non-profit historical groups within its region.

Challenges (Problems):

New administrator selection and orientation.

Program development for 1897 Poe House.

Site development in collaboration with City of Fayetteville and Cumberland Co.

Outreach development for 20-county service area.

Goals:

Open Poe House to public in calendar year 1998.

Begin Museum building renovation and complete work on Arsenal Park.

Conduct audience survey in conjunction with other museums.

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Mountain Gateway Museum (Old Fort)

Budget: $126,750 # of Positions: 3

Mission: Mountain Gateway Museum promotes the understanding of the history and culture of Western North Carolina for the benefit of visitors and residents of the region. Through Museum services to historical organizations, collections management, interpretative exhibits and public events Mountain Gateway Museum encourages the preservation and understanding of local and regional history for future generations.

Challenges (Problems):

Facility maintenance (office building) and footbridge to library.

Lack of exhibit and collections storage space.

Lack of staff for outreach services.

Goals:

Repair and modernize office building.

Provide electronic access to other Museum resources.

Develop outreach plan for western region access.

Division: **North Carolina Symphony**

Budget:

State Appropriation:	$329,483
State Grant in Aid for Educational Concerts	$2,084,719
Non-State Funding:	$4,599,798

Number of Positions:

State-funded:	8
Non-State:	11

Mission/Responsibilities:

The mission of the North Carolina Symphony is to present an orchestra of the highest artistic standard that enriches, entertains, and educates diverse audiences in a variety of settings and that represents North Carolina as a leader in performance and music education.

Challenges (Problems):

1. Increase music education activities to reach more children and counties throughout North Carolina.

2. To expand the present music education activities to reach the new and growing retirement market.

3. To use new technologies in making programs of the North Carolina Symphony accessible on the Internet, closed circuit television, the state cable system, as well as interactive TV.

4. To increase private funding from individual, corporations and foundations both toward operations and to augment the orchestra's endowment.

North Carolina Department of Cultural Resources **Division:** North Carolina Museum of Art

1997-98 Appropriated Budget: $3,336,905 **1997-98 Appropriation Supported Positions:** 90.5

Mission/Responsibilities: 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). 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 mission.

Education is a major responsibility of the North Carolina Museum of Art and it is an active partner with the state's educational systems. Thousands of school children, community college and university students from all over North Carolina visit the Museum each year. Here, they learn about much more than just the art. They learn about their own culture and about other civilizations, and valuable lessons in history, geography, and even science and nature through exhibitions, guided tours, and other programs.

Outreach exhibitions, slide programs, speakers, and teaching materials are available to schools and other groups in communities throughout the state. The Museum continually strives to enhance accessibility 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 conservation department provides consultation and 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.

Challenges (Problems): Costs of operating the Museum have risen dramatically in recent years with no corresponding increase in state appropriations for operations. Indeed, the Museum has had real cuts in operating funds almost every year since the budget shortfalls of the late eighties. We have had to postpone replacing and repairing equipment and fixtures. The amount of insurance coverage on the state's collection of art has had to decrease due to the increase in premium rates with no increase in funds available to purchase insurance. The electronic security systems are outdated and inadequate. In many areas throughout the Museum, the fifteen year old carpet is badly soiled and so worn as to be a hazard to the public. In short, the basic infrastructure needs of the Museum are in dire need of attention.

In the 1970's, when the present Museum building was being planned, delays and the rampant inflation of the time rendered the available funding inadequate for the complete program as planned. As a result, only half of the original Edward Durell Stone design was actually built. One entire wing was deleted, and many other elements were omitted or re-programmed into other space. In its final form, the Museum is less than half the planned size and many interior spaces never intended for the display of art have had to be retro-fitted as galleries.

Adequate space is badly needed for exhibition of the State's art collections, for education and other public programs. With approximately a quarter million visitors annually, the Museum is often crowded and cannot accommodate greater numbers of visitors. This is especially true for groups of school children. The Museum's ability to serve the public is limited by the physical constraints of the building. Additional parking is badly needed to handle current visitation levels and expected future increases.

State Library of North Carolina
Library for the Blind and Physically Handicapped
"Using the power of information to enrich lives."

What is the NC Library for the Blind and Physically Handicapped?
The library is the branch of the State Library of NC that provides library service for citizens who cannot use the printed books in their public library. The Library for the Blind operates under the guidelines of the National Library Service of the Library of Congress.

Who does the NC Library for the Blind serve?
NC citizens who can not see standard print or hold a book

- many senior citizens who have lost their sight as part of aging
- children
- students
- workers
- retirees
- nursing homes
- schools
- public libraries
- people in all 100 counties of North Carolina

What does the NC Library for the Blind provide?
Books and magazines in alternative formats and playback equipment, including

- cassette tape
- records
- large print
- braille
- specially designed tape and record players
- repair of tape and record players
- book lists in alternative formats on selected subjects

How does the service reach all NC counties?

- toll-free phone access from all counties
- FREE MATTER FOR THE BLIND postal mailing to and from the library

Does the library use volunteers?
The library has over 160 volunteers who assist with

- recording NC magazines
- recording books of local interest
- transcribing books into braille
- volunteer related clerical work
- active Friends support group providing financial and publicity support

Is the need for this service growing?

- YES!!! As the population ages and more retirees move to this state.
- Number of patrons served in 1991 was 7,088, but now is over 10,000
- Number of books mailed to patrons was 320,249 in 1991, but now is over 460,000.

STATE LIBRARY OF NORTH CAROLINA
North Carolina Library for the Blind and Physically Handicapped

TOUR INFO

Federal government (NLS) provides main book collection on tape, in braille, and special playback equipment.
Friends of the North Carolina Library for the Blind and Physically Handicapped group provides descriptive video collection.

Volunteer & Materials Production (5 staff)

- Volunteers record or braille over 100 magazine issues or books a year.
- 2 staff coordinate volunteers, produce quarterly newsletter, handle public relations, and provide liaison with Friends support organization.
- 1 braille coordinator coordinates braille production program, answers questions about learning braille, and reads and prepares braille correspondence.
- 37,000 volumes per year are cataloged and processed.
- 700 book titles and magazine issues are produced in-house per year with an average annual circulation of 44,000.

Shipping (7 staff)

- A 1994 study found that more than half of our patrons do not have access to a local public library. Most patrons who do have access have exhausted their local public library's limited large print collection.
- Large print books are a good segue to tape book services for older citizens who are gradually losing their vision.
- Cassette, braille collections provided by NLS. Over 77,000 titles in collection. Over 270,000 volumes.
- Magazines recorded or duplicated here are of local and/or regional interest.
- Close to a half million books were sent to patrons last year. An average of 1,500 books are mailed out per day.
- Our average patron receives 44 books or magazines per year.
- All returns inspected and shelved. 6-12 hampers of returned books are received per day.
- Our truck goes to the Post Office twice daily to provide faster delivery and allow efficient workflow control.

Machine Unit (5 staff)

- Maintains inventory of over 14,000 cassette and record players provided by NLS.
- Two repair technicians repair, service, and send to patrons an average of 330 machines per month.
- Maintains inventory records and submits detailed monthly reports to NLS.
- Contacts about 20 patrons a day to determine need for equipment replacement. Fields in-depth calls about machine operations.
- Provides a variety of attachments (headphones, extension keys for physically impaired, etc.)

Processing Unit (4 staff)

- Maintains front desk coverage. Greet visitors and route calls. Provide basic information.
- Sends catalogs and informational packets to patrons. Orders and maintains stock of these items.
- Maintains file of applications which allows Free Matter for the Blind mailing privileges (critical to our operations.) No postage required for any materials mailed to and from patrons.
- Maintains database of citizens we serve and submits over 225 address and service changes to national database each week.
- Several thousand book requests from patrons entered each month.

Reader Advisors (7 staff)

- Provide all information and reading needs of over 10,000 citizens in NC who cannot read standard print.
- Personally select books for close to 500 people per day. Automated program serves an additional 80 per day.
- Field over 90 calls a day (23,000 per year).
- Handle email requests for information.
- Call over 150 new applicants a month to explain service and verify information on application.

2 librarians and 1 support staff person handle administration, management, reference, interlibrary loan, computer maintenance, collection development, and supervisory activities.

FEBRUARY 19, 1998

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ARCHIVES AND HISTORY DIVISION
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Administration -- p. 18

NC State Historic Site Visitation and Budget Information -- p. 19
(Response to Legislative Inquiry)

Material for sections under A&H not included in the tour:
Historical Publications -- p. 20
NC Historic Sites -- pp. 21-22
Tryon Palace -- pp. 23-25
State Capitol/Visitor Services -- p.26
State Historic Preservation Office -- pp. 27-28
NC Maritime Museum -- p.29

NORTH CAROLINA ARTS COUNCIL -- p. 30

State Library of North Carolina

"USING THE POWER OF INFORMATION TO ENRICH LIVES"

Budget Summary (FY 1997-98):
Fund 1410 supports the State Library operations.

Section	Salaries and Benefits[1]	Operating	Total State Appropriation	Number of Positions
Administration	$ 302,787	$ 19,395	$ 322,182	5
Library Development	$ 479,278	$ 37,542	$ 516,820	13
Library Services	$2,303,662	$894,151	$3,197,813	75[2]
Total	$3,085,727	$951,088	$4,036,815	93

Fund 1480 focuses on Statewide Programs and Grants. This fund includes $3.3 million in federal funds received under the federal library program to support the statewide development of services and grants from the National Endowment for the Humanities.

State appropriations in Fund 1480 and the programs they support include:

Appropriation	Program
$14,949,669	Aid to Public Libraries Fund
$ 1,000,000	NC LIVE: The Statewide Electronic Library Project
$ 731, 584	Public Library Internet Initiative

See page 2 for a brief summary of each project.

Mission/Responsibilities:

The State Library provides library and information services and assists local libraries in the development of programs, services, and facilities.

- Administration Section
  Provides leadership in the development of library services statewide, represents North Carolina and its libraries statewide and nationally, manages integration of information technologies in State Library services, provides leadership to assist libraries statewide in integrating technology into the delivery of library services; and manages the State Library of North Carolina.

- Library Development Section
  Works in cooperation with local communities to develop and extend library services (*to give assistance, advice and counsel to all libraries in the State, to all communities which may propose to establish libraries, and to all persons interested in public libraries...* (G.S.125-3 (8)) and coordinates and supports statewide library network activities to assure equity of access to information for all North Carolinians (*to plan and coordinate cooperative programs between the various types of libraries*

[1] Salary information is from 9/30/97 printout (does not include legislative increases received 10/31/97)
[2] 74 state-funded positions, 1 federally funded position.

within the State of North Carolina, and to coordinate State development with regional and national cooperative library programs....(G.S. 125-3(10)))

- Library Services Section
  1. *To ... serve as an information distribution center for State government and the people of the State as a means for the promotion of knowledge, education, commerce and business in the State. ...* (G.S. 125-2(4)) A comprehensive program of reference services is provided for state and local government agencies, businesses, other libraries, and the general public. Direct assistance is provided to customers in the library and by telephone, telefacsimile, mail, and electronic mail. Research assistance and training for electronic census products is provided as part of the library's participation in the State Data Center program. The State Library's World Wide Web site provides Internet access to a wide variety of important information resources. (1996-97 statistics: 50,627 reference transactions were completed; 14,768 items circulated or were used in-house; 21,199 items were loaned to other libraries to meet the needs of their customers; and Over one million accesses to the State Library's World Wide Web site)

  2. *To provide library services to blind and physically handicapped readers of North Carolina by making available to them books and other reading materials in Braille, or sound recordings or any other medium used by the blind and physically handicapped ...* (G.S. 125-2(9)) (In 1996-97: 432,560 items were circulated to 9,766 individual readers and 384 institutions; 23,548 telephone calls relating to library services and materials answered)

  3. To administer ... *a depository system for the distribution of State publications to designated libraries throughout the State in order to facilitate public access to publications issued by State agencies. ...* (G.S. 125-11.5-11.13) (1996-97 statistics: resources available through thirty libraries across the state; 64,329 items were distributed through the system)

Statewide Programs & Grants

- Aid to Public Libraries Fund

  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 grants are a combination of block grants and equalization funds.

  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.

- NC LIVE

  This statewide electronic library levels the playing field by providing libraries of all sizes access over the Internet to a wide variety of reference publications, full text resources, indexes, and databases in electronic format. By licensing these resources at the state level, NC LIVE leverages the buying power of the state to significantly reduce the per library cost. The state's support gives library users statewide access to information that individual libraries cannot afford. The State Library is a partner with the University of North Carolina, the North Carolina Community College System, and the North Carolina Center for Independent Higher Education in this collaborative project.

- Public Library Internet Initiative
  Funds support Internet access for public library staff and users statewide, ensuring that library users statewide have access to electronic information resources such as those available through NC LIVE.

Challenges:

1. The State Library will have to eliminate three important programs that have been dependent on federal funds if state funding is not appropriated during this year's session. Under the new federal library program, the State Library can no longer use federal funds for:
   - *Statewide Youth Programs* (est. $75,000): supports statewide summer reading program that reaches 120,000 school-age children statewide each summer through public libraries in 96 counties; annual workshops for library staff serving children (120 participants in 1997); and Quiz Bowl, an academic competition involving several thousand high school students annually.
   - *Volunteer Services/ Library for the Blind & Physically Handicapped* (est. $40,000) supports production of Braille and special local interest materials and volunteer services.
   - *Center for the Book* (est.$25,000): coordinates programs presented in local libraries to encourage reading among children, teenagers, and adults statewide; program leveraged $75,000 in outside grant funds in the last two years.

2. Current personnel funding levels do not provide adequate salaries to recruit and retain staff. We currently need an additional $32,000 from salary reserves **just** to provide the salary increases for 6 personnel whose positions have been upgraded and additional to fully fund salaries for staff who were recruited to the State Library in 1997.

3. Continuing budget reductions are making it increasingly difficult for the State Library to maintain current services as well as respond to customer expectations. Here are two examples:

- The state's library community has said that the State Library needs to provide leadership in integrating technology in library services. Current low funding levels for equipment as well as for salaries are a serious handicap to our responding to this expectation of libraries statewide.
- In a recent customer survey of our library patrons, they told us that they find that the equipment we have for them to use does not meet their expectation (e.g., photocopiers and microfilm reader printers).

Library Services Section
State Library of North Carolina
N.C. Department of Cultural Resources
109 E. Jones Street, Raleigh, NC 27601-2807

Technical Services Branch

- ◊ Acquires, catalogs, and processes materials for the State Library's collections
  - • Over 100 newspaper subscriptions, 360 magazine subscriptions, 3,000 books, videos, and large print books, and 2,000 microfilm reels annually
- ◊ Catalogs and processes materials for the Legislative Library, Environmental Resources Library, and the Executive Mansion Library - approx. 400 items annually
- ◊ Materials in the Museum of Art Library and Labor Department Library are also added to the State Library's online catalog - over 1,600 items annually
- ◊ N.C. Online Union List of Serials
  - • Over 91,000 entries for magazines and newspapers owned by libraries across the state added since 1988
- ◊ N.C. Newspaper Project (joint project with Division of Archives and History)
  - • Over 9,000 entries for North Carolina newspapers owned by libraries across the state added since 1991

Documents Branch

- ◊ Operates the N.C. Publications Depository System established by NCGS 125-11 which receives copies of state government publications from state agencies, arranges reproduction of publications onto microfiche, and distributes them to depository libraries
  - • 30 depository libraries located across the state in all congressional districts, including State Library
  - • Over 64,000 items annually, including State Library
- ◊ Receives and processes selected federal government publications for the State Library's collections
  - • Over 15,000 items annually
- ◊ NC GILS (Government Information Locator Service) Pilot Project to identify, describe, index, locate, and present North Carolina state government information provided on the World Wide Web (coordinated effort with Division of Archives and History and the Office of State Planning)

Resource Sharing Branch

- ◊ Maintains the State Library's collections
  - • Over 147,000 books, 5,000 videos, 1,200 magazines, 100 newspapers, 38,000 microfilm reels, 129,000 state government publications, 565,000 federal government publications in collection as of 6/30/97
- ◊ Provides direct circulation of materials in the State Library's circulating collections to state employees
  - • Approximately 3,000 items checked out; over 19,000 items used in the library annually
- ◊ Loans materials from State Library collection to other libraries to meet the needs of their customers
  - • Over 2,500 items loaned annually
- ◊ Provides video services to state employees and libraries
  - • Over 18,000 items loaned annually

Information Services Branch

- ◊ Provides comprehensive reference services for state and local government agencies, businesses, other libraries, and the general public
  - • Over 18,600 customers (First Floor); 10,000 (Genealogy) annually
  - • Over 35% of information requests are received by phone (733-3270); requests are also received by walk-in customers and via fax, email and regular mail
  - • Over 21,000 requests answered by Information Desk; over 4,600 by Genealogy annually
  - • Over 117,000 items were used in Genealogy annually
- ◊ Provides research assistance and conducts training for electronic census products through the State Data Center program
- ◊ Coordinates development of the State Library's World Wide Web site (http://statelibrary.dcr.state.nc.us) which is accessed over one million times per year
- ◊ In late 1997 conducted Customer Service Survey; data is currently being analyzed

Library for the Blind and Physically Handicapped - located at 1811 Capital Blvd.; see separate information sheet

* Statistics are for 1996/97 fiscal year unless otherwise noted.

Division: Archives and History *Section:* Archives and Records

Budget: $2,749,812 appropriated for 1997-1998

# of Positions: 75 (includes 1.5 receipts-funded positions and 4 IDC-funded positions)

Mission/Responsibilities: It is the responsibility of the Archives and Records Section to promote and safeguard the documentary heritage of the State of North Carolina, particularly as it pertains to public records. This is done by managing and collecting the records of state and local governments and providing technical assistance to all agencies including public universities on the management of all their records. The section also collects and maintains a body of private papers that document the history of the state. The agency provides assistance to citizens and governmental bodies in accessing and utilizing information in the state archives, and it preserves those records of enduring value to the highest archival standards.

Challenges (Problems): The greatest challenge facing the Archives and Records Section is the lack of adequate space to store semicurrent and archival public records. Additionally, maintaining the proper storage environment for permanently valuable records is increasingly difficult due to aging facilities.

The State Records Center in Raleigh currently is at capacity and is unable to accommodate all requests from state and local agencies for cost-effective storage of semicurrent records. In addition, nearly twenty thousand cubic feet of records are stored in extremely substandard conditions at an auxiliary storage site at the Old Farmers Market; in September 1996, approximately 2,000 cubic feet of records were destroyed or severely damaged at this facility in the wake of flooding following hurricane Fran. Efforts to acquire additional space to replace the Old Farmers Market storage and to augment the storage in the State Records Center building have to date proved unsuccessful. Several thousand cubic feet of records await transfer at any time, and many agencies face significant problems because of our inability to respond to their requests for storage in a timely manner. Some state agencies, including the Department of Revenue, the Department of Correction, and the state Housing Finance Authority have been forced to rent commercial storage because our agency has been unable to provide space for all of the records scheduled to be stored at the Records Center. The long-term solution to this problem is the construction of a new records center facility with adequate space to house the public records scheduled to be transferred to the State Records Center.

The State Archives also faces a critical shortage of space in which to store the permanently valuable public records of the State of North Carolina. After nearly 29 years of utilizing its original three stack areas, several rooms designed for offices, a building connecting tunnel, offsite storage in part of the floor of a warehouse, and half of the stack area of the Old State Records Center on Lane Street, the State Archives now has less than 2,500 cubic feet of records storage space available. Nearly all of this existing space is reserved for records to be worked, and little of it that remains is contiguous in nature. Unavailability of stack space already has forced the State Archives to delay acceptance of permanently valuable records from counties, state agencies, and soon will affect the transfer of records from the Governor's Office scheduled for preservation in the Archives.

Proper control of the storage environments of the State Archives' stack areas and of the security vault is essential for the preservation of permanently valuable records. Multiple HVAC system failures and malfunctions in 1992, 1993, 1995, and 1996 have subjected the stacks and security vault to extreme fluctuations in temperature and humidity resulting in the outbreak of mold on the records and contributing to the degeneration of microfilm stored in the security vault. Installation of a back-up HVAC system is needed to prevent extreme environmental conditions from occurring when the HVAC system malfunctions.

DOCUMENT ONE

John Adams' *Thoughts on Government:* An essay on the formation of governments. Adams says that "Politicks is the Science of human happiness...and the felicity of societies depends on the Constitutions of Government under which they live."

Written during the spring of 1776 in response to a resolution of the Provincial Congress of North Carolina, which requested Adams' suggestions on the establishment of a new government and the drafting of a constitution. The framers of the state's constitution, which remained unchanged until 1836, adopted many of the ideas put forth in Adams' essay. The document is now internationally famous.
(Private Collection 84; David L. Swain Papers)

DOCUMENTS TWO AND THREE

George Washington, New York, October 2, 1789 to Governor Samuel Johnston. Washington transmits a list of amendments to the Constitution of the United States (The Bill of Rights) to Governor Johnston and urges North Carolina to ratify the Constitution thereby joining the Union. North Carolina became the twelfth state to ratify at a Convention in Fayetteville on December 22, 1789.
(Governor's Papers, State Series XVII, Samuel Johnston, G.P. 17)

George Washington, August 26, 1790 to the Governor and Council of State: Washington congratulates North Carolina on the ratification of the United States Constitution. He thanks the governor and the council for the "friendly sentiments entertained by you for my person, as well as for the Government which I have been appointed by my countrymen to administer."

Recovered in 1974 after an undermined number of years out of custody the letter is now part of the papers of Governor Alexander Martin. It was recently restored with private funds.

DOCUMENT FOUR

Letter from the Dead: Message from Colonel Isaac Edwin Avery to Major Samuel McD. Tate, July 1863, written while laying dying on the Battlefield at Gettysburg. "Major tell my Father I died with my Face to the enemy." This document is currently being featured in a series of television commercials for Time/Life Books on the Civil War. The cover of the first volume of this series also shows a likeness of this document. This document has also recently undergone extensive conservation with private funds.
(Private Collection 1190, Isaac Edwin Avery Papers)

DOCUMENT FIVE

Major Joseph Englehard Letter: Letter written by Confederate Major Joseph Englehard on August 25, 1864, describing a recent battle as a **"Tar Heel"** fight. This letter is the earliest written record of the term Tar Heel to describe North Carolinians. The term perhaps originated in colonial times as a slur because of North Carolina's vast Naval Stores industry of that day. By the time of the Civil War it had become a term of endearment sometimes attributed to Robert E. Lee.

DOCUMENTS SIX AND SEVEN

World War I posters: Two posters from the Archives collection of several hundred posters, prints and broadsides. The first is an original drawing submitted to the War Department by North Carolina Artist Fred V. Owen. The War Department solicited artist from across the nation to lend their talents to the War effort. Those selected were printed in color and distributed nationwide.

The second poster is one such poster designed to recruit troops into the infantry.

Division: Archives and History, Administration

Budget: $611,134 *Position:* 23

Mission: Responsible for administering North Carolina Archives and History Act (G.S. 121). Promotes and encourages throughout the state knowledge and appreciation of North Carolina history. Administers Historic Stagville in Durham.

Challenges: Managing the state's historical resources in the face of budgetary cutbacks of core programs; obtaining the necessary funding to undertake excavation, conservation, and exhibition of artifacts associated with the shipwreck believed to be Queen Anne's Revenge; obtaining the necessary funding for the development of historic sites, regional museums, archives and records facilities, and historic preservation programs to meet public expectations and demands.

State Historic Sites
FY 1996-97 Visitation and Budget Information

	Visitation	Appropriation	Admissions
Alamance Battleground	15,966	$79,117	
Aycock Birthplace	17,814	193,692	
Bennett Place	22,078	132,424	
Bentonville Battleground	34,884	156,675	
Charlotte Hawkins Brown Mem.	10,541	146,251	
Brunswick Town	24,212	210,693	
CSS Neuse	17,912	156,098	
Duke Homestead	26,762	180,836	
Fort Dobbs	9,823	115,161	
Fort Fisher	113,425	299,611	
Historic Bath	20,865	175,575	$5,826
Historic Edenton	27,497	236,348	4,197
Historic Halifax	32,009	183,674	
Horne Creek Farm	23,646	148,604	
House in the Horseshoe	17,154	91,919	
N.C. Transportation Museum	102,077	786,361	
Polk Memorial	20,355	153,824	
Reed Gold Mine	54,314	244,258	40,499
Somerset Place	26,433	179,247	
Town Creek Indian Mound	32,578	162,889	
Vance Birthplace	18,711	113,710	
Thomas Wolfe Memorial	21,814	403,199	12,680
	690,870	$4,550,166	$63,202

General Government Subcommittee Visit

Division: Archives and History

Section: Historical Publications

Budget: $632,314

# of Positions: 15 1/2

Mission\Responsibilites:

The mission of the Historical Publications Section is to promote and encourage the study of North Carolina history by collecting, editing, publishing, and distributing the *North Carolina Historical Review*, *Carolina Comments*, books, pamphlets, and other historical materials. In its service to the universities, colleges, public schools, historical and cultural agencies, and general citizenry of North Carolina, the section strives for high editorial and scholarly standards in its publications.

Challenges (Problems):

Maintaining sufficient staff and funds to fullfill the section's mission and commitment to the citizens of North Carolina.

Exploring new ways to acquire, publish, and disseminate historical materials throughout the state.

Division of Archives and History
North Carolina Historic Sites

Budget: $6,646,221 Operating Funds — Number of positions: 140
$1,300,000 Operating One-Time Reserves for Town Creek Indian Mound, Somerset Place, and Civil War Sites
$7,946,221

Mission/Responsibilities: Preserving the Past for All People

The mission of the North Carolina Historic Sites is to preserve, interpret, operate, maintain, and develop the twenty-two state historic sites.

Challenges:

- Current Capital Improvement Needs at Twenty-Two State Historic Sites:

  Heritage tourism is the fastest growing segment of the travel market. The state historic sites are important players in North Carolina's heritage tourism initiative. However, outdated and inadequate facilities, unrestored historic buildings, and underdeveloped sites are not meeting visitor expectations. Sites are not adequately serving either North Carolina's visitors nor its school children who utilize the sites as part of their studies. Over $67 million is needed to meet critical capital improvement needs at our state historic sites.

- Significant Lack of Technical Staff:

  The Historic Sites Section is responsible for over 230 buildings and more than 110,000 square feet of museum exhibition space. Requirements of the State Construction Office and the Department of Insurance with regard to new construction, restoration, and exhibition design/installation continue to become more complex and time consuming every year. Two section employees oversee the construction of new buildings and repair/restoration of historic structures. One exhibit designer currently is responsible for all exhibit work in the section. Technical staff is needed in these and other areas of the historic sites program.

North Carolina Historic Sites

Current Situation

- Operation of 22 state historic sites located across the state
- Over 230 buildings within the program plus hundreds of structures and features such as earthen trenches, bridges, fences, picnic areas, etc.
- More than 110,000 square feet of museum exhibition space
- More than 66,000 square feet of furnished historic structures on exhibit
- More than 50,000 artifacts located at 22 historic sites
- Employees: 140 permanent
  125 temporary
  265 total
- 45 thousand volunteer hours from 1,848 volunteers
- Over 80 million dollars in tourism revenue generated by visitors to North Carolina Historic Sites in 1996 (based on Travel & Tourism, North Carolina State University visitor survey)
- Over 200 repair, renovation, or construction projects handled on an annual basis
- 690,870 visitors came to North Carolina Historic Sites in FY 1996-97.

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Current Capital Improvement Needs

Stabilize and Restore Historic Structures		$40.15 million
Visitor Centers		10.10
Exhibits		12.25
Land Acquisition		3.40
Maintenance Buildings		1.55
	Total	$67.45 million

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DIVISION: Archives and History **SECTION: Tryon Palace**

FY 1997-98 BUDGET:	Appropriated funds:	$1,117,205
	Funds from admission receipts:	541,579
	Funds from private donations:	272,899
	TOTAL	$1,931,683

NUMBER OF POSITIONS: 29 Funded from appropriated funds
13 Funded from receipted funds

42 Total Positions

MISSION/RESPONSIBILITIES: The mission of the Tryon Palace Section is to provide accurate and entertaining North Carolina history education programs for North Carolinians and visitors to North Carolina using the historic buildings, artifacts, documents and gardens entrusted to our care. We are charged with the responsibility of interpreting to the public the story of North Carolina's colonial government and first government building as well as the story of the beginning of the new state after the revolution. This mission is accomplished by presenting daily guided history education tours, special interest tours, lectures, workshops, symposia, living history programs, daily craft demonstrations, performances of music from the past, self-guided and guided garden tours, drama tours and special seasonal events. As stewards of priceless North Carolina artifacts and historic buildings, our mission also includes on-going maintenance and security as well as preservation and conservation treatments for 10 historic buildings, a collection of more than 6,000 artifacts, and 14 acres of landscaped gardens. This section provides free history education services to more that 1,000 educators in North Carolina through *the Living History Classroom,* a newsletter designed to provide classroom learning experiences for students studying North Carolina history. More than 20,000 North Carolina schoolchildren travel to Tryon Palace Historic Sites and Gardens each year to learn more about the history and heritage of their state. The Tryon Palace Section offers special learning programs for students with tours designed to complement the curriculum for 2nd grade, 4th grade, 6th grade and 8th grade. Tryon Palace Historic Sites and Gardens is accredited by the American Association of Museums in recognition of the achievement of the highest professional standards for museums and historic sites: only 24 museums and historic sites in North Carolina have achieved accreditation and only about 700 of the 8,000 members of the American Association of Museums are accredited. As part of the effort to accomplish its educational mission, members of the Tryon Palace staff regularly present history education programs throughout the state and regularly offer resource services to communities and groups across the state in conservation of historic furnishings, collections management, heritage plant production,

preservation of historic buildings and landscapes, and revitalization of historic downtowns.

CHALLENGES (problems): One of the most significant challenges for the Tryon Palace Section is continuing to meet growing public demands for a large number of services and educational programs with decreasing funding and increasing costs. Since we charge an admissions fee, we are particularly concerned that we provide an excellent experience for our visitors, and we insist on high standards for cleanliness and repair as well as for educational programs. Last fiscal year we lost one housekeeper position leaving us with 2 housekeepers to clean a large number of buildings that are utilized by the public on a daily basis. The Palace buildings alone include approximately 24,000 square feet. In all, two people are cleaning approximately 45,000 square feet including frequently cleaning and monitoring of restrooms and weekly dusting, sweeping, vacuuming of exhibit rooms. We also do in-depth cleaning of historic house museums once a year. All of our buildings require constant and costly maintenance. Our two carpenters and two painters have difficulty keeping up with the routine carpentry repair and painting needed for 10 major historic buildings.

Another challenge is meeting federal and state regulations regarding accessibility with limited funding and multiple story historic buildings. We will soon accomplish first floor accessibility for all of our museum buildings and a project to convert our public restrooms to accessible restrooms is currently in design. Areas needing attention in the future include program accessibility for visually impaired guests including Braille signage and labels and additional staff trained to conduct tours for visually impaired and hearing-impaired visitors. We expect to install our first orientation film with captions in the next two weeks.

Tryon Palace Historic Sites and Gardens is a destination tourism attraction and contributes to development of the heritage tourism industry for North Carolina. Yet another challenge is overcoming the disadvantage of lack of direct access to an interstate highway and a large airport. New Bern is an hour and a half from Interstate 95. A significant challenge is promoting Tryon Palace Historic Sites and Gardens with no state funds available for marketing and advertising. We are very dependent on press releases to newspapers and magazines and other sources of free or low cost publicity. Much effort goes toward attracting travel writers to our site and participating in North Carolina Travel and Tourism promotional programs to market our state to the travel industry. Since we are a fee-based site, we have the challenge of convincing travelers that we are worth the journey and the cost of admission.

Another challenge which we meet with notable success is the challenge of offering a varied menu of programs to the public that are changed every year to attract repeat visitors. An example is our popular Christmas exhibit, which began about 1979. Before we began the Christmas tours, we had less than 1,400 visitors in December. The Christmas tours now make December one of the months of greatest attendance with visitation of about 12,000. To sustain the public's interest, we have to develop new exhibits and programs each Christmas. The same level of effort is needed for the other

annual special events including the three-day 18th century symposium in March which has been offered continuously for 30 years, the three-day spring garden program in April, the July 4th celebration, and the three day Chrysanthemum Festival each October. In addition to these special events, we offer an on-going program of lectures and workshops, which regularly attract audiences of 50 to 100 people. For example, this fall we offered a series of programs on caring for historic houses, gardens and furniture that attracted attendees from all over eastern North Carolina and from the Raleigh – Durham area. Similar response was given to a program on African American gardens in the 18th and 19th centuries and to dramatic presentations including Lord Cornwallis' account of how he lost the Revolution and Blackbeard's account of his activities on the coast of North Carolina. In September, we hosted an 18th century circus that attracted a large number of attendees from all other eastern North Carolina.

The state now owns the Barbour Boat Works site adjacent to Tryon Palace Historic Sites and Gardens on the Trent River waterfront. Our greatest challenge will be to clean up this 5.8-acre site, to make it safe for the public and to construct a history education and visitor center on the site. It is currently an industrial site with numerous pilings, piers and industrial buildings both on the land and intruding into the river. Conceptual plans include a hands-on interactive history learning center for students in grades 1-12 to teach North Carolina history from the settlement and colonial periods through the Civil War; and a gallery museum to present topics that include the economic history of eastern North Carolina, the African American experience in eastern North Carolina, the story of the reconstruction of North Carolina's colonial and first state capitol and an exhibit about noteworthy North Carolinians including John Hawks, the architect of the palace and probably the Edenton courthouse; William Gaston, the author of the state song and a supreme court justice in the second quarter of the 19th century, and John Carruthers Stanly, one of the wealthiest free African Americans in the South prior to the Civil War. The site will include a public walkway to Tryon Palace along the waterfront and outside exhibits that will interpret the early settlement of eastern North Carolina and the natural history of the Neuse River area as documented by John Lawson in 1709. A significant challenge will be to secure funding for this project.

Kay P. Williams
December 3, 1997

Division: Archives and History

Section: State Capitol/Visitor Services

Budget: $388,969

No. of Positions: 10

Mission/Responsibilities:

1) Operates the Capitol Building as a focal point for interpreting the history of the Legislative, Executive and Judicial Branches of state government.

2) Operates the Capital Area Visitor Center to provide visitor services, orientation, and historical interpretation for visitors to the capital-area complex in Raleigh.

3) Conducts historical tours and related educational programs of the Executive Mansion.

Challenges (Problems):

1) Providing the proper professional level of educational programs and visitor services for the combined total of over 300,000 annual visitors to the Capitol, Visitor Center and Executive Mansion (need additional professional and operating staff).

2) Properly restoring, repairing and maintaining of the National Historic Landmark Capitol (need state funds for restoration, maintenance, housekeeping and security).

3) Difficulty of raising funds for Capitol restoration and education programs from private resources (need matching legislative funds as an incentive to donors).

4) Developing interpretive programs and exhibits and operational procedures for the proposed new visitor center (need additional staffing now for planning and development while the new building is being designed and built).

Submitted by - Sam P. Townsend
December 2, 1997

Division: Archives and History Section: State Historic Preservation Office

Budget: $1,291,707 (state appropriation)
$ 500,000 (NPS grant-operations portion)
$1,791,707 (total)

Number of Positions: 45

Mission/Responsibilities: Statewide survey of historic buildings and archaeological sites; nomination of eligible properties to the National Register of Historic Places; review of federal and state actions affecting historic and archaeological properties; technical assistance to owners of historic properties; technical assistance to local preservation commissions; preservation education; grant assistance; assistance to owners seeking rehabilitation income tax credits.

Challenges (Problems):

Internal

* Gearing up for new state tax credit program for historic rehabilitation.

* Upgrading electronic communications of section.

* Maintaining regular archaeological services while servicing QAR project.

External

* Insufficient and unpredictable funding for preservation.

* Low priority of preservation for many citizens, politicians, and local government officials.

* Demolition by neglect, especially in rural areas.

* Lack of information on the part of citizens and politicians about historic preservation and resources.

* Development and construction pressures, rapid growth, and urban sprawl.

* Insufficient local government involvement and planning in preservation issues.

Lack of citizen and community preservation leadership.

Perception that preservation costs too much.

Demolition, redevelopment, urban renewal activities.

Community factionalism.

Communities in economic decline.

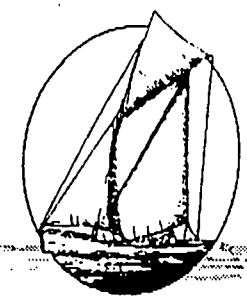
Low-value historic resources on high-value land and lack of economic incentives to preserve and reuse.

School consolidation or abandonment of older schools because of changing educational requirements.

Building code and environmental regulations that discourage preservation and reuse.

Deterioration of building stock and rising crime rate in some older neighborhoods and downtowns.

ro:a:db:challeng



North Carolina Maritime Museum

Division: Archives and History

Section: North Carolina Maritime Museum

Budget: $ 792,227

# of Positions: 18

Mission: To provide research, collections, exhibition, education and general museum services for the purpose of interpreting North Carolina's coastal natural history and maritime resources and traditions, including scientific, social, economic and technological factors which influence North Carolina's maritime environments, cultures and heritage.

Challenges:

- Recruit and employ a highly qualified director by early 1998. The previous director resigned November 1, 1997. The museum's business manager currently doubles as interim director.

- Develop a viable design for a building to replace the museum's waterfront classroom and office building, which was razed due to irreconcilable building code problems. Temporary replacement of that space is costing $12,000 per year in rent from the museum's operating budget.

- Supplement current operating budget (by petitioning the legislature, and soliciting private donations), which had dwindled under the museum's previous parent agency, NC Dept. of Agriculture. The incompatibility of the museum's mission with that of Agriculture's made it difficult to justify funds within that department's budget requests. The museum is understaffed for the volume of programs it already offers. Although relatively new, the physical plant is showing signs of disrepair, due to lack of funds for maintenance.

- Develop a site plan, and raise funds for construction of the museum's annex at the newly-acquired 36 acre Gallant's Channel site. This project will require years of development, but will secure our position as the premier maritime museum in the south.

5 Front Street Beaufort, NC 28516-2125 *phone:* 919.728.7317 *fax:* 919.728.2108 *e-mail:* ncs0018@interpath.com

North Carolina Arts Council

Department of Cultural Resources

Raleigh, NC 27601-2807

Division: North Carolina Arts Council

Budget: $5,461,635 state appropriation **# of Positions:** 23 ½ FTE

Mission: To enrich the cultural life of the state
- by nurturing and supporting excellence in the arts and
- by providing opportunities for every North Carolinian to experience the arts.

Responsibilities:

1. **To develop and support North Carolina's arts resources** including
   - arts organizations
   - other organizations that do arts programming
   - artists
   - our folk heritage

2. **To build stronger communities** through the arts, especially through
   - the Grassroots Arts Program
   - culturally diverse programming
   - performances and artist residencies
   - public art projects

3. **To help the state accomplish its agenda**, specifically
   - economic and community development – cultural tourism
   - global trade and communication – international arts programs
   - better educated children – arts and education partnerships
   - more involved citizenry – lifelong learning through the arts

Challenges/Problems:

- Our state appropriation covers **only four months of our operating expenses**. By November we are dependent on federal funds to operate the remaining eight months. The source of these funds, the National Endowment for the Arts, had its budget cut in half two years ago and remains under threat of total elimination.

- Since our **last legislative increase in FY 93-94**, the number of arts organizations in North Carolina has increased by 6% (to 2,222) and the number of citizens by 5.4%. This reduces our appropriation from **76¢ per citizen five years ago to 73.5¢ today**.

- Our per capita appropriation ranks us **6th in the South** behind

Florida	$1.71
South Carolina	$1.05
Kentucky	$1.02
Louisiana	$1.02
Alabama	.93
North Carolina	**.73+**

Prepared December 1997

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1997-98 Educational Concerts
North Carolina Symphony

City	# Concerts	Date(s)	Time	Location
Asheville (Buncombe Co.)	1	Thurs., Apr. 30, 1998	10:00 a.m.	Asheville Civic Center Arena
Boone (Watauga Co.)	1	Fri., Jan. 16, 1998	9:45 a.m.	Farthing Aud., ASU
Burlington (Alamance Co.)	2	Mon., Apr. 27, 1998	10:00 a.m. 1:00 p.m.	Williams High Sch. Aud.
Chapel Hill (Orange Co.)	1	Fri., Feb. 13, 1998	10:15 a.m.	Smith Center
Clinton (Sampson Co.)	1	Tues., May 12, 1998	10:00 a.m.	Lakewood High Sch. Gym
Durham (Durham Co.)	4	Fri., May 22, 1998 Tues., May 26, 1998	10:15 a.m. 12:30 p.m. 10:15 a.m. 12:30 p.m.	Fletcher Hall, Carolina Theatre
Elizabeth City (Pasquotank Co.)	1	Tues., May 5, 1998	10:00 a.m.	College of the Albemarle
Elkin (Surry Co.)	1	Tues., Apr. 28, 1998	9:30 a.m.	Elkin High School
Fayetteville (Cumberland Co.)	4	Tues., Feb.10, 1998 Wed., Feb. 11, 1998	9:45 a.m. 12:30 p.m. 9:45 a.m. 12:30 p.m.	Cumberland County Aud.
Greenville (Pitt Co.)	2	Thurs., Feb. 12, 1998	10:15 a.m. 1:00 p.m.	Epps Middle Sch. Gym
Havelock (Craven Co.)	1	Thurs., Apr. 23, 1998	10:30 a.m.	Base Theatre, Cherry Point MCAS
Henderson (Vance Co.)	1	Wed., Sept. 17, 1997	10:30 a.m.	Rollins Elem. Sch. Aud.
Jacksonville (Onslow Co.)	1	Thurs., Dec. 11, 1997	12:30 p.m.	White Oak High Sch. Gym
Kinston (Lenoir Co.)	1	Mon., May 11, 1998	10:15 a.m.	Grainger-Hill Perf. Arts Ctr.
Lincolnton (Lincoln Co.)	1	Thurs., May 14, 1998	10:00 a.m.	Citizens Center

1997-98 Educational Concerts
North Carolina Symphony

City	# Concerts	Date(s)	Time	Location
Louisburg (Franklin Co.)	1	Wed., Oct. 29, 1997	10:30 a.m.	Louisburg College Aud.
Lumberton (Robeson Co.)	1	Thurs., Jan. 8, 1998	12:30 p.m.	Lumberton HS Aud.
Morehead City (Carteret Co.)	2	Mon., Nov. 3, 1997	10:00 a.m. 1:00 p.m.	W. Carteret High Sch. Aud.
Mt. Olive (Wayne Co.)	1	Thurs., May 21, 1998	10:00 a.m.	College Hall, Mt. Olive College
Murfreesboro (Hertford Co.)	1	Wed., Feb. 4, 1998	12:30 p.m.	Hertford Middle Sch.Gym
Newland (Avery Co.)	1	Wed., April 29, 1998	10:30 a.m.	Avery High Sch. Gym
Newton-Conover (Catawba Co.)	1	Fri., May 15, 1998	10:00 a.m.	Newton-Conover High Sch. Gym
eford oke Co.)	1	Tues., Nov. 5, 1997	1:00 p.m.	Hoke High Sch.Gym
Raleigh (Wake Co.)	4	Wed., Oct. 8, 1997 Tues., Oct. 14, 1997 Tues., Jan. 20, 1998 Tues., Jan. 27, 1998	10:30 a.m. 10:00 a.m. 12:30 p.m. 10:30 a.m. 12:30 a.m.	Raleigh Memorial Aud.
Roanoke Rapids (Halifax Co.)	1	Thurs., Apr. 2, 1998	1:15 p.m.	Roanoke Rapids High Sch. Aud.
Rockingham (Richmond Co.)	1	Thurs., May 7, 1998	12:45 p.m.	Finley Aud., Rockingham Jr. High
Rocky Mount (Nash Co.)	2	Thurs., Nov. 6, 1997	10:00 a.m. 1:00 p.m.	Dunn Ctr., NC Wesleyan Coll.
Rutherfordton/Spindale (Rutherford Co.)	1	Fri., Oct. 24, 1997	10:15 a.m.	Rutherfordton/Spindale High Sch. Aud.
Salisbury (Rowan Co.)	2	Fri., May 1, 1998	10:00 a.m. 12:30 p.m.	Keppel Aud.
Sanford (Lee Co.)	1	Tues., Feb. 17, 1998	10:30 a.m.	Dennis Wicker Civic Center
ithfield ohnston Co.)	1	Tues., Mar. 17, 1998	10:30 a.m.	RMA

1997-98 Educational Concerts
North Carolina Symphony

City	# Concerts	Date(s)	Time	Location
Snow Hill (Greene Co.)	1	Mon., May 11, 1998	1:00 p.m.	Greene Central High Sch. Gym
Southern Pines (Moore Co.)	3	Tues., Nov. 4, 1997	10:00 a.m.	North Moore High Sch. Aud.
			1:00 p.m.	Union Pines High Sch. Aud.
		Wed., Nov. 5, 1997	10:00 a.m.	Pinecrest High Sch. Aud.
Sparta (Alleghany Co.)	1	Tues., April 28, 1998	1:00 p.m.	Sparta Elem. Sch. Aud.
Swan Quarter (Hyde Co.)	2	Wed., May 6, 1998	10:15 a.m.	Mattamuskeet High Sch. Gym
Tarboro (Edgecombe Co.)	1	Wed., Jan. 28, 1998	11:00 a.m.	Tarboro High Sch. Gym
Whiteville (Columbus Co.)	1	Wed., May 13, 1998	10:00 a.m.	Whiteville High School
Wilkesboro (Wilkes Co.)	1	Fri., Dec. 5, 1997	10:00 a.m.	Walker Comm. Ctr., Wilkes Comm. Coll.
Williamston (Martin Co.)	1	Fri., April 24, 1998	10:00 a.m.	Williamston High Sch. Aud.
Wilmington (New Hanover Co.)	1	Mon., May 18, 1998	10:30 a.m.	Trask Coliseum, UNC-W
Wilson (Wilson Co.)	1	Thurs., Feb. 19, 1998	10:30 a.m.	New Wilson Gym, Barton College

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1997-98 Statewide Schedule

SEPTEMBER 1997

5-6 CLASSICAL CONCERT
Garrick Ohlsson, Piano
Memorial Auditorium
Raleigh, 8:00 pm

11 CLASSICAL CONCERT
Pip Clarke, Violin
Grover C. Fields Middle School, New Bern, 8:00 pm

12 CLASSICAL CONCERT
Pip Clarke, Violin
Kenan Auditorium
UNC-Wilmington
Wilmington, 8:00 pm

13 CLASSICAL CONCERT
Pip Clarke, Violin
Memorial Hall, UNC
Chapel Hill, 8:00 pm

15 POPS CONCERT
Citizens Center
Lincolnton, 8:00 pm

18 CLASSICAL CONCERT AND FILM
The Hunchback of Notre Dame
John Russo, Guest Conductor
Carolina Theatre
Durham, 8:00 pm

20 POPS CONCERT
Robeson Community College
Lumberton, 7:00 pm

23 POPS CONCERT
Scott Concert Hall
Campbell University
Buies Creek, 8:00 pm

25 CLASSICAL CONCERY
"Brass Bash"
Robert E. Lee Auditorium
Pinecrest High School
Southern Pines, 8:00 pm

26-27 CLASSICAL CONCERT
"Brass Bash"
Memorial Auditorium
Raleigh, 8:00 pm

OCTOBER 1997

1 BALLET
The St. Petersburg Ballet
Memorial Auditorium
Raleigh, 7:30 pm

3-4 POPS CONCERT
Skitch Henderson,
Guest Conductor
Memorial Auditorium
Raleigh, 8:00 pm

8 POPS CONCERT
Robert E. Lee Auditorium
Pinecrest High School
Southern Pines, 8:00 pm

9 CLASSICAL CONCERT
Vance Granville Community Civic Center
Henderson, 8:00 pm

10-11 AMERICAN AIRLINES CONCERT
Memorial Auditorium
Raleigh, 8:00 pm

17 OPEN REHEARSAL
Panayis Lyras, Piano
Corine Cook, Violin
Memorial Auditorium
Raleigh, 10:00 am

17-18 CLASSICAL CONCERT
Panayis Lyras, Piano
Corine Cook, Violin
Memorial Auditorium
Raleigh, 8:00 pm

23 CLASSICAL CONCERT
William Wolfram, Piano
R. S. Central High School Auditorium
Spindale, 7:30 pm

24 CLASSICAL CONCERT
William Wolfram, Piano
Dixon Auditorium,
Elkin High School
Elkin, 8:00 pm

25 CLASSICAL CONCERT
William Wolfram, Piano
Memorial Hall, UNC
Chapel Hill, 8:00 pm

30 CLASSICAL CONCERT
Mozart's *Cosi fan tutte* Opera
Reeves Auditorium
Methodist College
Fayetteville, 8:00 pm

NOVEMBER 1997

1 CLASSICAL CONCERT
Mozart's *Cosi fan tutte* Opera
Carolina Theatre
Durham, 8:00 pm

2 CLASSICAL CONCERT
Mozart's *Cosi fan tutte* Opera
West Carteret High School Auditorium
Morehead City, 3:00 pm

12 CLASSICAL CONCERT
Robert E. Lee Auditorium
Pinecrest High School
Southern Pines, 8:00 pm

14 OPEN REHEARSAL
Sandy Duncan's "Together" Revue
Memorial Auditorium
Raleigh, 10:00 am

14-15 POPS CONCERT
Sandy Duncan's "Together" Revue
Memorial Auditorium
Raleigh, 8:00 pm

15 YOUNG PEOPLE'S CONCERT
Music and Sports:
A Slam Dunk Hit
Memorial Auditorium
Raleigh, 11:00 am

21-22 CLASSICAL CONCERT
Mendelssohn's *Elijah* with
The Raleigh Oratorio Society
Memorial Auditorium
Raleigh, 8:00 pm

24 HOLIDAY POPS CONCERT
College Hall
Mount Olive College
Mount Olive, 7:30 pm

25 HOLIDAY POPS CONCERT
Helms Center
Chowan College
Murfreesboro, 8:00 pm

26 HOLIDAY POPS CONCERT
The Pinehurst Hotel
Pinehurst, 8:00 pm

28-29 HOLIDAY POPS CONCERT
Raleigh Ringers
Concert Singers of Cary
Memorial Auditorium
Raleigh, Fri., 8:00 pm;
Sat., 3:00 pm & 8:00 pm

30 HOLIDAY POPS CONCERT
Lenoir Community College
Green County Unit
Snow Hill, 3:00 pm

DECEMBER 1997

2 HOLIDAY POPS CONCERT
Grainger Hill Performing Arts Center
Kinston, 8:00 pm

3 HOLIDAY POPS CONCERT
Roanoke Rapids H.S. Auditorium
Roanoke Rapids, 8:00 pm

4 HOLIDAY POPS CONCERT
John A. Walker Community Center
Wilkes Coommunity College
Wilkesboro, 8:00 pm

5 HOLIDAY POPS CONCERT
Carolina Theatre
Durham, 8:00 pm

6 HOLIDAY POPS CONCERT
Reeves Auditorium
Methodist College
Fayetteville, 7:00 pm

8 HOLIDAY POPS CONCERT
Jacksonville High School Auditorium
Jacksonville, 7:30 pm

9 HOLIDAY POPS CONCERT
First Baptist Church
Clinton, 8:00 pm

11 HOLIDAY POPS CONCERT
West Carteret H.S. Auditorium
Morehead City, 7:00 pm

12 HOLIDAY POPS CONCERT
Fike High School Auditorium
Wilson, 8:00 pm

13 HOLIDAY POPS CONCERT
Walter Williams H.S. Auditorium
Burlington, 8:00 pm

16 HOLIDAY POPS CONCERT
Whiteville High School Auditorium
Whiteville, 8:00 pm

17 HOLIDAY POPS CONCERT
Kenan Auditorium
UNC-Wilmington
Wilmington, 8:00 pm

19 BALLET
The Nutcracker with
The NC School of the Arts School of Dance
Memorial Auditorium
Raleigh, 8:00 pm

20 BALLET
The Nutcracker with
The NC School of the Arts School of Dance
Memorial Auditorium
Raleigh, 2:00 pm & 6:00 pm

21 BALLET
The Nutcracker with
The NC School of the Arts School of Dance
Memorial Auditorium
Raleigh, 2:00 pm & 6:00 pm

31 NEW YEAR'S EVE CONCERT
Viennese Concert
Memorial Auditorium
Raleigh, 7:30 pm

JANUARY 1998

0 BALLET
Stars of the American Ballet
Memorial Auditorium
Raleigh, 8:00 pm

13 CLASSICAL CONCERT
Wright Auditorium, ECU
Greenville, 8:00 pm

15 CLASSICAL CONCERT
Joseph Silverstein, Violin
Farthing Auditorium
Appalachian State University
Boone, 8:00 pm

17 CLASSICAL CONCERT
Joseph Silverstein, Violin
Memorial Hall, UNC
Chapel Hill, 8:00 pm

22 CLASSICAL CONCERT
Nadja Salerno-Sonnenberg, Violin
Robert E. Lee Auditorium
Pinecrest High School
Southern Pines, 8:00 pm

23-24 CLASSICAL CONCERT
Nadja Salerno-Sonnenberg,Violin
Memorial Auditorium
Raleigh, 8:00 pm

26 CLASSICAL CONCERT
Nadja Salerno-Sonnenberg,Violin
Kenan Auditorium
UNC-Wilmington
Wilmington, 8:00 pm

29 CLASSICAL CONCERT
"Battlemania"
Carolina Theatre
Durham, 8:00 pm

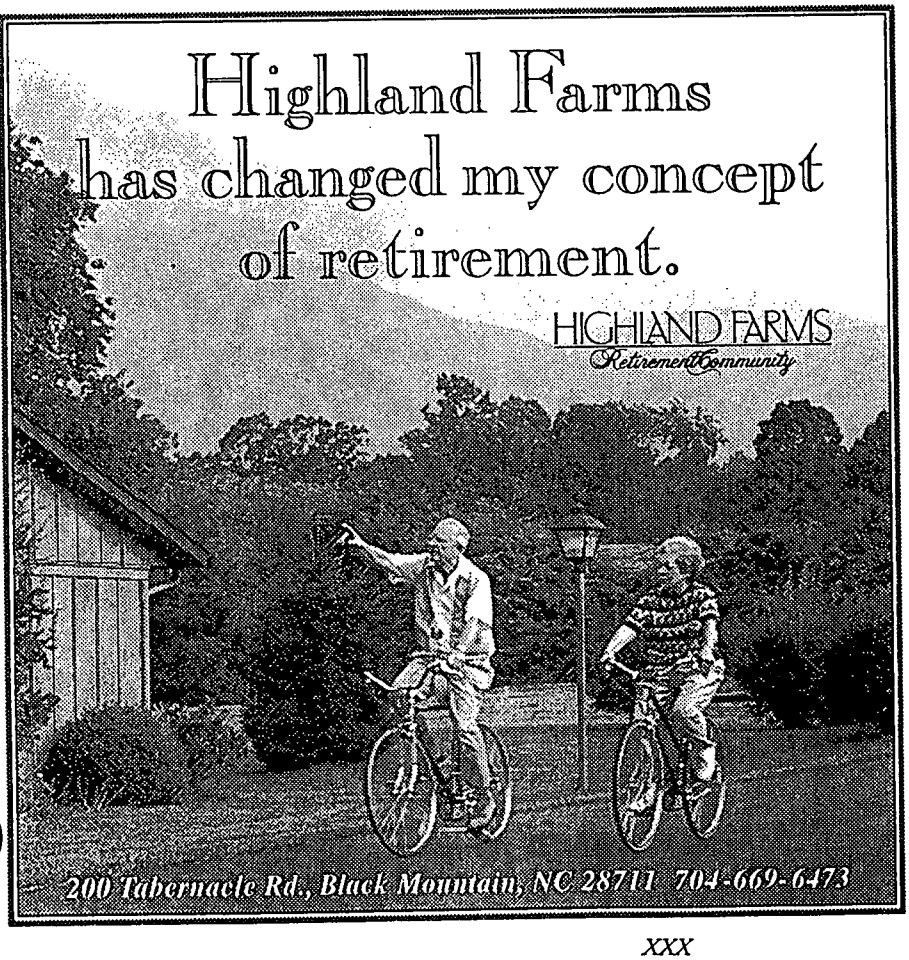
30 CLASSICAL CONCERT
"Brass Bash"
Reeves Auditorium
Methodist College
Fayetteville, 8:00 pm

FEBRUARY 1998

6-7 POPS CONCERT
Bravo Broadway
Memorial Auditorium
Raleigh, 8:00 pm

7 YOUNG PEOPLE'S CONCERT
Animal Antics in Sight and Sound
Memorial Auditorium
Raleigh, 11:00 am

14 POPS CONCERT
Dunn Center for the Performing Arts
N.C. Wesleyan College
Rocky Mount, 8:00 pm



17 POPS CONCERT
Dennis A. Wicker Civic Center
Sanford, 8:00 pm

21 CLASSICAL CONCERT
Orchestra Showcase
Memorial Hall
Chapel Hill, 8:00 pm

23 CLASSICAL CONCERT
Orchestra Showcase
Kenan Auditorium
UNC-Wilmington
Wilmington, 8:00 pm

24 CLASSICAL CONCERT
Brian Reagin, Violin
Walter Williams High School Auditorium
Burlington, 7:30 pm

27-28 CLASSICAL CONCERT
Raymond Leppard, Guest Conductor
Memorial Auditorium
Raleigh, 8:00 pm

MARCH 1998

4 CHORAL AND ORCHESTRA CONCERT
Robert E. Lee Auditorium
Pinecrest High School
Southern Pines, 8:00 pm

6 OPEN REHEARSAL
Floyd Cramer, Piano
Memorial Auditorium
Raleigh, 10:00 am

6-7 POPS CONCERT
Floyd Cramer, Piano
Memorial Auditorium
Raleigh, 8:00 pm

7 YOUNG PEOPLE'S CONCERT
Holt on to Your Hat!
Memorial Auditorium
Raleigh, 11:00 am

19 OPEN REHEARSAL
Yolanda Kondonassis, Harp
Memorial Auditorium
Raleigh, 10:00 am

19 CLASSICAL CONCERT
Yolanda Kondonassis, Harp
Keppel Auditorium
Catawba College
Salisbury, 7:30 pm

20-21 CLASSICAL CONCERT
Yolanda Kondonassis, Harp
Memorial Auditorium
Raleigh, 8:00 pm

23 CLASSICAL FAVORITES
Grainger-Hill Perfroming Arts Center
Kinston, 8:00 pm

24 CLASSICAL CONCERT
Yolanda Kondonassis, Harp
Kenan Auditorium
UNC-Wilmington
Wilmington, 8:00 pm

27-28 CHORAL AND ORCHESTRAL CONCERT
Mahler's "Resurrection" Symphony
with the Choral Society of Durham
and Duke Chapel Choir
Duke Chapel, Duke University
Durham, Fri., 8:00 pm & Sat., 3:00 pm

30 CLASSICAL CONCERT
Performing Arts Center
Louisburg College
Louisburg, 8:00 pm

31 POPS CONCERT
Tarboro High School Gymnasium
Tarboro, 7:30 pm

APRIL 1998

3-4 BALLET
The Universal Ballet of Korea
Swan Lake
Memorial Auditorium
Raleigh, 8:00 pm

7 POPS CONCERT
Martin County Auditorium
Williamston High School
Williamston, 8:00 pm

9 ALL REQUEST CLASSICAL CONCERT
with Brian Manker, Cello
Reeves Auditorium
Methodist College
Fayetteville, 8:00 pm

10-11 ALL REQUEST CLASSICAL CONCERT
with Brian Manker, Cello
Memorial Auditorium
Raleigh, 8:00 pm

14 ALL REQUEST CLASSICAL CONCERT
with Brian Manker, Cello
West Carteret High School Auditorium
Morehead City, 8:00 pm

15 ALL REQUEST CLASSICAL CONCERT
with Brian Manker, Cello
Paramount Theatre
Goldsboro, 8:00 pm

17-18 POPS CONCERT AND DANCE
Newton Wayland, Guest Conductor
Convention and Conference Center
Raleigh, 8:00 pm

21 ALL REQUEST CLASSICAL CONCERT
with Brian Manker, Cello
Roanoke Rapids H.S. Auditorium
Roanoke Rapids, 8:00 pm

23 ALL REQUEST CLASSICAL CONCERT
with Brian Manker, Cello
Wright Auditorium, ECU
Greenville, 8:00 pm

25 CHORAL AND ORCHESTRAL CONCERT
Carolina Choir
Memorial Hall, UNC
Chapel Hill, 8:00 pm

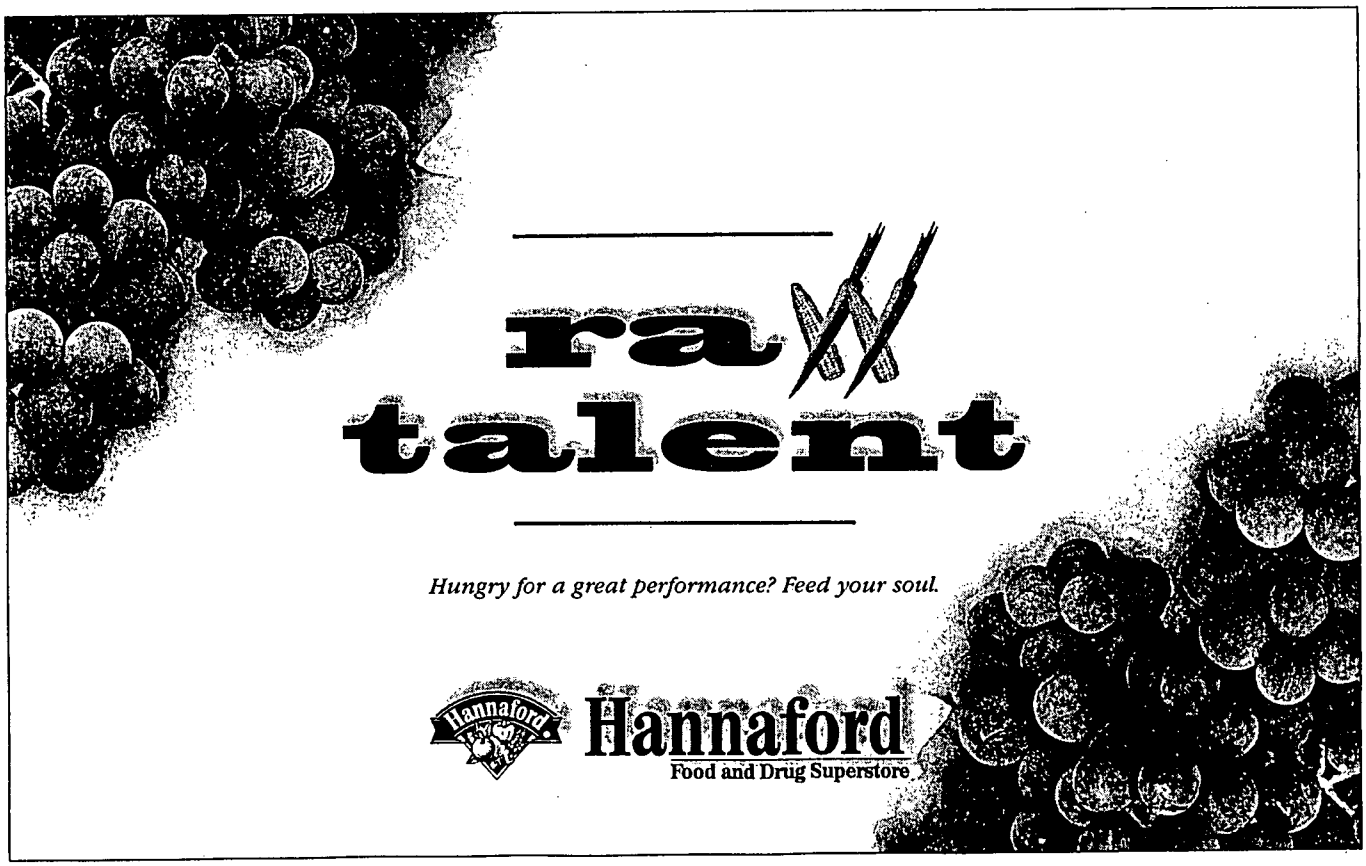
MAY 1998

1-2 OPERA
with The National Opera Co.
Jones Auditorium, Meredith College
Raleigh, 8:00 pm

4 POPS CONCERT
College of the Albemarle
Elizabeth City, 8:00 pm

5 POPS CONCERT
Mattamuskeet High School Gymnasium
Swan Quarter, 8:00 pm

8 CLASSICAL CONCERT
Kate Finley Auditorium
Rockingham Junior High School
Rockingham, 8:00 pm



Joint APPROPRIATIONS/General Government Site Visit

Minutes

February 19, 1998

The Joint APPROPRIATIONS/General Government Committee met on February 19, 1998 in the lobby of the Legislative Office Building and walked to the Archives and History Building to begin the last portion of the Department of Cultural Resources Site Visits at 9:07 a. m.. Members present were: Representatives McCombs (Cochair), Sherrill (Cochair), Decker, Jeffus and two Senators with Representative McCombs presiding.

Secretary of Cultural Resources Betty Rae McCain welcomed the committee and introduced Jeffrey Crowe and Sandy Cooper who gave an overview of the days' site visits (see attachment #1). Julie Nye then gave an audio visual demonstration of NC Live which the General Assembly funded last session. Representative Sherrill asked if the General Assembly members have access to NC Live and Ms. Cooper responded that they do not now but they will soon. Evan Rodewald of the staff asked if NC Live is on the Internet and Ms. Cooper responded it is on at the Public Libraries. Representative Decker asked if one can look up genealogy on NC Live. Ms. Cooper replied yes and some universities will have it by the first of April 1998. Representative McCombs asked what the cost will be the next biennium. Ms. Cooper answered that she did not know yet and that they will be adding K-12 and the costs depends on what the Department of Public Instruction comes in with.

Mr. Jeffrey Crowe then lead the committee through the Genealogy section of the Archives. Ms. Denise Sigmon showed the committee many historical documents housed by the N. C. Archives (see attachments #2 and #3). It was pointed out that the stacks are full and more moveable stacks are needed which will be requested this year. Archives has also lost seven positions since 1993.

Mr. Jeffrey Crow then talked to the committee about N. C. Historic Sites (see attachments #4 and #5). Representative Sherrill asked how appropriations for the sites are determined. Mr. Crowe said they are determined mainly by personnel and maintenance. The committee discussed the possibility of charging fees to visit the sites and Senator Ledbetter suggested studying the issue before starting the collection of fees to make sure it would be cost effective. The committee was given two handouts about Tryon Palace and the Thomas Wolfe Festival (see attachment #6). Mr. Crowe stated that by the year 2000, tourism will be the largest industry in North Carolina and it is the second largest now. Mr. Crowe then gave an update on the Queen Anne's Revenge dive. Mr. Crowe said since the initial appropriation, they now have security and have brought up 200 artifacts which put the dive in the appropriate time frame. Mr. Crowe said the next step to address is the need for a conservation lab in Beaufort because they are running out of

room for the artifacts. The committee visited the Records Services Branch and Cathy Morris gave an overview of operations (see attachments #7 and #8). Ms. Morris said the most cost effective storage of records is on tape. Senator Warren asked the public can pull individuals income tax statements. Ms. Morris replied they cannot and the records are kept for seven years. Senator Ledbetter asked if some are on microfilm and Ms. Morris said some are but it is not cost effective if keeping them less than 15 years. Representative Sherrill asked how many employees they have. Ms. Morris responded that they have 43. Ms. Morris then lead the committee through the microfilm area and introduced Mr. Charles Bailey who is the Records Manager. Mr. Bailey explained that the computer tracks the history of the records, how many requests are made, auditors expenses and the configuration of shelves by floor.

The next site visit was the N. C. Arts Council. Ms. Mary Reagan gave an overview of the history of the Arts Council and grants (see attachments #9 and #10). Ms. Reagan stated that North Carolina is rated 6th in the Southeast and 26th in the nation and the last budget increase was in the 1993-1994 budget. Ms. Reagan further stated that last year was when they fell behind and she gave the committee members a copy of the expansion budget request for the Governors budget recommendations (see attachment #11). Representative Sherrill asked if the N. C. Arts Council lobbies the Federal Government. Ms. Reagan responded that they apply to the National Endowment for the Arts for a formula grant.

Mr. Wayne Martin of the Folk Art Division talked with the committee about issues facing his division and how the office documents North Carolina's rich folk-life traditions. Mr. Martin said North Carolina has won 19 awards since 1982 for Heritage Tourism which is the most of any of the states except Louisiana with which North Carolina is tied. Mr. Martin said the biggest challenge is the need for communities to carry on traditions and also find work in those communities. Mr. Martin discussed the Blue Ridge Heritage Tradition; a three state collaboration including Tennessee, Virginia and North Carolina linked by the Blue Ridge Parkway. In closing, Mr. Martin said most of their work needs to be concentrated in the Northeastern part of the State. Representative Sherrill requested that the N. C. Arts Council sit down with the Western delegation to discuss the Regional Destination Center project.

Ms. Betsy Buford asked the committee if they had any wrap up questions. Representative Sherrill asked if there were a fire, what would happen to the records of the Records Services Branch. Ms. Buford said fire was not a problem; however, flooding was a problem at the storage facility at the old Farmers Market. Ms. Buford said a request for this was left out of the Governor's Budget the last two times, and she said she hoped it would be included this time. Ms. Buford then closed the by thanking the committee for attending the Department of Cultural Resources Site Visits. The meeting adjourned at 12:28 p. m.

Representative Eugene McCombs
Cochair

Jayne N. Walton
Committee Clerk

2-19-98 att #1

DEPARTMENT OF CULTURAL RESOURCES

SITE VISIT

FEBRUARY 18-19, 1998

FEBRUARY 18, 1998

NC MUSEUM OF HISTORY -- pp. 2-5

NORTH CAROLINA SYMPHONY -- p. 6

NORTH CAROLINA MUSEUM OF ART -- p. 7

LIBRARY FOR THE BLIND AND PHYSICALLY HANDICAPPED -- pp. 8-9

NORTH CAROLINA
MUSEUM OF HISTORY
James G. McNutt
DIRECTOR
5 East Edenton Street
Raleigh, NC 27601-1011
Phone: 919-715-0200
Fax: 919-733-8655

Regional Museums
Museum of the Albemarle
1116 US 17 South
Elizabeth City, NC 27909
Museum of the Cape Fear
PO Box 1693
Fayetteville, NC 28305
Mountain Gateway Museum
PO Box 1786
Old Fort, NC 28762

State of North Carolina
James B. Hunt, Jr.
GOVERNOR
Department of
Cultural Resources
Betty Ray McCain
SECRETARY

North Carolina Museum of History Division

North Carolina Museum of History (Raleigh)

Budget: $3,329,888 # of Positions: 83

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. *-adopted November 14, 1996*

Challenges (Problems):

Establishing statewide and regional identity as resource for all North Carolinians.

Devising adequate outreach facilities for both urban and rural residents of the state.

Completion of facilities in Raleigh to complete functioning of museum.

Goals:

Extend statewide access to Museum resources

Identity for Museum of History statewide with effective outreach in regional museums (Museum of the Albemarle—Elizabeth City; Museum of the Cape Fear—Fayetteville; Mountain Gateway Museum—Old Fort)

All facilities complete in Raleigh (restaurant, collections storage, lab upgrades, ADA upgrades, catering kitchen).

NORTH CAROLINA
MUSEUM OF HISTORY

James C. McNutt
DIRECTOR

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Fax 919-733-8655

Regional Museums

Museum of the Albemarle
1116 U.S. 17 South
Elizabeth City, NC 27909

Museum of the Cape Fear
PO Box 3693
Fayetteville, NC 28305

Mountain Gateway Museum
PO Box 1286
Old Fort, NC 28762

State of North Carolina
James B. Hunt, Jr.
GOVERNOR

Department of
Cultural Resources
Betty Ray McCain
SECRETARY

Museum of the Albemarle (Elizabeth City)

Budget: $284,745 # of Positions: 6

Mission: The Museum of the Albemarle, a regional section of the North Carolina Museum of History Division, promotes the understanding of history and material culture of the Albemarle region in which it is located and the state for the educational benefit of all people.
Through regional collections, historical interpretation, and professional assistance, the museum encourages citizens and visitors

- to explore and understand the past;
- to reflect on their own lives and their place in history; and
- to preserve regional history for future generations.

Challenges (Problems):

Working in outdated, inadequate facility with lack of space for exhibits, programs, and outreach tasks.

Sustaining community involvement after 10 years of attempted development with the state.

Adequate staffing for 13-county regional responsibilities.

Improved linkage to resources in Raleigh for statewide access.

Goals:

Development of Davenport Motors site for future museum w/ 1997 appropriation.

Capital campaign to provide funds for new museum exhibitions.

Conduct exhibit planning audience survey.

Improve programming and visitation to increase awareness of Museum in Albemarle region.

NORTH CAROLINA
MUSEUM OF HISTORY

James C. McNutt
DIRECTOR

5 East Edenton Street
Raleigh, NC 27601-1011
Phone: 919-715-0200
Fax: 919-733-8655

Regional Museums
Museum of the Albemarle
1116 U.S. 17 South
Elizabeth City, NC 27909
Museum of the Cape Fear
PO Box 3673
Fayetteville, NC 28305
Mountain Gateway Museum
PO Box 1286
Old Fort, NC 28762

State of North Carolina
James B. Hunt, Jr.
GOVERNOR

Department of
Cultural Resources
Betty Ray McCain
SECRETARY

Museum of the Cape Fear (Fayetteville)

Budget: $483,496 # of Positions: 10

Mission: The Museum of the Cape Fear Historical Complex is a regional section of the North Carolina Museum of History Division. The historical complex collects, preserves and interprets the cultural history of southern North Carolina and the state for the education and enjoyment of present and future generations. Through exhibits and educational programming the complex raises public awareness of the past and its influence on the present. The historical complex also provides technical and professional assistance to non-profit historical groups within its region.

Challenges (Problems):

New administrator selection and orientation.

Program development for 1897 Poe House.

Site development in collaboration with City of Fayetteville and Cumberland Co.

Outreach development for 20-county service area.

Goals:

Open Poe House to public in calendar year 1998.

Begin Museum building renovation and complete work on Arsenal Park.

Conduct audience survey in conjunction with other museums.

NORTH CAROLINA
MUSEUM OF HISTORY

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DIRECTOR

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Regional Museums

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Old Fort, NC 28762

State of North Carolina
James B. Hunt Jr.
GOVERNOR

Department of
Cultural Resources
Betty Ray McCain
SECRETARY

Mountain Gateway Museum (Old Fort)

Budget: $126,750 # of Positions: 3

Mission: Mountain Gateway Museum promotes the understanding of the history and culture of Western North Carolina for the benefit of visitors and residents of the region. Through Museum services to historical organizations, collections management, interpretative exhibits and public events Mountain Gateway Museum encourages the preservation and understanding of local and regional history for future generations.

Challenges (Problems):

Facility maintenance (office building) and footbridge to library.

Lack of exhibit and collections storage space.

Lack of staff for outreach services.

Goals:

Repair and modernize office building.

Provide electronic access to other Museum resources.

Develop outreach plan for western region access.

Division: **North Carolina Symphony**

Budget:	State Appropriation:	$329,483
	State Grant in Aid for Educational Concerts	$2,084,719
	Non-State Funding:	$4,599,798

Number of Positions:	State-funded:	8
	Non-State:	11

Mission/Responsibilities:

The mission of the North Carolina Symphony is to present an orchestra of the highest artistic standard that enriches, entertains, and educates diverse audiences in a variety of settings and that represents North Carolina as a leader in performance and music education.

Challenges (Problems):

1. Increase music education activities to reach more children and counties throughout North Carolina.

2. To expand the present music education activities to reach the new and growing retirement market.

3. To use new technologies in making programs of the North Carolina Symphony accessible on the Internet, closed circuit television, the state cable system, as well as interactive TV.

4. To increase private funding from individual, corporations and foundations both toward operations and to augment the orchestra's endowment.

North Carolina Department of Cultural Resources **Division:** North Carolina Museum of Art

1997-98 Appropriated Budget: $3,336,905 **1997-98 Appropriation Supported Positions:** 90.5

Mission/Responsibilities: 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). 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 mission.

Education is a major responsibility of the North Carolina Museum of Art and it is an active partner with the state's educational systems. Thousands of school children, community college and university students from all over North Carolina visit the Museum each year. Here, they learn about much more than just the art. They learn about their own culture and about other civilizations, and valuable lessons in history, geography, and even science and nature through exhibitions, guided tours, and other programs.

Outreach exhibitions, slide programs, speakers, and teaching materials are available to schools and other groups in communities throughout the state. The Museum continually strives to enhance accessibility 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 conservation department provides consultation and 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.

Challenges (Problems): Costs of operating the Museum have risen dramatically in recent years with no corresponding increase in state appropriations for operations. Indeed, the Museum has had real cuts in operating funds almost every year since the budget shortfalls of the late eighties. We have had to postpone replacing and repairing equipment and fixtures. The amount of insurance coverage on the state's collection of art has had to decrease due to the increase in premium rates with no increase in funds available to purchase insurance. The electronic security systems are outdated and inadequate. In many areas throughout the Museum, the fifteen year old carpet is badly soiled and so worn as to be a hazard to the public. In short, the basic infrastructure needs of the Museum are in dire need of attention.

In the 1970's, when the present Museum building was being planned, delays and the rampant inflation of the time rendered the available funding inadequate for the complete program as planned. As a result, only half of the original Edward Durell Stone design was actually built. One entire wing was deleted, and many other elements were omitted or re-programmed into other space. In its final form, the Museum is less than half the planned size and many interior spaces never intended for the display of art have had to be retro-fitted as galleries.

Adequate space is badly needed for exhibition of the State's art collections, for education and other public programs. With approximately a quarter million visitors annually, the Museum is often crowded and cannot accommodate greater numbers of visitors. This is especially true for groups of school children. The Museum's ability to serve the public is limited by the physical constraints of the building. Additional parking is badly needed to handle current visitation levels and expected future increases.

State Library of North Carolina
Library for the Blind and Physically Handicapped
"Using the power of information to enrich lives."

What is the NC Library for the Blind and Physically Handicapped?
The library is the branch of the State Library of NC that provides library service for citizens who cannot use the printed books in their public library. The Library for the Blind operates under the guidelines of the National Library Service of the Library of Congress.

Who does the NC Library for the Blind serve?
NC citizens who can not see standard print or hold a book

- many senior citizens who have lost their sight as part of aging
- children
- students
- workers
- retirees
- nursing homes
- schools
- public libraries
- people in all 100 counties of North Carolina

What does the NC Library for the Blind provide?
Books and magazines in alternative formats and playback equipment, including

- cassette tape
- records
- large print
- braille
- specially designed tape and record players
- repair of tape and record players
- book lists in alternative formats on selected subjects

How does the service reach all NC counties?

- toll-free phone access from all counties
- FREE MATTER FOR THE BLIND postal mailing to and from the library

Does the library use volunteers?
The library has over 160 volunteers who assist with

- recording NC magazines
- recording books of local interest
- transcribing books into braille
- volunteer related clerical work
- active Friends support group providing financial and publicity support

Is the need for this service growing?

- YES!!! As the population ages and more retirees move to this state.
- Number of patrons served in 1991 was 7,088, but now is over 10,000
- Number of books mailed to patrons was 320,249 in 1991, but now is over 460,000.

STATE LIBRARY OF NORTH CAROLINA
North Carolina Library for the Blind and Physically Handicapped

TOUR INFO

Federal government (NLS) provides main book collection on tape, in braille, and special playback equipment.
Friends of the North Carolina Library for the Blind and Physically Handicapped group provides descriptive video collection.

Volunteer & Materials Production (5 staff)

- Volunteers record or braille over 100 magazine issues or books a year.
- 2 staff coordinate volunteers, produce quarterly newsletter, handle public relations, and provide liaison with Friends support organization.
- 1 braille coordinator coordinates braille production program, answers questions about learning braille, and reads and prepares braille correspondence.
- 37,000 volumes per year are cataloged and processed.
- 700 book titles and magazine issues are produced in-house per year with an average annual circulation of 44,000.

Shipping (7 staff)

- A 1994 study found that more than half of our patrons do not have access to a local public library. Most patrons who do have access have exhausted their local public library's limited large print collection.
- Large print books are a good segue to tape book services for older citizens who are gradually losing their vision.
- Cassette, braille collections provided by NLS. Over 77,000 titles in collection. Over 270,000 volumes.
- Magazines recorded or duplicated here are of local and/or regional interest.
- Close to a half million books were sent to patrons last year. An average of 1,500 books are mailed out per day.
- Our average patron receives 44 books or magazines per year.
- All returns inspected and shelved. 6-12 hampers of returned books are received per day.
- Our truck goes to the Post Office twice daily to provide faster delivery and allow efficient workflow control.

Machine Unit (5 staff)

- Maintains inventory of over 14,000 cassette and record players provided by NLS.
- Two repair technicians repair, service, and send to patrons an average of 330 machines per month.
- Maintains inventory records and submits detailed monthly reports to NLS.
- Contacts about 20 patrons a day to determine need for equipment replacement. Fields in-depth calls about machine operations.
- Provides a variety of attachments (headphones, extension keys for physically impaired, etc.)

Processing Unit (4 staff)

- Maintains front desk coverage. Greet visitors and route calls. Provide basic information.
- Sends catalogs and informational packets to patrons. Orders and maintains stock of these items.
- Maintains file of applications which allows Free Matter for the Blind mailing privileges (critical to our operations.) No postage required for any materials mailed to and from patrons.
- Maintains database of citizens we serve and submits over 225 address and service changes to national database each week.
- Several thousand book requests from patrons entered each month.

Reader Advisors (7 staff)

- Provide all information and reading needs of over 10,000 citizens in NC who cannot read standard print.
- Personally select books for close to 500 people per day. Automated program serves an additional 80 per day.
- Field over 90 calls a day (23,000 per year).
- Handle email requests for information.
- Call over 150 new applicants a month to explain service and verify information on application.

2 librarians and 1 support staff person handle administration, management, reference, interlibrary loan, computer maintenance, collection development, and supervisory activities.

FEBRUARY 19, 1998

STATE LIBRARY -- pp. 11-14

ARCHIVES AND HISTORY DIVISION
Archives and Records Section -- pp. 15-17
Administration -- p. 18

NC State Historic Site Visitation and Budget Information -- p. 19
(Response to Legislative Inquiry)

Material for sections under A&H not included in the tour:
Historical Publications -- p. 20
NC Historic Sites -- pp. 21-22
Tryon Palace -- pp. 23-25
State Capitol/Visitor Services -- p.26
State Historic Preservation Office -- pp. 27-28
NC Maritime Museum -- p.29

NORTH CAROLINA ARTS COUNCIL -- p. 30

State Library of North Carolina

"USING THE POWER OF INFORMATION TO ENRICH LIVES"

Budget Summary (FY 1997-98):
Fund 1410 supports the State Library operations.

Section	Salaries and Benefits[1]	Operating	Total State Appropriation	Number of Positions
Administration	$ 302,787	$ 19,395	$ 322,182	5
Library Development	$ 479,278	$ 37,542	$ 516,820	13
Library Services	$2,303,662	$894,151	$3,197,813	75[2]
Total	$3,085,727	$951,088	$4,036,815	93

Fund 1480 focuses on Statewide Programs and Grants. This fund includes $3.3 million in federal funds received under the federal library program to support the statewide development of services and grants from the National Endowment for the Humanities.

State appropriations in Fund 1480 and the programs they support include:

Appropriation	Program
$14,949,669	Aid to Public Libraries Fund
$ 1,000,000	NC LIVE: The Statewide Electronic Library Project
$ 731, 584	Public Library Internet Initiative

See page 2 for a brief summary of each project.

Mission/Responsibilities:

The State Library provides library and information services and assists local libraries in the development of programs, services, and facilities.

- Administration Section
  Provides leadership in the development of library services statewide, represents North Carolina and its libraries statewide and nationally, manages integration of information technologies in State Library services, provides leadership to assist libraries statewide in integrating technology into the delivery of library services; and manages the State Library of North Carolina.

- Library Development Section
  Works in cooperation with local communities to develop and extend library services (*to give assistance, advice and counsel to all libraries in the State, to all communities which may propose to establish libraries, and to all persons interested in public libraries*... (G.S.125-3 (8)) and coordinates and supports statewide library network activities to assure equity of access to information for all North Carolinians (*to plan and coordinate cooperative programs between the various types of libraries*

[1] Salary information is from 9/30/97 printout (does not include legislative increases received 10/31/97)
[2] 74 state-funded positions, 1 federally funded position.

within the State of North Carolina, and to coordinate State development with regional and national cooperative library programs....(G.S. 125-3(10)))

- Library Services Section
  1. *To ... serve as an information distribution center for State government and the people of the State as a means for the promotion of knowledge, education, commerce and business in the State. ...* (G.S. 125-2(4)) A comprehensive program of reference services is provided for state and local government agencies, businesses, other libraries, and the general public. Direct assistance is provided to customers in the library and by telephone, telefacsimile, mail, and electronic mail. Research assistance and training for electronic census products is provided as part of the library's participation in the State Data Center program. The State Library's World Wide Web site provides Internet access to a wide variety of important information resources. (1996-97 statistics: 50,627 reference transactions were completed; 14,768 items circulated or were used in-house; 21,199 items were loaned to other libraries to meet the needs of their customers; and Over one million accesses to the State Library's World Wide Web site)

  2. *To provide library services to blind and physically handicapped readers of North Carolina by making available to them books and other reading materials in Braille, or sound recordings or any other medium used by the blind and physically handicapped ...* (G.S. 125-2(9)) (In 1996-97: 432,560 items were circulated to 9,766 individual readers and 384 institutions; 23,548 telephone calls relating to library services and materials answered)

  3. To administer ... *a depository system for the distribution of State publications to designated libraries throughout the State in order to facilitate public access to publications issued by State agencies. ...* (G.S. 125-11.5-11.13) (1996-97 statistics: resources available through thirty libraries across the state; 64,329 items were distributed through the system)

Statewide Programs & Grants

- Aid to Public Libraries Fund

  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 grants are a combination of block grants and equalization funds.

  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.

- NC LIVE

  This statewide electronic library levels the playing field by providing libraries of all sizes access over the Internet to a wide variety of reference publications, full text resources, indexes, and databases in electronic format. By licensing these resources at the state level, NC LIVE leverages the buying power of the state to significantly reduce the per library cost. The state's support gives library users statewide access to information that individual libraries cannot afford. The State Library is a partner with the University of North Carolina, the North Carolina Community College System, and the North Carolina Center for Independent Higher Education in this collaborative project.

- Public Library Internet Initiative
  Funds support Internet access for public library staff and users statewide, ensuring that library users statewide have access to electronic information resources such as those available through NC LIVE.

Challenges:

1. The State Library will have to eliminate three important programs that have been dependent on federal funds if state funding is not appropriated during this year's session. Under the new federal library program, the State Library can no longer use federal funds for:
   - *Statewide Youth Programs* (est. $75,000): supports statewide summer reading program that reaches 120,000 school-age children statewide each summer through public libraries in 96 counties; annual workshops for library staff serving children (120 participants in 1997); and Quiz Bowl, an academic competition involving several thousand high school students annually.
   - *Volunteer Services/ Library for the Blind & Physically Handicapped* (est. $40,000) supports production of Braille and special local interest materials and volunteer services.
   - *Center for the Book* (est.$25,000): coordinates programs presented in local libraries to encourage reading among children, teenagers, and adults statewide; program leveraged $75,000 in outside grant funds in the last two years.

2. Current personnel funding levels do not provide adequate salaries to recruit and retain staff. We currently need an additional $32,000 from salary reserves **just** to provide the salary increases for 6 personnel whose positions have been upgraded and additional to fully fund salaries for staff who were recruited to the State Library in 1997.

3. Continuing budget reductions are making it increasingly difficult for the State Library to maintain current services as well as respond to customer expectations. Here are two examples:

- The state's library community has said that the State Library needs to provide leadership in integrating technology in library services. Current low funding levels for equipment as well as for salaries are a serious handicap to our responding to this expectation of libraries statewide.
- In a recent customer survey of our library patrons, they told us that they find that the equipment we have for them to use does not meet their expectation (e.g., photocopiers and microfilm reader printers).

Library Services Section
State Library of North Carolina
N.C. Department of Cultural Resources
109 E. Jones Street, Raleigh, NC 27601-2807

Technical Services Branch

- ◊ Acquires, catalogs, and processes materials for the State Library's collections
  - • Over 100 newspaper subscriptions, 360 magazine subscriptions, 3,000 books, videos, and large print books, and 2,000 microfilm reels annually
- ◊ Catalogs and processes materials for the Legislative Library, Environmental Resources Library, and the Executive Mansion Library - approx. 400 items annually
- ◊ Materials in the Museum of Art Library and Labor Department Library are also added to the State Library's online catalog - over 1,600 items annually
- ◊ N.C. Online Union List of Serials
  - • Over 91,000 entries for magazines and newspapers owned by libraries across the state added since 1988
- ◊ N.C. Newspaper Project (joint project with Division of Archives and History)
  - • Over 9,000 entries for North Carolina newspapers owned by libraries across the state added since 1991

Documents Branch

- ◊ Operates the N.C. Publications Depository System established by NCGS 125-11 which receives copies of state government publications from state agencies, arranges reproduction of publications onto microfiche, and distributes them to depository libraries
  - • 30 depository libraries located across the state in all congressional districts, including State Library
  - • Over 64,000 items annually, including State Library
- ◊ Receives and processes selected federal government publications for the State Library's collections
  - • Over 15,000 items annually
- ◊ NC GILS (Government Information Locator Service) Pilot Project to identify, describe, index, locate, and present North Carolina state government information provided on the World Wide Web (coordinated effort with Division of Archives and History and the Office of State Planning)

Resource Sharing Branch

- ◊ Maintains the State Library's collections
  - • Over 147,000 books, 5,000 videos, 1,200 magazines, 100 newspapers, 38,000 microfilm reels, 129,000 state government publications, 565,000 federal government publications in collection as of 6/30/97
- ◊ Provides direct circulation of materials in the State Library's circulating collections to state employees
  - • Approximately 3,000 items checked out; over 19,000 items used in the library annually
- ◊ Loans materials from State Library collection to other libraries to meet the needs of their customers
  - • Over 2,500 items loaned annually
- ◊ Provides video services to state employees and libraries
  - • Over 18,000 items loaned annually

Information Services Branch

- ◊ Provides comprehensive reference services for state and local government agencies, businesses, other libraries, and the general public
  - • Over 18,600 customers (First Floor); 10,000 (Genealogy) annually
  - • Over 35% of information requests are received by phone (733-3270); requests are also received by walk-in customers and via fax, email and regular mail
  - • Over 21,000 requests answered by Information Desk; over 4,600 by Genealogy annually
  - • Over 117,000 items were used in Genealogy annually
- ◊ Provides research assistance and conducts training for electronic census products through the State Data Center program
- ◊ Coordinates development of the State Library's World Wide Web site (http://statelibrary.dcr.state.nc.us) which is accessed over one million times per year
- ◊ In late 1997 conducted Customer Service Survey; data is currently being analyzed

Library for the Blind and Physically Handicapped - located at 1811 Capital Blvd.; see separate information sheet

* Statistics are for 1996/97 fiscal year unless otherwise noted.

Division: Archives and History *Section:* Archives and Records

Budget: $2,749,812 appropriated for 1997-1998

# of Positions: 75 (includes 1.5 receipts-funded positions and 4 IDC-funded positions)

Mission/Responsibilities: It is the responsibility of the Archives and Records Section to promote and safeguard the documentary heritage of the State of North Carolina, particularly as it pertains to public records. This is done by managing and collecting the records of state and local governments and providing technical assistance to all agencies including public universities on the management of all their records. The section also collects and maintains a body of private papers that document the history of the state. The agency provides assistance to citizens and governmental bodies in accessing and utilizing information in the state archives, and it preserves those records of enduring value to the highest archival standards.

Challenges (Problems): The greatest challenge facing the Archives and Records Section is the lack of adequate space to store semicurrent and archival public records. Additionally, maintaining the proper storage environment for permanently valuable records is increasingly difficult due to aging facilities.

The State Records Center in Raleigh currently is at capacity and is unable to accommodate all requests from state and local agencies for cost-effective storage of semicurrent records. In addition, nearly twenty thousand cubic feet of records are stored in extremely substandard conditions at an auxiliary storage site at the Old Farmers Market; in September 1996, approximately 2,000 cubic feet of records were destroyed or severely damaged at this facility in the wake of flooding following hurricane Fran. Efforts to acquire additional space to replace the Old Farmers Market storage and to augment the storage in the State Records Center building have to date proved unsuccessful. Several thousand cubic feet of records await transfer at any time, and many agencies face significant problems because of our inability to respond to their requests for storage in a timely manner. Some state agencies, including the Department of Revenue, the Department of Correction, and the state Housing Finance Authority have been forced to rent commercial storage because our agency has been unable to provide space for all of the records scheduled to be stored at the Records Center. The long-term solution to this problem is the construction of a new records center facility with adequate space to house the public records scheduled to be transferred to the State Records Center.

The State Archives also faces a critical shortage of space in which to store the permanently valuable public records of the State of North Carolina. After nearly 29 years of utilizing its original three stack areas, several rooms designed for offices, a building connecting tunnel, offsite storage in part of the floor of a warehouse, and half of the stack area of the Old State Records Center on Lane Street, the State Archives now has less than 2,500 cubic feet of records storage space available. Nearly all of this existing space is reserved for records to be worked, and little of it that remains is contiguous in nature. Unavailability of stack space already has forced the State Archives to delay acceptance of permanently valuable records from counties, state agencies, and soon will affect the transfer of records from the Governor's Office scheduled for preservation in the Archives.

Proper control of the storage environments of the State Archives' stack areas and of the security vault is essential for the preservation of permanently valuable records. Multiple HVAC system failures and malfunctions in 1992, 1993, 1995, and 1996 have subjected the stacks and security vault to extreme fluctuations in temperature and humidity resulting in the outbreak of mold on the records and contributing to the degeneration of microfilm stored in the security vault. Installation of a back-up HVAC system is needed to prevent extreme environmental conditions from occurring when the HVAC system malfunctions.

DOCUMENT ONE

John Adams' *Thoughts on Government:* An essay on the formation of governments. Adams says that "Politicks is the Science of human happiness...and the felicity of societies depends on the Constitutions of Government under which they live."

Written during the spring of 1776 in response to a resolution of the Provincial Congress of North Carolina, which requested Adams' suggestions on the establishment of a new government and the drafting of a constitution. The framers of the state's constitution, which remained unchanged until 1836, adopted many of the ideas put forth in Adams' essay. The document is now internationally famous.
(Private Collection 84; David L. Swain Papers)

DOCUMENTS TWO AND THREE

George Washington, New York, October 2, 1789 to Governor Samuel Johnston. Washington transmits a list of amendments to the Constitution of the United States (The Bill of Rights) to Governor Johnston and urges North Carolina to ratify the Constitution thereby joining the Union. North Carolina became the twelfth state to ratify at a Convention in Fayetteville on December 22, 1789.
(Governor's Papers, State Series XVII, Samuel Johnston, G.P. 17)

George Washington, August 26, 1790 to the Governor and Council of State: Washington congratulates North Carolina on the ratification of the United States Constitution. He thanks the governor and the council for the "friendly sentiments entertained by you for my person, as well as for the Government which I have been appointed by my countrymen to administer."

Recovered in 1974 after an undermined number of years out of custody the letter is now part of the papers of Governor Alexander Martin. It was recently restored with private funds.

DOCUMENT FOUR

Letter from the Dead: Message from Colonel Isaac Edwin Avery to Major Samuel McD. Tate, July 1863, written while laying dying on the Battlefield at Gettysburg. "Major tell my Father I died with my Face to the enemy." This document is currently being featured in a series of television commercials for Time/Life Books on the Civil War. The cover of the first volume of this series also shows a likeness of this document. This document has also recently undergone extensive conservation with private funds.
(Private Collection 1190, Isaac Edwin Avery Papers)

DOCUMENT FIVE

Major Joseph Englehard Letter: Letter written by Confederate Major Joseph Englehard on August 25, 1864, describing a recent battle as a **"Tar Heel"** fight. This letter is the earliest written record of the term Tar Heel to describe North Carolinians. The term perhaps originated in colonial times as a slur because of North Carolina's vast Naval Stores industry of that day. By the time of the Civil War it had become a term of endearment sometimes attributed to Robert E. Lee.

DOCUMENTS SIX AND SEVEN

World War I posters: Two posters from the Archives collection of several hundred posters, prints and broadsides. The first is an original drawing submitted to the War Department by North Carolina Artist Fred V. Owen. The War Department solicited artist from across the nation to lend their talents to the War effort. Those selected were printed in color and distributed nationwide.

The second poster is one such poster designed to recruit troops into the infantry.

Division: Archives and History, Administration

Budget: $611,134 *Position:* 23

Mission: Responsible for administering North Carolina Archives and History Act (G.S. 121). Promotes and encourages throughout the state knowledge and appreciation of North Carolina history. Administers Historic Stagville in Durham.

Challenges: Managing the state's historical resources in the face of budgetary cutbacks of core programs; obtaining the necessary funding to undertake excavation, conservation, and exhibition of artifacts associated with the shipwreck believed to be Queen Anne's Revenge; obtaining the necessary funding for the development of historic sites, regional museums, archives and records facilities, and historic preservation programs to meet public expectations and demands.

State Historic Sites
FY 1996-97 Visitation and Budget Information

	Visitation	Appropriation	Admissions
Alamance Battleground	15,966	$79,117	
Aycock Birthplace	17,814	193,692	
Bennett Place	22,078	132,424	
Bentonville Battleground	34,884	156,675	
Charlotte Hawkins Brown Mem.	10,541	146,251	
Brunswick Town	24,212	210,693	
CSS Neuse	17,912	156,098	
Duke Homestead	26,762	180,836	
Fort Dobbs	9,823	115,161	
Fort Fisher	113,425	299,611	
Historic Bath	20,865	175,575	$5,826
Historic Edenton	27,497	236,348	4,197
Historic Halifax	32,009	183,674	
Horne Creek Farm	23,646	148,604	
House in the Horseshoe	17,154	91,919	
N.C. Transportation Museum	102,077	786,361	
Polk Memorial	20,355	153,824	
Reed Gold Mine	54,314	244,258	40,499
Somerset Place	26,433	179,247	
Town Creek Indian Mound	32,578	162,889	
Vance Birthplace	18,711	113,710	
Thomas Wolfe Memorial	21,814	403,199	12,680
	690,870	$4,550,166	$63,202

General Government Subcommittee Visit

Division: Archives and History

Section: Historical Publications

Budget: $632,314

# of Positions: 15 1/2

Mission\Responsibilites:

The mission of the Historical Publications Section is to promote and encourage the study of North Carolina history by collecting, editing, publishing, and distributing the *North Carolina Historical Review*, *Carolina Comments*, books, pamphlets, and other historical materials. In its service to the universities, colleges, public schools, historical and cultural agencies, and general citizenry of North Carolina, the section strives for high editorial and scholarly standards in its publications.

Challenges (Problems):

Maintaining sufficient staff and funds to fullfill the section's mission and commitment to the citizens of North Carolina.

Exploring new ways to acquire, publish, and disseminate historical materials throughout the state.

Division of Archives and History
North Carolina Historic Sites

Budget: $6,646,221 Operating Funds — Number of positions: 140
$1,300,000 Operating One-Time Reserves for Town Creek Indian Mound, Somerset Place, and Civil War Sites
$7,946,221

Mission/Responsibilities: Preserving the Past for All People

The mission of the North Carolina Historic Sites is to preserve, interpret, operate, maintain, and develop the twenty-two state historic sites.

Challenges:

- Current Capital Improvement Needs at Twenty-Two State Historic Sites:

  Heritage tourism is the fastest growing segment of the travel market. The state historic sites are important players in North Carolina's heritage tourism initiative. However, outdated and inadequate facilities, unrestored historic buildings, and underdeveloped sites are not meeting visitor expectations. Sites are not adequately serving either North Carolina's visitors nor its school children who utilize the sites as part of their studies. Over $67 million is needed to meet critical capital improvement needs at our state historic sites.

- Significant Lack of Technical Staff:

  The Historic Sites Section is responsible for over 230 buildings and more than 110,000 square feet of museum exhibition space. Requirements of the State Construction Office and the Department of Insurance with regard to new construction, restoration, and exhibition design/installation continue to become more complex and time consuming every year. Two section employees oversee the construction of new buildings and repair/restoration of historic structures. One exhibit designer currently is responsible for all exhibit work in the section. Technical staff is needed in these and other areas of the historic sites program.

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North Carolina Historic Sites

Current Situation

- Operation of 22 state historic sites located across the state
- Over 230 buildings within the program plus hundreds of structures and features such as earthen trenches, bridges, fences, picnic areas, etc.
- More than 110,000 square feet of museum exhibition space
- More than 66,000 square feet of furnished historic structures on exhibit
- More than 50,000 artifacts located at 22 historic sites
- Employees: 140 permanent
  125 temporary
  265 total
- 45 thousand volunteer hours from 1,848 volunteers
- Over 80 million dollars in tourism revenue generated by visitors to North Carolina Historic Sites in 1996 (based on Travel & Tourism, North Carolina State University visitor survey)
- Over 200 repair, renovation, or construction projects handled on an annual basis
- 690,870 visitors came to North Carolina Historic Sites in FY 1996-97.

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Current Capital Improvement Needs

Stabilize and Restore Historic Structures		$40.15 million
Visitor Centers		10.10
Exhibits		12.25
Land Acquisition		3.40
Maintenance Buildings		1.55
	Total	$67.45 million

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DIVISION: Archives and History **SECTION: Tryon Palace**

FY 1997-98 BUDGET:	Appropriated funds:	$1,117,205
	Funds from admission receipts:	541,579
	Funds from private donations:	272,899
	TOTAL	$1,931,683

NUMBER OF POSITIONS: 29 Funded from appropriated funds
13 Funded from receipted funds

42 Total Positions

MISSION/RESPONSIBILITIES: The mission of the Tryon Palace Section is to provide accurate and entertaining North Carolina history education programs for North Carolinians and visitors to North Carolina using the historic buildings, artifacts, documents and gardens entrusted to our care. We are charged with the responsibility of interpreting to the public the story of North Carolina's colonial government and first government building as well as the story of the beginning of the new state after the revolution. This mission is accomplished by presenting daily guided history education tours, special interest tours, lectures, workshops, symposia, living history programs, daily craft demonstrations, performances of music from the past, self-guided and guided garden tours, drama tours and special seasonal events. As stewards of priceless North Carolina artifacts and historic buildings, our mission also includes on-going maintenance and security as well as preservation and conservation treatments for 10 historic buildings, a collection of more than 6,000 artifacts, and 14 acres of landscaped gardens. This section provides free history education services to more that 1,000 educators in North Carolina through *the Living History Classroom,* a newsletter designed to provide classroom learning experiences for students studying North Carolina history. More than 20,000 North Carolina schoolchildren travel to Tryon Palace Historic Sites and Gardens each year to learn more about the history and heritage of their state. The Tryon Palace Section offers special learning programs for students with tours designed to complement the curriculum for 2nd grade, 4th grade, 6th grade and 8th grade. Tryon Palace Historic Sites and Gardens is accredited by the American Association of Museums in recognition of the achievement of the highest professional standards for museums and historic sites: only 24 museums and historic sites in North Carolina have achieved accreditation and only about 700 of the 8,000 members of the American Association of Museums are accredited. As part of the effort to accomplish its educational mission, members of the Tryon Palace staff regularly present history education programs throughout the state and regularly offer resource services to communities and groups across the state in conservation of historic furnishings, collections management, heritage plant production,

preservation of historic buildings and landscapes, and revitalization of historic downtowns.

CHALLENGES (problems): One of the most significant challenges for the Tryon Palace Section is continuing to meet growing public demands for a large number of services and educational programs with decreasing funding and increasing costs. Since we charge an admissions fee, we are particularly concerned that we provide an excellent experience for our visitors, and we insist on high standards for cleanliness and repair as well as for educational programs. Last fiscal year we lost one housekeeper position leaving us with 2 housekeepers to clean a large number of buildings that are utilized by the public on a daily basis. The Palace buildings alone include approximately 24,000 square feet. In all, two people are cleaning approximately 45,000 square feet including frequently cleaning and monitoring of restrooms and weekly dusting, sweeping, vacuuming of exhibit rooms. We also do in-depth cleaning of historic house museums once a year. All of our buildings require constant and costly maintenance. Our two carpenters and two painters have difficulty keeping up with the routine carpentry repair and painting needed for 10 major historic buildings.

Another challenge is meeting federal and state regulations regarding accessibility with limited funding and multiple story historic buildings. We will soon accomplish first floor accessibility for all of our museum buildings and a project to convert our public restrooms to accessible restrooms is currently in design. Areas needing attention in the future include program accessibility for visually impaired guests including Braille signage and labels and additional staff trained to conduct tours for visually impaired and hearing-impaired visitors. We expect to install our first orientation film with captions in the next two weeks.

Tryon Palace Historic Sites and Gardens is a destination tourism attraction and contributes to development of the heritage tourism industry for North Carolina. Yet another challenge is overcoming the disadvantage of lack of direct access to an interstate highway and a large airport. New Bern is an hour and a half from Interstate 95. A significant challenge is promoting Tryon Palace Historic Sites and Gardens with no state funds available for marketing and advertising. We are very dependent on press releases to newspapers and magazines and other sources of free or low cost publicity. Much effort goes toward attracting travel writers to our site and participating in North Carolina Travel and Tourism promotional programs to market our state to the travel industry. Since we are a fee-based site, we have the challenge of convincing travelers that we are worth the journey and the cost of admission.

Another challenge which we meet with notable success is the challenge of offering a varied menu of programs to the public that are changed every year to attract repeat visitors. An example is our popular Christmas exhibit, which began about 1979. Before we began the Christmas tours, we had less than 1,400 visitors in December. The Christmas tours now make December one of the months of greatest attendance with visitation of about 12,000. To sustain the public's interest, we have to develop new exhibits and programs each Christmas. The same level of effort is needed for the other

annual special events including the three-day 18th century symposium in March which has been offered continuously for 30 years, the three-day spring garden program in April, the July 4th celebration, and the three day Chrysanthemum Festival each October. In addition to these special events, we offer an on-going program of lectures and workshops, which regularly attract audiences of 50 to 100 people. For example, this fall we offered a series of programs on caring for historic houses, gardens and furniture that attracted attendees from all over eastern North Carolina and from the Raleigh – Durham area. Similar response was given to a program on African American gardens in the 18th and 19th centuries and to dramatic presentations including Lord Cornwallis' account of how he lost the Revolution and Blackbeard's account of his activities on the coast of North Carolina. In September, we hosted an 18th century circus that attracted a large number of attendees from all other eastern North Carolina.

The state now owns the Barbour Boat Works site adjacent to Tryon Palace Historic Sites and Gardens on the Trent River waterfront. Our greatest challenge will be to clean up this 5.8-acre site, to make it safe for the public and to construct a history education and visitor center on the site. It is currently an industrial site with numerous pilings, piers and industrial buildings both on the land and intruding into the river. Conceptual plans include a hands-on interactive history learning center for students in grades 1-12 to teach North Carolina history from the settlement and colonial periods through the Civil War; and a gallery museum to present topics that include the economic history of eastern North Carolina, the African American experience in eastern North Carolina, the story of the reconstruction of North Carolina's colonial and first state capitol and an exhibit about noteworthy North Carolinians including John Hawks, the architect of the palace and probably the Edenton courthouse; William Gaston, the author of the state song and a supreme court justice in the second quarter of the 19th century, and John Carruthers Stanly, one of the wealthiest free African Americans in the South prior to the Civil War. The site will include a public walkway to Tryon Palace along the waterfront and outside exhibits that will interpret the early settlement of eastern North Carolina and the natural history of the Neuse River area as documented by John Lawson in 1709. A significant challenge will be to secure funding for this project.

Kay P. Williams
December 3, 1997

Division: Archives and History

Section: State Capitol/Visitor Services

Budget: $388,969

No. of Positions: 10

Mission/Responsibilities:

1) Operates the Capitol Building as a focal point for interpreting the history of the Legislative, Executive and Judicial Branches of state government.

2) Operates the Capital Area Visitor Center to provide visitor services, orientation, and historical interpretation for visitors to the capital-area complex in Raleigh.

3) Conducts historical tours and related educational programs of the Executive Mansion.

Challenges (Problems):

1) Providing the proper professional level of educational programs and visitor services for the combined total of over 300,000 annual visitors to the Capitol, Visitor Center and Executive Mansion (need additional professional and operating staff).

2) Properly restoring, repairing and maintaining of the National Historic Landmark Capitol (need state funds for restoration, maintenance, housekeeping and security).

3) Difficulty of raising funds for Capitol restoration and education programs from private resources (need matching legislative funds as an incentive to donors).

4) Developing interpretive programs and exhibits and operational procedures for the proposed new visitor center (need additional staffing now for planning and development while the new building is being designed and built).

Submitted by - Sam P. Townsend
December 2, 1997

Division: Archives and History Section: State Historic Preservation Office

Budget: $1,291,707 (state appropriation)
$ 500,000 (NPS grant-operations portion)
$1,791,707 (total)

Number of Positions: 45

Mission/Responsibilities: Statewide survey of historic buildings and archaeological sites; nomination of eligible properties to the National Register of Historic Places; review of federal and state actions affecting historic and archaeological properties; technical assistance to owners of historic properties; technical assistance to local preservation commissions; preservation education; grant assistance; assistance to owners seeking rehabilitation income tax credits.

Challenges (Problems):

Internal

* Gearing up for new state tax credit program for historic rehabilitation.

* Upgrading electronic communications of section.

* Maintaining regular archaeological services while servicing QAR project.

External

* Insufficient and unpredictable funding for preservation.

* Low priority of preservation for many citizens, politicians, and local government officials.

* Demolition by neglect, especially in rural areas.

* Lack of information on the part of citizens and politicians about historic preservation and resources.

* Development and construction pressures, rapid growth, and urban sprawl.

* Insufficient local government involvement and planning in preservation issues.

Lack of citizen and community preservation leadership.

Perception that preservation costs too much.

Demolition, redevelopment, urban renewal activities.

Community factionalism.

Communities in economic decline.

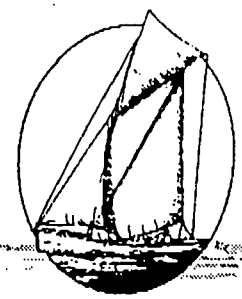
Low-value historic resources on high-value land and lack of economic incentives to preserve and reuse.

School consolidation or abandonment of older schools because of changing educational requirements.

Building code and environmental regulations that discourage preservation and reuse.

Deterioration of building stock and rising crime rate in some older neighborhoods and downtowns.

ro:a:db:challeng



North Carolina Maritime Museum

Division: Archives and History

Section: North Carolina Maritime Museum

Budget: $ 792,227

# of Positions: 18

Mission: To provide research, collections, exhibition, education and general museum services for the purpose of interpreting North Carolina's coastal natural history and maritime resources and traditions, including scientific, social, economic and technological factors which influence North Carolina's maritime environments, cultures and heritage.

Challenges:

- Recruit and employ a highly qualified director by early 1998. The previous director resigned November 1, 1997. The museum's business manager currently doubles as interim director.

- Develop a viable design for a building to replace the museum's waterfront classroom and office building, which was razed due to irreconcilable building code problems. Temporary replacement of that space is costing $12,000 per year in rent from the museum's operating budget.

- Supplement current operating budget (by petitioning the legislature, and soliciting private donations), which had dwindled under the museum's previous parent agency, NC Dept. of Agriculture. The incompatibility of the museum's mission with that of Agriculture's made it difficult to justify funds within that department's budget requests. The museum is understaffed for the volume of programs it already offers. Although relatively new, the physical plant is showing signs of disrepair, due to lack of funds for maintenance.

- Develop a site plan, and raise funds for construction of the museum's annex at the newly-acquired 36 acre Gallant's Channel site. This project will require years of development, but will secure our position as the premier maritime museum in the south.

5 Front Street Beaufort, NC 28516-2125 *phone:* 919.728.7317 *fax:* 919.728.2108 *e-mail:* ncs0018@interpath.com

North Carolina Arts Council

Department of Cultural Resources

Raleigh, NC 27601-2807

Division: North Carolina Arts Council

Budget: $5,461,635 state appropriation **# of Positions:** 23 ½ FTE

Mission: To enrich the cultural life of the state
- by nurturing and supporting excellence in the arts and
- by providing opportunities for every North Carolinian to experience the arts.

Responsibilities:

1. **To develop and support North Carolina's arts resources** including
   - arts organizations
   - other organizations that do arts programming
   - artists
   - our folk heritage

2. **To build stronger communities** through the arts, especially through
   - the Grassroots Arts Program
   - culturally diverse programming
   - performances and artist residencies
   - public art projects

3. **To help the state accomplish its agenda**, specifically
   - economic and community development – cultural tourism
   - global trade and communication – international arts programs
   - better educated children – arts and education partnerships
   - more involved citizenry – lifelong learning through the arts

Challenges/Problems:

- Our state appropriation covers **only four months of our operating expenses**. By November we are dependent on federal funds to operate the remaining eight months. The source of these funds, the National Endowment for the Arts, had its budget cut in half two years ago and remains under threat of total elimination.

- Since our **last legislative increase in FY 93-94**, the number of arts organizations in North Carolina has increased by 6% (to 2,222) and the number of citizens by 5.4%. This reduces our appropriation from **76¢ per citizen five years ago to 73.5¢ today**.

- Our per capita appropriation ranks us **6th in the South** behind

Florida	$1.71
South Carolina	$1.05
Kentucky	$1.02
Louisiana	$1.02
Alabama	.93
North Carolina	**.73+**

Prepared December 1997

2-19-98 att 2

DOCUMENT ONE

King Charles II, ***The Carolina Charter:*** After restoration of the throne of England, Charles II granted the Carolina Colony to eight proprietors, who were noblemen which had been instrumental in his return to power. The Colony lay between 31 degrees and 36 degrees North latitude, It included the current area of North Carolina, South Carolina and all lands west to the South Seas (Pacific Ocean). The Charter was granted March 24, 1663. The Charter was not signed by the King but it's four pages, (of which this is the first), were attached by a cord containing the Royal Seal. The names of these men can still be recognized in the names of North Carolina Counties: Carteret, Craven, Granville and Hyde. The Charter was purchased in England with private funds brought to North Carolina fifty Years ago. It was restored last year through a grant to the Friends of the Archives.

DOCUMENT TWO

John Adams' ***Thoughts on Government:*** An essay on the formation of governments. Adams says that "Politicks is the Science of human happiness...and the felicity of societies depends on the Constitutions of Government under which they live."

Written during the spring of 1776 in response to a resolution of the Provincial Congress of North Carolina, which requested Adams' suggestions on the establishment of a new government and the drafting of a constitution. The framers of the state's constitution, which remained unchanged until 1836, adopted many of the ideas put forth in Adams' essay. The document is now internationally famous.
(Private Collection 84; David L. Swain Papers)

DOCUMENTS THREE AND FOUR

George Washington, New York, October 2, 1789 to Governor Samuel Johnston.
Washington transmits a list of amendments to the Constitution of the United States (The Bill of Rights) to Governor Johnston and urges North Carolina to ratify the Constitution thereby joining the Union. North Carolina became the twelfth state to ratify at a Convention in Fayetteville on December 22, 1789.
(Governor's Papers, State Series XVII, Samuel Johnston, G.P. 17)

George Washington, August 26, 1790 to the Governor and Council of State:
Washington congratulates North Carolina on the ratification of the United States Constitution. He thanks the governor and the council for the "friendly sentiments entertained by you for my person, as well as for the Government which I have been appointed by my countrymen to administer."

Recovered in 1974 after an undermined number of years out of custody the letter is now part of the papers of Governor Alexander Martin. It was recently restored with private funds.

DOCUMENT FIVE

Major Joseph Englehard Letter: Letter written by Confederate Major Joseph Englehard on August 25, 1864, describing a recent battle as a **"Tar Heel"** fight. This letter is the earliest written record of the term Tar Heel to describe North Carolinians. The term perhaps originated in colonial times as a slur because of North Carolina's vast Naval Stores industry of that day. By the time of the Civil War it had become a term of endearment sometimes attributed to Robert E. Lee.

DOCUMENTS SIX AND SEVEN

World War I posters: Two posters from the Archives collection of several hundred posters, prints and broadsides. The first is an original drawing submitted to the War Department by North Carolina Artist Fred V. Owen. The War Department solicited artist from across the nation to lend their talents to the War effort. Those selected were printed in color and distributed nationwide.

The second poster is one such poster designed to recruit troops into the infantry.

2-19-98 att 3

21.4.13.1.5
N.C. Letter from Rev. Jno. Urmston to sec., SPG. Oct 18.

PROVENANCE:
CLASS: Foreign Archives
GROUP: British Records
SERIES: Society for the Propagation of the Gospel, 'A' Manuscripts (Letterbooks) (SPG A)
BOX: Volume 13. (SPG/A/13)

YEARS:
1718

CALL NUMBER:	LOCATION:	ARRANGEMENT:	RS.NO:	SOURCE OR DONOR
Z.5.222	194-196	Chronological		United Society for the Propagation of the Gospel

AGENT:

CREATOR:
Society for the Propagation of the Gospel in Foreign Parts

ASSOCIATED AGENCIES:

SCOPE:
Trade with England disrupted by pirates, difficulty of passage through sand bars; activities of "Blackbeard alias Thache" and his crew; capture of pirate Bonnett by sloops from S.C.; account of battle with pirates [Blackbeard and crew] by men of two other sloops [from Va.]; repeats much from letter of 29 Sept. 1718, which he fears was lost, regarding servants, his son, baptisms; Rainsford's report of converting many Indians and slaves "so gross a lie"; Rainsford now in Va., where many parishes vacant through poor treatment of clergy; climate reportedly has killed nine or ten clergy in Va. and numbers in S.C. since he came to America [1711]; must travel to a place nearly one hundred miles distant to obtain beef, pork or "shall ineveitably Starve"; family subsists on corn and mush made of Indian meal; his poverty; vestry refuses to meet; governor unable to help; population "are not to be govern'd but by methods of their own Contriving"; few gentlemen in N.C.; he is deprived of conversation and books; would not reside in Currituck for L500 per annum; requests Society order to obtain Adams library or issuance of new books; parish owes him back pay or else he would not hesitate to leave; must sell plantation at loss.

LANGUAGES:
English

RESTRICTIONS:
Copyright Micro Methods Ltd., 1964. Those wishing to quote from, reproduce, or publish material in this series should write to The Archivist, United Society for the Propagation of the Gospel, 15 Tufton Street, London SW 1P 3QQ England

TERMS:
Purchase

MATERIAL:
Letter books, Microfilm (Volume) ; Letters

QUANTITY:

OTHER COPIES: OTHER LOCATIONS: RELATED MATERIALS:

PERSONAL NAME INDEX:
Bonnet, Stede
Adams, James
Rainsford, Giles
Teach, Edward
Urmston, John

CORPORATE NAME INDEX:
Church of England
Society for the Propagation of the Gospel in Foreign Parts

GEOGRAPHIC INDEX:
South Carolina
Currituck Precinct
Virginia

SUBJECT INDEX:
Missionaries
Clergy
Missions
Religion
Secretaries
Baptisms
Battles
Indians
Ships
Corn
Food
Parishes
Slaves
Books
Governors
Libraries
Vestries
Commerce
Plantations
Beef
Climate
Domestics
Navigation
Pork
Evangelistic Work
Pirates
Sand Bars
Wages

REMARKS:

END OF FINDING AID

2-19-98 att 4

State Historic Sites
FY 1996-97 Visitation and Budget Information

	Visitation	Appropriation	Admissions
Alamance Battleground	15,966	$79,117	
Aycock Birthplace	17,814	193,692	
Bennett Place	22,078	132,424	
Bentonville Battleground	34,884	156,675	
Charlotte Hawkins Brown Mem.	10,541	146,251	
Brunswick Town	24,212	210,693	
CSS Neuse	17,912	156,098	
Duke Homestead	26,762	180,836	
Fort Dobbs	9,823	115,161	
Fort Fisher	113,425	299,611	
Historic Bath	20,865	175,575	$5,826
Historic Edenton	27,497	236,348	4,197
Historic Halifax	32,009	183,674	
Horne Creek Farm	23,646	148,604	
House in the Horseshoe	17,154	91,919	
N.C. Transportation Museum	102,077	786,361	
Polk Memorial	20,355	153,824	
Reed Gold Mine	54,314	244,258	40,499
Somerset Place	26,433	179,247	
Town Creek Indian Mound	32,578	162,889	
Vance Birthplace	18,711	113,710	
Thomas Wolfe Memorial	21,814	403,199	12,680
	690,870	$4,550,166	$63,202

North Carolina Historic Sites

Current Situation

- Operation of 22 state historic sites located across the state
- Over 230 buildings within the program plus hundreds of structures and features such as earthen trenches, bridges, fences, picnic areas, etc.
- More than 110,000 square feet of museum exhibition space
- More than 66,000 square feet of furnished historic structures on exhibit
- More than 50,000 artifacts located at 22 historic sites
- Employees: 140 permanent
  125 temporary
  265 total
- 45 thousand volunteer hours from 1,848 volunteers
- Over 80 million dollars in tourism revenue generated by visitors to North Carolina Historic Sites in 1996 (based on Travel & Tourism, North Carolina State University visitor survey)
- Over 200 repair, renovation, or construction projects handled on an annual basis
- 690,870 visitors came to North Carolina Historic Sites in FY 1996-97.

****

Current Capital Improvement Needs

Stabilize and Restore Historic Structures		$40.15 million
Visitor Centers		10.10
Exhibits		12.25
Land Acquisition		3.40
Maintenance Buildings		1.55
	Total	$67.45 million

bj:capimpro.doc

bulldozer. Initially motivated by a dream to bring back to life Tryon Palace, the magnificent colonial capitol at New Bern, the society's leaders moved on to crusade for the preservation of historic buildings throughout the state. Finding themselves deprived of resources during World War II and in an uphill struggle against countervailing economic and political priorities in the postwar boom era, they exhibited considerable ingenuity in adapting the antiquities society to a time in which the prevailing political and developmental tide ran strongly against historic preservation. The society's leaders abandoned their initial goals of acquiring and administering historic properties and instead devised innovative advisory and financial-assistance programs that offered the organization goals it could meet with consistently limited staff and operational resources. An innovative revolving loan fund implemented in 1948 was probably the first such mechanism in the nation, and antiquities society grants ultimately assisted more than one hundred local preservation projects throughout the state. In the society's closing years a new generation of preservationists sought to reinvigorate the membership and financial base of the organization and to develop new programs for the remaining decades of the twentieth century.

Preparation of this first major work on the historic preservation movement in North Carolina involved hundreds of miles of travel; numerous interviews; and the examination of innumerable letters, minutes, reports, newspaper articles, and photographs in state, federal, and university archives, as well as in private ownership. Many of the eighty-six illustrations in the volume are published for the first time. Readers with an interest in historic preservation will be amused and inspired by the pathbreaking activities of midcentury North Carolinians of privilege who managed to reconcile social prominence with social responsibility and in the process lay the groundwork for a movement that has endured, prospered, and gained new adherents with the passage of time.

A Lasting Gift of Heritage (205 pages; bound in cloth) is available at $24.00 per copy ($19.00 each for members of Preservation North Carolina) from the Historical Publications Section, Division of Archives and History, 109 East Jones Street, Raleigh, NC 27601-2807. For each copy ordered, include 6 percent state sales tax and $3.00 for shipping. Checks should be made payable to the North Carolina Department of Cultural Resources.

Tryon Palace Welcomes Its Two Millionth Visitor

A Wisconsin family caused quite a stir at Tryon Palace Historic Sites & Gardens in New Bern this past August. Patricia Stapleton entered the Tryon Palace Visitor Center along with her husband Mike and their two sons and was heralded as the site's two millionth visitor. The family was vacationing in New Bern for the week and had heard about Tryon Palace through some materials send to them before leaving their home in Hartford, Wisconsin. "Two million visitors—congratulations!" Ms. Stapleton said. "We came to the palace because we just don't have this kind of history in Wisconsin." Ms. Stapleton is a teacher in a local community college, and her husband is a dairy farmer. The family was presented with a basket filled with gifts and a gift certificate from the Tryon Palace Shops, a year's membership in the Tryon Palace Council of Friends, two free nights in a local hotel, and a free dinner at a local restaurant.



Mike and Patricia Stapleton of Hartford, Wisconsin, and their two children are shown at Tryon Palace after Ms. Stapleton was officially recognized as the palace's two millionth visitor. The Stapletons were vacationing in New Bern this past August and, having heard about Tryon Palace before departing Wisconsin, decided to visit there on the fateful day. Ms. Stapleton is a teacher in a local community college, and her husband is a dairy farmer.

Tryon Palace was built as the home of North Carolina royal governor William Tryon in 1770 and was the seat of state government after the Revolutionary War. Although the building's west wing is the only original structure to survive, the main building and the east wing were re-created and restored as a state historic site in the 1950s. The reconstructed palace opened its doors to the public in 1959. Tryon Palace Historic Sites & Gardens presently attracts some seventy thousand ticketed visitors annually, as well as about fifteen thousand visitors who attend the site's free events.

Eighth Annual Thomas Wolfe Festival Held in Asheville

Pat Conroy, best-selling author of *Beach Music*, *The Prince of Tides*, and *The Great Santini*, spoke at the dedication ceremony of the Thomas Wolfe Memorial's visitor center on Sunday, October 5, at 5:00 P.M. as part of the eighth annual Thomas Wolfe Festival, October 3-5 in Asheville and the bicentennial (1797-1997) of that city. Secretary of Cultural Resources Betty Ray McCain and Thomas Wolfe's nephew, Dr. R. Dietz Wolfe, joined Conroy as keynote speakers. That evening Conroy also gave a reading from his works at the Asheville Community Theatre to benefit the yearly festival.

On Friday morning, October 3, a full day of events began with a live radio broadcast from the porch of the memorial. The broadcast, for Wolfe's ninety-seventh birthday, was titled "The Magic and the Loss: The Prose Poetry of Thomas Wolfe." Throughout the day guides in period costume offered free tours of the house. Personnel played early twentieth-century music on the piano in the memorial's parlor, and visitors enjoyed birthday cake on the porch of the visitor center.

A daylong discussion of Wolfe's life and work occurred at Asheville's Pack Memorial Library. Authors Carole Klein, David Madden, Bob Terrell, and Wilma Dykeman were among the speakers. Presentations, moderated by Philip Banks, included Chris Morton, "'That Damned Secession Hole in the Mountains': The

2-19-98 att 7

RECORDS SERVICES BRANCH
Current Statistics (as of January 31, 1998)

Total records holdings: (State Records Center, Old Records Center, Old Farmers Market) 150,537 cubic feet

State Records Center (215 N. Blount):

Total holdings:	129,297 cubic feet
Maximum space designed for holdings:	120,000 cubic feet
Excess over capacity	9,297 cubic feet

State Records Center Services Performed

Service	*1997-1998 Fiscal Year to date: (7/1/97-1/31/98)*	*Comparison: 1996-1997 FY (7/1/96-6/30/97)*
Records Transfers and Dispositions		
Records Transferred	8,727 cubic feet	21,731 cubic feet
Records Removed	6,356 cubic feet	22,202 cubic feet
Reference Services		
Requests for Records	25,849	24,929
Searches for records	31,034	29,688
Refiles and interfiles of records	44,351	29,077
TOTAL Reference Services	75,385	58,765

2-19-98 att 8

North Carolina Department of Cultural Resources

James B. Hunt Jr., Governor
Betty Ray McCain, Secretary

Division of Archives and History
Jeffrey J. Crow, Director

February 16, 1998

Memorandum

To: Secretary Betty Ray McCain

Via: Jeffrey J. Crow

From: David J. Olson

Re: Solutions to the Archives and Records Space Problem

As you know our space problem continues to grow worse. We are at the point that there is so little space remaining in the archives, that further transfers of Governor's records are in jeopardy. The State Records Center is currently 7,000 boxes over capacity and we can only transfer materials on a "one box in and one box out" basis. The backlog of transfers which are backed up into state agencies runs between two and three thousand boxes. This is leading to hazardous conditions in many agencies.

The short term solution to this problem is the securing of suitable rental space to take the pressure off for a time, while longer term solutions are in process. I enclose the specifications which were drawn up last year by the State Property Office regarding such space. According to that office the cost for rent and utilities will be $115,000 per year, and with an additional charge of $50,000 for shelving for two years. Therefore, the total need for the first two years will be $165,000 each year.

Reference is also made to the attached OC-25 form for the planning moneys necessary for a new state records center. Progress on this project would assure the only way that this problem will be solved. However, given the years necessary to carry out such a capital improvement, the rental funds are still needed. This problem will continue to grow worse until such rental facilities are funded and in use.

Enclosures
cc: Branch Heads
djo/mw

North Carolina Arts Council 2-19-98
Department of Cultural Resources
Raleigh, NC 27601-2807

MAJOR CHANGES IN NORTH CAROLINA'S ARTS LANDSCAPE OVER THE PAST 30 YEARS

While it's difficult to isolate all the elements that have made up the explosive growth in the arts in North Carolina over thirty years, these seven trends have contributed greatly to our current environment:

- **Decentralization of opportunities to participate in the arts**
- **Emphasis on professionally-managed and publicly-accountable organizations**
- **A physical infrastructure of arts facilities across the state**
- **Involvement of government in complex and challenging ways**
- **Artists layered throughout our communities**
- **Strong communities of working artists**
- **Cultural uniqueness as key to a healthy arts landscape**

IMPACT OF ARTS COUNCIL ACTIVITIES IN FY 96-97:

- **Over 10 million participants were involved in Council-funded projects.**
- **Projects were funded in every county in the state.**
- **Grants went to 507 arts organizations**
  321 schools and community and civic groups
  49 individuals
- **Each dollar granted by the Arts Council was matched by eleven other dollars, many generated directly by the Council's grant.**

North Carolina Arts Council
Department of Cultural Resources
Raleigh, NC 27601-2807

2-19-98 att #10

EXPANSION BUDGET REQUEST for FY 98-99 - Same as SB 686

Summary

Requested Increase:	
Grassroots Arts Program	**$ 1,156,633**
Cultural Tourism Initiative	**300,000**
Arts and Education Partnerships	**300,000**
Operating Support	**343,367**
	$ 2,100,000
1997-98 State Appropriation	**5,461,635**
1998-99 State Appropriation	**$ 7,561,635**
Projected 1998-99 Population	**7,543,001**

Description

Grassroots Arts Program **Increase:** **$ 1,156,633**

This nationally acclaimed program is 20 years old. It rests securely on one of the oldest and most highly respected networks of local arts councils in the country. Last year (96-97), 660 arts and community organizations were supported. Designated for local priorities, most Grassroots funding goes for child-oriented, family-centered arts and cultural programs. Using the arts to build stronger communities and to provide children fuller educational opportunities is a high priority for local arts councils, our designated county partners, and the distribution of Grassroots money reflects that emphasis. This increase will provide a total Grassroots budget of $2.5 million.

Cultural Tourism Initiatives **Increase:** **$ 300,000**

Cultural tourism is the fastest growing segment of the tourist industry. North Carolina's summer dance and music festivals, professional theaters and outdoor dramas, the crafts community, galleries and museums, and the rich variety of community arts festivals are important contributors to the state's second largest industry. An increase of $300,000 will fund collaborations among the arts, historic and natural resources and the tourism industry to maximize the bounty of our state.

The Council will emphasize regional initiatives with primary focus on eastern and western North Carolina. The Blue Ridge Heritage Initiative (BRHI), a partnership with Tennessee and Virginia designed to promote sustainable economic development in communities along the Blue Ridge Parkway, will develop a Traditional Music Trail and a Cherokee Heritage Trail. A similar project is being planned for the east. Funds also will be used for marketing and product development of other parts of the arts community such as our major summer festivals.

Arts and Education Partnerships **Increase:** **$ 300,000**

This program was launched in 1993 with $250,000 to develop and support collaborations between arts organizations and artists and the public schools to improve student learning through the arts. In four years, 62 partnerships have united 57 arts organizations with 50 different school systems. Of these 50 systems, 24 are in low-wealth counties. Results of four years of partnerships are remarkable. While the focus of each differs, participating schools report exciting results:

- enthusiasm for learning
- improved listening skills
- excitement about writing
- improved ability of students to express themselves
- improved teamwork skills
- increased understanding of diverse cultures
- improved school climate

Because of the program's success, demand far outstrips our ability to respond. An increase of $300,000 would expand the program to more communities, enable more long-term partnerships, and expand into more after-school settings.

Operating Support **Increase:** **$ 343,367**

The state provides only enough operating support to cover the first four months of each fiscal year, after which the Arts Council becomes totally reliant on federal funding for its basic operation. This dependence has become highly problematic in recent years due to regularly declining federal funding. Since FY94-95, federal operating support has been reduced by almost 48%.

An increase of $343,367 will return the Arts Council to its level of operation three years ago and end its dependence on federal funds for its basic operation. This shift will also make the Arts Council more competitive in securing other federal grants.

TOTAL INCREASE: **$ 2,100,000**

(Prepared January, 1998)

AGENDA

Joint Appropriations Subcommittee on General Government

March 17, 1998

Chairman: Senator Ed Warren

Room 415, Legislative Office Building (LOB)

1:00 - 1:15 p.m.	Discussion of scheduled visits to Office of the Governor, State Planning, and State Budget and Management; Office of Administrative Hearings; State Board of Elections; and Secretary of State

Site Visits

1:15 p.m.	Walk to Capitol
1:30 - 3:00 p.m.	Office of the Governor

Meet at Capitol House Chamber (Refreshments in Committee Room)

Overview and Organizational Structure	Franklin Freeman
Tour of Capitol Offices	
Press Office	Sean Walsh
Walk to Administration Building	
Meet in Governor's Press Conference Room	
Introduction of Staff	Franklin Freeman or David McCoy

Brief Staff Presentations:

Intergovernmental	Joan Weld
Legislative	Garland Garrett and Beryl Wade
Legal	Jack Jenkins
Communications and Policy	Rachel Perry
Operations	Jan Parker
Community Affairs	Carolyn Coleman
Citizen Affairs	Linda McDougal
Boards and Commissions	Stephen Bryant
Walking Tour of First Floor	

3:00 - 5:00 p.m. Office of State Planning
5th Floor, Administration Building

Meet in ABC Conference Room

Overview	Sheron Morgan
Planning Section	Sheron Morgan and John Dorman
State Data Center	Francine Stephenson
Geodetic Survey	Gary Thompson
CGIA	Karen Sideralis

JOINT APPROPRIATIONS SUBCOMMITTEE

ON

GENERAL GOVERNMENT

Minutes

March 17, 1998

The Interim Joint Appropriations Subcommittee on General Government met Tuesday, March 17, 1998 at 1:00 p.m. at the front of the Legislative Office Building to go on site visits to the Governor's Office and the Office of State Planning. Two of the Senate members were present. Representatives present were: Co-Chairs Ives, McCombs and Sherrill; and Church, Decker, Jeffus, Wainwright and Warwick.

Senator Warren acted as Chair until the tour of the Governor's Capitol offices was completed. He had to leave for Greenville at 2:00 p.m., so Representative Ives was in charge for the remainder of the afternoon. The group was met at the Capitol by Franklin Freeman, Governor's Chief of Staff, and David McCoy, Deputy Chief of Staff. Refreshments were served in the upstairs committee room. Mr. Freeman welcomed the group and gave a brief overview of the Governor's Office. He and Mr. McCoy then led the delegation on a tour of the Capitol offices.

Due to inclement weather, vans carried the delegation to the Administration Building where Mr. Freeman introduced the Heads of the different divisions; who in turn gave a 3-5 minute talk about their division. They were:

Intergovernmental	Joan Weld
Legislative	Beryl Wade
Legal	Jack Jenkins
Communications and Policy Office	Rachel Perry
Operations	Jan Parker
Community Affairs	Carolyn Coleman
Citizen Affairs	Linda Povlich
Boards and Commissions	Stephen Bryant

See Attachment 1.

The Committee then went to the Office of State Planning on the Fifth floor of the Administration Building. Ms. Sheron Morgan, Director, and John Dorman, Deputy Director, welcomed the group. Ms. Morgan stated that their mission was to advance sound public policy analysis, planning, and decision-making by developing and disseminating pertinent information, and that this mission was achieved through responsive service, leadership and collaboration. The group was given a handout and a visual presentation of each division's efforts. (See Attachment 2) Ms. Megan presented for the Strategic Planning and Analysis Division; Ms. Francine Stephenson for the Information Management Division; Mr. Gary Thompson for the Geodetic Survey Division; and Ms. Karen Siderelis for the Center for Geographic Information and Analysis.

The Committee members thanked Ms. Morgan for the very well-prepared, professional presentation by her staff, and returned to their offices at 4:00 p.m.

Respectfully submitted,

Senator Ed Warren, Chairman

Wilma Caldwell, Committee Clerk

Attachment 1 (3-17-98)

GOVERNOR'S OFFICE LEGISLATIVE SITE VISIT
March 17, 1998
1:30 to 3:00 P.M.

AGENDA

Meet at Capitol House Chamber (Refreshments in Committee Room)
Welcome and brief over-view of the Governor's Office
Organizational Structure
Franklin Freeman

Tour of the Capitol Offices

Meet with Sean and the Press Office (Sean to make 3-5 minutes of comments followed by Q&A)

Leave the Capitol, walk to the Administration Building

Meet in the Governor's Press Conference Room
Welcome and Introduction of Staff
Franklin Freeman or David McCoy

Staff Presentations (3-5 minutes each plus Q&A)

Intergovernmental	**Joan Weld**
Legislative	**Garland Garrett and Beryl Wade**
Legal	**Jack Jenkins**
Communications and Policy Office	**Rachel Perry**
Operations	**Jan Parker**
Community Affairs	**Carolyn Coleman**
Citizen Affairs	**Linda Povlich**
Boards and Commissions	**Stephen Bryant**

Walking Tour of 1st Floor

End at Lobby

OFFICE OF THE GOVERNOR
March 17, 1998

Governor
James B. Hunt, Jr.

CHIEF OF STAFF
Franklin Freeman

DEPUTY CHIEF OF STAFF
David McCoy

INTERGOVERNMENTAL RELATIONS
Joan Weld
Director

CITIZEN AND COMMUNITY SERVICES
Linda McDougle Povlich
Director of Citizen and Community Services

Stephen Bryant
Director of Boards and Commissions

COMMUNITY AFFAIRS
Carolyn Coleman
Special Advisor to the Governor

1 vac.

LEGAL AND LEGISLATIVE
Jack Jenkins
Counsel to the Governor

Beryl Wade
Counsel to the Governor

COMMUNICATIONS & POLICY
Rachel Perry
Special Assistant to the Governor

ADMINISTRATION
Jan Parker
Director of Operations

LEGISLATIVE SITE VISIT HANDOUT
MARCH 17, 1998

ADMINISTRATION **Franklin Freeman**

The administrative component of the Office of the Governor provides support to enable the Governor to fulfill the duties as the Chief Executive Officer of the State. These duties include supervising the official conduct of executive offices, making appointments for vacancies of executives offices and memberships on all boards and commissions authorized by the General Statutes, and serving as Director of the Budget with final authority over state expenditures. Further, the Governor is charged with employing counsel for cases in which the state is interested, granting pardons and commutations, issuing warrants in extradition of fugitives from North Carolina, having certain emergency war powers as Commander-in-Chief of the state military, and entering into interstate compacts and agreements with the federal government on various subjects ranging from nuclear energy to National Guard activities to child custody.

The administrative component of the Office of the Governor consists of the following divisions:

Office of the Chief of Staff:

This unit provides direction for the management of all divisions and operations of the Governor's Office.

Staff: 4

Franklin Freeman, Chief of Staff
David McCoy, Deputy Chief of Staff
Anita Berry, Administrative Assistant
Zorida Maighnath, Administrative Assistant

Capitol Staff:

Staff: 4

Jan Bryant, Assistant to the Governor/Scheduling Director
Sheila Evans, External Coordinator
Darren Clark, Assistant to the Governor
Ashley Westbrook, Administrative Assistant

Legislative:

This division assists the Governor's Office by providing accurate and timely information to the members and staff of the General Assembly.

Staff: 4

Beryl Wade, Legislative Counsel to the Governor
Garland Garrett, Legislative Liaison
Annette Etheridge, Legislative Assistant
Sheryl Harvey, Administrative Assistant

Legal:

This division provides the Governor with legal advice, assists the Governor with the process for granting pardons and commutations, and issuing warrants and assisting local law enforcement with the reward fund program.

Staff: 2

Jack Jenkins, General Counsel to the Governor
Gail Simmons, Administrative Assistant

Communications and Policy Office:

This division assists the Governor's Office by providing accurate information to the Governor, the public, and state agencies about matters relevant to the operations of the Governor's Office or any of the Governor's initiatives.

Staff: 20

Rachel Perry, Special Assistant to the Governor

Policy Office:
Warren Miller, Policy Analyst
Dana Pope, Research Assistant
Kevin Cook Research Assistant
Ginger Hawley, Administrative Assistant

Education Office:
Lynda McCulloch, Senior Education Advisor
Cecil Banks, Associate Education Advisor
Karen Garr, Teacher Advisor
Sandy Babb, Workforce Education Advisor
Marion Alston, Administrative Assistant

Boards and Commissions:

This division assists the Governor with appointments for vacancies of executive offices and memberships on all boards and commissions authorized by the General Statutes.

Staff: 3

Stephen Bryant, Director
Sondra Davis, Deputy Director
Rooney King, Administrative Assistant

INTERGOVERNMENTAL RELATIONS **Joan Weld**

The Office of Intergovernmental Relations coordinates federal, state and state-local government matters for the Governor. This includes interaction with relevant federal and local agencies, Congress, and relevant local elected officials.

The Governor's Washington D.C. Office maintains and enhances the state's ability to participate in the federal system by advocating the state's views to Congress, the state's congressional delegation, and federal agencies.

The Eastern and Western Offices, which are a part of the Intergovernmental Relations, serve the people of eastern and western North Carolina by investigating and resolving their complaints and concerns with state government and advising them of appropriate resources when the problem does not come under the state's jurisdiction. The office also alerts the Governor, Cabinet members, and other appropriate personnel of problems in state government programs.

Intergovernmental Relations:

Staff: 11

Joan Weld, Director
Ann Lichtner, Deputy
Claudette Mansour, Administrative Assistant
Lisa Rivers, Administrative Assistant
Debbie Bryant, Director of the Washington D.C. Office
Annette Hargett, Director of the Eastern Office
Colonel David Jones, Military Liaison (Eastern Office)
Ramona McDonald, Secretary (Eastern Office)
Jerry Sutton, Director of the Western Office
Jewell Wilson, Deputy Director of the Western Office
Pam Livington, Secretary (Western Office)

Children Families and Non-Profits:
Robin Britt, Advisor
Faye Stone, Administrative Assistant

Press Office:
Sean Walsh, Press Secretary
Barbara Thompson, Deputy Press Sec.
April White, Press Assistant
Gardner Payne, Press Assistant
Melinda Pierson, Administrative Assistant

North Carolina Business Committee for Education:

Tom Williams, Director of NCBCE
Carol Young, Administrative Assistant

Administration:

This division provides effective management, and efficient and economical operations of the Governor's Office. The division provides for the delivery of administrative and auxiliary services to Governor's Office divisions.

Staff: 6

Jan Parker, Operations Director
Jim McManus, Information Technology Systems Administrator
Norma Blackmon, Correspondence
Sheryl Bryant, Correspondence
Theresa Wrenn, Correspondence
Loretta Pokipala, Receptionist

Community Affairs:

This division provides personal liaison between the Governor's Office and North Carolina's communities and makes recommendations to the Governor on ways to improve community affairs in our state.

Staff: 3

Carolyn Coleman, Special Advisor
Vacant, Outreach Coordinator
Vacant, Administrative Assistant

OFFICE OF CITIZEN AND COMMUNITY SERVICES — Linda Povlich

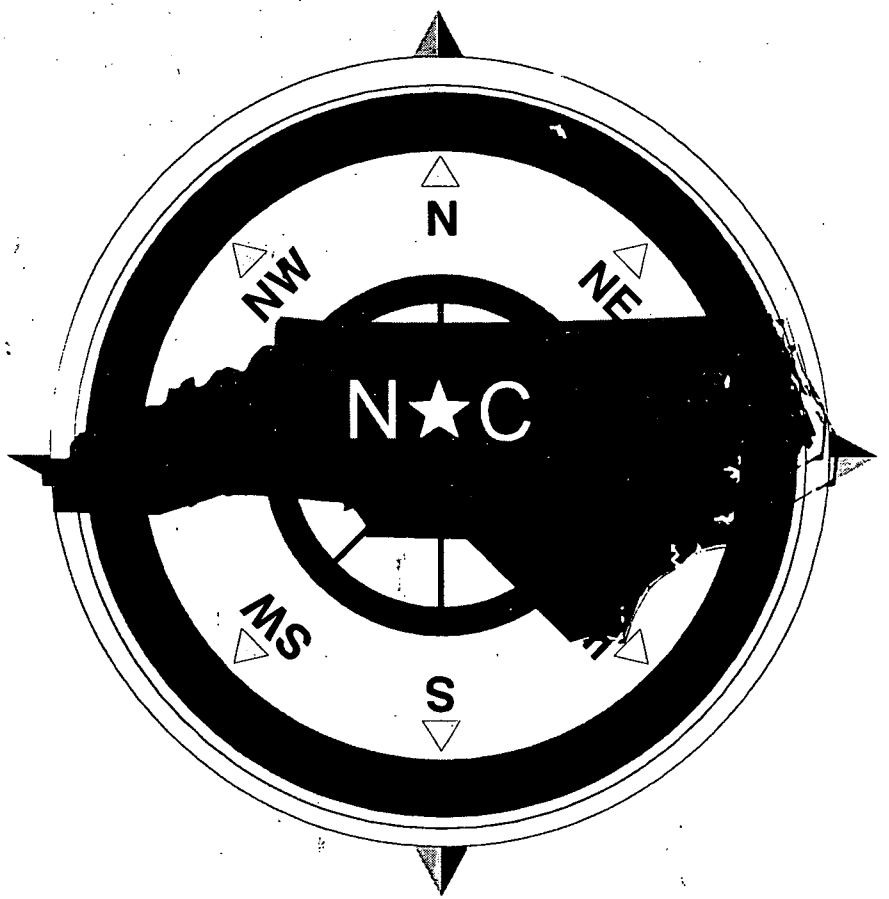
The Governor's Office of Citizen and Community Services increases citizen participation in the communities of North Carolina by encouraging citizen volunteer involvement and providing prompt response to citizen concerns. Services provided by the Office of Citizen and Community Services include toll-free information and referral, training and technical assistance, staff support to the North Carolina Commission on National and Community Service, citizen awards and recognition and the Year of the Volunteer campaign.

Office of Citizen and Community Services:

Staff: 13

Linda Povlich, Director
Susan Murphy, Human Resources Advocate
Joan Spencer, Assistant
Virginia Sharp, Coordinator of the Governor's Page Program
Pat Thompson, Volunteer Programs
Anthony Petty, Volunteerism Marketing Coordinator
Cathy Woodard, Information and Referral Coordinator
Willie Mae Cox, Receptionist
Will Lindsey, Director, National & Community Service
Tim Kelly, Youth Voice
Linda Shealey, Grants
Renetta Jones, Training
Lizette Houston, Assistant

North Carolina
Office of State Planning



Attachment 2 (3-17-98)

Office of State Planning
Mission Statement

- To advance sound public policy analysis, planning, and decision-making by developing and disseminating pertinent information. This mission is achieved through responsive service, leadership, and collaboration.

Office of State Planning
Organizational Structure

- Strategic Planning and Analysis

- Information Management

- Geodetic Survey

- Center for Geographic Information & Analysis



Strategic Planning and Analysis



Strategic Planning and Analysis Mission Statement

- To provide leadership, coordination and technical support for effective public policy research, analysis and planning.



Strategic Planning and Analysis Customers

- State government agencies
- Governor
- General Assembly
- Citizens of North Carolina



Strategic Planning & Analysis Core Functions

- **Department Operations Plans**
- **Program Plan associated with Performance/Program Budgeting**
- **Goals, priorities, objectives and key performance measures, and targets associated with Performance/Program Budgeting**
- **Strategic planning**
- Program Evaluation



Strategic Planning and Analysis Priorities

- Establish a state government planning/operations framework
- Improve the quality of objectives and outcome measures
- Identification of key agency-performance targets of the agency's operations
- Integrating information technology, human resource management, capital, performance planning and budgeting
- Better documentation of performance measures



Strategic Planning and Analysis Challenges

- Getting agencies to focus on performance and policy outcomes

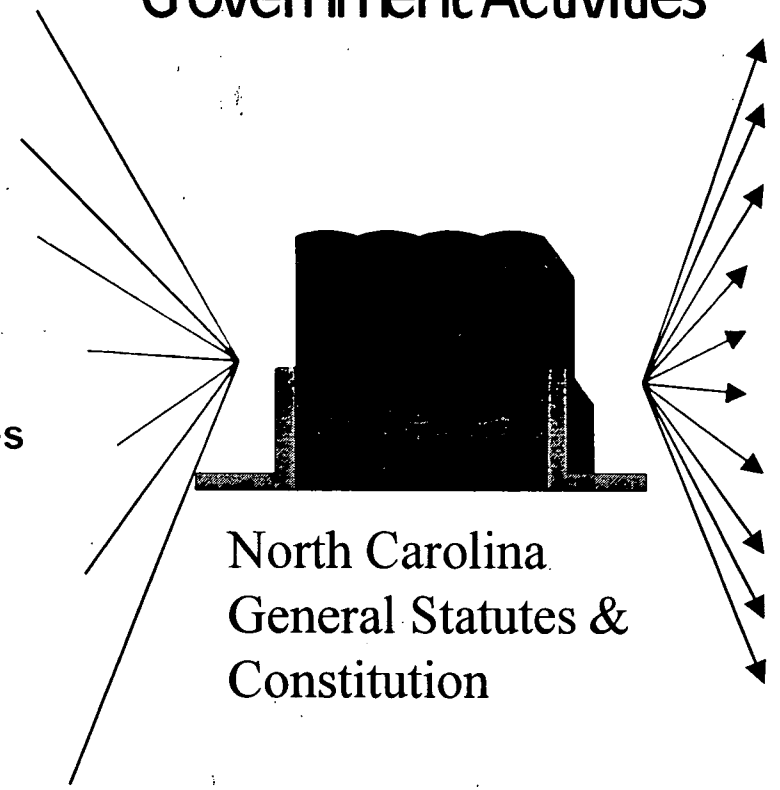
- Integrating information technology, human resource management, capital, and performance planning.

- Providing the most appropriate information, at the most appropriate time, in the most appropriate format that will support better decision making and management

Strategic Planning and Analysis P/PB Perspective

Another Way to Look at Government Activities

Administration
Agriculture
Commerce
Correction
Environment & Nat. Res
General Assembly
Health & Human Services
Judicial Branch--AOC
Justice
Public Instruction
Revenue
Transportation
UNC System



Health
Human Services
Corrections
Justice & Public Safety
Environment
Econ. Devel. & Comm.
Education
Transportation
Cultural Resources
General Government

Strategic Planning and Analysis Program Perspective

Program budgeting enables decision- makers to:



- See the "big picture" by grouping activities that share similar purposes
- Reduce possible overlap and duplication
- Facilitate better inter and intra-agency coordination of services
- Provides understanding as to the major priorities of the state



Strategic Planning and Analysis Program Areas

- Health
- Human Services
- Corrections
- Justice and Public Safety
- Environment
- Economic Development and Commerce
- Education
- Transportation
- Cultural Resources
- General Government

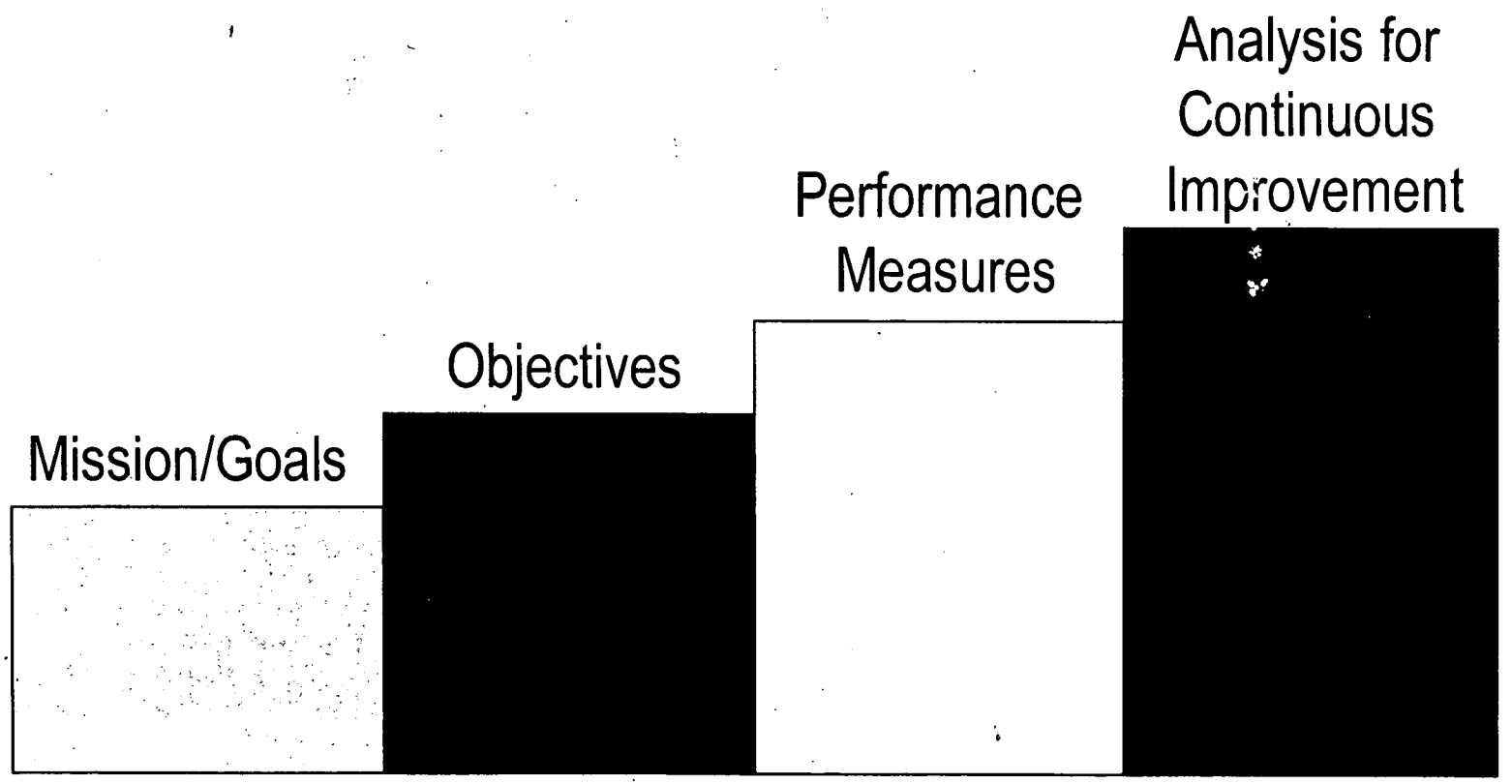
Strategic Planning and Analysis Performance Perspective

Performance budgeting enables decision-makers to evaluate services for:



- Quality of service (customer satisfaction)
- Overall outcome (did we meet our target)
- Productivity (output/work process)
- Unit cost analysis (cost per unit)

Strategic Planning and Analysis Performance Management





Strategic Planning and Analysis Causal Modeling

Outcome(s)

- results or impacts on the client or current condition

Outputs

- the products/services produced that are intended to lead to the outcomes

Operations

- the major categories of activities that make up the service delivery process

Input(s)

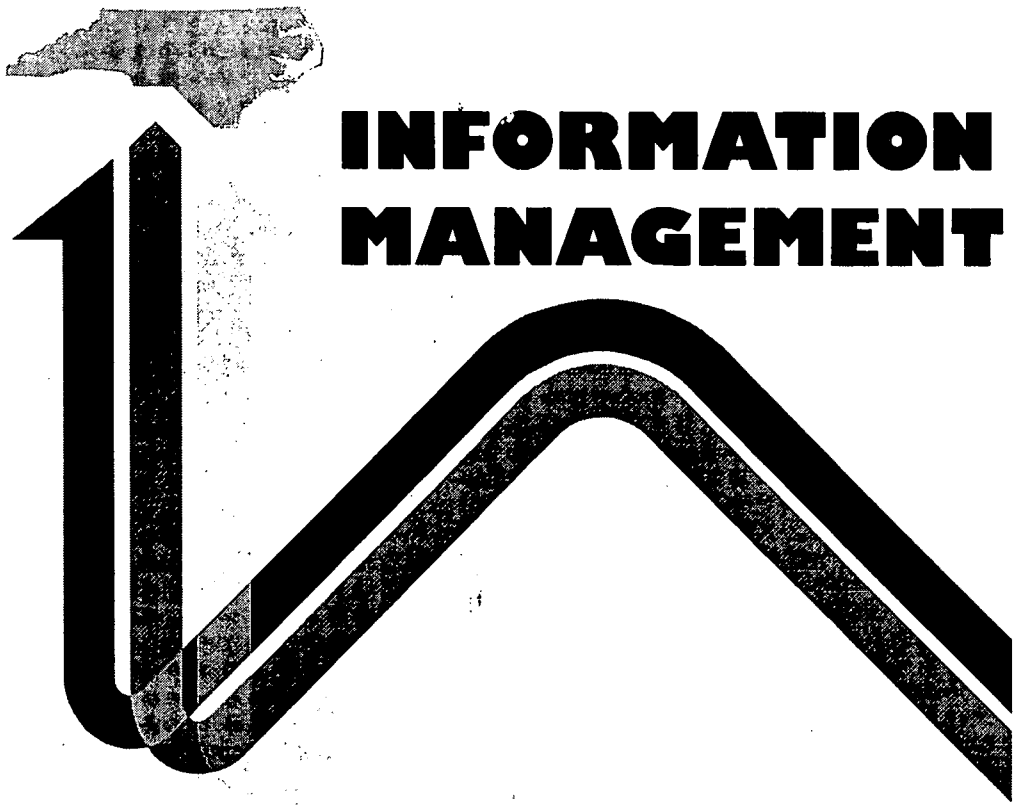
- the resources a program uses to achieve objectives.



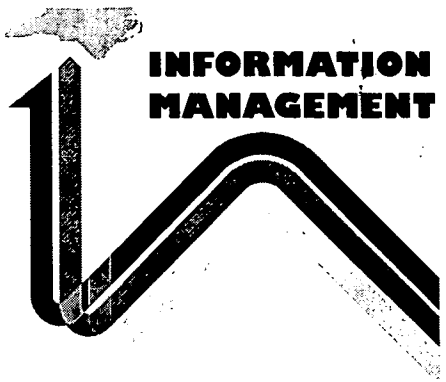
Fund 1410
FY 1997-98 Resources

❖ Total Requirements	$ 1,193,175.00
❖ Receipts	$ 0.00
❖ Appropriations	$ 1,193,175.00

❖ Positions	18
❖ --Strategic Planning and Analysis	7
❖ --Information Management	7
❖ --Office Administration	4

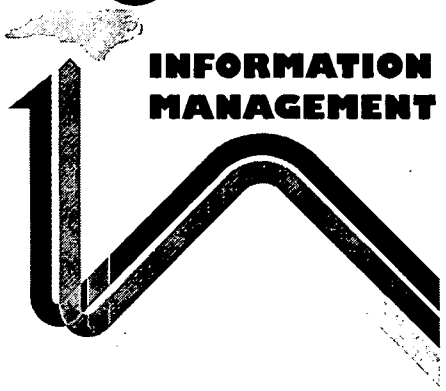


Information Management



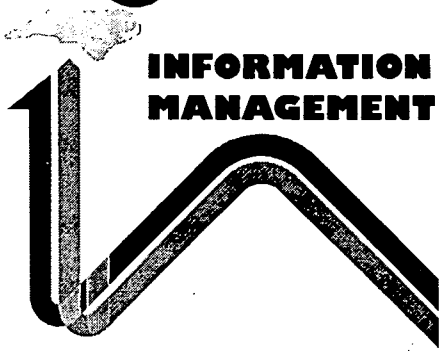
Information Management Mission Statement

- To provide data products and services that meet the needs of data users inside and outside state government through the development and dissemination of data and applications.



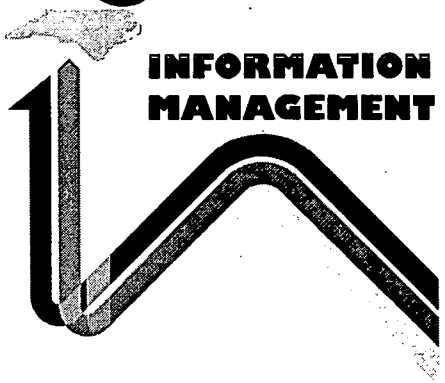
Information Management Customers

- Office of State Planning
- State government agencies
- Local governments
- State Data Center Affiliates
- Businesses
- General public
- Other states
- Federal government



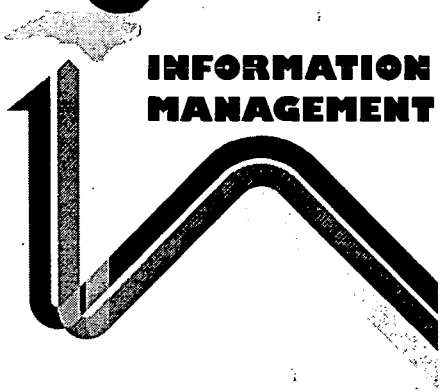
Information Management Core Functions

- State Data Center (SDC) Program Management
- Statistical Coordination
- Demographic Analysis
- Systems Analysis and Design
- Data Products and Data-Friendly Tools and Standards
- Computing Infrastructure
- User Support / Technical Assistance



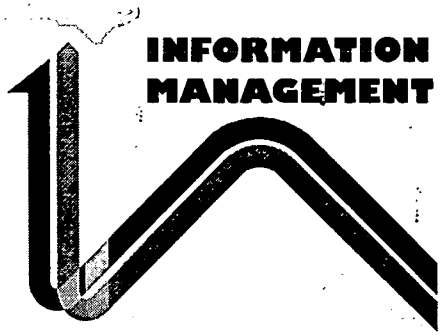
Information Management Priorities

- Leverage electronic networks to widely disseminate information
- Implement structured systems analysis and design to insure systems do what they are intended to do efficiently
- Encourage agencies to describe and index public information
- Educate users on data products and standards
- Build a decision support system for planning and budgeting
- Provide sound population estimates to meet legal requirements and develop population projections as planning tools.



Information Management Challenges

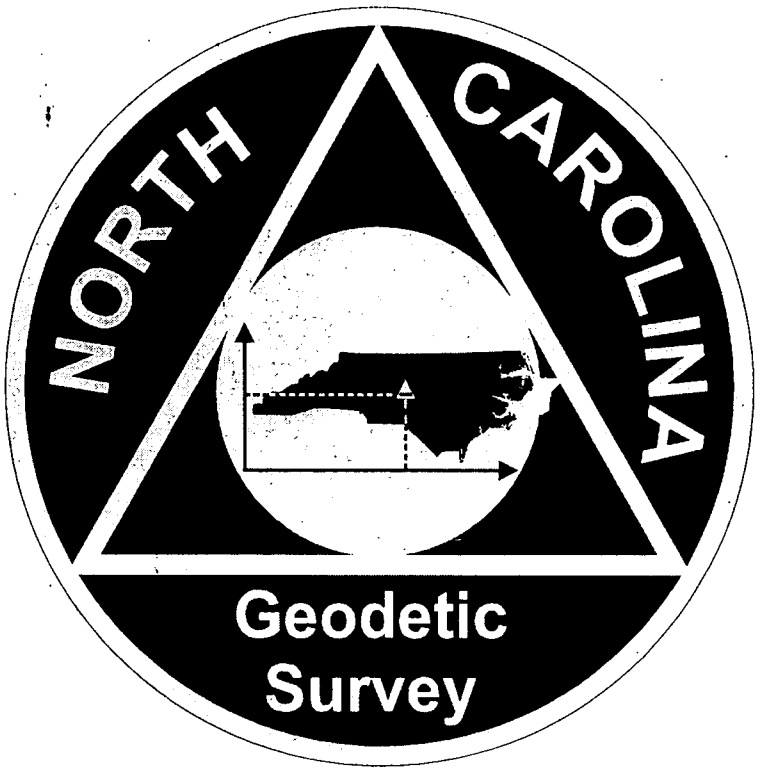
- Keeping pace with changing technology
- Analyze and provide systems solutions for complex planning and budgeting process
- Encourage state and local agencies to contribute data to state-wide information systems
- Diversity of skills required to complete tasks
- Personal Computer obsolescence



Information Management FY 1997-98 Resources

- For budget information see Strategic Planning and Analysis budget

- Positions 7.0

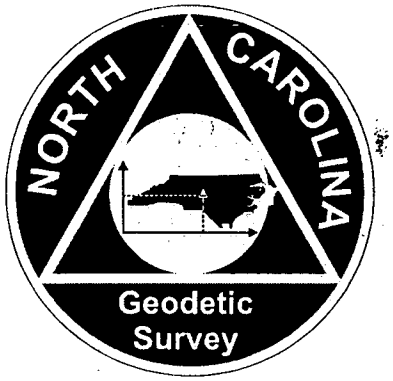


Geodetic Survey



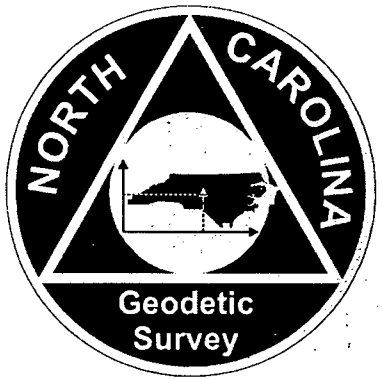
Geodetic Survey Mission Statement

- To apply state-of-the-art methods of precise positioning and advanced geodetic techniques to establish and maintain the official base of the state of North Carolina and to support mapping, boundary determination, property delineation, infrastructure development, and resource evaluation surveys, and scientific applications.



Geodetic Survey Customers

- Land Surveyors
- State government agencies
- County and city governments
- Federal government agencies
- Engineering and Construction Industries
- Geographic Information System Industry
- Utility Companies



Geodetic Survey

What is a Geodetic Survey?

A Geodetic Survey determines the precise position of permanent points on the earth's surface.

Geodetic Survey
Survey Points

How are Survey Points Positioned?

- Elevations are established by leveling
- Horizontal positions are determined by:
  - Global Positioning System (GPS)
  - Traverse
  - Astronomical Observations

Geodetic Survey Core Functions

- Operate and maintain a network of GPS base stations
- Maintain Official Survey Base
- Observe, monitor and maintain the North High Accuracy Reference Network (HARN)
- Coordinate statewide Geodetic activities
- Assist counties to re-establish their county boundaries



Geodetic Survey Priorities

- Increase horizontal and vertical geodetic monuments through the state

- Establish a network of GPS Continuously Operating Reference System (CORS)

- Implement the North American Vertical Datum of 1988 and assist the surveying and mapping community in the Conversion between NGVD29 and NAVD 88

Geodetic Survey Priorities--continued

- Establish and maintain a Network of Electronic Distance Meter Calibration Baseline across the state.
- Develop a user friendly database of geodetic data
- Make data and geodetic information accessible to all of its users.

Geodetic Survey Challenges

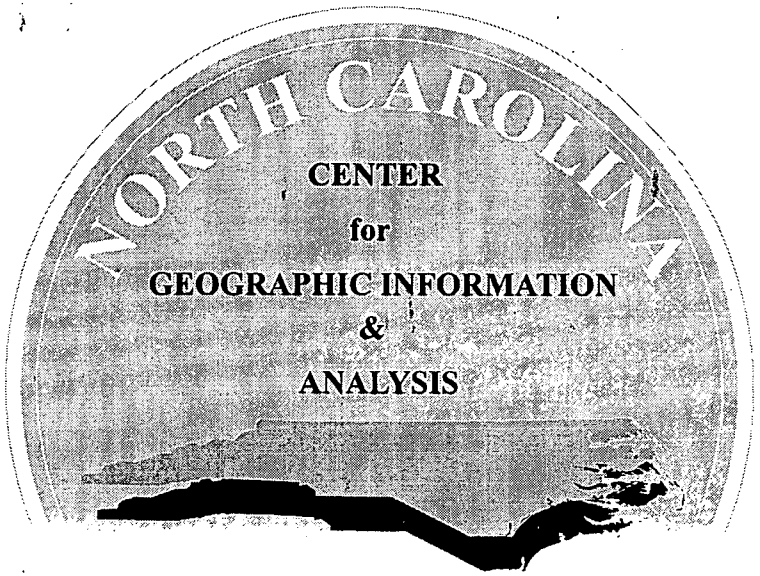
- Complete all three phases of the High Accuracy Reference Network (HARN)
- Establish an additional National Differential Global Positioning System site in North Carolina
- Establish horizontal and vertical control in areas that have had monuments destroyed or areas that are rapidly developing

Geodetic Survey Challenges--continued

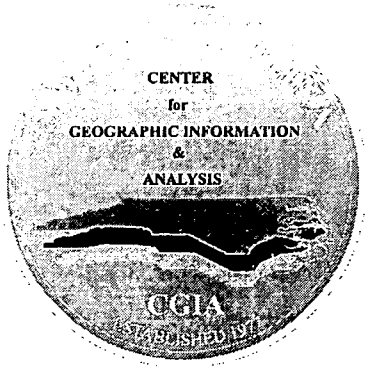
- Develop a Windows 95 version of our data base searcher software
- Providing assistance to counties concerning the re-survey of county boundaries
- Changing technology at GPS Base Stations (hardware and software)
- Technology transfer to private sector and governmental agencies

Geodetic Survey
FY 1997-98 Resources

- **Total Requirements** $ 992,991.00
- **Receipts** $ 236,665.00
- **Appropriations** $ 756,326.00
- **Positions** 22

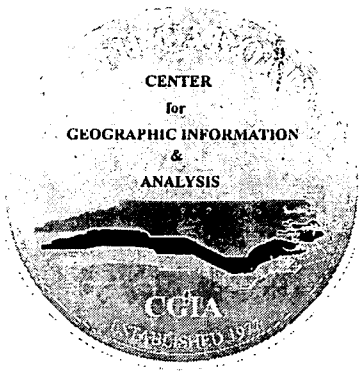


Center for Geographic Information and Analysis



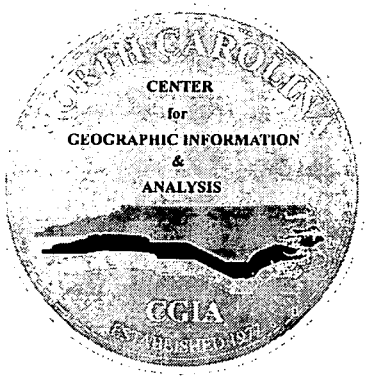
CGIA
Mission Statement

- **To enhance, facilitate and promote the efficient, cost-effective development and use of geographic information in North Carolina. This is achieved through the creation and maintenance and distribution of a statewide database of geographic information; the provision of geographic information services to organizations and individuals with interests in the state; and the coordination of activities related to geographic information and technology.**



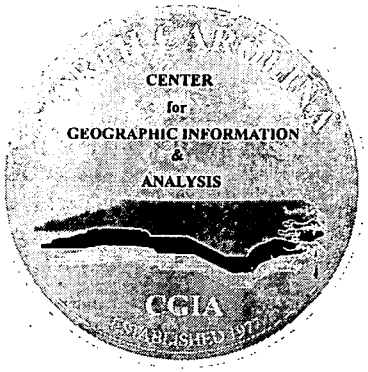
CGIA Customers

- State government agencies
- County and municipal agencies
- Federal agencies
- Lead regional organizations
- Universities, community colleges, K-12
- Utilities
- Private companies
- Individual citizens



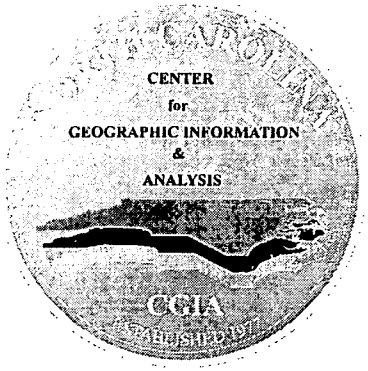
CGIA Core Functions

- Provide responsive GIS services to the GIS community through the GIS Service Center
- Oversee, maintain and make available the Corporate Geographic Database
- Oversee, maintain and make available the Geographic Data Clearinghouse
- Provide leadership in the coordination and development of GIS data and collaboration among GIS users



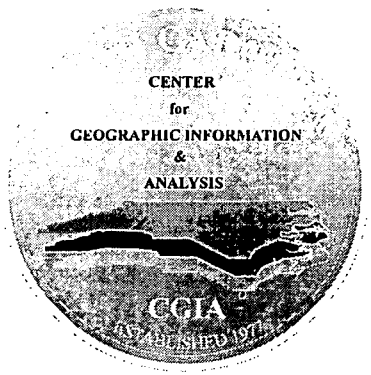
CGIA Priorities

- Operationalize framework
- Develop and promulgate standards
- Improve access to GIS data
- Improve content, accuracy, and currency of GIS data
- Strengthen partnership with local and federal government



CGIA Challenge

- Providing affordable information and services
- Establishing and maintaining accurate, current and complete GIS data
- Providing leadership regarding the development and coordination of GIS data



CGIA
FY 1997-98 Resources

- **Total Requirements** $ 2,290,368.00
- **Receipts** $ 2,290,368.00
- **Appropriations** $ 0.00
- **Positions** 36

AGENDA

Joint Appropriations Subcommittee
on
General Government

March 18, 1998

Site Visits

TBA after Full Committee Meeting - 10:30 a.m.

Meet in the Lobby of LOB for Walk to Education Building

Office of State Planning
Education Building, Suite 700

CGIA

Walk to Administration Building

10:30 a.m.- 12:00 noon Office of State Budget and Management
5th Floor, Administration Building

Meet in Marvin Dorman's office

Overview	Marvin Dorman
Introduction of Team Leaders:	
Deputy State Budget Officer	Robert Powell
Special Assistant	Angela Francis
Capitol & Information Services	Rob Nelson
Education	Sue Adams
Human Services & Public Safety	Nina Yeager
Gen. Government & Transportation	J. W. Reel
Management	Tom Newsome
Economic Research	Mike Kiltie

Tour of Offices

JOINT APPROPRIATIONS SUBCOMMITTEE

ON

GENERAL GOVERNMENT

Minutes

March 18, 1998

The Interim Joint Appropriations Subcommittee on General Government met Wednesday, March 18, 1998 at 10:30 a.m. at Marvin Dorman's Office in the Administration building. The meeting scheduled for Office of State Planning was canceled due to the meeting of the Joint Appropriations Committee called for 8:30 a.m.. Three of the Senate members were present. Representatives present were: Co-Chairs McCombs and Sherrill; and Church, Jeffus, Wainwright and Warwick.

Mr. Dorman, State Budget Officer, gave an overview of the work of his department. He said that the 54 staff members were all SPA employees, except for the Director; and, except for one, they were all General Fund supported. In response to Senator Warren's question, Mr. Dorman said that their salaries were probably a little lower than comparable positions in other departments.

Senator Ledbetter wanted to know whether the budget office was under the umbrella of the General Assembly or the Governor's Office. Mr. Dorman said that they worked under the umbrella of the Governor's Office; that there was a statute which said that the Governor may hire a person to conduct the business of the budget office as authorized under the Executive Budget Act. He then introduced his staff to the Committee members and presented an overview of the Performance/Program Budgeting as it applies to General Government Agencies. Attachment No. 1 is a flow chart of the office; Attachment No. 2 is a copy of the 1997-98 and 1998-99 budget summary by object; Attachment No. 3 is information about the P/PB; and Attachment No. 4 is a brochure of general information about the budget office.

In response to Senator Warren's question about their upcoming needs, **Mr. Dorman said that they needed approximately $50,000 to develop some training so that they could help agencies measure their successes. The money would pay the Personnel Training Center Staff and the Institute of Government for these training sessions. They also need non-recurring money to buy some new chairs for their conference room.**

At 1:15 the Committee met at the Office of Administrative Hearings where Chief Administrative Law Judge Julian Mann, III and Judge Bradley Buie took them on a tour of the restored Capehart-Crocker and Lee Houses on Blount Street, where their offices are located. They were introduced to Fred Morrison, Director of the Hearings Division; Lamont Goins, Director of the Civil Rights Division; and Ruby Creech, Director of the Publications Division, as well as other staff members. They then presented an overview of the workings of their office. (Attachment No. 5)

Judge Mann said that twenty seven states had independent hearing agencies; that they hear cases in all one hundred counties (in court houses), but that primarily they hear them in Asheville, Elizabeth City, Fayetteville, Halifax, New Bern, Raleigh and Wilmington. He said they had 41 employees, 9 of which are Administrative Law Judges. Senator Warren asked how their salaries compared to other court judges' salaries. Judge Mann stated that they were about 10 percent lower than the District Court judges' salaries, and that they were on the regular State retirement schedule instead of the Judicial.

There was discussion regarding the frustration of the State agencies overturning so many of the Administrative Hearings Office's findings, and **Judge Mann told the Committee that he feels the ALJ's findings should be more binding. The budget priorities listed were funds for on-going training, adequate salary funds to enable them to keep quality personnel, and funds to pay for new technology. (Attachment**

No. 6) They also reminded the Committee that there was a Sunset Provision of 12-31-98 regarding the Civil Rights Division, and that if it was not repealed, the EEOC would take over, which would not be in the best interest of the State.

Senator Ledbetter asked Judge Mann who had the authority to appoint the Administrative Law judges. Judge Mann said that the Chief AL judge was appointed by the Chief Justice of the Supreme Court, and that he appointed the other Administrative Law judges.

The meeting adjourned at 3:00 p.m. The members thanked the State Motor Vehicle Division for providing transportation due to inclement weather.

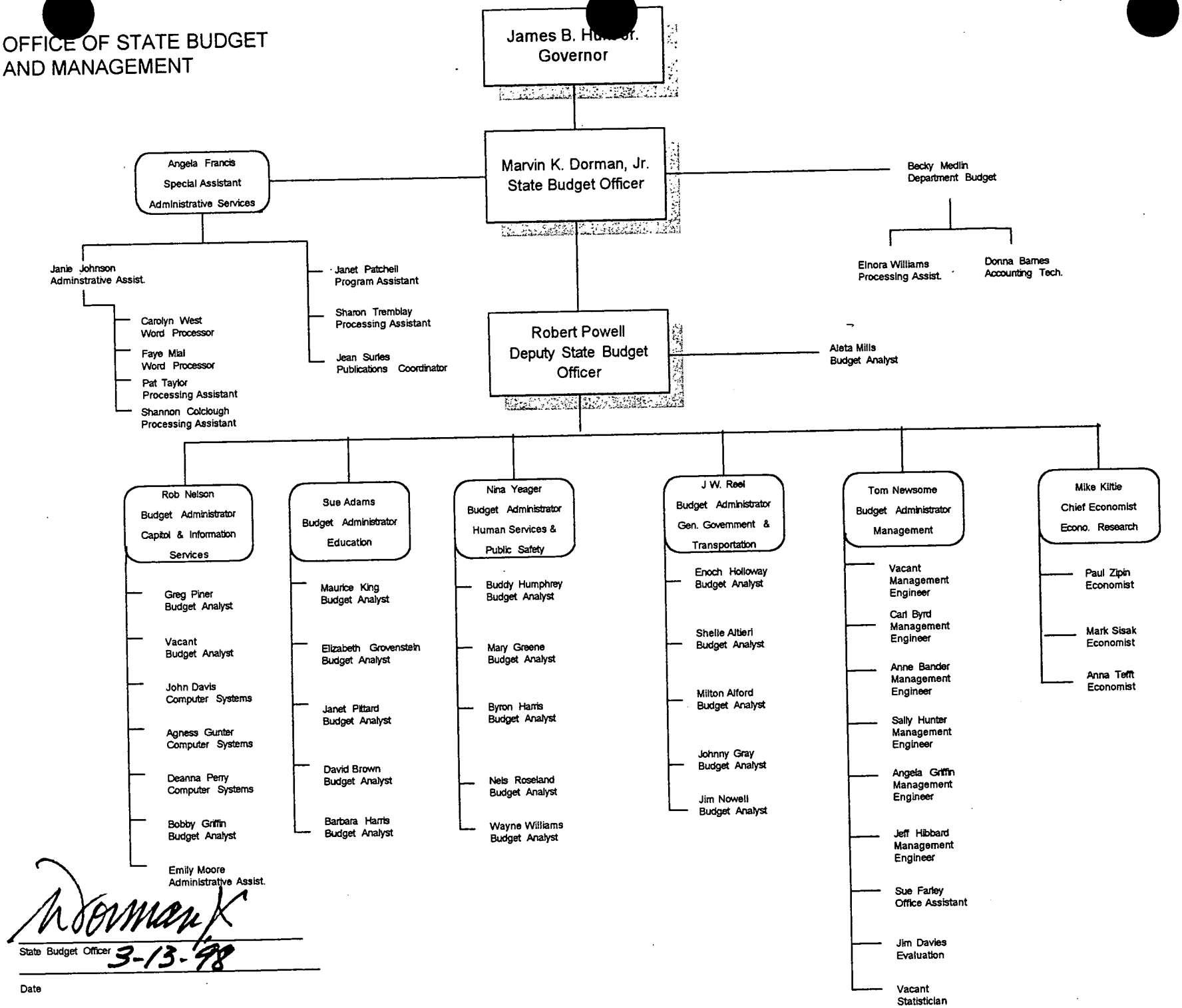
Respectfully submitted,

Senator Ed Warren, Chairman

Wilma Caldwell, Committee Clerk

Attachment 1 (3-18-98)

OFFICE OF STATE BUDGET AND MANAGEMENT



DormanK

State Budget Officer 3-13-98

Date

Boxes denote Management Team

Attachment 1 (3-18-98)

Attachment 2 (3-18-98)

BI233 OFFICE OF STATE BUDGET AND MANAGEMENT AWG
BUDGET PREPARATION SYSTEM
APPROPRIATION ADVICE (BD307) 21:01:02 09/17/97
SUMMARY BY OBJECT

3005 PAGE 1

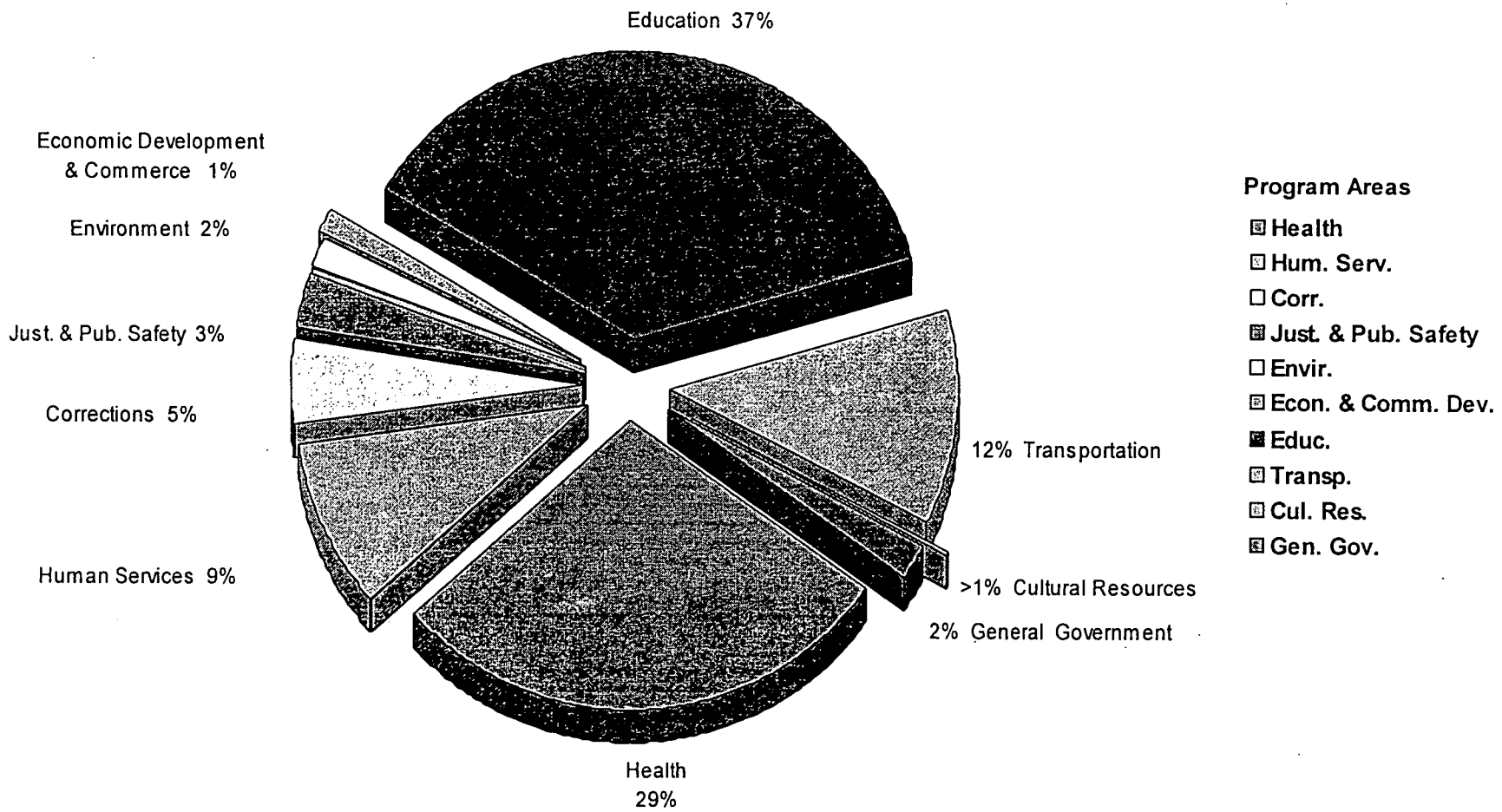
13005 OSBM-GENERAL

DESCRIPTION	1997-98	1998-99
REQUIREMENTS		
1211 SPA-REG SALARIES-APPRO	2,668,176	2,668,176
1311 SPA SALARIES-TEMPORARY	5,000	5,000
1461 EPA&SPA-LONGVTY PAY-APPR	77,116	80,975
1511 SOCIAL SEC CONTRIB-APPRO	200,869	202,412
1521 REG RETIRE CONTRIB-APPRO	297,110	297,528
1561 MED INS CONTRIB-APPRO	93,744	93,744
TOTAL PERSONAL SERVICES	3,342,015	3,347,835
2199 MISC CONTRACTUAL SERVICE	78,038	78,038
2300 REPAIR SERVICES	2,027	2,027
2400 MAINTENANCE AGREEMENTS	26,099	26,099
2500 RENTALS/LEASES	130	130
2700 TRAVEL&OTHER EMPLOYEE EX	60,302	72,302
2800 COMMUNICATION&DATA PROC	187,752	252,752
2900 OTHER SERVICES	9,506	9,506
TOTAL PURCHASED SERVICES	363,854	440,854
3100 GENERAL ADMIN SUPPLIES	18,995	18,995
3200	50	50
3900 OTHER MATERIALS & SUPP	100	100
TOTAL SUPPLIES	19,145	19,145
4500 EQUIPMENT	10,128	10,128
4700 INTANGIBLE ASSETS	1,550	1,550
TOTAL PROPERTY,PLANT & EQUIPMT	11,678	11,678
5800 OTHER ADMINISTRATIVE EXP	11,598	11,598
5900 OTHER EXPENSES	2,500	2,500
TOTAL OTHER EXPENSES & ADJUSTMENTS	14,098	14,098
7202 RES COMP INCREASE	117,728	117,728
TOTAL RESERVES	117,728	117,728
TOTAL REQUIREMENTS	3,868,518	3,951,338

13005 OSBM-GENERAL

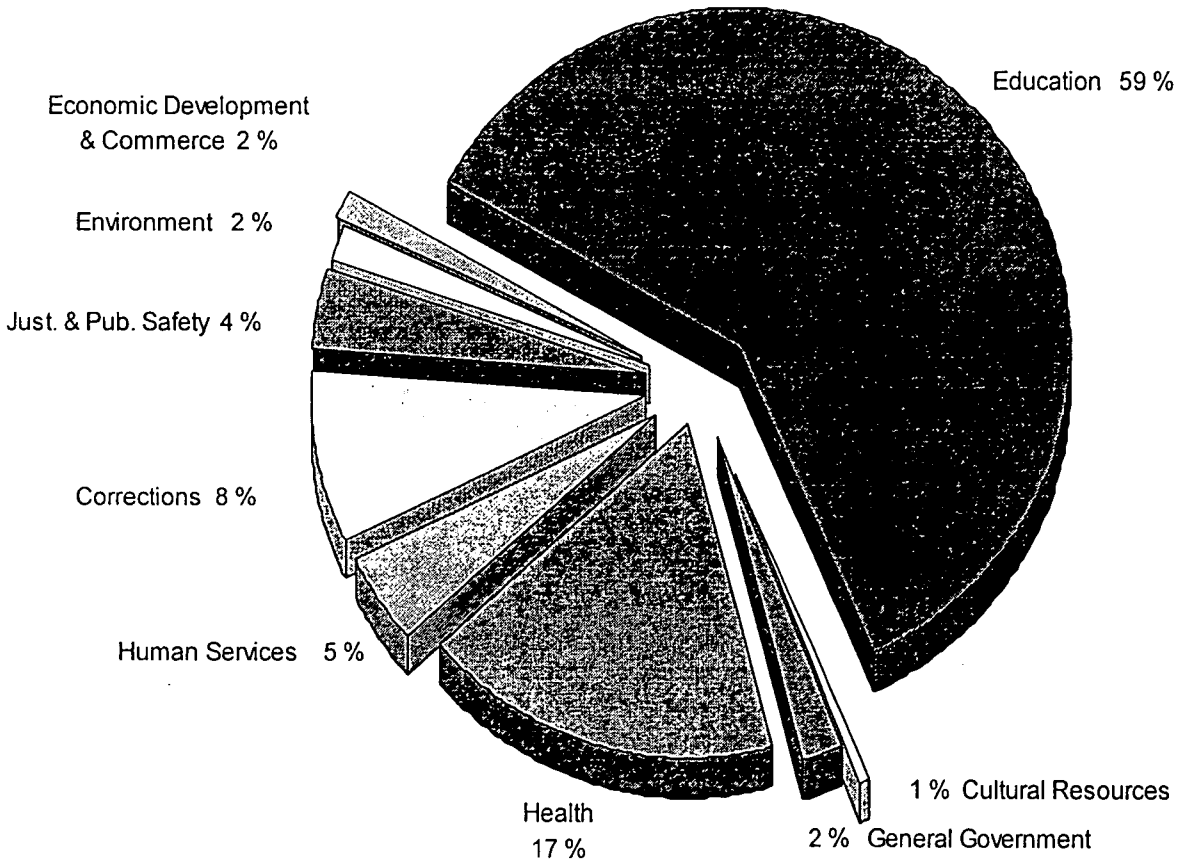
DESCRIPTION	1997-98	1998-99
ESTIMATED RECEIPTS		
4320 SALE OF SURPLUS PROPERTY	500	500
TOTAL RECEIPTS	500	500
NET APPROPRIATION	3,868,018	3,950,838

1997-98 Certified Total Requirements by Program Area



Attachment 3 (3-18)

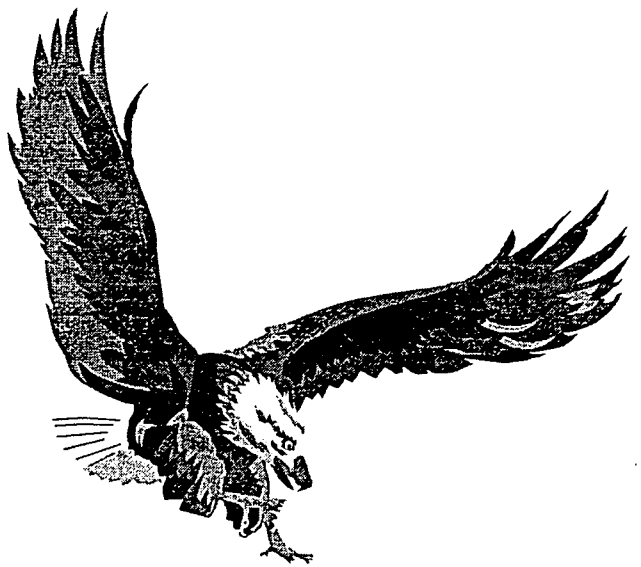
1997-98 Certified State Appropriations by Program Area



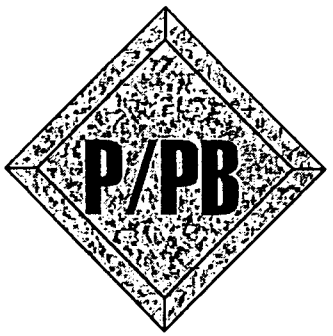
NOTE: Transportation Program Area receives $10.61 million in state appropriations.

Performance Perspective

Performance budgeting enables decision- makers to evaluate each service vehicle for:



- Quality of services (customer satisfaction)
- Overall outcome (did the vehicle reach its target) (outcome measures)
- Productivity (outputs/work processes)
- Unit cost analysis (cost per unit)



Benefits / Advantages

- Enables decision-makers to see the "big picture" by grouping activities that share similar purposes
- Directs attention to the causal relationships between program outcomes and outputs, work processes, activities, and inputs of agencies
- Provides a basis for short-term management and long-term evaluation
- Facilitates focus on agency performance
- Provides understanding as to the major priorities of the state

OFFICE OF STATE BUDGET AND MANAGEMENT

Governor

James B. Hunt, Jr.

State Budget Officer

Marvin K. Dorman, Jr.

Ask most people what the Office of State Budget and Management does and they immediately think of controls on spending. But the responsibilities go beyond preparing the Governor's recommended state budget and executing the legislatively authorized biennial budget.

The Governor, through the Office of State Budget and Management, has the responsibility of assuring that tax dollars are spent in an efficient manner and in accordance with the legislative intent. To help meet this responsibility, the office employs a group of specially trained consultants, the Management and Productivity Section.

THE MANAGEMENT AND PRODUCTIVITY SECTION

The Management and Productivity Section promotes sound operational concepts and practices throughout state government by providing consulting services and conducting special studies. Management consultants work closely with department heads and program managers to help them identify necessary changes, and analyze the costs to be expected and the benefits to be realized from these changes. Management consultants then recommend improvements and help put them into action. They conduct a follow-up visit to ensure that recommendations really work.

Management and Productivity Services

- Management systems and process analysis
- Quality and service review
- Workload distribution
- Work flow and scheduling
- Organizational analysis and design
- Performance measures
- Management audits
- Strategic and operational planning
- Cost/benefit analysis
- Staffing analysis

Voluntary Management Studies

The Management and Productivity Section has conducted voluntary studies in the past few years that range the spectrum of management consulting. Typically included have been studies, requested by state agencies, such as reorganization, staff size determinations, rightsizing analyses, procedures manual development, and workload and procedural analyses.

Management and Productivity Staff

The members of this section have educational and professional backgrounds in accounting, business administration, information processing, industrial and mechanical engineering, economics, public administration, and statistics. Their experience includes auditing, consulting, computer systems analysis, employee development, manufacturing, financial analysis, teaching, and program management.



Management Consultants

Allen J. Barwick, Ph.D., Director
Anne G. Bander
Carl. L. Byrd
Angela Y. Griffin
D. Jeffrey Hibbard
Sally H. Hunter
Tom E. Newsome
Sue A. Farley, Secretary

How a Management Study Is Conducted

(1) Contact is made between the agency and the Management and Productivity Section or the appropriate OSBM staff for assistance;

(2) Both parties agree to the scope of the study;

(3) The study is conducted by staff members from the Management and Productivity Section with the participation of the appropriate OSBM staff and agency personnel;

(4) The Management and Productivity Section prepares and presents the final report to the agency;

(5) The Management and Productivity Section conducts a follow-up visit to check the progress on implementation.

There is no charge to the agency for this service other than the cost of computer time and data preparation, and any travel expense incurred by the OSBM team.

Attachment 4 (3-18-98)

HOW TO REQUEST ASSISTANCE

To schedule a meeting to discuss your particular needs, or for more information, contact:

Allen J. Barwick, Ph.D., Director
Management and Productivity Section
Office of State Budget and Management
116 West Jones Street
Raleigh, North Carolina 27603-8005
Telephone: (919) 733-7061
Fax: (919) 733-0640

E-mail Addresses

Anne Bander	abander@osbm.state.nc.us
Allen Barwick	abarwick@osbm.state.nc.us
Carl Byrd	cbyrd@osbm.state.nc.us
Angela Griffin	agriffin@osbm.state.nc.us
Jeff Hibbard	jhibbard@osbm.state.nc.us
Sally Hunter	shunter@osbm.state.nc.us
Tom Newsome	tnewsome@osbm.state.nc.us

Management and Productivity Section
Office of State Budget and Management
116 West Jones Street
Raleigh, NC 27603-8005

STATE OF NORTH CAROLINA

MANAGEMENT AND PRODUCTIVITY SECTION

OFFICE OF STATE BUDGET AND MANAGEMENT

116 WEST JONES STREET
RALEIGH, NORTH CAROLINA
27603-8005
(919) 733-7061

Attachment 5 (3-18-98)

Office of Administrative Hearings

General Government
Appropriations Subcommittee
Site Visit - March 18, 1998

Welcome!

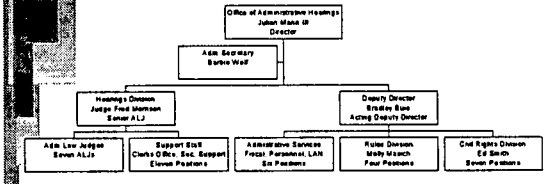
Overview

- Greetings
- Facilities + Tour
- Agency Background and General Statute Authority
- Organization/Division Directors
- Funding Request

OAH - Background

- Primary Mission
- Formation of the Office
- Consolidation of fragmented functions
- General Statute Authority
  - Hearings
  - Administrative Rules
  - Civil Rights

OAH - Organization



OAH - Facilities

- Blount Street Offices
  - Administration, Hearings, Rules
    - CapeHart-Crocker House
    - Lee House
- 1203 Front Street Office
  - Civil Rights Division
- High Point Branch Office
  - Guilford County Court House
- Charlotte Hearing Room
- Hearing Rooms - Statewide (Courthouses)

OAH Administration

- Mission
- Scope of Work
- Work Load
- Organization

OAH Administration - Mission

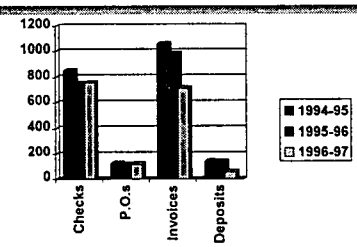
- To provide administrative services support to the divisions of the Office of Administrative Hearings in the areas of:
  - Budget and Accounting
  - Personnel Services
  - Contract Administration
  - Local Area Network (LAN) Services
  - Communication Services
  - Facility and Equipment Services

OAH - Summary of Actual/Budget - 1993-1999

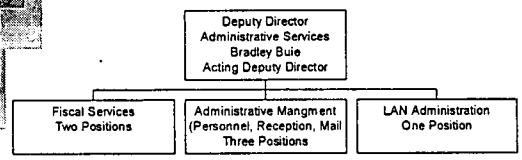
	Requirements	Receipts	Appropriations	FTE
1993-94	2,308,583	253,288	2,055,295	36
1994-95	2,167,252	171,391	1,995,861	36
1995-96	2,289,241	202,038	2,087,203	38
1996-97	2,612,645	199,783	2,412,862	38
1997-98	2,554,079*	196,690*	2,357,389*	41
1998-99	2,554,079*	196,690*	2,357,389*	41

*Budget

OAH Administration - Workload



OAH Administrative - Organization



OAH Administration - Status

- Accomplishments
- Issues

OAH Administration - Accomplishments

- Fiscal Services
  - Closing of 1996-97; Opening 1997-98 Fiscal Years
  - Agency Annual Financial Statements
  - Agency's State Accounting & Budget Operations
- Personnel Services
  - Policy Administration
  - Recruitment and retirements
  - Benefit administration
  - Established new positions authorized
- LAN Administration
  - Recruitment of LAN Administrator
  - Implementation of office automation and E-mail services

OAH Administration - Issues

- Key employee retirements have created added burden to OAH management to find competent replacements
- Current budget line-item funding deficiencies are disruptive to OAH operations
- Automation opportunities provides challenges and potential solutions to an ever increasing workload

OAH Hearings Division

- Mission Purpose
- Scope of Work
- Work Load
- Organization

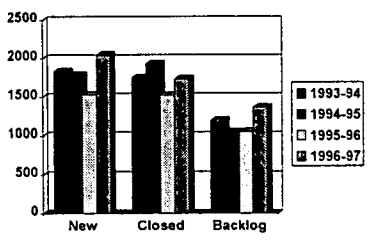
Hearings Division - Mission

- To hear contested cases by petitioners who file against state agencies and who believe they have been deprived of property; substantially prejudiced of rights; or required to pay a fine or civil penalty.

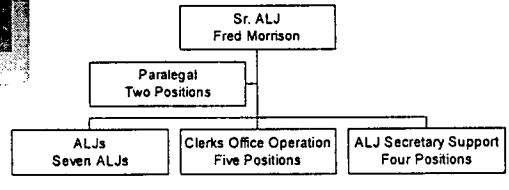
Hearings Division - Mission - continued

- What the petitioner must prove is that the state agency:
  - Exceeded its authority or jurisdiction
  - Acted erroneously
  - Failed to use proper procedures
  - Acted arbitrarily or capriciously or
  - Failed to act as required by law or rule

Hearings Division -Work Load - Number of Cases



Hearings Division - Organization



Hearings Division - Status

- Accomplishments
- Issues
- What was learned during period of report
- Problems and pressing Needs

Hearings Division - Accomplishments

- Implemented new Docketing System
- Managed increase in workload with existing staff
- Provided access to Hearings Division decisions on agency's Web page
- Implemented office automation and remote access (Lap tops) to agency's server for ALJs
- Survey Form

Hearings Division - Issues

- Citizens' demand for government regulation (environment, day care, nursing homes, hog farms, etc.) adds extra burden on OAH to provide timely and competent hearings of contested cases
- Growth in number (2045 new cases in 1996-97-34% increase) and complexity of new cases increases the importance of a responsive OAH

Hearings Division - What was learned during period

- Cases are becoming more complex and inter-agency related
- Examples of due process hearings:
  - Tax intercept system - for tax refund checks-State and Federal
    - for Child Support
    - for Credit Reporting Act (Recent Session)
  - Special Education Cases

Hearings Division - Problems and Needs

- Completion of new automated OAH Case Management System to support all aspects of Hearings operations
- Increase in clerical staff to assist ALJs in processing contested cases
- On-going training of ALJs in specialized and complex areas

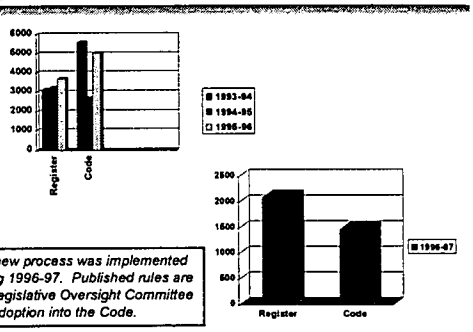
Rules Division

- Mission Purpose
- Scope of Work
- Public Served
- Work Load
- Organization

Rules Division - Mission

- *To provide means for citizen and public input into the rule-making process through notice and public hearing*
- *To assist state agencies in publishing proposed rules and rule-making hearings (as required by law) in the* ***North Carolina Register*** *before adopting the rule*
- *To publish and maintain the official codification of all of North Carolina's agency rules -* ***NC Administrative Code***

Rules Division - Work Load - Pages Published or Affected



Note: A new process was implemented beginning 1996-97. Published rules are sent to Legislative Oversight Committee prior to adoption into the Code.

Rules Division - Public Served

- *Citizens of the State of North Carolina*
- *Citizens and industries in other states*
- *Agencies of the State of North Carolina*
- *Rules Review Commission*
- *General Assembly*

Rules Division - Organization

Rules Division
Molly Masich
Director APA

Publications
NC Register and Adm Code
Four Positions

Rules Division - Status

- *Accomplishments*
- *Issues*
- *Problems and Pressing Needs*

Rules Division - Accomplishments

- *First rate Administrative Code and Index with national recognition*
- *Growing understanding by State Agencies of rule-making process*
- *Better citizen and public input into rule-making process*
- *Higher scrutiny of rule-making*

Rules Division - Issues

- Growing complexity of agency rules
- Length of elapsed time before a rule can be implemented
  - Temporary Rules
  - Permanent Rules
- Limited public access to North Carolina Administrative Code and North Carolina Register

Rules Division - Problems and Pressing Needs

- Regulink Project
- Internet access to NC Code and Register

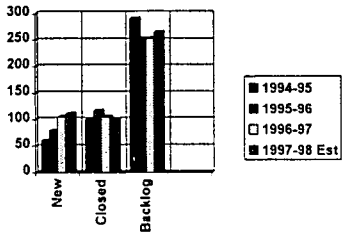
Civil Rights Division

- Mission Purpose
- Work Load
- Organization

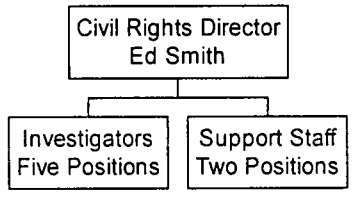
Civil Rights - Mission

- To serve as the State's 706 Deferral Agency for investigations of alleged discrimination by State employees on the basis of race, color, sex, religion, age, national origin or disability in employment
- To investigate charges alleging retaliation for opposition to such discrimination brought by previous and current state employees or applicants for employment
- To investigate charges alleging political discrimination brought by previous and current state employees or applicants for employment

Civil Rights Division -Work Load - Number of Investigations



Civil Rights Division - Organization



Civil Rights Division - Status

- Accomplishments
- Problems and Pressing Needs

Civil Rights - Accomplishments

- Processed 105 cases and submitted 105 to EEOC for credit
- Begun implementation of new General Statutes (1997) requiring investigation of political discrimination charges

Civil Rights - Problems and Pressing Needs

- Tremendous burden on staff resources to implement political discrimination investigations
- Current Sunset provision - 12-31-1998
- Uncertainty of federal contract reimbursement

Office of Administrative Hearings - Key Funding Issues

- Funding for OAH budget deficiencies
- Hearings Division automation, clerical support and ALJ training
- Rules Division automation and Internet access to Register and Code
- Reduce Civil Rights caseload backlog

Office of Administrative Hearings - Funding Request

Priority	Description	Request	FTE
1	OAH Funding Deficiencies	101,358	0.0
2	Hearings Div. Automation clerical support, training	93,212	1.0
3	Rules Div. Automation, Internet access to Code and Register	143,100	0.0
4	Civil Rights workload increase political discrimination cases	83,971	2.0

Office of Administrative Hearings

Thanks for your time .....and interest

Attachment 6 (3-18-98)

OFFICE OF ADMINISTRATIVE HEARINGS

The OAH does not have enough money in certain line items to meet obligations. The total amount needed is $69,358, as follows:

Contract for legal services	$12,000
Contract for hearing assistant	28,200
Computer software maintenance	16,143
New lease agreement - offices	5,115
On-line services	2,400
Computer equipment	500
Published legal resources and services	5,000

OAH has requested $32,000 to replace federal funds that were not received last year. It is not certain whether those funds will be received this year.

OAH has also requested:

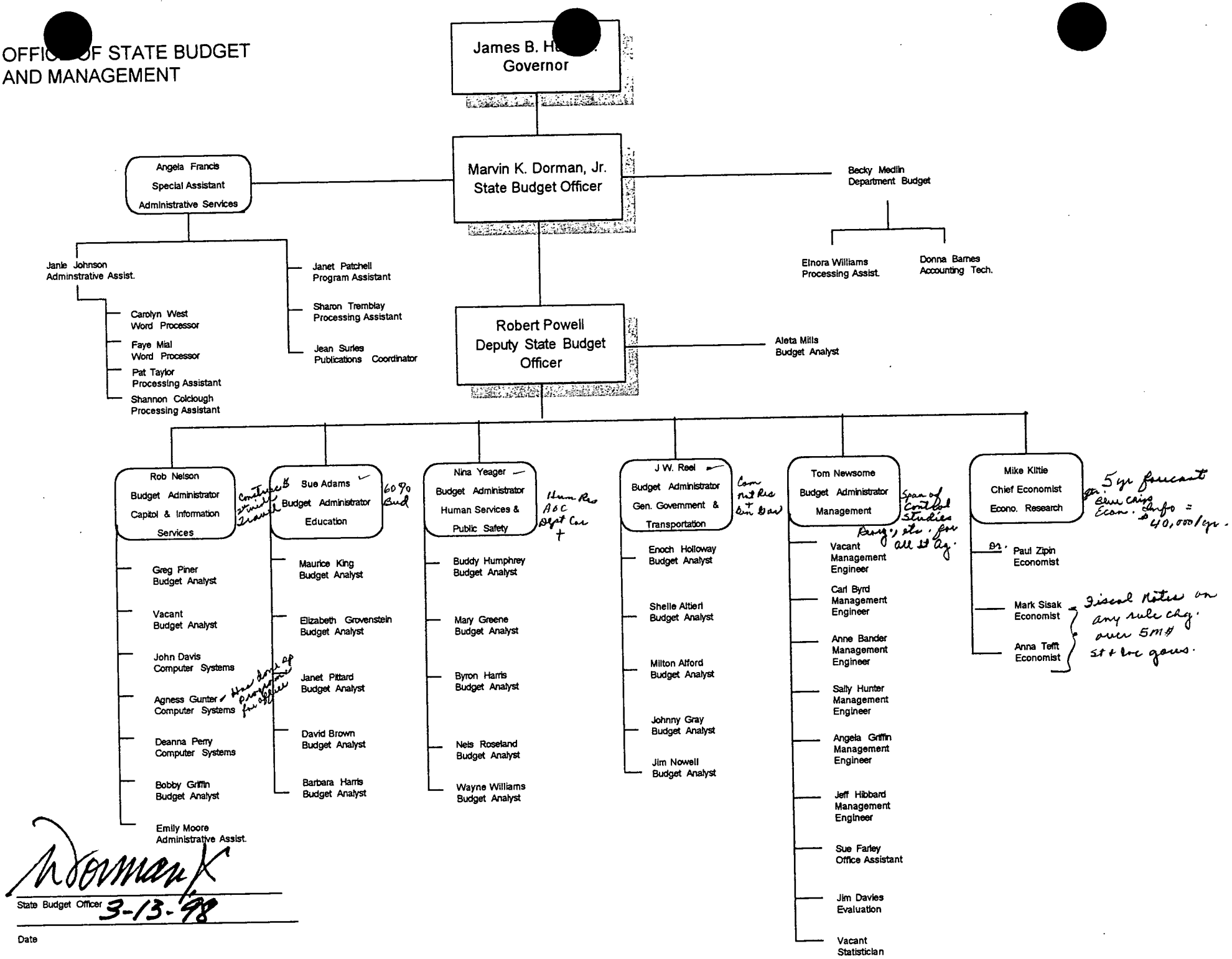
$93,212 and one position for Hearings Division automation, clerical support and ALJ training

$143,100 for Rules Division automation and Internet access to Register and Code

$83,071 and two positions to reduce Civil Rights caseload backlog

These items are not as urgent as the first one, and can be held over until the long Session

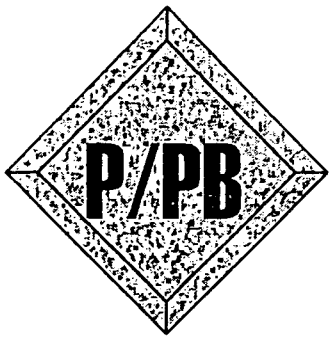
OFFICE OF STATE BUDGET AND MANAGEMENT



State Budget Officer 3-13-98

Date

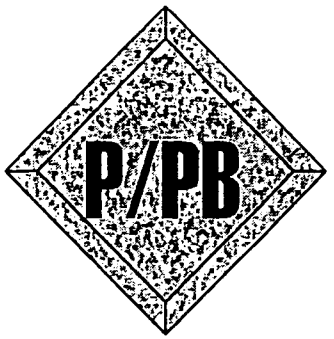
Boxes denote Management Team



Performance / Program Budgeting

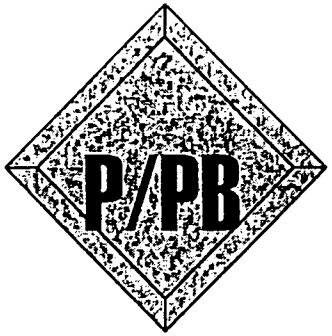
Managing by Results

Presented by the NC Office of State Planning
for the Natural and Economic Resources
Appropriations Subcommittee



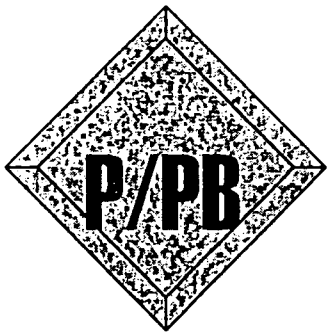
Origin / Background

- National movement
- Budget shortfall 1989-1991
- GPAC established in 1991 to address efficiency & effectiveness of programs
- Recommendations
  - Statewide planning process
  - Performance-based budget
  - Comprehensive evaluation of state programs



Implementation Timeline

- 1992 - General Assembly requested pilot performance budgets for two program areas
- 1993 - Documents delivered to General Assembly
- 1994 - Strategic planning, performance budgeting and evaluation codified in Executive Budget Act
- 1995 - Performance/program budgets delivered for six Program Areas



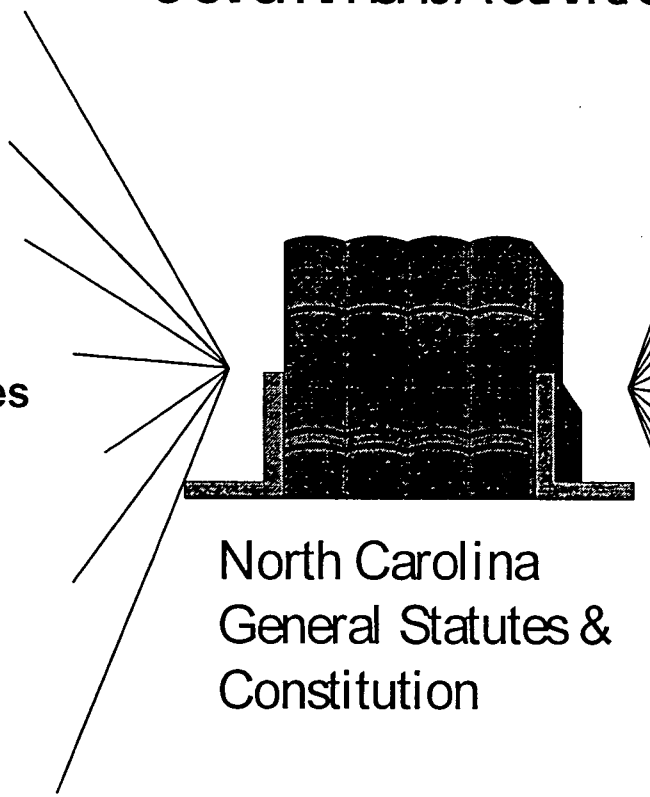
Implementation Timeline
(continued)

- 1997 - Performance/program budgets developed for all ten Program Areas
- 1999 - Performance/program budgets, performance report, operations plans will link to the budget

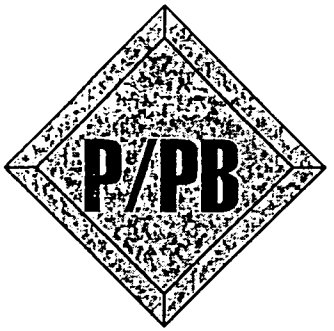
Perspective

Another Way to Look at Government Activities

- Administration
- Agriculture
- Commerce
- Correction
- Environment & Nat. Res
- General Assembly
- Health & Human Services
- Judicial Branch--AOC
- Justice
- Public Instruction
- Revenue
- Transportation
- UNC System



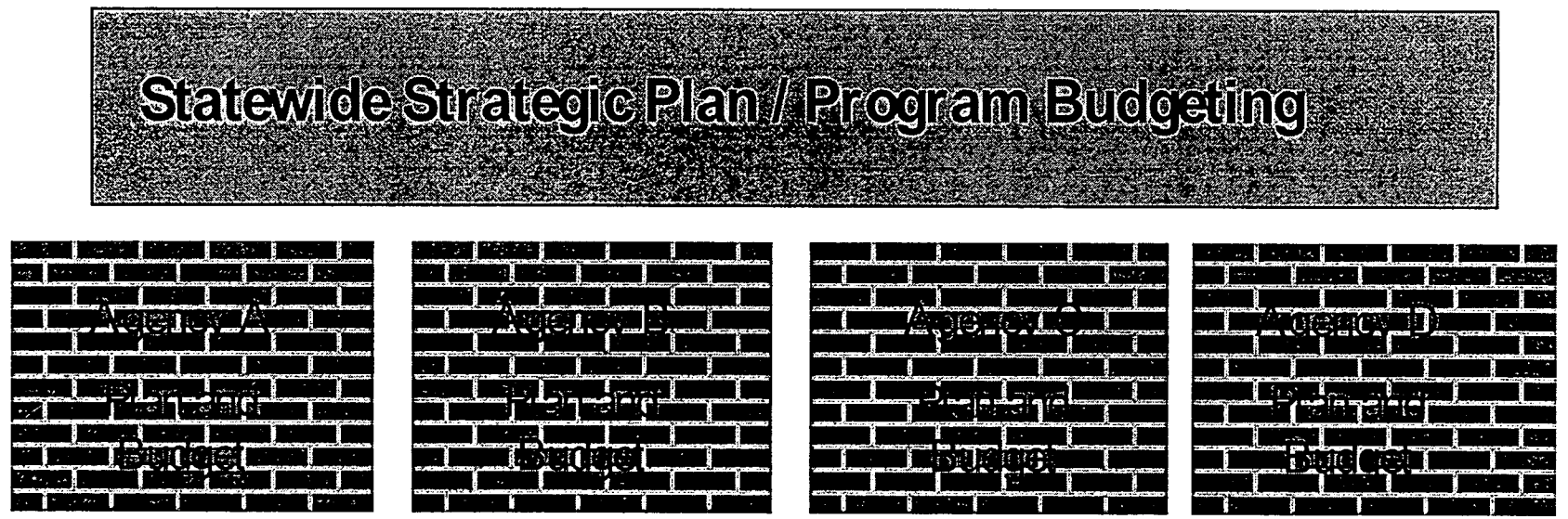
- Health
- Human Services
- Corrections
- Justice & Public Safety
- Environment
- Econ. Devel. & Comm.
- Education
- Transportation
- Cultural Resources
- General Government



Development / Process

- Identified Program Areas (1991)
- Developed Program Areas classification (1991)
- Classified services, activities, and funds (1992)
- Developed Program Number Codes (1994)
- Conduct strategic / performance planning (1994)
- Develop performance / program measures (1994)

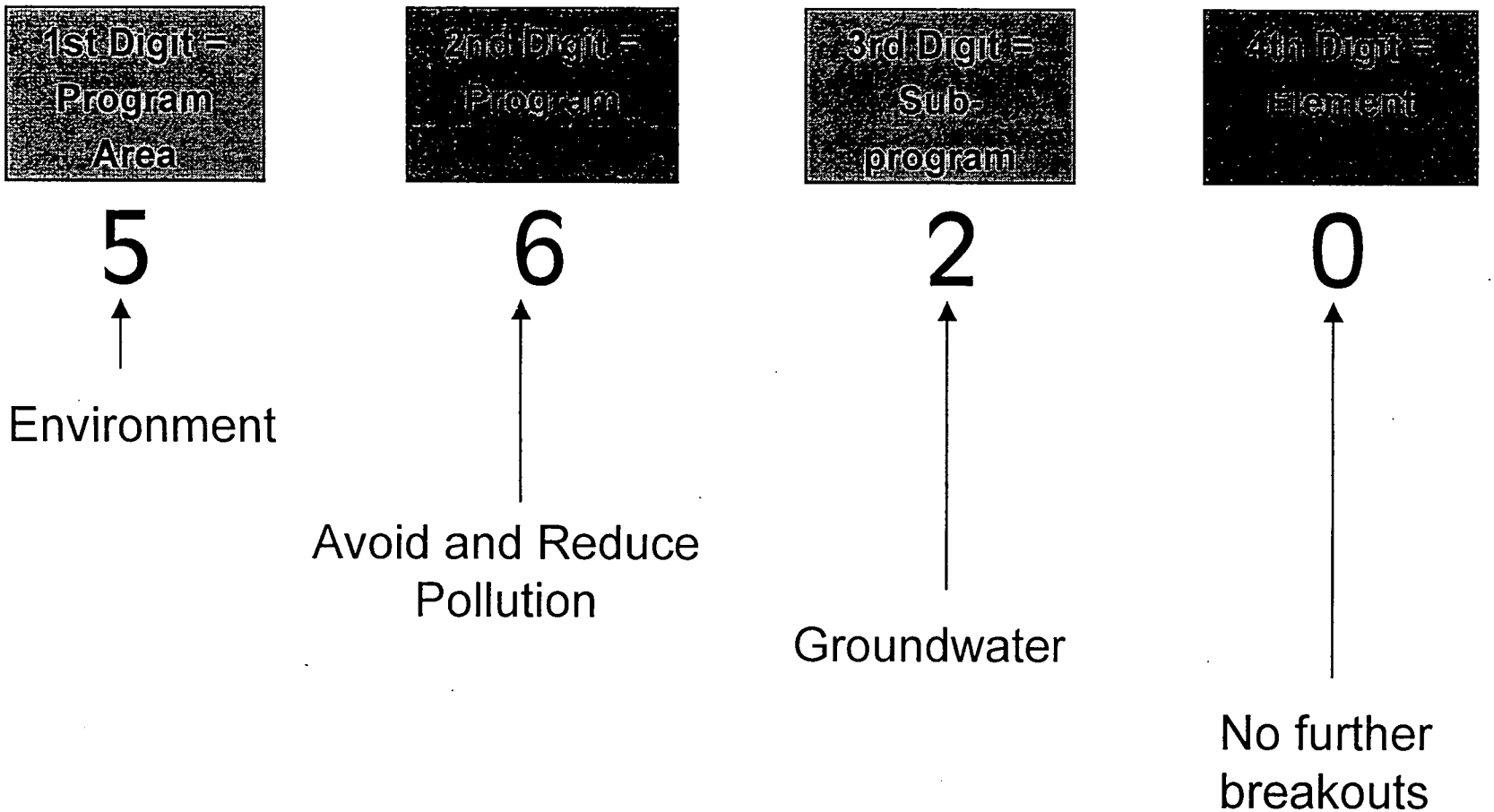
Performance/Programmatic



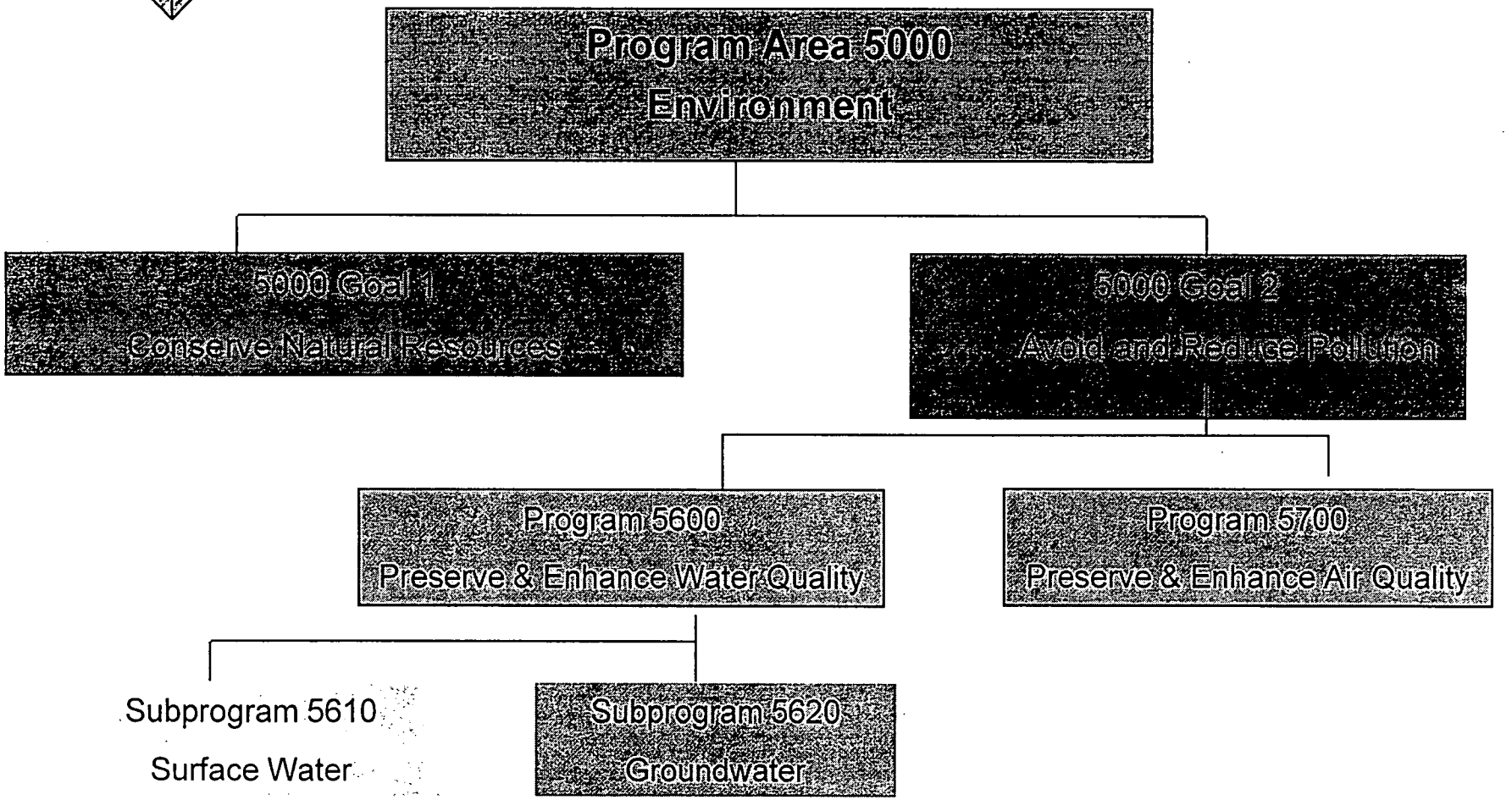
Program Areas

- Health (1993)
- Human Services (1995)
- Corrections (1995)
- Justice and Public Safety (1995)
- Environment (1993)
- Economic Development and Commerce (1995)
- Education (1997)
- Transportation (1997)
- Cultural Resources (1997)
- General Government (1997)

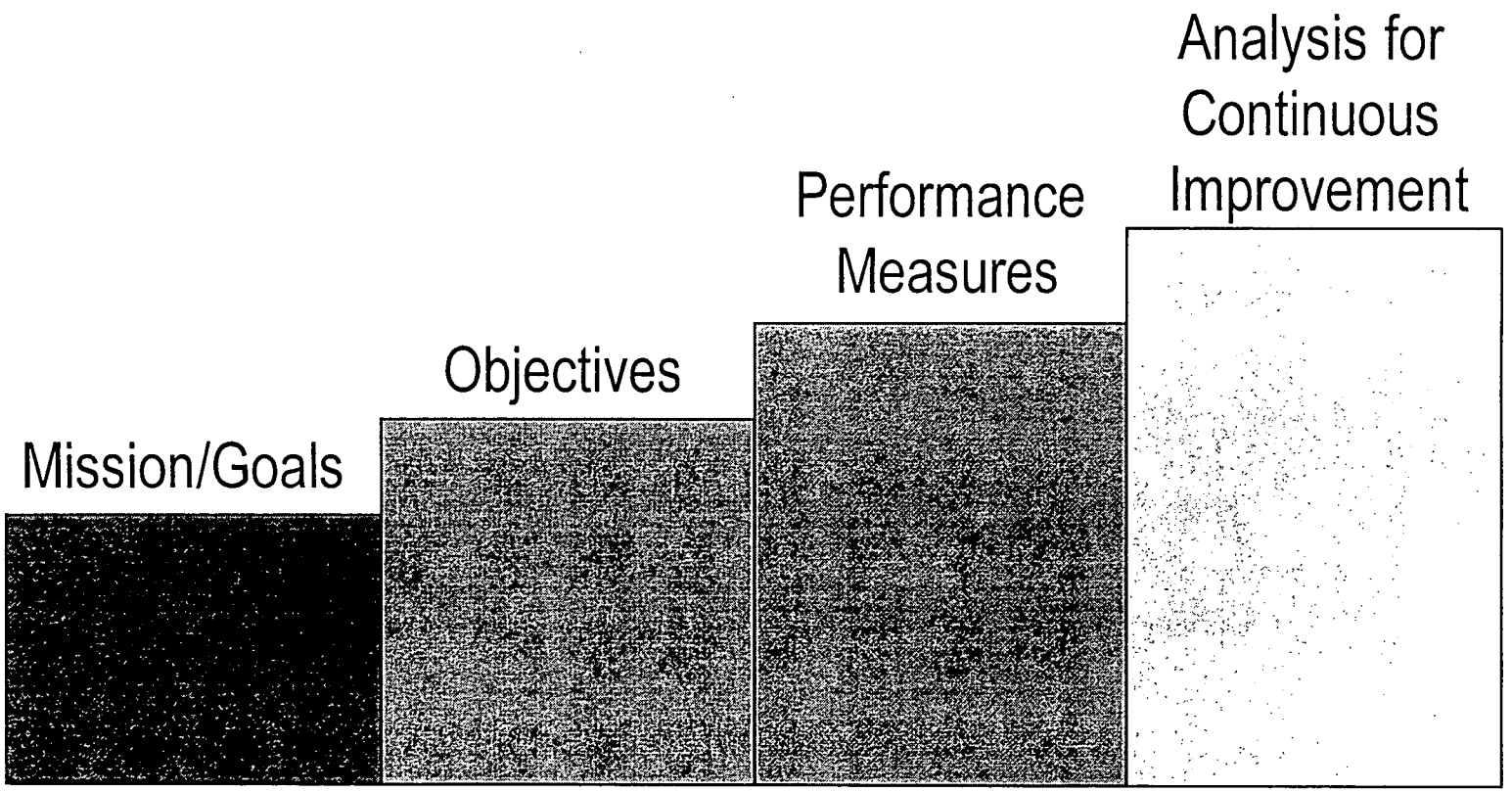
Program Number



Classification Structure



Climbing the Steps toward Performance Management



13005 OSBM-GENERAL

DESCRIPTION	1997-98	1998-99
REQUIREMENTS		
1211 SPA-REG SALARIES-APPRO	2,668,176	2,668,176
1311 SPA SALARIES-TEMPORARY	5,000	5,000
1461 EPA&SPA-LONGVTY PAY-APPR	77,116	80,975
1511 SOCIAL SEC CONTRIB-APPRO	200,869	202,412
1521 REG RETIRE CONTRIB-APPRO	297,110	297,528
1561 MED INS CONTRIB-APPRO	93,744	93,744
TOTAL PERSONAL SERVICES	3,342,015	3,347,835
2199 MISC CONTRACTUAL SERVICE	78,038	78,038
2300 REPAIR SERVICES	2,027	2,027
2400 MAINTENANCE AGREEMENTS	26,099	26,099
2500 RENTALS/LEASES	130	130
2700 TRAVEL&OTHER EMPLOYEE EX	60,302	72,302
2800 COMMUNICATION&DATA PROC	187,752	252,752
2900 OTHER SERVICES	9,506	9,506
TOTAL PURCHASED SERVICES	363,854	440,854
3100 GENERAL ADMIN SUPPLIES	18,995	18,995
3200	50	50
3900 OTHER MATERIALS & SUPP	100	100
TOTAL SUPPLIES	19,145	19,145
4500 EQUIPMENT	10,128	10,128
4700 INTANGIBLE ASSETS	1,550	1,550
TOTAL PROPERTY,PLANT & EQUIPMT	11,678	11,678
5800 OTHER ADMINISTRATIVE EXP	11,598	11,598
5900 OTHER EXPENSES	2,500	2,500
TOTAL OTHER EXPENSES & ADJUSTMENTS	14,098	14,098
7202 RES COMP INCREASE	117,728	117,728
TOTAL RESERVES	117,728	117,728
TOTAL REQUIREMENTS	3,868,518	3,951,338

13005 OSBM-GENERAL

DESCRIPTION	1997-98	1998-99
ESTIMATED RECEIPTS		
4320 SALE OF SURPLUS PROPERTY	500	500
TOTAL RECEIPTS	500	500
NET APPROPRIATION	3,868,018	3,950,838

AGENDA

Joint Appropriations Subcommittee
on
General Government

March 19, 1998

Site Visit - Secretary of State

9:00 - 9:15 a.m. Room 415 LOB
- Refreshments

9:15 - 10:00 a.m. Overview of the Department of the Secretary of State
- Secretary Elaine Marshall (15 minutes)
- Bruce Garner, Deputy Secretary for Technology (10 minutes)
- Introduction of Staff (10 minutes)

10:00 - 10:10 a.m. Travel to Business License Information Office (BLIO)

10:15 - 10:35 a.m. Tour BLIO

10:35 - 10:45 a.m. Go to LOB 3rd Floor Conference Room

10:45 - 11:00 a.m. Break for Drinks and Cookies

11:00 - 11:20 a.m. Tour Corporations Division

11:25 - 11:50 a.m. Tour Uniform Commercial Code Section, Notaries Public, Trademarks, Lobbyist Registration, and Publications

11:55 - 12:15 p.m. Tour Securities Division

12:15 - 12:20 p.m. Tour Boxing Commission

12:20 - 12:30 p.m. Return to Room 415

12:30 - 1:00 p.m. Wrap-Up

JOINT APPROPRIATIONS SUBCOMMITTEE

ON

GENERAL GOVERNMENT

Minutes

March 19, 1998

The Interim Joint Appropriations Subcommittee on General Government met Thursday, March 19, 1998 at 9:00 a.m. in Room 415 of the Legislative Office Building. Three of the Senate members were present. Representatives present were: Co-Chairs Ives, McCombs and Sherrill; and Church, Decker, Jeffus, Wainwright and Warwick.

Senator Ed Warren chaired the meeting. Secretary of State Elaine Marshall and Deputy Secretary Bruce Garner gave an overview of the Department. (See Attachment 1) The following staff was introduced: Business License Information Office Director Amy Edwards; Corporations Unit Director Charlene Dawkins; Securities Unit Director David Massey; Uniform Commercial Code Division Betty Prince; Notary Division Gayle Holder; Land Records Management Unit Director Rex Minneman; Trademark Registration Division Director Scott Templeton; Communications Director George Jeter; Boxing Commission Director Shawn Lemmond; Legislative Liaison Bernard Allen; Legal Aide Donna Lee; Executive Assistant Cheri Myers; Personnel Director Mary Lou Kinton; and Receptionist Karen Stone. Ms. Marshall noted that she came to the Office in January, 1997; that they had a budget of approximately $5-1/2 million; that they brought in $17.4 million last year and that they had 117 employees. She thanked the members for the technology funds granted last session to update their computer systems. Mr. Garner said that they had cut the public's phone waiting time for receiving answers to questions from 35 to 5 or 6 seconds; that e-mail had made inter-office communication much more efficient; that last month they had at least 18,000 hits on the Internet, and that the public could now download most of the forms needed for doing business with the State.

In response to two questions from Senator Warren, Ms. Marshall said that they did play a role in bank mergers in that the corporation papers were filed in the Secretary of State's office, and Mr. Garner said that the office checked out the legitimacy of stock offerings and followed up on complaints from people who felt they had been defrauded. He also noted that they try very hard to educate the public regarding investment companies.

Representative Ledbetter wanted to know if corporations were notified before charters were canceled due to late payment. Secretary Marshall said they a notice was sent to the address on file; a second notice is sent if payment is delinquent after 60 days; the charter is canceled if payment is not received after 90 days. She noted that it was up to the corporation to keep them notified of address changes.

To Representative Wainwright's statement about the high cost of expedited corporate filings, Secretary Marshall said that their $200-same-day fee was lower that fees in other states.

Attachment 2 contains a summary list of supplemental Expansion Budget requests, a comparison of receipts in **reverting** budget code to appropriations in operating budget code, FY 1997-98 budget by Division and a copy of a letter responding to the State Budget Officer's request for General Fund Budget reductions for 1998-99.

The Notary Division Director said that four staff members handled 18,000 new appointments and 13,000 re-appointments last year; and that there were 175,000 notaries in the State.

The Uniform Commercial Code Unit Director said that they handled 166,000 filings in 1997, and that there were 2.5 million active Uniform Commercial Codes stored in their department.

Senator Warren asked Director Shawn Lemmond of the Boxing Commission what part of the State had more interest in boxing and when did he think the Commission would be self-supporting. Mr. Lemmond said that every section of the State had some

interest in boxing, and he stated that he could not say when it would be self-supporting since there was no method of taxation in the State. Evan Rodewald, Fiscal Analyst, noted that pay-per-view is a tax on viewers and has no direct relationship to the Boxing Commission.

The group returned to Room 415 LOB for a wrap-up of the days tour. Secretary Marshall said that her office and the Legislature must work together to fund the second phase of the information technology update in order to keep corporations in North Carolina.

Senator Ledbetter wanted to know why liens and loans had to be recorded in Raleigh when the counties recorded them. Ms. Marshall said that corporations might have liens and loans with several different companies in different counties, and that that information would show up in the Secretary of State's records since it is a central recording place.

Representative Sherrill thanked the entire staff of the Secretary of State's Office for the time and effort they have expended in putting efficiency and pride back into their office.

The meeting adjourned at 1:00 p.m.

Respectfully submitted,

Senator Ed Warren, Chairman

Wilma Caldwell, Committee Clerk

Attachment 1 (3-19-98)

ADMINISTRATION

MISSION

The General Administration Division provides the managerial support to the rest of the Department. Budget and payroll, technology services, communications, and legal services are included within this division.

CHALLENGES

This division continues to improve the Department's accountability procedures. Its technology staff is currently upgrading the Department's entire data storage/computer system. Other administrators continue work to physically relocate the entire Department in late 1998 or early 1999.

BUDGET

The FY 1998 budget for the Administration Division is:

Requirements:	$ 1,050,444
Receipts:	$ 1,000
Appropriation:	$ 1,049,444

STAFF

The total number of staff for the Administration Division is 18.

AUTHENTICATIONS

MISSION

To serve the citizens and businesses of North Carolina with required authentication of their documents and to assure their validity in foreign countries; operating in a timely, efficient and professional manner within the time restrictions often required in the process.

CHALLENGES

During the past year, this unit has experienced a 50% increase in the volume of requests by mail, appointments and walk-in customers. Large numbers of documents are required to be authenticated. Additional staff is needed to assure quality for international commercial transactions and foreign adoptions in order to meet a 48-hr. turnaround requirement.

BUDGET

This unit is funded under General Administration.

STAFF

This unit is staffed by one Authentications Officer.

BOXING COMMISSION

MISSION

This staff provides professional support and services to the North Carolina Boxing Commission. The staff regulates and licenses all parties involved in professional boxing events in the State of North Carolina.

CHALLENGES

The popularity of professional boxing has soared in this state within the past few years. These staff members must regulate an ever-growing number of participants and events--all of which take place in locations throughout the state.

BUDGET

The FY 1998 budget for the Boxing Commission support staff is:

Requirements:	$ 217,390
Receipts:	$ 17,100
Appropriation:	$ 200,290

STAFF

The total number of support staff for the Boxing Commission is three.

BUSINESS LICENSE INFORMATION OFFICE

MISSION

This office provides the public with the only centralized source of governmental information related to operating a business within North Carolina.

CHALLENGES

People have a difficult time finding out about our services. We need to advertise more.

BUDGET

The FY 1998 budget for the BLIO Division is:

Requirements:	$ 571,393
Receipts:	$ 100
Appropriation:	$ 571,293

STAFF

The total number of staff for the Business License Information Office is 13.

CORPORATIONS DIVISION

MISSION

The economic survival is directly impacted by the ability of people to raise sufficient money to engage in business. The Corporations Division is one of the first steps in achieving that goal. Corporations and other business entities are created by the thousands annually with the numbers increasing each year. In fact, since 1990 corporate filings have tripled from 75,000 to 283,000!

BUDGET

The budget for the Corporations Division for FY 1998 is:

Requirements:	$ 1,772,900
Receipts:	$ 37,000
Appropriation:	$ 1,735,900

CHALLENGES

From a historical perspective, per a December 1996 Bell South busy study, only 3% of the telephone calls that were offered to this division were answered. With a mixture of training, new and more responsive equipment and more efficient procedures, we were able to respond to 40% of those calls offered in December of 1997. While this is a vast improvement, it is not the level of service we want to achieve. New laws passed in the most recent General Assembly transferred the annual report filing for business corporations to the Department of Revenue to be consistent with the filing of the corporate tax returns. The transfer did not decrease the workload for the annual report unit. It has been estimated that between 30,000 and 40,000 corporations are in administrative dissolution, but are still actively paying their taxes. These corporations will have to manually be reinstated on our system. Each reinstatement takes approximately 1-1/2 hrs. to process from beginning to end. That translates into 60,000 additional manpower hours needed in addition to the time required to file the 135,000 annual reports that are likely to flood into our office in the next year.

STAFF

Total staff for the Corporations Division is 42.75.

LAND RECORDS MANAGEMENT

MISSION

The Land Records Management Division assists county governments to modernize and standardize their indexing and land records systems. Both technical and financial assistance is given to county and local governments to achieve this goal.

CHALLENGES

The division continues to do its work in a lean, efficient manner. One needed challenge it faces in the coming year is to once again be housed with the rest of the Department, as opposed to continuing to operate in a remote site.

BUDGET

The FY 1998 budget for the Land Records Management Division is:

Requirements:	$ 149,466
Receipts:	$ -0-
Appropriations:	$ 149,466

STAFF

The total number of staff for the Land Records Management Division is two.

LOBBYIST REGISTRATION

MISSION

The Lobbyist Registration unit maintains the vital records that state law requires from professionals who lobby members of the North Carolina General Assembly. This unit also publishes a list of these lobbyists and their principles.

CHALLENGES

This work demands attention to detail and the ability to meet regular workload deadlines. Given the growth of the lobbying industry, this unit may require additional help in terms of staff, record-keeping technology, or assistance in the near future.

BUDGET

The unit is funded under General Administration.

STAFF

This unit is staffed by one lobbyist registrar.

NOTARY PUBLIC SECTION

MISSION

The Notary Public Section fulfills its purpose by appointing notaries and by offering mandatory workshops to enhance the knowledge of notary instructors. Through licensing, training programs and criminal law enforcement, this unit functions to prevent the commission of fraud by the use of forged signatures.

CHALLENGES

There is insufficient personnel to operate required functions due to increases in the volume of filings and requests for information. This has created a backlog of investigation of complaints involving notarial acts and other duties. Out-dated record management practices will require study and the implementation of new filing procedures and workflow processes

BUDGET

The FY 1998 budget for the Notary Public Section is:

Requirements:	$ 203,207
Receipts:	$ -0-
Appropriation:	$ 203,207

STAFF

The total number of staff for the Notary Public Section is five.

PUBLICATIONS DIVISION

MISSION

The Publications division publishes the most popular reference books produced by state government: the *North Carolina Manual* and the *Directory of State and County Government Officials.* The Division also publishes a wide range of smaller publications and brochures, as well as maintaining many important state documents.

CHALLENGES

The Division must modernize and expand the Department's mailroom operations to meet the increasing volume of mail the Department now processes each day. The Division is also engaged in a very active effort to improve departmental forms so they are easier to fill out and so that the overall number of them can be reduced through consolidation.

BUDGET

The FY 1998 budget for the Publications Division is:

Requirements:	$ 310,666
Receipts:	$ 21,700
Appropriation:	$ 288,966

STAFF

The total number of staff for the Publications Division is four.

SECURITIES DIVISION

MISSION

The mission of the Securities Division is to regulate the investment industry in North Carolina to protect the investing public and to ensure a healthy environment for capital formation. The Division licenses stockbrokers, approves proposed securities offerings, and investigates complaints received from investors. The Division is also the sole regulatory agency responsible for monitoring the office practices and operations of more than two hundred investment adviser firms in North Carolina.

BUDGET

The budget for the Securities Division for FY 1998 is:

Requirements:	$ 921,350
Receipts:	$ 2,050
Appropriation:	$ 919,300

STAFF

The total number of staff for the Securities Division is 18.

CHALLENGES

In 1997 the division received 1200 complaints from investors in North Carolina. Its Enforcement Section consists of four investigators and one attorney. These investigators are currently working on 100 open cases involving violations of the securities laws, with some of these cases involving criminal charges. Last week alone, the Division began investigating two new securities scams that may result in losses to North Carolina investors of more than two million dollars.

The Division is the only securities regulatory agency that has authority to audit the operations of more than 200 investment adviser firms headquartered in North Carolina. Unless additional staff is provided, this audit function will have to be accomplished by the Division's four investigators. This would mean diverting resources presently employed in the investigation of securities fraud cases.

The Division has one securities analyst to review proposed registered securities offerings. This analyst is examining applications for registration more than a month after he receives them. Notices of proposed private offerings often go unreviewed because this analyst must give priority to the examination of registered offerings.

Four employees handle the annual licensing of 1900 stock brokerage firms, 95,000 stockbrokers, 840 investment adviser firms, and 6000 investment adviser representatives. More than 3500 mutual funds file notices of intent to sell their securities in North Carolina.

TRADEMARKS
&
SERVICE MARKS

MISSION

The Trademarks unit of the Department registers and protects unique marks for entrepreneurs. This service allows a business to market its creative image to the public.

CHALLENGES

This small unit struggles constantly to process the rising number of applications for new marks in a timely manner.

BUDGET

The Trademarks unit is funded under General Administration.

STAFF

This unit is staffed by one Trademarks Specialist.

UNIFORM COMMERCIAL CODE (UCC)

MISSION

This section files documents showing liens against commercial and/or agricultural property. Local banks and other lendors use the research and records of this unit to decide if and how much money to lend for specific business transactions.

CHALLENGES

This unit should review and process incoming lien statements with a twenty-four hour response time. Unfortunately this group is woefully understaffed, and this has resulted in probably the slowest processing time of any state in the U.S.A.

BUDGET

The FY 1998 budget for the UCC unit is:

Requirements:	$ 423,904
Receipts:	$ 74,000
Appropriation:	$ 349,904

STAFF

The total number of staff for the UCC unit is 12.

Attachment 2 (3-19-98)

19-Mar-98

DEPARTMENT OF THE SECRETARY OF STATE

SUMMARY LIST OF SUPPLEMENTAL EXPANSION REQUESTS

Submitted to OSBM on March 2, 1998

Priority Number	Program Description	Requested 1998-1999	Recurring	Nonrecurring	#Positions
1	Year 2 of 2 Year Technology Replacement Project	$784,385	$257,685	$526,700	1
2	Uniform Commercial Code Staff Expansion	493,424	456,108	37,316	17
3	Corporations Division Staff Expansion	690,494	606,506	83,988	24
4	Securities Registration Staff Expansion	237,185	223,995	13,190	5
5	Publications Staff Expansion	38,040	25,162	12,878	1
6	General Administration (Budget/Personnel)Staff Expansion	68,874	52,624	16,250	2
7	General Administration (Trademarks/Authentications) Staff Expansion	168,849	139,242	29,607	4
8	Notary Public Commission Staff Expansion	64,521	53,942	10,579	1
9	Departmental Salary Reserves	97,316	97,316	0	0
10	Uniform Commercial Code Equipment and Contractual Services	390,474	23,278	367,196	0
11	Establish and Support Business Information Program	204,839	149,839	55,000	2
12	Business License Information Outreach Enhancements	65,000	65,000	0	0
13	Publications Staff Expansion	36,622	27,170	9,452	1
14	Land Records Management Staff Expansion	61,107	52,928	8,179	1
15	Boxing Commission Contractual Services	23,000	23,000	0	0
	Requirements	$3,424,130	$2,253,795	$1,170,335	
	Receipts	0	0	0	
	Federal				
	Local				
	Other				
	Appropriation	$3,424,130	$2,253,795	$1,170,335	
	No. of Positions	59	59	0	59
	Total Requirements	$3,424,130	$2,253,795	$1,170,335	
	Total Receipts	$0	0	0	
	Federal				
	Local				
	Other				
	Total Appropriation	**$3,424,130**	**$2,253,795**	**$1,170,335**	
	Total No. of Positions	59	59	0	59

19-Mar-98

DEPARTMENT OF THE SECRETARY OF STATE

Comparison of Receipts in **Reverting** Budget Code to Appropriatons in Operating Budget Code

Fund/Divison	FY 95-96	FY 96-97	FY 97-98 As of 2-28-98
1110/Lobbyist Registration	$20,705.35	$86,060.55	$7,909.55
1110/Trademarks	31,570.00	28,461.25	26,426.25
1110/Authentications	33,494.21	51,310.32	43,753.40
1120/Publications	286.44	2,178.34	1,084.16
1210/Corporations	6,327,248.27	8,019,468.79	6,187,717.99
1220/Uniform Commercial Code	935,679.05	919,414.81	746,589.00
1230/Securities	6,620,928.89	7,397,333.57	6,968,524.28
1300/Notaries	839,105.19	820,584.16	515,695.40
1400/Land Records	2,860.00	420.00	2,540.00
Total	**$14,811,877.40**	**$17,325,231.79**	**$14,500,240.03**

17% increase from FY 95-96 to FY 96-97

If receipts for FY 97-98 continue at the current rate, the total will be approximately $21,750,360 which is a 26% increase from FY 96-97.

The Department's base budgeted appropriatons for fiscal year 1997-98 are $5,467,770.

19-Mar-98

DEPARTMENT OF THE SECRETARY OF STATE

FY 1997-98 BUDGET BY DIVISION

	Requirement	Receipts	Appropriatons	No. of Employees
1110 General Administration	$1,050,444	$1,000	$1,049,444	18
1120 Publications	310,666	21,700	288,966	4
1210 Corporations	1,772,900	37,000	1,735,900	42.75
1220 Uniform Commercial Code	423,904	74,000	349,904	12
1230 Securities Registration	921,350	2,050	919,300	18
1240 Business License Information	571,393	100	571,293	13
1300 Notary Public Commission	203,207	0	203,207	5
1400 Land Records Management	149,466	0	149,466	2
1500 Boxing Commission	217,390	17,100	200,290	3
1900 Reserve Computer Upgrade	1,230,000	0	1,230,000	0
Totals	**$6,850,720**	**$152,950**	**$6,697,770**	**117.75**

State of North Carolina
Department of the Secretary of State

ELAINE F. MARSHALL
SECRETARY OF STATE

RODNEY S. MADDOX
CHIEF DEPUTY SECRETARY OF STATE

January 15, 1997

MEMORANDUM

TO: Marvin Dorman, Jr.
State Budget Officer

FROM: Rodney S. Maddox
Rodney S. Maddox
Chief Deputy Secretary of State

SUBJECT: General Fund Budget Reductions for 1998-99

In accordance with instructions in your memorandum dated November 4, 1997 on the above subject, budget reductions of 1.5% of the department's recurring 1998-99 general fund budget equal $81,955.00 ($5,463,630.00 x 1.5%). To comply with your request, the Department of the Secretary of State recommends the following:

1. Increase recurring budgeted receipts in the amount of $81,955.00 in the Uniform Commercial Code Division (budget code 13200, company 0501, account 434134, center 1220).

2. This is the least harmful budget adjustment for the department and is therefore, the only priority submitted. The Department of the Secretary of State is currently operating under severely understaffed and underbudgeted conditions. Any further operating expenditure reductions of the magnitude needed would mean staff reductions equivalent to the elimination of entire programs as well as increases in the steadily growing backlog in daily operations and services in critical areas.

The Department of the Secretary of State is aware of the insufficient funding for the needs of state government and is committed to the reduction of unnecessary spending. If you need additional information, please let me know.

AGENDA

Joint Appropriations Subcommittee
on
General Government

Tuesday, April 21, 1998

Room 415

Chair: Representative Wilma Sherrill

10:00 a.m.	Meet in room 415 for discussion of agenda for week and proceed to Offices of the State Auditor on Second Floor of Legislative Office Building
10:15 a.m.- 12:00 p.m.	Tour Offices of the State Auditor
1:00 p.m.	Leave the Lobby of LOB to walk to the Personnel Development Center, corner of Peace and Salisbury Streets
1:15 - 3:00 p.m.	State Personnel site visit
3:00 - 3:10 p.m.	Leave Administration Building and walk to offices of State Board of Elections at 133 Fayetteville Street Mall
3:10 - 5:00 p.m.	Board of Elections site visit

JOINT APPROPRIATIONS SUBCOMMITTEE

ON

GENERAL GOVERNMENT

Minutes

April 21, 1998

The Joint Appropriations Subcommittee on General Government met Tuesday, April 21, 1998 at 10:00 a.m. in room 415 of the Legislative Office Building. Two of the Senate members were present. Representatives present were: Co-Chairs Ives, McCombs and Sherrill; and Church and Jeffus.

Representative Sherrill chaired the meeting. Since some members were attending the funeral of former Governor Terry Sanford, and others had to leave early, the Board of Elections site visit was placed first on the agenda so that as many as possible could see the demonstration of the new Voterview Statewide Voter Registration Program.

Mr. Gary Bartlett, Director of the Board of Elections, said that there were over 600 political party groups, 250 N. C. PAC's, and 250 Federal groups registered who would make payments to North Carolina and who filed with the Board. He then introduced his staff and asked Steve Small, with Keene Contracting Company, to demonstrate the Voterview program. Steve explained that it would be used to interface with the counties, and that the county information would be sent via computer to the State office as it is entered. Mr. Bartlett said that all counties have some kind of computer voter registration lists, but many were very outdated. He said that 86 counties will be using the new software. He also said that some counties do still use paper ballots.

In response to Representative Ives question, Mr. Bartlett said that they were mandated to have all counties up on the new system by August 31, 1998, but that he felt that would not be possible since it would take 3 weeks to 2 months transition period after the programs were installed. **Representative Sherrill asked how the General Government Committee could support moving the deadline back. Mr. Bartlett said**

that it would take a "Special Provision." Representative Sherrill asked Mr. Bartlett to put his request in writing and it would be taken forward to the entire legislative membership. Attachment 1 shows the VoterView Statewide Voter Registration Network, VoterScan Process Flow, Absentee Voter Process, and a listing of voters in Wake County who are on the new system. Steve demonstrated many of the different types of information you could generate using the new system. He noted that one special feature was the scanner which could record signatures.

Attachment 2 contains the Boards Mission Statement, Agency Functions, Budget, and it's Challenges. Chairman Sherrill thanked the Board Staff for a great demonstration, and the Committee adjourned for lunch.

At the beginning of the afternoon session, Jeff Hibbard, Office of State Budget and Management, was asked to report on the study directed by SB 352 to examine the feasibility of consolidating the budgets and services and the administration of Federal and State grants for domestic violence programs and rape crisis programs in the State. Three agencies - Council for Women, Crime Commission, and Division of Social Services - were involved. See Attachment 3 for the booklet "Study to Combine Programs to Help Women and Children" and Attachment 4 for Mr. Hibbard's oveview of the programs and the findings.

A copy of the Staffing Study Report for the Department of Revenue was discussed briefly. A copy is included as Attachment 5.

Michele Nelson, Fiscal Analyst, said that there was one additional report to be heard, and site visits of the State Personnel Office and the Auditor's Office. She also said that the Committee needed to hear the agencies response to the reductions proposed in the Governor's package.

The Committee adjourned at 3:00 p.m. to meet at 10:00 a.m. on Wednesday at the Office of State Personnel.

Respectfully submitted,

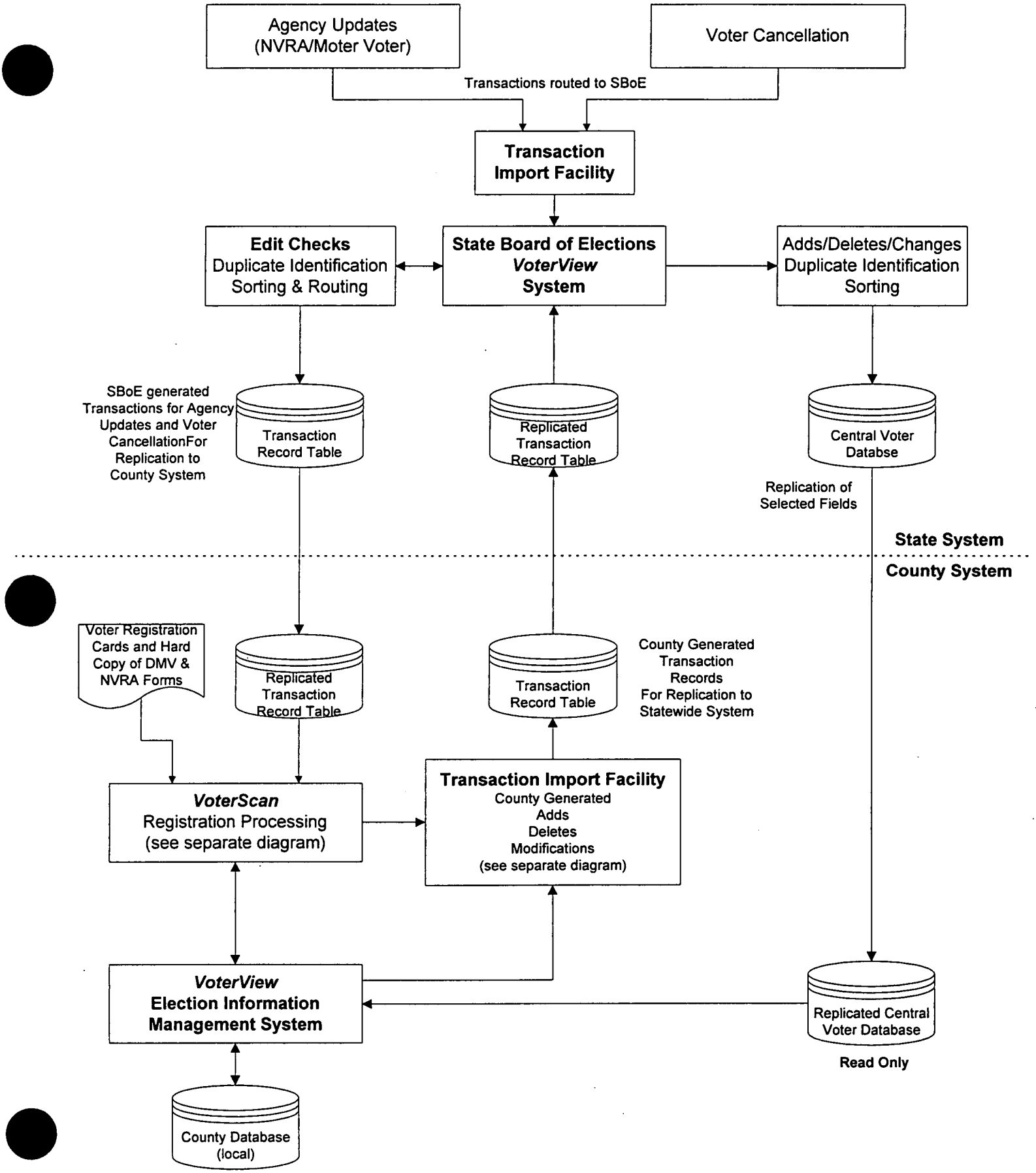
Senator Ed Warren, Chairman

Wilma Caldwell, Committee Clerk

Attachment 1 4-27-98

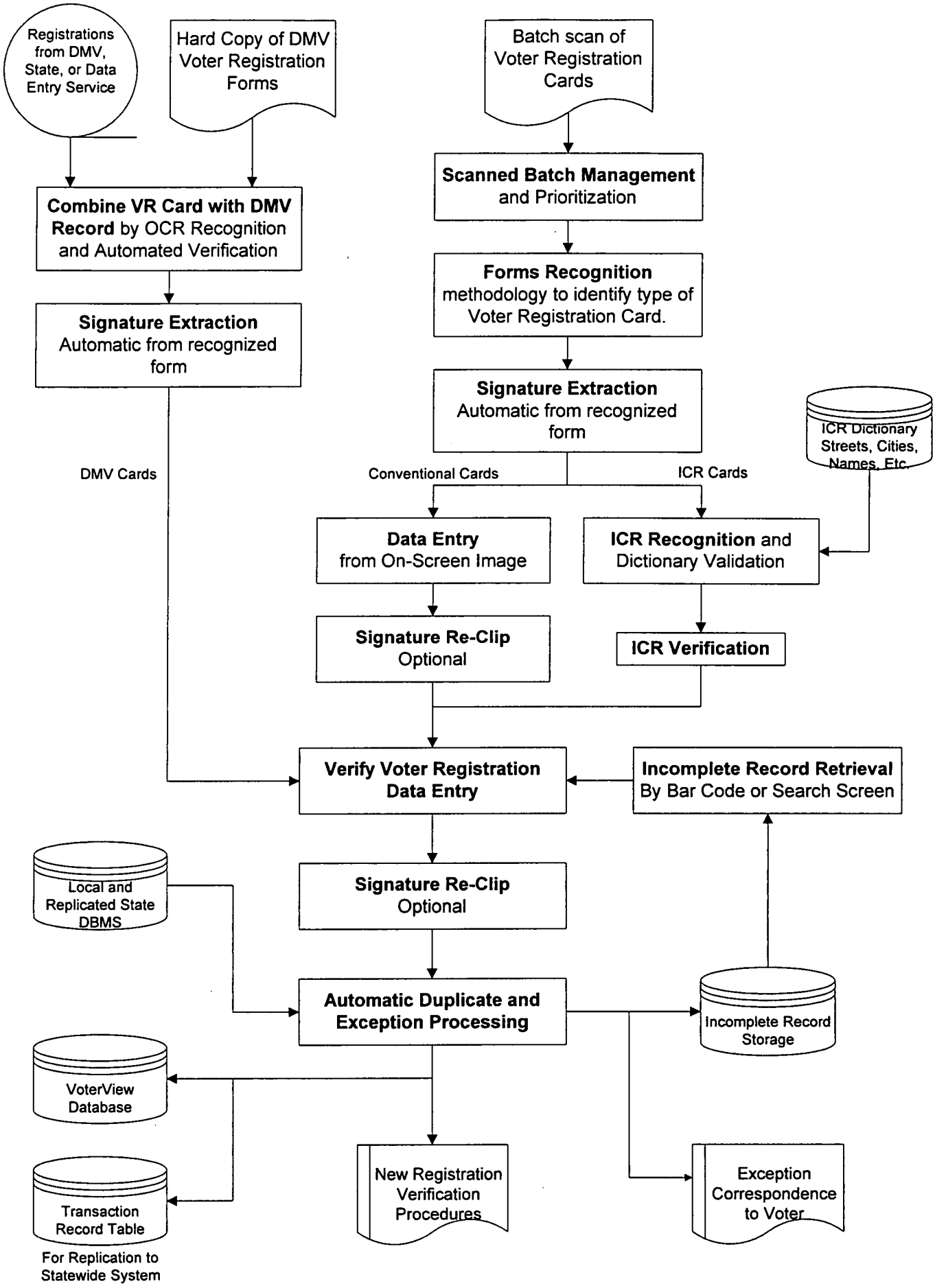
VoterView Statewide Voter Registration Network

(using VoterView as County VR System)



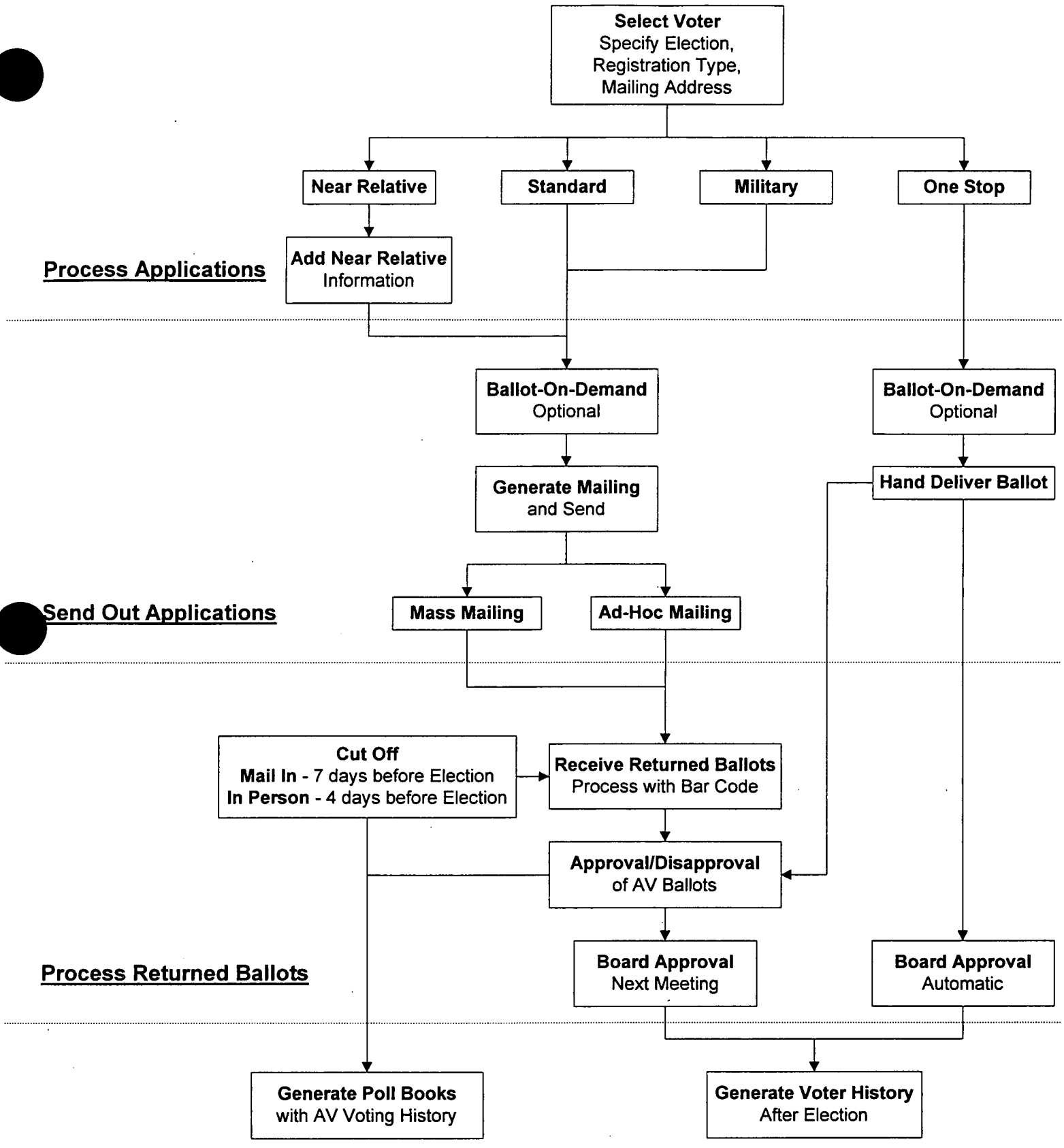
Trade Secret - 6/29/97

VoterScan Process Flow



Trade Secret - 6/29/97

Absentee Voter Process



AV 030498

Wake County Board Of Elections
Alphabetical Listing of Voters

Name	Street#	Address	City	St	Zip	VRN	Birth	RegDate	Status	P/S/R	PCT	MUN
ADAMS, ROSA L	116 #609	ST MARYS ST	RALEIGH	NC	27605	0000103439	03/01/1921	05/28/1996	A	D/F/B	01-07A	RAL
ALFORD, DORIS MOO	509 #409	GLENWOOD AVE	RALEIGH	NC	27603	0000099463	11/21/1934	01/01/1984	A	D/F/W	01-07A	RAL
ALLEN, FLOYD J	509 #503	GLENWOOD AVE	RALEIGH	NC	27603	0000102823	04/15/1929	03/08/1995	A	D/M/W	01-07A	RAL
ALPHIN, JOSEPHINE	509 #1106	GLENWOOD AVE	RALEIGH	NC	27603	0000103602	03/21/1930	10/02/1996	A	D/F/W	01-07A	RAL
ARMSTRONG, ELOISE	509 #212	GLENWOOD AVE	RALEIGH	NC	27603	0000101485	09/09/1928	01/01/1992	A	D/F/B	01-07A	RAL
AVENT, FAYE H	509 #428	GLENWOOD AVE	RALEIGH	NC	27603	0000103478	07/02/1935	09/20/1996	A	R/F/W	01-07A	RAL
AVERY, WALTER E III	509 #822	GLENWOOD AVE	RALEIGH	NC	27603	0000098155	08/21/1925	01/01/1978	A	D/M/W	01-07A	RAL
BAILEY, MARY C	509 #1408	GLENWOOD AVE	RALEIGH	NC	27603	0000102245	02/19/1916	01/01/1994	A	D/F/W	01-07A	RAL
BAKER, BETTY J	509 #140	GLENWOOD AVE	RALEIGH	NC	27603	0000101485	04/22/1933	01/01/1992	A	D/F/W	01-07A	RAL
BAKER, GARLAND W	509 #413	GLENWOOD AVE	RALEIGH	NC	27603	0000098904	04/20/1918	01/01/1980	A	D/M/W	01-07A	RAL
BAKER, PEARL R	116 #209	ST MARYS ST	RALEIGH	NC	27605	0000004021	12/31/1914	01/01/1967	A	D/F/B	01-07A	RAL
BANK, LENA	509 #1111	GLENWOOD AVE	RALEIGH	NC	27603	0000103799	03/13/1925	09/12/1997	A	D/F/B	01-07A	RAL
BARNES, JOSEPH E	116 #214	ST MARYS ST	RALEIGH	NC	27605	0000005150	06/08/1922	01/01/1956	A	R/M/W	01-07A	RAL
BATTLE, ANNETTE P	509 #1311	GLENWOOD AVE	RALEIGH	NC	27603	0000103736	02/26/1944	09/09/1996	A	D/F/B	01-07A	RAL
BAXTER, JOHN E	509 #606	GLENWOOD AVE	RALEIGH	NC	27603	0000098853	12/06/1927	01/01/1980	A	D/M/B	01-07A	RAL
BEASLEY, MARTHA K	116 #604	ST MARYS ST	RALEIGH	NC	27605	0000099574	08/16/1929	01/01/1984	A	D/F/W	01-07A	RAL
BELL, CHARLIE	509 #412	GLENWOOD AVE	RALEIGH	NC	27603	0000102488	04/23/1923	01/01/1992	A	U/M/B	01-07A	RAL
BETTS, LOVIE P	509	GLENWOOD AVE	RALEIGH	NC	27603	0000007138	06/26/1915	01/01/1962	I	D/F/W	01-07A	RAL
BOONE, JEFFIE M	509 #325	GLENWOOD AVE	RALEIGH	NC	27603	0000101189	08/21/1928	01/01/1990	A	D/F/B	01-07A	RAL
BOWLING, MYRTLE W	509 #816	GLENWOOD AVE	RALEIGH	NC	27603	0000008714	05/10/1902	01/01/1952	A	D/F/W	01-07A	RAL
BRADSHAW, PEARL H	509 #610	GLENWOOD AVE	RALEIGH	NC	27603	0000098349	12/12/1921	01/01/1978	A	D/F/B	01-07A	RAL
BRANCHE, GLADYS	509 #1110	GLENWOOD AVE	RALEIGH	NC	27603	0000009326	08/08/1919	01/01/1980	A	D/F/B	01-07A	RAL
BRARD, GABRIELLE G	509 #1409	GLENWOOD AVE	RALEIGH	NC	27603	0000100215	04/27/1908	01/01/1990	A	R/F/W	01-07A	RAL
BREWSTER, RALPH E	509 #315	GLENWOOD AVE	RALEIGH	NC	27603	0000103540	08/12/1938	07/01/1996	A	D/M/W	01-07A	RAL
BROOKS, DANIEL H	509	GLENWOOD AVE	RALEIGH	NC	27603	0000104035	03/09/1963	07/17/1997	I	D/M/W	01-07A	RAL
BURT, PATRICIA T	509 #218	GLENWOOD AVE	RALEIGH	NC	27603	0000012780	09/03/1942	01/01/1972	A	D/F/B	01-07A	RAL
BURTON, NELLIE R	116	ST MARYS ST	RALEIGH	NC	27605	0000099049	11/30/1911	01/01/1982	I	D/F/B	01-07A	RAL
BURTON, TINY M	509	GLENWOOD AVE	RALEIGH	NC	27603	0000012833	04/04/1904	01/01/1964	I	D/F/B	01-07A	RAL
CAMARILLO, MIGUEL	116 #803	ST MARYS ST	RALEIGH	NC	27605	0000013409	05/08/1931	01/01/1956	A	D/M/W	01-07A	RAL
CANNADY, CATHERIN	509 #1018	GLENWOOD AVE	RALEIGH	NC	27603	0000013674	09/05/1917	01/01/1960	A	D/F/B	01-07A	RAL
CANNON, DORIS L	116 #704	ST MARYS ST	RALEIGH	NC	27605	0000100862	05/07/1940	01/01/1988	A	D/F/B	01-07A	RAL
CARLSON, NELLIE J	509 #1307	GLENWOOD AVE	RALEIGH	NC	27603	0000097228	04/13/1921	01/01/1976	A	D/F/W	01-07A	RAL
CARPENTER, GLORIA	509 #313	GLENWOOD AVE	RALEIGH	NC	27603	0000098729	03/08/1934	01/01/1980	A	D/F/B	01-07A	RAL
CARR, FRANCES O	116 #507	ST MARYS ST	RALEIGH	NC	27605	0000014031	05/09/1909	01/01/1960	A	D/F/B	01-07A	RAL
CARROLL, REBECCA	509 #821	GLENWOOD AVE	RALEIGH	NC	27603	0000095572	10/04/1924	01/01/1956	A	D/F/W	01-07A	RAL
CATLETTE, BLONNIE B	116 #101	ST MARYS ST	RALEIGH	NC	27605	0000014796	08/13/1919	01/01/1972	A	D/F/W	01-07A	RAL
CAUDLE, MARY H	509 #302	GLENWOOD AVE	RALEIGH	NC	27603	0000103465	10/24/1938	05/10/1996	A	U/F/B	01-07A	RAL
CHAMBERS, VELMA	509 #220	GLENWOOD AVE	RALEIGH	NC	27603	0000015070	06/12/1908	01/01/1956	A	R/F/W	01-07A	RAL
CHARD, NORMA H	116 #601	ST MARYS ST	RALEIGH	NC	27605	0000100896	04/12/1921	01/01/1988	A	R/F/W	01-07A	RAL
CHAVIES & CHAVIES,	116	ST MARYS ST	RALEIGH	NC	27605	0000038571	07/16/1924	01/01/1972	A	R/F/B	01-07A	RAL
CHAVIS, ANNIE	116 #313	ST MARYS ST	RALEIGH	NC	27605	0000015423	01/26/1912	01/01/1960	A	D/F/B	01-07A	RAL
CHAVIS, MARIE	509 #922	GLENWOOD AVE	RALEIGH	NC	27603	0000015446	03/10/1907	01/01/1966	A	D/F/B	01-07A	RAL
CHEATHAM, ELSIE P	509 #222	GLENWOOD AVE	RALEIGH	NC	27603	0000099216	08/08/1935	01/01/1982	A	D/F/B	01-07A	RAL
CLIFT, JUNE B	509 #305	GLENWOOD AVE	RALEIGH	NC	27603	0000103806	07/11/1933	09/17/1997	A	D/F/W	01-07A	RAL
CONYERS, CORNELIU	509 #414	GLENWOOD AVE	RALEIGH	NC	27603	0000017359	09/11/1919	01/01/1968	A	D/M/B	01-07A	RAL

Name	Street#	Address	City	St	Zip	VRN	Birth	RegDate	Status	P/S/R	PCT	MUN
COOK, INEZ S	116 #401	ST MARYS ST	RALEIGH	NC	27605	0000017402	07/18/1902	01/01/1960	A	D/F/W	01-07A	RAL
COOPER, GLADYS M	509 #425	GLENWOOD AVE	RALEIGH	NC	27603	0000103810	11/28/1931	04/24/1997	A	D/F/B	01-07A	RAL
CORDON, MATILDA E	509 #207	GLENWOOD AVE	RALEIGH	NC	27603	0000017908	09/05/1916	01/01/1960	A	D/F/W	01-07A	RAL
COUNCIL, MAMIE T	509 #311	GLENWOOD AVE	RALEIGH	NC	27603	0000018218	07/28/1914	01/01/1962	A	D/F/B	01-07A	RAL
CRAIG, VIRGINIA	509	GLENWOOD AVE	RALEIGH	NC	27603	0000099112	03/24/1949	01/01/1984	A	D/F/W	01-07A	RAL
D'LEO, ASA L	509 #804	GLENWOOD AVE	RALEIGH	NC	27603	0000102523	10/09/1938	01/01/1992	A	D/M/B	01-07A	RAL
DANIELS, DAISY L	509 #1104	GLENWOOD AVE	RALEIGH	NC	27603	0000101497	03/23/1938	01/01/1992	A	D/F/B	01-07A	RAL
DAVIS, EDDIE	509 #1308	GLENWOOD AVE	RALEIGH	NC	27603	0000102488	01/01/1934	11/07/1994	A	D/M/B	01-07A	RAL
DAVIS, GERTRUDE H	509 #502	GLENWOOD AVE	RALEIGH	NC	27603	0000020548	11/14/1920	01/01/1964	I	D/F/W	01-07A	RAL
DAVIS, SHIRLEY T	509 #912	GLENWOOD AVE	RALEIGH	NC	27603	0000103419	03/17/1940	07/12/1996	A	D/F/B	01-07A	RAL
DEANS, TYRONE	509 #1008	GLENWOOD AVE	RALEIGH	NC	27603	0000101561	07/25/1972	01/01/1990	I	D/M/B	01-07A	RAL
DELOATCH, JESSIE M	116 #201	ST MARYS ST	RALEIGH	NC	27605	0000021653	06/24/1923	01/01/1960	A	D/F/B	01-07A	RAL
DEWELL, MARY J	116 #406	ST MARYS ST	RALEIGH	NC	27605	0000100862	06/10/1929	01/01/1988	A	R/F/W	01-07A	RAL
DICKENS, BESS	509 #914	GLENWOOD AVE	RALEIGH	NC	27603	0000100000	05/14/1923	01/01/1910	A	D/F/W	01-07A	RAL
DICKERSON, RICHAR	116 #714	ST MARYS ST	RALEIGH	NC	27605	0000022250	07/22/1937	01/01/1971	A	D/M/W	01-07A	RAL
DONALDSON, BURTIS	509 #509	GLENWOOD AVE	RALEIGH	NC	27603	0000101765	08/10/1922	01/01/1991	A	D/M/B	01-07A	RAL
DOUGLAS, CLARENCE	509 #1109	GLENWOOD AVE	RALEIGH	NC	27603	0000103906	10/14/1928	11/05/1996	A	D/M/B	01-07A	RAL
DUNSTON, AGNES	509 #1101	GLENWOOD AVE	RALEIGH	NC	27603	0000102707	03/27/1921	09/19/1996	A	D/F/B	01-07A	RAL
EDWARDS, EDITH L	509 #508	GLENWOOD AVE	RALEIGH	NC	27603	0000098940	09/13/1942	01/01/1980	A	D/F/B	01-07A	RAL
EDWARDS, WILLIAM T	509 #1305	GLENWOOD AVE	RALEIGH	NC	27603	0000024834	03/29/1927	01/01/1960	A	D/M/W	01-07A	RAL
ELLINGTON, OSCAR L	509 #213	GLENWOOD AVE	RALEIGH	NC	27603	0000100000	10/18/1943	01/01/1988	A	D/M/W	01-07A	RAL
EPSTEIN, LINDA S	116 #413	ST MARYS ST	RALEIGH	NC	27605	0000193355	05/09/1942	03/22/1996	A	D/F/W	01-07A	RAL
EVANS, DEBORAH C	116 #812	ST MARYS ST	RALEIGH	NC	27605	0000101501	09/17/1960	01/01/1990	A	U/F/B	01-07A	RAL
EVANS, LACY	116 #812	ST MARYS ST	RALEIGH	NC	27605	0000100862	11/01/1925	01/01/1988	A	U/F/B	01-07A	RAL
FELTH, BUGETTA L	116 #805	ST MARYS ST	RALEIGH	NC	27605	0000101613	10/07/1971	01/01/1990	A	D/F/B	01-07A	RAL
FISH, NEVADA H	509 #420	GLENWOOD AVE	RALEIGH	NC	27603	0000027027	06/02/1916	01/01/1952	A	D/F/W	01-07A	RAL
FLETCHER, ESTHER C	509 #813	GLENWOOD AVE	RALEIGH	NC	27603	0000100000	09/17/1917	01/01/1989	A	D/F/W	01-07A	RAL
FLOWERS, BEATRIX D	509 #617	GLENWOOD AVE	RALEIGH	NC	27603	0000027371	04/13/1914	01/01/1956	A	D/F/B	01-07A	RAL
FORDHAM, FRANCES	116	ST MARYS ST	RALEIGH	NC	27605	0000103625	02/17/1929	10/11/1996	A	D/F/W	01-07A	RAL
FOUST, JESSIE G	509 #1018	GLENWOOD AVE	RALEIGH	NC	27603	0000098436	04/22/1918	01/01/1982	I	D/F/W	01-07A	RAL
FOWLER, ORA M	509 #702	GLENWOOD AVE	RALEIGH	NC	27603	0000101497	01/30/1927	01/01/1991	A	D/F/W	01-07A	RAL
FREEMAN, BESSIE L	509 #808	GLENWOOD AVE	RALEIGH	NC	27603	0000101828	06/03/1931	01/01/1991	A	D/F/B	01-07A	RAL
FREEMAN, JAMES T	509 #214	GLENWOOD AVE	RALEIGH	NC	27603	0000100000	01/01/1929	01/01/1988	A	D/M/B	01-07A	RAL
FRYAR, EDMOND D	509 #416	GLENWOOD AVE	RALEIGH	NC	27603	0000103679	08/20/1907	08/28/1996	A	D/M/B	01-07A	RAL
FULLER, CORA L	509 #504	GLENWOOD AVE	RALEIGH	NC	27603	0000103798	06/02/1947	09/12/1997	A	D/F/B	01-07A	RAL
GILCHRIST, LEROY	509 #422	GLENWOOD AVE	RALEIGH	NC	27603	0000103439	07/27/1939	05/28/1996	A	D/M/B	01-07A	RAL
GILCREST, EDDIE C	509 #902	GLENWOOD AVE	RALEIGH	NC	27603	0000100000	01/23/1941	01/01/1988	A	D/M/B	01-07A	RAL
GIST, SALLIE T	509 #623	GLENWOOD AVE	RALEIGH	NC	27603	0000101445	04/23/1934	09/29/1990	A	D/F/B	01-07A	RAL
GRAVES, FRANK	509 #728	GLENWOOD AVE	RALEIGH	NC	27603	0000099008	10/27/1912	01/01/1982	A	D/M/B	01-07A	RAL
GREENLAW, GEORGE	509 #928	GLENWOOD AVE	RALEIGH	NC	27603	0000102719	08/25/1943	11/10/1994	A	R/M/W	01-07A	RAL
GRIFFIN, EVELYN E	509 #221	GLENWOOD AVE	RALEIGH	NC	27603	0000102679	09/24/1924	03/30/1993	A	U/F/B	01-07A	RAL
GRIFFIN, GOLDIE W	116 #803	ST MARYS ST	RALEIGH	NC	27605	0000099461	07/27/1915	01/01/1984	I	D/F/W	01-07A	RAL
GRIFFIN, HALLIE E	509 #628	GLENWOOD AVE	RALEIGH	NC	27603	0000097014	08/03/1915	01/01/1976	A	D/F/W	01-07A	RAL
GRIFFIN, IDA M	509 #1306	GLENWOOD AVE	RALEIGH	NC	27603	0000101485	08/29/1915	01/01/1991	A	R/F/W	01-07A	RAL
GUNTER, MARY L	509 #225	GLENWOOD AVE	RALEIGH	NC	27603	0000101485	12/02/1929	01/01/1992	A	D/F/B	01-07A	RAL
HANES, CORNELIA D	509 #824	GLENWOOD AVE	RALEIGH	NC	27603	0000103799	07/09/1939	09/12/1997	A	D/F/B	01-07A	RAL
HANKINS, CATHERINE	116 #312	ST MARYS ST	RALEIGH	NC	27605	0000103397	10/05/1917	03/01/1996	A	D/F/B	01-07A	RAL
HARRIS, CHRISTOPHE	509 #807	GLENWOOD AVE	RALEIGH	NC	27603	0000103496	02/16/1967	08/27/1996	A	R/M/B	01-07A	RAL

Name	Street#	Address	City	St	Zip	VRN	Birth	RegDate	Status	P/S/R	PCT	MUN
HARRIS, MAMIE M	509 #528	GLENWOOD AVE	RALEIGH	NC	27603	0000103503	09/26/1931	06/03/1996	A	D/F/B	01-07A	RAL
HARRIS, MARIE R	509 #720A	GLENWOOD AVE	RALEIGH	NC	27603	0000103594	09/01/1930	08/20/1996	A	D/F/B	01-07A	RAL
HARRIS, SHARON E	116 #308	ST MARYS ST	RALEIGH	NC	27605	0000102572	07/22/1964	01/01/1992	A	D/F/B	01-07A	RAL
HAUSER, ELLENDALE	509 #301	GLENWOOD AVE	RALEIGH	NC	27603	0000102095	09/12/1917	01/01/1992	A	D/F/B	01-07A	RAL
HERRON, NATHAN A	509 #622	GLENWOOD AVE	RALEIGH	NC	27603	0000101562	12/21/1929	08/31/1990	A	D/M/B	01-07A	RAL
HESTER, WAKEFIELD	509	GLENWOOD AVE	RALEIGH	NC	27603	0000097014	03/02/1910	01/01/1976	A	D/F/W	01-07A	RAL
HIGH, JOYCE J	509 #717	GLENWOOD AVE	RALEIGH	NC	27603	0000100234	10/17/1935	01/01/1986	A	D/F/B	01-07A	RAL
HILL, ROSETTA M	509 #1102	GLENWOOD AVE	RALEIGH	NC	27603	0000098855	04/29/1921	01/01/1980	A	D/F/B	01-07A	RAL
HILLIARD, LIZZIE M	509 #1001	GLENWOOD AVE	RALEIGH	NC	27603	0000103798	12/22/1941	09/12/1997	A	D/F/B	01-07A	RAL
HINTON, ANNIE S	116	ST MARYS ST	RALEIGH	NC	27605	0000037714	03/10/1910	01/01/1958	A	D/F/B	01-07A	RAL
HINTON, CHARLIE	509 #1201	GLENWOOD AVE	RALEIGH	NC	27603	0000103714	12/17/1939	08/21/1996	A	D/M/B	01-07A	RAL
HINTON, IDA O	509 #906	GLENWOOD AVE	RALEIGH	NC	27603	0000104259	08/23/1946	10/24/1997	A	D/F/B	01-07A	RAL
HOLDERFIELD, ALICE	509 #521	GLENWOOD AVE	RALEIGH	NC	27603	0000103439	08/10/1937	05/21/1996	A	D/F/W	01-07A	RAL
HOLLIFIELD, HELEN V	509 #710	GLENWOOD AVE	RALEIGH	NC	27603	0000103980	09/23/1930	10/11/1996	A	D/F/W	01-07A	RAL
HOLLIFIELD, RUTH E	509	GLENWOOD AVE	RALEIGH	NC	27603	0000099111	12/03/1923	01/01/1982	I	D/F/W	01-07A	RAL
HONEYCUTT, THOMA	509 #206	GLENWOOD AVE	RALEIGH	NC	27603	0000098180	05/08/1918	01/01/1982	A	D/M/W	01-07A	RAL
HOUSE, CLARA R	509 #403	GLENWOOD AVE	RALEIGH	NC	27603	0000103799	08/29/1927	09/12/1997	A	D/F/W	01-07A	RAL
HOWELL, CHARLES G	509 #610	GLENWOOD AVE	RALEIGH	NC	27603	0000099112	04/23/1946	01/01/1984	I	D/M/W	01-07A	RAL
HOYT, JACK M	509 #416	GLENWOOD AVE	RALEIGH	NC	27603	0000040861	10/15/1920	01/01/1959	A	D/M/B	01-07A	RAL
HUCKS, PATTY L	509 #816	GLENWOOD AVE	RALEIGH	NC	27603	0000000059	10/25/1929	09/09/1996	A	D/F/W	01-07A	RAL
HUFF, JESSE L	509 #513	GLENWOOD AVE	RALEIGH	NC	27603	0000104342	12/25/1949	12/17/1997	A	D/M/W	01-07A	RAL
HUNTER, RENA	116 #603	ST MARYS ST	RALEIGH	NC	27605	0000103817	11/29/1921	10/11/1996	A	D/F/B	01-07A	RAL
HUNTER, ROWENA P	116 #308	ST MARYS ST	RALEIGH	NC	27605	0000041480	07/21/1915	01/01/1960	I	D/F/B	01-07A	RAL
JACKLET, FRANCES L	509 #1204	GLENWOOD AVE	RALEIGH	NC	27603	0000101485	01/12/1928	01/01/1992	A	D/F/W	01-07A	RAL
JEFFREYS, LANNIE M	509 #211	GLENWOOD AVE	RALEIGH	NC	27603	0000098353	10/06/1907	01/01/1976	A	U/F/W	01-07A	RAL
JERNIGAN, ANNIE B	509 #1103	GLENWOOD AVE	RALEIGH	NC	27603	0000103533	12/08/1919	07/03/1996	A	D/F/B	01-07A	RAL
JILES, MARY L	509 #927	GLENWOOD AVE	RALEIGH	NC	27603	0000098217	07/11/1916	01/01/1979	A	D/F/B	01-07A	RAL
JILES, WILLIE R	509 #927	GLENWOOD AVE	RALEIGH	NC	27603	0000042885	10/10/1924	01/01/1972	A	D/M/B	01-07A	RAL
JOHNSON, LORRAINE	509 #202	GLENWOOD AVE	RALEIGH	NC	27603	0000101436	12/19/1942	01/01/1990	A	D/F/B	01-07A	RAL
JOHNSON, ROSA B	509 #615	GLENWOOD AVE	RALEIGH	NC	27603	0000101497	01/08/1908	01/01/1991	A	R/F/B	01-07A	RAL
JONES, CATHERINE C	509	GLENWOOD AVE	RALEIGH	NC	27603	0000000047	08/02/1912	01/01/1979	I	D/F/B	01-07A	RAL
JONES, CHRISTINE H	509 #724	GLENWOOD AVE	RALEIGH	NC	27603	0000098982	04/11/1935	01/01/1980	A	D/F/B	01-07A	RAL
JONES, EMMALINE	116 #211	ST MARYS ST	RALEIGH	NC	27605	0000044666	02/24/1918	01/01/1974	A	D/F/B	01-07A	RAL
JONES, FRANCES E	509 #417	GLENWOOD AVE	RALEIGH	NC	27603	0000102773	11/06/1933	08/03/1994	A	D/F/W	01-07A	RAL
JONES, GLADYS F	116	ST MARYS ST	RALEIGH	NC	27605	0000099373	08/24/1909	01/01/1984	I	D/F/W	01-07A	RAL
JONES, HENRIETTA T	116 #513	ST MARYS ST	RALEIGH	NC	27605	0000084075	03/14/1945	01/01/1968	A	D/F/B	01-07A	RAL
JONES, LUCY H	509 #310	GLENWOOD AVE	RALEIGH	NC	27603	0000045209	12/10/1902	01/01/1974	A	R/F/W	01-07A	RAL
JONES, MYRTLE L	509 #314	GLENWOOD AVE	RALEIGH	NC	27603	0000100216	10/06/1941	01/01/1988	A	D/F/W	01-07A	RAL
JONES, OTIS J	509 #420	GLENWOOD AVE	RALEIGH	NC	27603	0000099025	05/12/1922	01/03/1982	A	D/M/B	01-07A	RAL
JONES, SADIE C	509 #1005	GLENWOOD AVE	RALEIGH	NC	27603	0000045587	09/06/1909	01/01/1972	A	D/F/W	01-07A	RAL
KEMP, MARY LOUISE	509 #1015	GLENWOOD AVE	RALEIGH	NC	27603	0000047089	09/16/1923	01/01/1964	A	R/F/W	01-07A	RAL
KENDRICK, MARY A	509 #602	GLENWOOD AVE	RALEIGH	NC	27603	0000100560	11/19/1927	01/01/1987	A	D/F/B	01-07A	RAL
KENT, BLANCHE M	509 #627	GLENWOOD AVE	RALEIGH	NC	27603	0000102592	04/09/1927	01/01/1992	A	D/F/B	01-07A	RAL
KIEFER, MAE G	509 #1407	GLENWOOD AVE	RALEIGH	NC	27603	0000047380	09/11/1911	01/01/1964	A	D/F/W	01-07A	RAL
KLEIN, LESSIE M	509 #1028	GLENWOOD AVE	RALEIGH	NC	27603	0000100216	11/19/1922	01/01/1991	A	R/F/W	01-07A	RAL
KNIGHT, MARGARET L	509 #1019	GLENWOOD AVE	RALEIGH	NC	27603	0000000029	11/01/1915	01/01/1979	A	D/F/W	01-07A	RAL
KRIDER, NATHANIEL	509 #724	GLENWOOD AVE	RALEIGH	NC	27603	0000098187	06/18/1938	01/01/1990	A	D/M/B	01-07A	RAL
LAMM, PEARL R	509 #514	GLENWOOD AVE	RALEIGH	NC	27603	0000103980	06/26/1929	10/11/1996	A	D/F/W	01-07A	RAL

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LANGDON, CLARA G	116 #202	ST MARYS ST	RALEIGH	NC	27605	0000098259	07/24/1917	01/01/1977	A	D/F/W	01-07A	RAL
LANIER, SHIRLEY M	509 #326	GLENWOOD AVE	RALEIGH	NC	27603	0000103736	02/22/1941	09/09/1996	A	D/F/W	01-07A	RAL
LANKFORD, LOUISE S	116 #307	ST MARYS ST	RALEIGH	NC	27605	0000101307	03/14/1922	01/01/1990	A	D/F/W	01-07A	RAL
LEE, FLORENCE W	116 #505	ST MARYS ST	RALEIGH	NC	27605	0000099385	11/13/1906	01/01/1984	A	R/F/W	01-07A	RAL
LIBBY, GILBERT B	509 #1009	GLENWOOD AVE	RALEIGH	NC	27603	0000100000	06/20/1920	01/01/1990	A	U/M/W	01-07A	RAL
LITTLEJOHN, MAE E	509 #814	GLENWOOD AVE	RALEIGH	NC	27603	0000098897	04/25/1919	01/01/1980	A	D/F/B	01-07A	RAL
LLOYD, MARGARET M	509 #523	GLENWOOD AVE	RALEIGH	NC	27603	0000098743	05/24/1916	01/01/1980	A	R/F/W	01-07A	RAL
LOFTIN, LEONARD W	509 #1405	GLENWOOD AVE	RALEIGH	NC	27603	0000100619	04/02/1920	01/01/1988	A	D/M/W	01-07A	RAL
LUCES, MARIA	509	GLENWOOD AVE	RALEIGH	NC	27603	0000103658	10/09/1910	10/10/1996	A	R/F/W	01-07A	RAL
LUKHARD, EDNA E	116	ST MARYS ST	RALEIGH	NC	27605	0000103056	05/09/1926	09/15/1995	A	U/F/	01-07A	RAL
MACKEY, BERTHA	509	GLENWOOD AVE	RALEIGH	NC	27603	0000052522	12/07/1905	01/01/1972	A	D/F/B	01-07A	RAL
MANGUM, GLORIA A	509 #927	GLENWOOD AVE	RALEIGH	NC	27603	0000101106	05/22/1944	01/01/1988	A	D/F/B	01-07A	RAL
MARTIN, ROSALIE R	509 #407	GLENWOOD AVE	RALEIGH	NC	27603	0000097066	10/14/1918	01/01/1976	A	R/F/W	01-07A	RAL
MAURAKIS, ANGELO	509 #1205	GLENWOOD AVE	RALEIGH	NC	27603	0000102890	11/22/1931	07/19/1995	A	D/M/W	01-07A	RAL
MAY, GWENDOLYN B	509 #316	GLENWOOD AVE	RALEIGH	NC	27603	0000103325	08/06/1933	04/09/1996	A	U/F/W	01-07A	RAL
MCCAIN, QUIELLA M	509 #408	GLENWOOD AVE	RALEIGH	NC	27603	0000102800	02/05/1908	11/15/1994	A	D/F/B	01-07A	RAL
MCCANTS, DORIS	509 #1105	GLENWOOD AVE	RALEIGH	NC	27603	0000100216	02/05/1929	01/01/1988	A	D/F/B	01-07A	RAL
MCCULLERS, JUANITA	116 #212	ST MARYS ST	RALEIGH	NC	27605	0000103617	08/13/1927	09/27/1996	A	D//	01-07A	RAL
MCCULLERS, LEICIA J	116 #212	ST MARYS ST	RALEIGH	NC	27605	0000103500	06/23/1961	05/20/1996	I	D/F/B	01-07A	RAL
MCCULLERS, PAULINE	509 #305	GLENWOOD AVE	RALEIGH	NC	27603	0000055443	01/19/1916	01/01/1970	A	D/F/B	01-07A	RAL
MCGRATH, ELLA M	509	GLENWOOD AVE	RALEIGH	NC	27603	0000055889	11/16/1900	01/01/1964	I	R/F/W	01-07A	RAL
MCKINNON, ELVIE	116	ST MARYS ST	RALEIGH	NC	27605	0000103695	12/25/1914	10/04/1996	I	D/F/B	01-07A	RAL
MERRITT, ANNIE L	509 #1112	GLENWOOD AVE	RALEIGH	NC	27603	0000056960	08/21/1919	01/01/1978	A	D/F/B	01-07A	RAL
MILLER, W P	509 #905	GLENWOOD AVE	RALEIGH	NC	27603	0000098022	01/26/1918	01/01/1976	A	D/M/B	01-07A	RAL
MITCHELL, ROBERT J	509 #1022	GLENWOOD AVE	RALEIGH	NC	27603	0000100215	04/14/1918	01/01/1990	A	D/M/B	01-07A	RAL
MOBLEY, ALMA	509 #501	GLENWOOD AVE	RALEIGH	NC	27603	0000098909	12/14/1916	01/01/1980	A	D/F/W	01-07A	RAL
MONROE, ROSETTA	509	GLENWOOD AVE	RALEIGH	NC	27603	0000101118	06/21/1941	01/01/1990	A	D/F/B	01-07A	RAL
MORGAN, ESTELLE E	509 #616	GLENWOOD AVE	RALEIGH	NC	27603	0000099112	03/31/1929	01/01/1983	A	D/F/B	01-07A	RAL
MOXLEY, HELEN M	509 #315	GLENWOOD AVE	RALEIGH	NC	27603	0000101806	05/04/1948	01/01/1992	A	R/F/W	01-07A	RAL
MURPHY, PEARL M	116	ST MARYS ST	RALEIGH	NC	27605	0000060443	08/02/1917	05/25/1961	A	D/F/B	01-07A	RAL
MURRAY, GENEVA B	116 #510	ST MARYS ST	RALEIGH	NC	27605	0000097011	06/07/1921	01/01/1975	A	U/F/W	01-07A	RAL
MURRAY, JAMES E	509 #825	GLENWOOD AVE	RALEIGH	NC	27603	0000060541	06/11/1937	08/10/1972	A	R/M/W	01-07A	RAL
MUSSELMAN, PENELO	509	GLENWOOD AVE	RALEIGH	NC	27603	0000100000	01/11/1920	01/01/1988	A	D/F/W	01-07A	RAL
NAYLOR, NEVIE C	116	ST MARYS ST	RALEIGH	NC	27605	0000103028	04/16/1937	08/02/1995	A	R/M/W	01-07A	RAL
NELMS, LELA M	116 #203	ST MARYS ST	RALEIGH	NC	27605	0000100660	05/30/1920	01/01/1988	A	R/F/W	01-07A	RAL
NEWKIRK, LOUISE W	509 #1310	GLENWOOD AVE	RALEIGH	NC	27603	0000061225	04/06/1916	09/16/1972	A	R/F/B	01-07A	RAL
NIPPER, CHRISTINE J	509 #624	GLENWOOD AVE	RALEIGH	NC	27603	0000101485	01/27/1927	01/01/1992	A	D/F/W	01-07A	RAL
NORRIS, NANCY H	509 #818	GLENWOOD AVE	RALEIGH	NC	27603	0000098191	02/06/1933	01/01/1978	A	D/F/W	01-07A	RAL
OLSON, JOSIE N	509 #406	GLENWOOD AVE	RALEIGH	NC	27603	0000101497	03/27/1927	01/01/1991	A	D/F/W	01-07A	RAL
ORR, DOREEN E	116 #504	ST MARYS ST	RALEIGH	NC	27605	0000102247	09/02/1938	09/12/1994	I	R/F/I	01-07A	RAL
OVERBY, CORDIA M	509	GLENWOOD AVE	RALEIGH	NC	27603	0000063047	01/27/1910	01/01/1972	A	D/F/W	01-07A	RAL
PARKS, RUTH V	509 #307	GLENWOOD AVE	RALEIGH	NC	27603	0000102847	12/20/1918	06/16/1995	A	U/F/W	01-07A	RAL
PARRISH, PEARLINE H	509 #906	GLENWOOD AVE	RALEIGH	NC	27603	0000033485	02/22/1922	01/01/1960	A	R/F/W	01-07A	RAL
PAYNE, RACHAEL S	509 #502	GLENWOOD AVE	RALEIGH	NC	27603	0000101045	01/27/1927	01/01/1988	A	D/F/B	01-07A	RAL
PERAZA, ANA J	509 #607	GLENWOOD AVE	RALEIGH	NC	27603	0000103798	08/08/1932	09/12/1997	A	D/F/O	01-07A	RAL
PHILLIPS, OLIVER R	509 #811	GLENWOOD AVE	RALEIGH	NC	27603	0000101286	12/20/1935	01/01/1990	A	D/M/B	01-07A	RAL
PIKE, EMMA P	509 #726	GLENWOOD AVE	RALEIGH	NC	27603	0000067156	07/16/1912	01/01/1964	A	D/F/W	01-07A	RAL
PITTMAN, EDNA	509	GLENWOOD AVE	RALEIGH	NC	27603	0000098219	05/20/1936	01/01/1979	A	D/F/W	01-07A	RAL

Name	Street#	Address	City	St	Zip	VRN	Birth	RegDate	Status	P/S/R	PCT	MUN
POLLARD, JAMES C	509 #601	GLENWOOD AVE	RALEIGH	NC	27603	0000103466	05/09/1930	05/09/1996	A	R/M/W	01-07A	RAL
POLLARD, JESSIE	509 #722	GLENWOOD AVE	RALEIGH	NC	27603	0000067696	01/29/1934	01/01/1966	A	D/F/W	01-07A	RAL
POOLE, ELBERT C	509 #913	GLENWOOD AVE	RALEIGH	NC	27603	0000101485	10/12/1918	01/01/1992	A	D/M/W	01-07A	RAL
POOLE, JUDY E	509 #715	GLENWOOD AVE	RALEIGH	NC	27603	0000100000	08/25/1948	01/01/1990	A	D/F/W	01-07A	RAL
PRICE, GRACIE E	116 #414	ST MARYS ST	RALEIGH	NC	27605	0000068959	11/05/1924	01/01/1972	A	D/F/B	01-07A	RAL
QUALLS, JOHN O	509 #601	GLENWOOD AVE	RALEIGH	NC	27603	0000099173	12/29/1902	01/01/1984	I	D/M/W	01-07A	RAL
RAND, COISY R	509 #426	GLENWOOD AVE	RALEIGH	NC	27603	0000070237	01/01/1914	01/01/1960	A	D/F/B	01-07A	RAL
RAND, MARGARET R	509 #220	GLENWOOD AVE	RALEIGH	NC	27603	0000104343	06/25/1925	12/29/1997	A	D/F/B	01-07A	RAL
RATLIFFE, VIDA D	509	GLENWOOD AVE	RALEIGH	NC	27603	0000097115	04/06/1923	01/01/1975	A	R/F/W	01-07A	RAL
RAY, JOSEPHEINE S	509 #203	GLENWOOD AVE	RALEIGH	NC	27603	0000103379	01/09/1910	03/06/1996	A	U/F/W	01-07A	RAL
REILLY, EDWARD J	509 #511	GLENWOOD AVE	RALEIGH	NC	27603	0000099441	04/30/1943	01/01/1984	A	R/M/W	01-07A	RAL
RIDDICK, VIOLA	509 #915	GLENWOOD AVE	RALEIGH	NC	27603	0000098771	08/03/1906	01/01/1980	A	D/F/B	01-07A	RAL
RIVENBARK, FREDDA	509 #619	GLENWOOD AVE	RALEIGH	NC	27603	0000101175	12/17/1937	01/01/1988	A	R/F/W	01-07A	RAL
ROGERS, ALLINE G	509	GLENWOOD AVE	RALEIGH	NC	27603	0000098219	05/14/1912	01/01/1979	I	R/F/W	01-07A	RAL
ROGERS, JAMES	509 #312	GLENWOOD AVE	RALEIGH	NC	27603	0000073109	11/15/1920	01/01/1968	A	D/M/B	01-07A	RAL
ROGERS, PETER J	509 #823	GLENWOOD AVE	RALEIGH	NC	27603	0000101676	08/30/1924	01/01/1992	A	D/M/W	01-07A	RAL
ROSS, BERNICE	509 #402	GLENWOOD AVE	RALEIGH	NC	27603	0000103469	11/28/1942	06/05/1996	A	U/F/	01-07A	RAL
ROWLAND, OTHA	509 #727	GLENWOOD AVE	RALEIGH	NC	27603	0000102048	08/27/1933	01/01/1992	A	U/M/B	01-07A	RAL
SANDERS, HALLIE	509 #224	GLENWOOD AVE	RALEIGH	NC	27603	0000102245	05/22/1921	01/01/1994	A	D/F/B	01-07A	RAL
SANDERS, LILLIE B	509 #822	GLENWOOD AVE	RALEIGH	NC	27603	0000074457	01/12/1922	01/01/1962	I	D/F/B	01-07A	RAL
SANDIFORD, ANNIE F	509	GLENWOOD AVE	RALEIGH	NC	27603	0000074576	11/16/1904	01/01/1972	I	D/F/W	01-07A	RAL
SANTO-TOMAS, MARI	509 #801	GLENWOOD AVE	RALEIGH	NC	27603	0000000054	04/09/1909	01/01/1982	A	R/F/W	01-07A	RAL
SEARS, LOUISE U	116 #410	ST MARYS ST	RALEIGH	NC	27605	0000075732	08/23/1909	01/01/1956	A	D/F/W	01-07A	RAL
SESSOMS, PEARL	509	GLENWOOD AVE	RALEIGH	NC	27603	0000076021	10/25/1896	01/01/1972	I	R/F/W	01-07A	RAL
SHAND, MARION	116 #314	ST MARYS ST	RALEIGH	NC	27605	0000103832	11/30/1927	11/07/1996	A	U/F/W	01-07A	RAL
SHARPE, PAUL A	509	GLENWOOD AVE	RALEIGH	NC	27603	0000076183	09/05/1903	01/01/1952	I	D/M/W	01-07A	RAL
SHELTON, LUCILLE C	509 #328	GLENWOOD AVE	RALEIGH	NC	27603	0000101593	04/11/1924	01/01/1990	A	D/F/W	01-07A	RAL
SHELTON, LUCY M	116 #310	ST MARYS ST	RALEIGH	NC	27605	0000098143	04/09/1923	01/01/1978	A	R/F/B	01-07A	RAL
SHERRILL, GENOBIA	509 #427	GLENWOOD AVE	RALEIGH	NC	27603	0000023780	04/04/1910	01/01/1956	A	D/F/B	01-07A	RAL
SMITH, DOROTHY L	116 #814	ST MARYS ST	RALEIGH	NC	27605	0000098746	04/12/1945	01/01/1980	A	D/F/B	01-07A	RAL
SMITH, EMMETT M	509 #910	GLENWOOD AVE	RALEIGH	NC	27603	0000098714	12/18/1909	01/01/1980	A	D/M/B	01-07A	RAL
SMITH, EUGENE H	509 #1010	GLENWOOD AVE	RALEIGH	NC	27603	0000098992	03/23/1924	01/01/1982	A	D/M/W	01-07A	RAL
SMITH, FRANCES W	116 #604	ST MARYS ST	RALEIGH	NC	27605	0000078154	03/11/1907	01/01/1952	I	D/F/W	01-07A	RAL
SMITH, JAMES	509 #1407	GLENWOOD AVE	RALEIGH	NC	27603	0000103785	01/19/1930	11/15/1996	A	D/M/B	01-07A	RAL
SMITH, RACHAEL W	509 #517	GLENWOOD AVE	RALEIGH	NC	27603	0000099408	05/18/1930	09/19/1984	A	D/F/W	01-07A	RAL
SMITH, WILBERT	509 #210	GLENWOOD AVE	RALEIGH	NC	27603	0000103798	06/11/1927	09/12/1997	A	D//	01-07A	RAL
STALLINGS, CHARLES	116 #802	ST MARYS ST	RALEIGH	NC	27605	0000099445	03/25/1920	01/01/1984	A	D/M/B	01-07A	RAL
STEWART, BETTY J	509 #325	GLENWOOD AVE	RALEIGH	NC	27603	0000103220	07/24/1937	02/19/1996	A	U/F/W	01-07A	RAL
STOCKS, JOE SR	509 #216	GLENWOOD AVE	RALEIGH	NC	27603	0000103379	08/25/1909	03/06/1996	A	D/M/B	01-07A	RAL
TABRON, CASSIE A	509 #711	GLENWOOD AVE	RALEIGH	NC	27603	0000082941	02/10/1905	01/01/1962	A	D/F/B	01-07A	RAL
TABRON, GLORIA	509	GLENWOOD AVE	RALEIGH	NC	27603	0000098855	01/01/1946	01/01/1980	A	D/F/B	01-07A	RAL
TATUM, LARA	509 #609	GLENWOOD AVE	RALEIGH	NC	27603	0000104010	05/06/1908	09/12/1997	A	D/F/B	01-07A	RAL
TAYLOR, LYDIA B	509 #1016	GLENWOOD AVE	RALEIGH	NC	27603	0000083388	06/25/1925	01/01/1952	A	D/F/B	01-07A	RAL
TEASLEY, MALISSIA	116 #304	ST MARYS ST	RALEIGH	NC	27605	0000098672	05/20/1927	01/01/1980	A	R/F/B	01-07A	RAL
THOMPSON, RENDOCI	509 #621	GLENWOOD AVE	RALEIGH	NC	27603	0000103865	10/07/1931	08/18/1997	A	D/M/B	01-07A	RAL
TICE, NANCY J	509 #714	GLENWOOD AVE	RALEIGH	NC	27603	0000100566	07/14/1934	01/01/1988	A	D/F/B	01-07A	RAL
TOWNSEND, JOHN C	509 #614	GLENWOOD AVE	RALEIGH	NC	27603	0000099483	12/08/1928	01/01/1983	A	D/M/B	01-07A	RAL
TRUSLOW, SARAH E	116 #514	ST MARYS ST	RALEIGH	NC	27605	0000099484	04/15/1925	01/01/1984	A	D/F/W	01-07A	RAL

Name	Street#	Address	City	St	Zip	VRN	Birth	RegDate	Status	P/S/R	PCT	MUN
TUCKER, JOHNNIE M	116 #805	ST MARYS ST	RALEIGH	NC	27605	0000101557	08/19/1931	01/01/1990	A	D/F/B	01-07A	RAL
TWITTY, FANNIE LEE	509 #828	GLENWOOD AVE	RALEIGH	NC	27603	0000103930	12/26/1935	09/12/1997	A	D/F/B	01-07A	RAL
TYNER, ESTHER L	116 #708	ST MARYS ST	RALEIGH	NC	27605	0000086290	11/09/1923	01/01/1952	A	D/F/W	01-07A	RAL
UNDERWOOD, GLORI	509 #405	GLENWOOD AVE	RALEIGH	NC	27603	0000102870	05/16/1932	06/07/1995	A	R/F/W	01-07A	RAL
UNDERWOOD, MICHA	509 #405	GLENWOOD AVE	RALEIGH	NC	27603	0000102905	05/19/1963	03/20/1995	A	R/M/W	01-07A	RAL
UPCHURCH, CARLEEN	116 #204	ST MARYS ST	RALEIGH	NC	27605	0000099232	09/04/1927	01/01/1984	A	D/F/B	01-07A	RAL
VANKRETSCHMAR, JU	509 #1015	GLENWOOD AVE	RALEIGH	NC	27603	0000102842	08/29/1934	06/28/1995	A	D/F/W	01-07A	RAL
VICK, ROBERTA W	509 #512	GLENWOOD AVE	RALEIGH	NC	27603	0000098854	04/16/1913	01/01/1980	A	D/F/B	01-07A	RAL
VINES, PATRICIA L	116 #809	ST MARYS ST	RALEIGH	NC	27605	0000087252	06/10/1933	01/01/1970	A	D/F/B	01-07A	RAL
WALDEN, KENNETH	509 #304	GLENWOOD AVE	RALEIGH	NC	27603	0000101503	01/26/1941	01/01/1990	A	D/M/B	01-07A	RAL
WALKER, ADA T	116 #210	ST MARYS ST	RALEIGH	NC	27605	0000098282	09/11/1915	01/01/1978	A	D/F/W	01-07A	RAL
WALKER, JOSEPHINE	509 #725	GLENWOOD AVE	RALEIGH	NC	27603	0000098174	01/17/1951	01/01/1980	A	D/F/B	01-07A	RAL
WALLACE, RUDOLPH	116 #503	ST MARYS ST	RALEIGH	NC	27605	0000100215	11/12/1943	01/01/1984	A	D/M/B	01-07A	RAL
WALSH, PATRICIA V	116 #409	ST MARYS ST	RALEIGH	NC	27605	0000101577	06/06/1933	01/01/1990	A	D/F/W	01-07A	RAL
WATSON, ANNIE L	509 #908	GLENWOOD AVE	RALEIGH	NC	27603	0000098808	03/24/1925	01/01/1980	A	D/F/B	01-07A	RAL
WATSON, EVELYN H	509 #603	GLENWOOD AVE	RALEIGH	NC	27603	0000065369	10/25/1940	01/01/1963	A	D/F/B	01-07A	RAL
WATSON, JULIAN E	509 #511	GLENWOOD AVE	RALEIGH	NC	27603	0000100487	08/02/1946	01/01/1988	A	D/M/B	01-07A	RAL
WEST, LUCILLE J	116 #612	ST MARYS ST	RALEIGH	NC	27605	0000098459	12/25/1909	01/01/1980	A	D/F/W	01-07A	RAL
WHITAKER, ELIZABET	509 #306	GLENWOOD AVE	RALEIGH	NC	27603	0000100000	09/16/1945	01/01/1986	A	D/F/B	01-07A	RAL
WHITLEY, EULA M	509 #719	GLENWOOD AVE	RALEIGH	NC	27603	0000101385	02/05/1937	01/01/1990	A	D/F/B	01-07A	RAL
WIGGINS, BILL	509 #1402	GLENWOOD AVE	RALEIGH	NC	27603	0000103768	08/19/1926	11/05/1996	A	D/M/B	01-07A	RAL
WILKINS, LETITIA H	116 #703	ST MARYS ST	RALEIGH	NC	27605	0000060058	08/31/1936	01/01/1960	A	D/F/W	01-07A	RAL
WILLIAMS, ADDIE M	509 #815	GLENWOOD AVE	RALEIGH	NC	27603	0000098219	04/15/1914	01/01/1978	A	D/F/B	01-07A	RAL
WILLIAMS, ESTHER J	509 #704	GLENWOOD AVE	RALEIGH	NC	27603	0000099180	06/21/1934	01/01/1982	A	D/F/B	01-07A	RAL
WILLIAMS, SUSIE W	509 #505	GLENWOOD AVE	RALEIGH	NC	27603	0000103799	07/02/1925	09/12/1997	A	D/F/B	01-07A	RAL
WILSON, SUNDAY P	509 #403	GLENWOOD AVE	RALEIGH	NC	27603	0000103136	03/11/1962	12/01/1995	A	D/F/B	01-07A	RAL
WOOD, ANN B	509 #418	GLENWOOD AVE	RALEIGH	NC	27603	0000094349	09/04/1915	01/01/1959	A	D/F/W	01-07A	RAL
WOODARD, JACK E	509 #909	GLENWOOD AVE	RALEIGH	NC	27603	0000101227	04/29/1936	01/01/1990	A	D/M/B	01-07A	RAL
WRENCH, DORIS L	116	ST MARYS ST	RALEIGH	NC	27605	0000101679	02/04/1931	01/01/1992	A	R/F/W	01-07A	RAL
YOUNG, SHEILA	509 #807	GLENWOOD AVE	RALEIGH	NC	27603	0000103897	02/18/1944	10/11/1996	A	D/F/B	01-07A	RAL

Total Voters: 267

STATE BOARD OF ELECTIONS

133 Fayetteville Street Mall
Suite 100
Raleigh, North Carolina 27601

GARY O. BARTLETT
Executive Secretary-Director

Mailing Address:
P.O. BOX 2169
RALEIGH, NC 27602
(919) 733-7173
FAX (919) 715-0135

Mission Statement

The mission of the State Board of Elections (SBoE) is to promote among the citizens of North Carolina confidence in the integrity of the free election process through the consistent administration and equal application of all elections and campaign finance laws, rules, and regulations.

Agency Functions

The SBoE is charged with overall responsibility for the administration of the elections process and campaign finance disclosure in North Carolina. The five-member Board, appointed by the Governor, is a statutory bi-partisan, quasi-judicial directory board, the only one in state government.

The SBoE hears complaints arising from public concerns regarding the conduct of elections. The State Board investigates, when necessary or advisable, the administration of election laws and any potential frauds and irregularities in elections. It conducts hearings of alleged violations.

The Executive Secretary-Director oversees all three functional units of the agency:

- Administration: 4 staff members
- Campaign Reporting: 4 staff members
- Information Systems: 4 staff members

There are two general office support employees (1 receptionist and 1 office assistant).

Budget

- $6,399,278 authorized budget for 1997-1998 fiscal year
- $2,169,740 authorized for the 1998-1999 fiscal year
- Expansion budget requests
  - $1,045,200 for the SEIMS project
  - $174,827 for three full-time employees

Challenges

- Meeting an aggressive statewide voter registration data network implementation deadline,
- Acquiring adequate state-owned office space to accommodate staff,
- Acquiring sufficient funding for the SEIMS project,
- Escalating printing costs for voter registration applications, election law books, campaign reporting manuals, ballots and other materials for public distribution,
- High volume of work responsibility resulting in an increased need for additional clerical staff, and
- An increased need for personnel the State Board can assign to routinely audit and investigate campaign reporting and other election-related issues in the field.

Attachment 3 4-21-98

Study to Combine Programs to Help Women and Children

As Directed by Senate Bill 352, Section 27
Enacted During 1997 Session

STATE OF NORTH CAROLINA
Office of State Budget and Management
Management and Productivity Section
Raleigh, North Carolina 27603-8005

March 1998

I. INTRODUCTION

Senate Bill 352, of the 1997 Session of the North Carolina General Assembly, directed the Office of State Budget and Management (OSBM) to "...study the feasibility of consolidating the budgets and services and the administration of federal and State grants for domestic violence programs and rape crisis programs in the State..." Appendix A is a copy of the legislation authorizing the study. The legislation also specified which state agencies and programs were to be considered in the course of the study, and for an analysis of ways to promote more efficient, effective, and coordinated services at the state and local levels. OSBM is required to report its findings to the House and Senate Appropriations Subcommittees on General Government and the Fiscal Research Division by March 31, 1998.

The 1995 Session of the North Carolina General Assembly, Chapter 507, Section 11.3, directed the Fiscal Research Division to conduct a study of almost identical scope and purpose. OSBM obtained a copy of this report, and it is attached as Appendix B for reference.

II. METHODOLOGY

The methodologies in this study included the following:

- An organizational and programmatic comparison of the domestic violence and rape crisis programs in North Carolina and other states
- A survey of local agencies providing domestic violence and rape crisis services around the state (the results from the survey are attached as Appendix C of this report)
- The collection of domestic violence and rape crisis program and financial data from the North Carolina Council for Women (CFW), the Governor's Crime Commission (GCC), and the Division of Social Services (DSS)
- Interviews with selected staff of CFW, GCC, and DSS
- Interviews with selected individuals outside North Carolina state government having program expertise or program experience in domestic violence and rape crisis
- A review of the study completed by the Fiscal Research Division as directed by the 1995 Session of the North Carolina General Assembly

III. FINDINGS

North Carolina has approximately 90 domestic violence and rape crisis programs, serving all 100 counties in the state. Each program receives funds from a variety of sources, with approximately $5.0 million in state appropriations and $14 million in federal funds distributed around the state during FY 1996-1997. There are 3 state agencies, the North Carolina Council for Women, the Governor's Crime Commission, and the Division of Social Services which all distribute funds to local programs.

Program Overview

a. **Department of Administration - Council for Women:** The CFW provides state funds for domestic violence programs and shelters throughout the state. The grants are funded through appropriations, made up of a portion of marriage license fees. CFW funds cannot be used to start a local domestic violence center. CFW also employs 4 regional directors, located throughout the state to provide technical assistance, training, and other services. These regional directors not only serve domestic violence programs, but perform other activities for CFW not related to domestic violence and rape crisis.

b. **Department of Crime Control and Public Safety - Governor's Crime Commission:** GCC administers two block grants from the U.S. Department of Justice, one being the Victims of Crime Act (VOCA), the other is the Violence Against Women Act (VAWA). The VOCA grant is intended to provide assistance to crime victims, and is used in North Carolina to support a wide variety of programs, of which domestic violence and rape crisis are included. The VAWA grant is intended to provide better coordination and response of the criminal justice system to women who have been victims of violent crimes. Federal guidelines stipulate that VAWA funds must be divided between law enforcement, prosecution, victim services, and discretionary purposes. GCC limits the availability of VOCA and VAWA funding for a specific program to two years under a single grant application. This is a GCC stipulation on the grant funds, and not a federal requirement.

c. **Department of Health and Human Services - Division of Social Services:** The Division of Social Services administers the Family Violence Prevention and Services grant, funded from the U.S. Department of Health and Human Services. The designated purpose of this grant is to address the problem of domestic and family violence, and to increase the awareness of these issues to the public. Table 1 is an breakdown of the funding sources for the three agencies, with additional data about the types of grants awarded.

Table 1. Grant Sources, Type, and Grant Timeline

Agency	Funding Source of Grant	Type of Grant	Period of Grant	Grant Fiscal Year
Council for Women	State Appropriations	Competitive, Non competitive	Annual	State Fiscal Year, Federal Fiscal Year
Crime Commission	Federal Grant (DOJ)	Competitive	Multi-year	Federal Fiscal Year
Social Services	Federal Grant (HHS)	Competitive	Multi-year	Federal Fiscal Year

As indicated in the table, GCC and DSS both receive federal grants, through the Department of Justice, and the Department of Health and Human Services. Table 2 is a breakdown of the various types of grants administered by each of the three agencies.

Table 2. Domestic Violence, Sexual Assault, And Other Related Program Grants, FY 1995-1998

Agency	Name of Grant	FY 1997-1998	FY 1996-1997	FY 1995-1996
CFW	Rape Prevention (Fund 2734)	$ 934,854	$ 752,963	$ 622,929
	Domestic Violence (Fund 1781)	$ 2,897,046	$ 1,744,458	$ 1,242,581
	Sexual Assault (Fund 1734)	$ 926,353	$ 925,160	$ 924,441
	Displaced Homemakers (Fund 1732)	$ 381,487	$ 379,005	$ 380,426
	Domestic Violence Center (Fund 1782)	$ 1,394,622	$ 1,302,675	$ 1,253,508
	Rape Crisis Services (Fund 2732)	$ 187,110	$ 187,110	$ 187,110
	Administrative Overhead	$ (310,891)	$ (241,653)	$ (157,453)
	Agency Total	$ 6,410,581	$ 5,049,718	$ 4,453,542
GCC	Victims of Crime Act (VOCA)	$ 7,256,000	$ 10,400,000	$ 3,300,000
	Violence Against Women Act (VAWA)	$ 3,440,000	$ 3,300,000	$ 2,900,000
	Administrative Overhead	$ (534,000)	$ (685,000)	$ (310,000)
	Agency Total	$ 10,162,000	$ 13,015,000	$ 5,890,000
DSS	Family Violence Prevention	$ 1,274,729	$ 938,053	$ 583,464
	Administrative Overhead	$ (63,736)	$ (46,903)	$ (29,173)
	Agency Total	$ 1,210,993	$ 938,053	$ 583,464
Statewide Total		$ 17,783,574	$ 19,002,771	$ 10,927,006

Notes: 1) Crime Commission VOCA Grants - these grants are funded through fines. The grant amount varies from year to year due to the inability to accurately project collections. The amounts shown in the table are not the total amount of VOCA funds allocated to North Carolina. Only the portion of that grant allocated to domestic violence and

sexual assault is shown. GCC is allowed to use up to 5% of the total grant for administration, with standard practice being to reallocate unused administrative funds to programs.

2) Crime Commission VAWA Grants - this grant is exclusively for domestic violence, sexual assault, and stalking. GCC reports that all VAWA funds are allocated for DV and SA as no applications for stalking grant have been submitted.

3) Council for Women Fund 2734: The amount for FY 97-98 is estimated based on administrative expenditure history.

The amount of administrative overhead varies by agency, with GCC and DSS funding all or part of the administrative staff salaries through grant funds as allowed, whereas CFW funds administrative staff salaries through state appropriations. Table 3 is a breakdown of the full-time equivalent positions allocated to domestic violence and rape crisis, with the amount and types of funds supporting those positions.

Table 3. Number of Full-Time Equivalent Positions, Salaries, and Funding Source Supporting State-Level Domestic Violence and Rape Crisis Program Administration, FY 1997-1998

Agency	Number of Full Time Equilvalent Positions	Pro-Rata Annual Salary	Pro-Rata Annual Benefits	Total Salary & Benefits
CFW Total	7.3	$ 221,809	$ 53,576	$ 275,385
GCC Total	3.9	$ 189,891	$ 44,206	$ 234,097
DSS Total	0.52	$ 22,511	$ 5,032	$ 27,543
Total	11.72	$ 387,529	$ 91,819	$ 479,078

Program Operations and Findings

Each of the three agencies pursues it goals and objectives separate from the other. There is no common statewide approach to address both domestic violence and sexual assault, and it is common for many local agencies not to have a plan in place to address the issues at the local level, other that what is required by the CFW, GCC, and DSS separately. There is limited coordination among the three agencies, primarily in the area of grant allocation. During the grant review processes for each agency, it is not uncommon to find a representative from CFW, DSS and GCC serving on one another's grant review committee. There are instances where different local organizations in the same county received domestic violence and sexual assault grant funds, and then pursued strategies to address these issues separately from another in the same area of the state, creating administrative and program inefficiencies due to the overlapping nature of their efforts, in addition to the additional administrative overhead required for each local agency in terms of staff salaries, rent, utilities, transportation, etc. To some extent, the fragmented funding streams from the federal government serve to compound the problem in that each federal grant has its particular program requirements and its own set of reporting requirements that each local program receiving those grant funds must follow.

Each of the three agencies has staff who serve the local agencies and administer the grant funds. All of the staff and administrative functions related to administering the programs in the three agencies are similar. In most cases, all three agencies are performing the following tasks: preparing grant applications, mailing applications and other grant materials, providing technical program assistance, assistance with grants administration, and technical support and training for staff and local agency board members. In addition, each of the three state agencies also conducts grants workshops around the state, intended to provide prospective and past applicants with baseline information about application and program requirements.

None of the three agencies tracks or reports the amount of funds allocated toward programs and services that target the prevention of domestic violence and sexual assault versus the funding allocated towards the delivery of post-assault services. Standard monitoring and

reporting of the funds in these categories provides local and state agencies with a more accurate measure of the effectiveness of the services and programs provided around the state.

The administrative burden on the local agencies is not insignificant. Because each grant requires program reporting, agencies are required to account for specific types of activity according to which particular grant they are reporting upon. In addition, each local agency has to administer the grant budget and complete other types of financial reports to comply with the grant requirements. Table 4 is a comparison between the time per month that each local agency would allocate for the administration of grants.

Table 4. Average Hours of Grant Administration per Grant per Local Agency

Grant/State Agency	Average Hours of Grant Administration per Month per Local Agencies
DHHS	6.1
CFW	11.5
GCC - VOCA	10.4
GCC - VAWA	9.9

IV. RECOMMENDATIONS

1. The various funds (Fund 1731, Fund 1781, Fund 1734, and Fund 1732) less marriage license monies) should be consolidated under one fund number. Fund 1782 should be maintained separately as this fund tracks receipts realized from the sale of marriage licenses.

Findings

This is an administrative consolidation to reduce the number of funds displayed in the budget related to domestic violence and sexual assault. The funds could be tracked at a lower level within the accounting structure to monitor expenditures and program reporting requirements, as long as the accounting structure with the Department of Administration can accommodate the need to track the expenditures at a lower level with the fund. In the case of CFW, the fact that a local agency can qualify for one grant automatically makes them eligible for another type of grant For example, if a local agency applies for a Domestic Violence (Fund 1781) grant, the approval of their grant application automatically qualifies them to receive monies from the Domestic Violence Center (Fund 1782).

2. An Advisory Council from existing agencies should be established to provide improved program coordination and administration at the state level. The chairperson of the advisory council should rotate annually between DSS, GCC and CFW. Staff support for the advisory council would be provided by the agency which the advisory council chairperson represents. No additional budgetary increases will be necessary. The advisory council would be responsible for coordinating the administration and awarding of all domestic violence and sexual assault grants. All grant applications will be considered by the advisory council. The advisory council, upon a majority vote, will then forward recommendations for grant awards to CFW, GCC, and DSS for funding. Meetings of the advisory council will be held at least twice a year. Annually, the advisory council will develop a progress report on domestic violence and sexual assault.

Findings

Given the lack of administrative and program coordination between the three programs, a formal body should be established as a means to coordinate the overall domestic violence and sexual assault effort throughout the state. The advisory council should be made up of members representing stakeholders from around the state all having an interest in domestic violence and sexual assault.

OSBM recommends that the membership of the advisory council consist of the following professions:

- one representative each from DSS, CFW, GCC (to rotate annually)
- a representative from local law enforcement
- a representative from a statewide philanthropic organization
- a representative from a statewide grass-roots organization focusing on domestic violence and sexual assault
- a representative from the judicial branch
- a representative who is a District Attorney
- a representative from academia that studies domestic violence and sexual assault
- a representative who is a County Commissioner
- staff to the advisory council from the chairperson's agency (non-voting)

3. a. The advisory council should conduct a statewide needs assessment and develop statewide plan for both domestic violence and sexual assault. The advisory council will develop the plan and report its findings to the General Assembly no later than April 1st, 1999.

Findings

There is a real need to provide a planning and coordination mechanism for the local agencies around the state to develop a regional plan, and fold these regional plans into a statewide plan. If a local organization wanted to establish a domestic violence center and receive funding from the state, that local organization would first have to have its district approve the concept and plan, before it would be submitted to the state for funding. The districts could be organized around the 39 judicial districts in the state. This organization provides a sound basis in that the building blocks of the legal system throughout the state are already in place, with counties grouped into these districts

There is no single organization in the state that directs the effort against domestic violence and sexual assault. Programs are operated separately from one another, different types of statistics are kept on each program, and there were varying degrees of accountability by the local programs to the state, depending on which of the three agencies funded that program. Furthermore, none of the three programs could speak to the effectiveness of the domestic violence and sexual assault programs around in the state in an attempt to determine if significant progress was being made statewide. It was also impossible to identify what areas or populations of the state required more assistance and program focus due to the lack of a statewide view. Because the primary focus of CFW, DSS, and GCC in this case is to provide assistance to local agencies they fund, it was impossible to incorporate the three views together to determine if the grant funds expended were having a desired impact across the state. There is a real need to provide a planning and coordination mechanism for the local agencies around the state to develop a regional plan, and fold these regional plans into a statewide plan. For example, if a local group wanted to establish a domestic violence center and receive funding from the state, that local entity would first have to have its regional council approve its concept and plan, before it would be submitted to the state for approval and possible funding.

The following table is a proposed outline for the development of the statewide plan:

Table 5. Key Functions and Activities for a Statewide Plan

Activity	Responsibility	Timeline
Designate and assemble Advisory Council	GCC, CFW, DSS	July-August 1998
Advisory Council develop statewide plan with communities	Advisory Council	Aug 1998-Jan 1999
Advisory Council present statewide plan to General Assembly	Advisory Council	April 1, 1999
Implement statewide plan	Advisory Council	May 1999

b. The advisory council should formally consider contracting a single non-profit organization specializing in domestic violence and sexual assault to serve as the administrative contact for local service providers around the state.

Findings

A single, non-profit agency should become the administrative and program focal point for all the local agencies and programs around the state. The lack of a single resource that local service providers could turn to for assistance was a theme heard constantly throughout the course of this study from state and local agencies alike. This agency would provide services such as coordinated training and technical assistance, assistance in grant preparation, and program support. Under this scenario, all regional programs (as outlined in recommendation 3a) would submit their grant applications to the non-profit in lieu of CFW, DSS, and GCC. The advisory council would then meet together with the nonprofit to review the applications and determine the funding allocation for those programs for that year. There is precedent for this model in several other states, most notably the State of New Hampshire. New Hampshire has contracted the administration of its domestic violence and sexual assault programs to a non-profit agency with those program specialties. A review of available literature and interviews with program experts in other states indicated that this model is ideal in that administrative costs are reduced by some 10-15%, allowing more program funds to be allocated to local service providers. Corresponding reductions in staff should accompany any reduction in workload requirements at the state level as a result of contracts, agreements, etc.

4. The allocation formula for all domestic violence and sexual assault grants that are not currently competitive should be a predetermined base amount, with an additional allocation based on numbers of clients served, and size of client population or other factors. The allocation formula can be adjusted over time to allow for changes in statewide emphasis.

Findings

At present, CFW is the only organization within the state that awards grant funds on a non-competitive basis. The current process takes the total amount of appropriations available, divided by the number of approved grant applications for those funds, and then allocates the funds on an equal basis. What is not taken into consideration is that fact that local shelters around the state serve different numbers of clients, and the client pool can be dramatically different given the area of the state the shelter is serving. A base funding level should be established for all programs across the state, and the allocation would increase as number of clients served and size of client population increases. Because shelters that historically serve larger numbers of victims require more overhead through additional staff, larger facilities, additional utility costs, etc., at present, these organizations receive the same amount of funding

from non-competitive grants as those shelters serving less clients. As the statewide plan is developed and implemented, changes in the allocation formula can be made for decreased or increased emphasis on program directions.

5. All state agencies providing domestic violence and sexual assault grant funds to local programs within the state should require a common documented grievance process for victims receiving services from a local shelter.

Findings

At present, there is no formal process by which a victim can complain about a local shelter in which they received domestic violence or sexual assault services. Given this, there is no way for state agencies that fund those programs to receive, monitor, or follow-up on complaints that might point to larger problem within that local agency. A documented process provides victims the opportunity to give direct feedback to funding agencies about the level, type, and quality of service that they received from the local agency.

6. Consideration should be given to allowing VOCA and VAWA funds to be utilized to fund programs beyond the two year deadline as is current practice.

Findings

Although not a federal requirement, GCC places a two year limit the use of these funds by local agencies. This means that a local agency can only use VOCA and VAWA funds for two years, and then must turn to other sources for alternative funding. GCC has allowed a third year of funding on an limited exception basis only, with the standard practice to allowing two-year funding only. By allowing programs to apply for and receive funds beyond the two year limit, it provides another source of funds available to qualified programs.

7. The advisory council should sponsor a biennial program evaluation by a third party, such as the Office of State Budget and Management, Management Section. The third party evaluator would present its findings to the advisory council upon completion of the study every two years.

Findings

A periodic program evaluation by a third party will provide the advisory council with feedback regarding the effectiveness of outcomes, and areas for improvement. Systems for measurement of outcomes and accountability could be established and monitored throughout the state, serving to enhance program effectiveness through improved delivery of services at the local level throughout the state.

V. CONCLUSION

A more focused, consolidated, and better coordinated effort to address both domestic violence and sexual assault throughout the state will provide more program accountability through better documentation, a clearer picture of the progress, and better service to local service providers around the state. While other states have consolidated their efforts (Maryland and South Carolina), what is most important is the development of a coordinated statewide approach that gives state grant administrators and local agencies and much clearer idea of the problems that remain, and the progress they have made.

The OSBM analyst would like to thank the Council for Women, Division of Social Services, and the Governor's Crime Commission, for their cooperation and assistance during this study.

APPENDIX A

Senate Bill 352 of the 1997 Session of the
North Carolina General Assembly

PART XXVII. DEPARTMENT OF ADMINISTRATION

Requested by: Senators Perdue, Plyler, Odom, Representatives Ives, McCombs, Sherrill

COMBINE PROGRAMS TO HELP WOMEN AND CHILDREN

Section 27. The Office of State Budget and Management shall study the feasibility of consolidating the budgets and services and the administration of federal and State grants for domestic violence programs and rape crisis programs in the State, including those programs currently administered by the Council for Women, Department of Administration, the Governor's Crime Commission, Department of Crime Control and Public Safety, and the Division of Social Services, Department of Human Resources. This study shall include an analysis of the feasibility of combining budgets and services of the NC Council for Women (Fund 1731), the Domestic Violence Program (Fund 1781), the Domestic Violence Center (Fund 1782), the Displaced Homemakers Program (Fund 1732), and the Rape Crisis Program (Fund 1734) and an analysis of ways to promote more efficient and effective coordination of resources and services at the State and local levels. The Office of State Budget and Management shall report the findings and recommendations of the study to the House and Senate Appropriations Subcommittees on General Government and the Fiscal Research Division by March 31, 1998.

Requested by: Senator Warren, Representatives Ives, McCombs, Sherrill

APPENDIX B

Study on Consolidation of Domestic Violence Grant Administration
Fiscal Research Division, May 1996

STUDY ON CONSOLIDATION

OF

DOMESTIC VIOLENCE

GRANT ADMINISTRATION

Prepared by the Fiscal Research Division

May, 1996

EXECUTIVE SUMMARY

This report is in response to Chapter 507, Section 11.3 of the 1995 Session Laws which directs the Fiscal Research Division of the General Assembly to evaluate the feasibility of consolidating the administration of State domestic violence grants. Specifically the Division is to:

> *"study the feasibility of consolidating the function of administering the federal and State grants for centers for victims of domestic violence..."*

This study focuses on the organizational structure of State domestic violence programs, not on their performance.

OVERVIEW OF STATE DOMESTIC VIOLENCE (DV) PROGRAMS

North Carolina distributes about $2.3 million in state funds and $2.8 million in federal funds to local domestic violence programs for a total of $5.1 million. These funds are distributed through three state agencies: the Department of Administration (DOA); Crime Control and Public Safety; and, the Department of Human Resources (DHR). Each of these programs is discussed below.

Department of Administration - Council for Women (CFW) - In 1995-96, the Council will distribute about $2.3 million to 67 local domestic violence organizations. In addition to funding, the Council also provides assistance in the application process, and trains staff who work in shelters as well as board members.

Crime Control and Public Safety - The Governor's Crime Commission (GCC) - The GCC administers three federal block grants that together provide about $1.5 million for local domestic violence programs. The Victims of Crime Act grant program (VOCA) provided $850,000 to 20 domestic violence programs in FY 1996. The GCC has chosen to restrict these funds for new projects only. The Violence Against Women Act (VAWA) provided about $200,000 for domestic violence programs. VAWA differs from other sources in that it funds not only shelters and other victims programs, but also programs that affect law enforcement and the courts. The Drug Control and System Improvement grant program (DCSI) provides about $430,000 for 5 domestic violence programs. In addition to funding, the Governors Crime Commission provides technical assistance when requested.

DHR - Office of Economic Opportunity (OEO) - The OEO makes some grant money available to DV organizations through the Emergency Shelter Grant (ESG) program. ESG funds are primarily used to help fund homeless shelters and because some domestic violence victims qualify as homeless, about $750,000 was provided to 50 DV shelters in FY 95-96.

FINDINGS

Our findings are outlined below:

Finding 1: Administrative Structure is Duplicative

Duplication is inherent in the administrative structure of State domestic violence programs. One way this duplication manifests itself is in the similarities in the administrative functions of all three agencies:

- All three agencies administer grants.
- Each agency has its own committee to review grant proposals and recommend grant awards.
- Personnel in each of these agencies perform similar functions: assisting grants review committees, reviewing grants, monitoring the activities of grant recipients, conducting site visits, and providing technical assistance.

The estimated domestic violence staffing and personnel costs for all three agencies are summarized in the following chart:

DOMESTIC VIOLENCE ADMINISTRATION

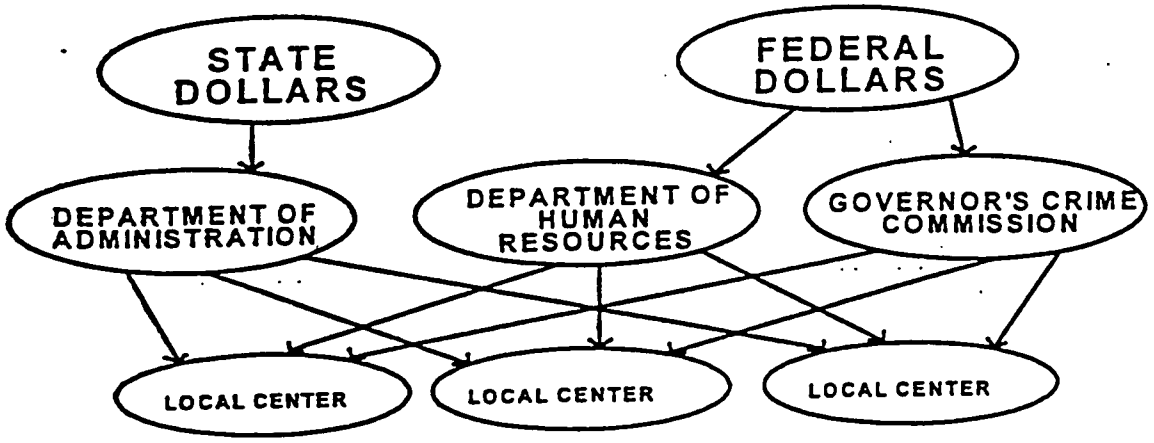
AGENCY	POSITIONS (FTE)	PERSONNEL COSTS
DHR-DSS	0.7	$29,000
DHR-OEO	0.4	$19,000
GCC	1.5	$68,000
DOA-CFW	3.0	$112,000
Total	**5.6**	**$228,000**

Another example of duplication is that each agency makes grants to the same types of organizations - non-profit shelters. In many cases, the three agencies make grants to the very same organizations. Consider the following statistics:

- In fiscal year 1995-96, the three agencies awarded 180 grants to 85 domestic violence organizations.
- Of the 85 organizations, 65% received funds from at least two agencies and 23% received funds from all three agencies.
- Over 80% of the domestic violence grant money awarded in 1995-96 went to organizations that received funds from at least two of the three State agencies.

The flow of domestic violence funds is illustrated in the chart below.

CURRENT FLOW OF DOMESTIC VIOLENCE FUNDS



Finding 2: Structure Burdensome to Local DV Centers

Our survey of local DV organizations attempted to determine how much time and effort local centers spend complying with the terms of different state grant requirements. The number of hours respondents reported spending on the various grant requirements is listed in the chart below:

EFFORT DV CENTERS DEVOTE TO ADMINISTERING STATE GRANTS

	Annual Hours of Grant Administration				
	DHR-FVP	DHR-ESG	GCC	CFW	Total 4 Programs
Average time to complete applications	26	16	32	21	95
Average time for reporting	34	33	44	33	144
Average time for budget administration	31	39	41	37	148
Median time for other administration (data collection, audits, attending meetings, program development)	63	48	90	66	267
TOTAL ANNUAL HOURS	154	136	207	157	654

Most Survey Respondents Favor Consolidation

The burdensome administrative tasks outlined above are a major reason that 67% of survey respondents believed the State should consolidate the administration of DV programs. Typical comments were:

"It would reduce the amount of paperwork, repetitiveness, and time that is currently required by the different grant applications."

"[Consolidation] would greatly help our agency. The time, effort and confusion related to reporting and data collection required for the various funding sources would be reduced...".

"More accurate data from all DV agencies should result from consolidation."

"[Consolidation] would make the grant application process simpler."

Finding 3: Current Structure Discourages Focus

Because no one single agency or organization oversees all of the State's domestic violence efforts, these efforts appear to lack coordination and focus. Under the current structure, three separate committees decide how to spend three separate budgets for one fundamental purpose. These three committees sometimes have different views about how money should be spent to combat domestic violence. In effect, the three agencies are pursuing the problem of domestic violence independently of each other. Another related problem is that with three separate agencies administering domestic violence funds, no single agency or State official can be held accountable for management of the programs or for program results.

Finding 4: Justifications for Current Structure Not Compelling

In our research we heard a number of arguments in favor of the current administrative structure. These arguments are discussed below. We found none of them compelling enough to justify maintaining the current administrative structure.

Each agency is most familiar with its own funding requirements. We believe the grant-specific knowledge under each agency could be retained if all programs were under one roof. Furthermore, if some of the differences in the grant requirements could be eliminated, grant-specific knowledge could become less critical.

Each agency provides different strengths. We believe the individual skills each agency provides could be retained under a consolidated administrative structure.

Consolidation would decrease funding for DV centers. We do not believe that consolidating the administration of grants would lead to less grant funding. In fact, if consolidation led to lower administrative costs, administrative money could be diverted to grants.

Consolidation would lead to too much agency control. It is true that consolidating grant programs would give one agency more control over domestic violence funding than any one agency currently has. However, we believe this greater control will help ensure better uses of State domestic violence funds, and resolve problems of accountability and lack of focus.

Risk of losing one "monolithic" State grant is too great. We do not believe that consolidating grant administration would necessarily lead to the policy of pooling all grant moneys into one large, single grant. A central agency could establish different grants; for example one for ongoing operations and one for start-up funding.

Finding 5: Other States Have Consolidated

In telephone interviews with six states, we found two, South Carolina and Maryland, that had consolidated their domestic violence programs in order to simplify administration for local organizations and to use resources more effectively.

Finding 6: Domestic Violence Programs are Closely Linked to Sexual Assault Programs

The administration of domestic violence programs and sexual assault programs are closely linked. Many recipients of DV funds also receive sexual assault funds from both State and federal sources. In the Department of Administration and in the Governor's Crime Commission, personnel who administer DV grants also administer sexual assault grants. The funding totals and personnel costs for all DV and sexual assault grants programs are listed below:

RESOURCES FOR DOMESTIC VIOLENCE AND SEXUAL ASSAULT, 1995-96

	Grants	Personnel	
		Positions FTE's	Costs
Council for Women			
Domestic Violence	$2.2 million	3.0	$112,000
Sexual Assault	1.1 million	1.8	69,000
Governor's Crime Commission			
Domestic Violence	1.5million	1.5	68,000
Sexual Assault	.7 million	.8	36,000
DHR-Family Violence Prevention (DV)	.5 million	.7	29,000
DHR-Emergency Shelter Grants (DV)	.8 million	.4	19,000
TOTAL	**$6.8 million**	8.2	$333,000

RECOMMENDATIONS

1. Consolidate the Administration of Domestic Violence Grant Funds

Consolidating the domestic violence grant programs of Social Services, Governor's Crime Commission, and Council for Women should significantly reduce the duplication of effort among these agencies, reduce the administrative burden on local domestic violence programs and allow the state to better focus its resources on the domestic violence problem.

2. Emergency Shelter Grant Program Should Remain Separate

The Office of Economic Opportunity's Emergency Shelter Grant Program provides some funding to shelters which provide services to victims of domestic violence. However, the primary focus of the Emergency Shelter Grant program is shelter for the homeless population. Because most of the ESG funds are not spent on domestic violence shelters, and because domestic violence is not the primary cause of homelessness, we believe that the Emergency Shelter Grant program should remain separate from a consolidated domestic violence program.

3. Include Sexual Assault Grant Programs In Consolidation

If the State included sexual assault programs in the consolidation of domestic violence programs, sexual assault programs could benefit from similar efficiencies. Including sexual assault programs would also make it easier to avoid "splitting" positions devoted to both domestic violence and sexual assault.

OPTIONS

The administration of domestic violence grants could be consolidated under any State agency currently involved with domestic violence. The advantages and disadvantages of consolidation under each of the three agencies are outlined in the chart below:

CONSOLIDATION OPTIONS

Option	Pros	Cons
Consolidation under DHR	- Domestic Violence and Sexual Assault are consistent with DHR mission	- Potential for less visibility
	- DHR most experienced with grant administration	- DHR has least experience with domestic violence and sexual assault
Consolidation under Governor's Crime Commission	- Experience with grants administration	- DV and SA not completely consistent with mission of GCC or Crime Control and Public Safety
Consolidation under Council for Women	- Most involvement with local DV organizations	- Domestic violence and sexual assault least consistent with DOA mission
		- Council for Women has least experience with grants administration

METHODOLOGY

To conduct our research we used the following approach:

- We reviewed the management structures of the Council for Women; the Governor's Crime Commission and the Division of Social Services
- We interviewed the program staff for each Division/Program
- We interviewed the Director of the N.C. Coalition Against Domestic Violence
- We conducted a total of nine site visits with local centers for domestic violence
- We surveyed 76 local domestic violence programs
- We interviewed officials from six states
- We reviewed literature and research resources

BACKGROUND ON DOMESTIC VIOLENCE (DV) PROBLEM

Domestic violence ranges from verbal abuse to homicide. Some commonly cited national statistics on domestic violence include:

- 4 million women were abused by their husbands or boyfriends last year (Source: Congressional Quarterly).
- In 1991 at least 21,000 domestic violence crimes against women were reported to police every week (Source: American Bar Association Commission on Domestic Violence).
- About 35% of women visiting hospital emergency rooms are there because of domestic violence injuries (Source: American Bar Association Commission on Domestic Violence).

The North Carolina State Bureau of Investigation reported 96 murders and 173 sexual assaults in 1994 as a result of domestic violence. However, many cases of domestic violence either go unreported or are not recorded as domestic violence.

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INTRODUCTION

This report is in response to Chapter 507, Section 11.3 of the 1995 Session Laws which directs the Fiscal Research Division of the General Assembly to evaluate the feasibility of consolidating the administration of State domestic violence grants. Specifically the Division is to:

> *"study the feasibility of consolidating the function of administering the federal and State grants for centers for victims of domestic violence ..."*

Our mission to study the feasibility of consolidating State domestic violence programs required that we examine the organizational structure of State domestic violence grant programs objectively and critically. Our examinations have led to findings that are critical of this administrative structure. We would like to emphasize that our criticisms of the organizational structure are not criticisms of the programs themselves. Program effectiveness was not the focus of our research, so we will not speak to questions of whether State programs are effective. We can say that the majority of the domestic violence professionals at the state and local level that we spoke to were very knowledgeable about the domestic violence problem and committed to the fight against it.

This report first provides a brief background information on the domestic violence problem. The next section contains an overview of some domestic violence programs. We then discuss the methodology we used in conducting our research and the findings that resulted from this research. Finally, we evaluate the various ways domestic violence programs could be consolidated.

We appreciate the cooperation and assistance we received from the Council for Women, the Governor's Crime Commission, the Department of Human Resources and from local domestic violence programs.

BACKGROUND ON DOMESTIC VIOLENCE PROBLEM

Domestic violence includes a range of behaviors ranging from verbal abuse to homicide. Research suggests that when unchecked, domestic violence usually increases in frequency and severity.

In the United States, the overwhelming majority (95%) of adult victims of domestic violence are women. These women are from every race, age group, socioeconomic group, religious affiliation and profession. Other commonly cited statistics on domestic violence in the U.S. are highlighted below.

- 4 million women were abused by their husbands or boyfriends last year (Source: Congressional Quarterly).
- In 1991 at least 21,000 domestic violence crimes against women were reported to police every week (Source: American Bar Association Commission on Domestic Violence).
- About 35% of women visiting hospital emergency rooms are there because of domestic violence injuries (Source: American Bar Association Commission on Domestic Violence.

The North Carolina State Bureau of Investigation reported that 96 murders and 173 sexual assaults occurred in 1994 as a result of domestic violence. However, these numbers are misleading. Most experts agree that many episodes of domestic violence go unreported to law enforcement, and of the cases reported, some are not categorized as domestic violence in the statistical records.

OVERVIEW OF STATE DOMESTIC VIOLENCE PROGRAMS

Currently, the State of North Carolina distributes approximately $2.3 million in State funds and $2.8 million in federal funds to local domestic violence programs. The State distributes and administers these funds through three separate agencies: (1) The Council for Women within the Department of Administration; (2) The Governor's Crime Commission within the Department of Crime Control and Public Safety; and (3) The Division of Social Services and Office of the Secretary within the Department of Human Resources. The following sections outline the responsibilities and structure of these agencies and their DV program.

Council for Women (CFW) - Department of Administration

The General Assembly designates the CFW as the agency responsible for administering state grants to domestic violence programs and shelters. The General Assembly began allocating funds for these programs in FY 1982-83. In 1991, the General Assembly increased marriage license fees from $20 to $40, with a portion of these collections going to domestic violence programs. The combination of these two state funding sources totals approximately $2.3 million in FY 1995-96 and provides funding for 67 local domestic violence centers. The CFW funds are different from other sources of funding in that they may not be used for the start-up of local DV centers.

Grants Administration

The CFW employs one grants administrator, one secretary and six region directors who help administer the grants. Based on information provided by the Council, the total amount of time these eight employees devote to domestic violence is equivalent to about three full-time positions. The grants administrator and region directors assist grantees in several areas:

- assisting in the application process
- providing training to shelter personnel and board members
- making sure grantees are following state guidelines.

The region directors visit each grantee about twice each year to assist in these areas.

Governor's Crime Commission (GCC) - Department of Crime Control & Public Safety

The GCC serves as the chief advisory board to the Governor and Secretary of Crime Control & Public Safety on crime and justice issues. One of the GCC's main responsibilities is to administer five federal block grants which are received each year from the U.S. Department of Justice. Although three of these block grants provide approximately $1.5 million for domestic violence programs, none are specifically designated by the federal government for that purpose. A description of each of these three federal grant programs is outlined below.

Victims of Crime Act (VOCA)

Congress began allocating VOCA funds in 1984 to assist states in providing direct services to victims. In FY 1995-96, total funding in North Carolina from VOCA was about $2.4 million. Roughly $850,000 of this money went to 20 domestic violence organizations. The balance of these funds was used to fund programs for sexual assault, child abuse and elder abuse.

Although not required by the federal government, the Governor's Crime Commission has chosen to restrict use of VOCA funds for new projects only. Therefore, programs are typically funded for only two years. However, some programs may receive funding beyond two years if the focus of services changes.

Violence Against Women Act (VAWA)

Congress began allocating VAWA funds in 1994 in an attempt to help coordinate the response of the criminal justice system to violent crime against women. North Carolina recently received about $430,000, which provided funding for 10 programs throughout the state. About $200,000 of this money went to domestic violence initiatives. The rest of the money

funded sexual assault initiatives and grants administration. Federal rules require that funds be divided equally between law enforcement, prosecution, victim services and discretionary purposes.

Drug Control and System Improvement (DCSI)

Congress began appropriating DCSI grant funds in 1985 to assist state and local governments in improving the criminal justice system and drug enforcement efforts. The Governor's Crime Commission recently awarded $430,000 (or 4%) of their DCSI grant funds to 5 programs which provide direct services to victims of domestic violence. Of the 24 federally-approved uses for DCSI funds, only one relates to victims services.

Administration of Governor's Crime Commission Grants

The GCC employs approximately 1.5 full-time equivalent positions involved in administering grants related to domestic violence. These employees assist prospective grantees in the application process, monitor expenditures to make sure grantees are meeting guidelines, and provide technical assistance when requested.

Division of Social Services (DSS) Department of Human Resources - Family Violence and Prevention Services (FVP)

In 1984, Congress passed the Family Violence Prevention and Services Act to address the problem of domestic violence and increase public awareness. In 1986, the State received its first FVP appropriation and designated the Division of Social Services as grants administrator. In FY 1995-96, the Family Violence Prevention and Services (FVP) grant provided $540,000 to 31 domestic violence programs in the state.

The Division of Social Services employs a Program Coordinator at "seven tenths" (0.7) time to administer FVP grants. This position assists prospective grantees in the application process and provides technical assistance when called upon.

Office of Economic Opportunity (OEO)/Department of Human Resources - Emergency Shelter Grants (ESG)

Congress began appropriating ESG funds in 1986 to improve the quality of existing homeless shelters and to provide funding for additional shelters. The funds flow from the U.S. Department of Housing and Urban Development to state and local governments. The State money is awarded through the Office of Economic Opportunity within the Office of the Secretary in the Department of Human Resources. In FY 1995-96, the Office has made grants in the amount of $2,300,000. Of this amount, $750,000 was provided to 50 shelters providing services to victims of domestic violence statewide.

Administration of ESG Funds

The Office of Economic Opportunity employs a Program Coordinator who spends about 40% of his time administering ESG funds. This individual coordinates grant activities at the state level and acts as the liaison too with federal officials for reporting and other requirements.

METHODOLOGY

To research the feasibility of consolidating the administration of federal and state grants for domestic violence centers, we used the following approach:

- We reviewed the management structures of the Council for Women, the Governor's Crime Commission and the Division of Social Services
- We interviewed the program staff for each Division/Program
- We interviewed the Director of the N.C. Coalition Against Domestic Violence
- We conducted nine site visits with local centers for domestic violence
- We surveyed 76 local domestic violence programs
- We interviewed officials from six states
- We reviewed literature and research resources

FINDINGS

Finding 1: Administrative Structure is Duplicative

Our research indicates that the current organizational structure is a primary factor in the duplication of effort among the three agencies responsible for administration of State domestic violence funds.

Similar administrative functions

The three agencies administer their domestic violence programs in similar ways. Some of these similarities are highlighted below:

- The domestic violence efforts of all three agencies revolve around administering grants to local programs.
- Each agency has a separate committee to review grant proposals and make funding recommendations.
- Personnel in each of these agencies perform similar functions: assisting grants review committees, reviewing grants, monitoring the activities of grant recipients, conducting site visits, and providing technical assistance.

Separate site visits conducted by agency staff are duplicative. Each agency typically visits each of its grantees at least once per year. Our survey of local domestic violence centers suggests that DHR's Family Violence Prevention staff and the Governor's Crime Commission staff typically visit their grantees once per year. The Council For Women typically visits DV centers twice per year. Although staff for all three agencies often visit the same centers, they are responsible for information related only to their own grant programs. For example, DHR does not review records pertaining to the programs of DOA or the Governor's Crime Commission. Likewise, DOA is not required to report on a local center's use of DHR funds, even if

DOA has evidence that those funds have been used improperly. The full time equivalent positions and the corresponding personnel costs devoted to domestic violence for each agency are listed below.

DOMESTIC VIOLENCE ADMINISTRATION

AGENCY	POSITIONS (FTE)	PERSONNEL COSTS
DHR- Social Services	0.7	$29,000
DHR - Office of Secretary	0.4	$19,000
Crime Commission	1.5	$68,000
Council for Women	3.0	$112,000
TOTAL	5.6	$228,000

Duties performed by personnel in each agency differ in minor ways. For example, because the Council For Women bases its funding decisions on a non-competitive application process, CFW staff spend less time working with grant review committees than do their counterparts at the Governor's Crime Commission and the Division of Social Services. Likewise, administrative functions are organized somewhat differently from program to program; in the Governor's Crime Commission, fiscal compliance is handled by fiscal compliance specialists, whereas with the Council for Women, fiscal compliance is handled by the grants administrator and the region directors.

Despite minor differences, each program appears to perform the same basic functions. If the administration of domestic violence funds was consolidated under one agency, this duplication could be eliminated and resources could be deployed to greater effect. The State could reduce personnel costs and increase grant money, or it could maintain current staffing levels and assign staff in a more coordinated, efficient manner. For example, if all staff were consolidated under one agency, less staff time could be spent reviewing applications and visiting sites, and more time could be devoted to long range planning and technical assistance.

Agencies make grants to same organizations

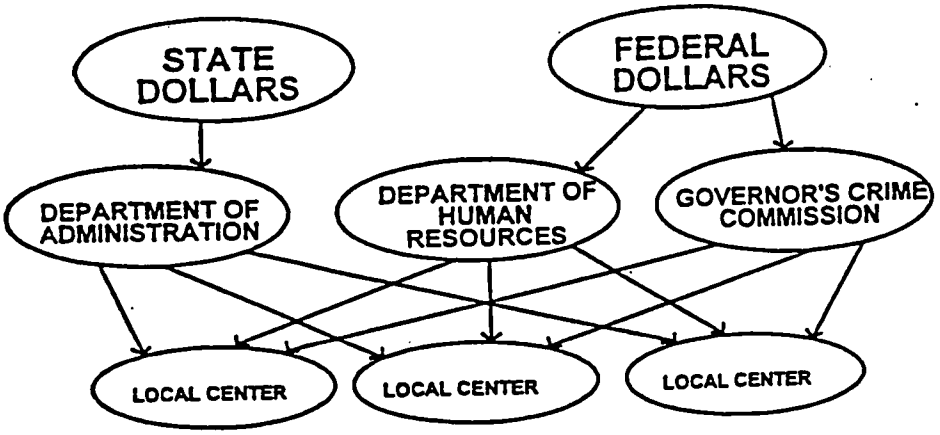
The funding decisions that the three agencies make often overlap. Virtually all local domestic violence centers apply for state and federal grant funds from one or more of the three state agencies. These grants are generally awarded to the same types of organizations - non-profit shelters. In our survey of grant recipients, over 80% of respondents provided shelter services.

The grants that each agency awarded in fiscal year 1995-96 are attached as Attachment 1. This data suggests that the three agencies often award grants to the same organizations:

- In fiscal year 1995-96, the three agencies awarded 180 grants to 83 domestic violence organizations.
- Of the 83 organizations, 65% received funds from at least two agencies and 23% received funds from all three agencies.
- Over 80% of the domestic violence dollars awarded in 1995-96 went to organizations that received funds from at least two of the three State agencies.

The chart below illustrates how funds flow from the State and federal governments to many local domestic violence organizations.

CURRENT FLOW OF DOMESTIC VIOLENCE FUNDS



Finding 2: Administrative Structure Is Burdensome to DV Centers

As mentioned earlier, the majority of local domestic violence centers receive grants from more than one state agency. Our research indicated that approximately two out of every three centers receive grants from at least two different state agencies, and almost one-quarter of these organizations receive grants from all three state agencies. Our survey of domestic violence centers attempted to determine how much time and effort local centers spend complying with the grant requirements of different state agencies. Results of the survey are summarized in Attachment 4. Key information from the survey is discussed below.

Grant Applications

Grant applications are duplicative and burdensome. Applicants must review budgets, assess needs, collect relevant data, write proposals, submit proposals to board members, make changes based on board comments, and submit the finished application. While these tasks may be considered routine for any application process, this process must be replicated for each State grant from which a local program chooses to seek funding.

The chart below indicates that survey respondents reported spending, on average, 16-32 hours on each grant application.

	Average Hours to Complete Application
DHR - Family Violence Prevention	26
DHR - Emergency Shelter Grant	16
Governor's Crime Commission	32
Council for Women	21
Total - 4 Programs	**95**

Source: Survey of Domestic Violence Centers

A typical center that applied for funding from all four programs would spend about 95 hours on the application process.

Budget Administration

Of the 24 survey respondents who receive more than one grant through the state, 78% maintain a separate budget for each grant. The time survey respondents devote to administering these budgets is listed below.

	Average Annual Hours to Administer Budgets
DHR - Family Violence Program	31
DHR - Emergency Shelter Grant	39
Governor's Crime Commission	41
Council for Women	37
Total - 4 Programs	148

Source: Survey of Domestic Violence Centers

A center that received grants from all four programs would spend about 148 hours per year administering budgets.

Reporting

Domestic violence centers must report regularly to each state agency from which they receive funds. Each state agency requires regular financial and progress reports. The number of reports required by each program and the amount of time required for reporting is listed below.

	Annual Reporting Requirements		
	Number of Financial Reports	Number of Progress Reports	# of Hours Complying With Reporting Requirements
DHR - Family Violence Program	12	2	34
DHR - Emergency Shelter Grant	11	2	33
Governor's Crime Commission	11	3	44
Council for Women	5	5	33
Total - 4 Programs	39	12	144

Source: Survey of Domestic Violence Centers

Over the course of a year, a center that received funding from all four programs would file approximately 50 reports to state agencies, and would spend about 144 hours complying with reporting requirements.

Attachment 2 summarizes the time that DV centers reported spending complying with all aspects of state grant requirements. A center that received grants from all four programs could spend about 650 hours per year applying for funds, administering budgets, and complying with reporting and administrative requirements. At $10 per hour, the cost of administering all four state grants would be about $6,500, or about seven percent of the average amount respondents reported receiving from these grant programs. We believe the time and effort local domestic violence centers spend administering grants could be significantly reduced if domestic violence grant programs were consolidated. An example of how administrative burdens can be reduced is provided by an exercise that the Division of Social Services and the Council for Women recently conducted. At the direction of the General Assembly, the two agencies developed a consolidated grant application package. Before consolidation, the two grant applications were 73 pages long. The consolidated package was reduced to 21 pages. The budget sections on the applications were reduced from ten pages to two. Other changes were made to simplify the application process for applicants who had received grants in previous years.

Consolidation may enable local DV organizations to maintain a single budget for all grants they receive through the State, and could also facilitate a dramatic reduction in reporting requirements. These simplifications would reduce the administrative burden on local centers and free up staff time which could be devoted to direct services and other program issues.

Most Respondents Favor Consolidation

The duplicative and burdensome administrative tasks discussed above are a major reason that 67% of respondents indicated the state should consolidate its DV grants administration. This percentage might have been higher if respondents had better understood what we meant by consolidation. For example, some respondents thought consolidation meant reducing the amount of money allocated to grantees. Another respondent thought

consolidation referred to local domestic violence centers rather than to state administration. Typical survey comments from respondents on the subject of consolidation were:

> "It would reduce the amount of paperwork, repetitiveness, and time that is currently required by the different grant applications."
>
> "[Consolidation] would greatly help our agency. The time, effort and confusion related to reporting and data collection required for the various funding sources would be reduced."
>
> "More accurate data from all DV agencies should result from consolidation."
>
> "[Consolidation] would make the grant application process simpler."

Finding 3: Current Structure Discourages Focused Approach

Because no single agency or organization oversees all of the State's domestic violence efforts, these efforts appear to lack coordination and focus. Under the current structure, three separate committees decide how to spend three separate budgets for one fundamental purpose. These three committees have different views about how state and federal money should be spent. For example, the Governor's Crime Commission operates under a policy of "seed" funding of programs. This policy, which has been in effect since the inception of the grant program, results in DV centers receiving funds for a two-year period. Conversely, the Council for Women operates under the policy of equal distribution of funds or base funding for programs and contends that one-time infusions of funds may be counter-productive. The different views reflected in these policies are not necessarily bad. Different views of a problem can lead to better solutions when those differences are communicated, resolved and incorporated into one cohesive strategy. However, the different views on domestic violence are not being formally communicated or resolved. The three agencies are pursuing the problem of domestic violence independently of each other.

Another problem that may be directly attributed to the current organizational structure is that with three separate agencies administering

domestic violence funds, no single agency or State official can be held accountable for the management of the program or program results.

Finding 4: Justifications for Current Structure Are Not Compelling

Our research did not uncover any compelling reasons to continue administering domestic violence funds out of three separate agencies. The most common objection to consolidation voiced by the three agencies was that each agency knew its own funding requirements better than the other agencies. For example, the Governor's Crime Commission has a better understanding of the grant requirements for VOCA, VAWA and DCSI than do the Council for Women and DHR. However, if personnel from the three agencies were retained under a consolidated administrative structure, their grant specific expertise would be retained as well. Also, consolidation could result in fewer distinctions among the various domestic violence grants. If so, grant-specific expertise would be less critical. Most of the agency personnel we spoke to acknowledged that the current administrative structure for domestic violence grants is inefficient and could be improved.

Although most of the domestic violence organizations that responded to our survey favored consolidation, about one-third objected to consolidation for a variety of reasons. One objection raised by grant recipients was that each agency provides different skills and strengths. We believe that these skills and strengths could be retained if domestic violence grant programs were consolidated. Domestic violence professionals and the strengths they bring with them could simply be reorganized under one agency. Likewise, the different perspectives represented on the different grants review committees could be represented on one central grants review committee.

Other respondents feared that consolidation would decrease funding levels for grants. However, consolidation of the administration of domestic violence grants has nothing to do with the grant levels themselves. In fact, consolidation could actually increase the level of funding if the General Assembly elected to cut administrative positions and reallocate these administrative dollars to grants.

One respondent said that consolidation would give one state agency too much control. It is true that consolidation would give one agency more

control over domestic violence funds, but in order for the state to maximize the impact of these funds, we believe this increased control is necessary.

Finally, one respondent said that under the current grant structure, he could diversify his risk of losing a grant. For example, if he lost funding from one agency he could probably get replacement funding from another agency. However, if all grant programs were consolidated, the loss of one "monolithic" grant would be too great. Although this concern is a reasonable one, consolidation would not necessarily mean that the grants themselves would be consolidated. The central agency could make different grants; for example, one grant could be given on a non-competitive basis, annual basis and others could be awarded competitively.

Finding 5: Other States Have Consolidated

In order to compare North Carolina's organizational structure to other states, we conducted six telephone interviews with staff in other states. Of the six states contacted, Maryland and South Carolina have consolidated their DV programs (except for the Emergency Shelter Grant Program) under one agency. South Carolina consolidated its DV programs to simplify the application and reporting processes for local grant recipients. State representatives in Maryland indicated that they consolidated domestic violence grant funds into one agency in order to use resources more efficiently and in order to facilitate statewide planning for these services. A summary of our findings on other states is provided below.

HOW OTHER STATES HANDLE DOMESTIC VIOLENCE GRANTS

	# of Agencies Administering Grants	Number of Personnel	Total Funding	% State Funding
South Carolina	1	4 FTE	$4.2 million	26%
Kentucky	1	3 FTE*	$5.2 million*	96%
Georgia	2	2 FTE*	$3.2 million*	34%
Florida	3	2.5-4 FTE*	$6.6 million*	85%
Maryland	1	Not Available	$3.3 million	42%
Alabama	2	Not Available	$2.4 million	15%
North Carolina	**3**	**5.6 FTE**	**$5.1 million**	**45%**

*Excludes administration of VOCA, VAWA, DCSI funds

Other Related Findings

Finding 6: Domestic Violence Programs are Closely Linked to Sexual Assault Programs

Many recipients of domestic violence grants also receive sexual assault grants. In a study by the Council for Women in 1994, of the 64 counties that had domestic violence and/or sexual assault programs, 37 (58%) of those counties had access to both domestic violence and sexual assault services through a single program.

In both the Department of Administration and the Governor's Crime Commission, the personnel who administer domestic violence programs also administer the sexual assault programs. Five Governor's Crime Commission employees devote about 1.5 full-time equivalent positions to domestic violence and about .8 full-time equivalent positions to sexual assault. Eight employees in the Department of Administration devote about 3.0 full-time positions and the time they spend on sexual assault is equal to about 1.8 full-time positions. The funding totals and personnel costs for each program are outlined below.

RESOURCES DEVOTED TO DOMESTIC VIOLENCE AND SEXUAL ASSAULT, 1995-96

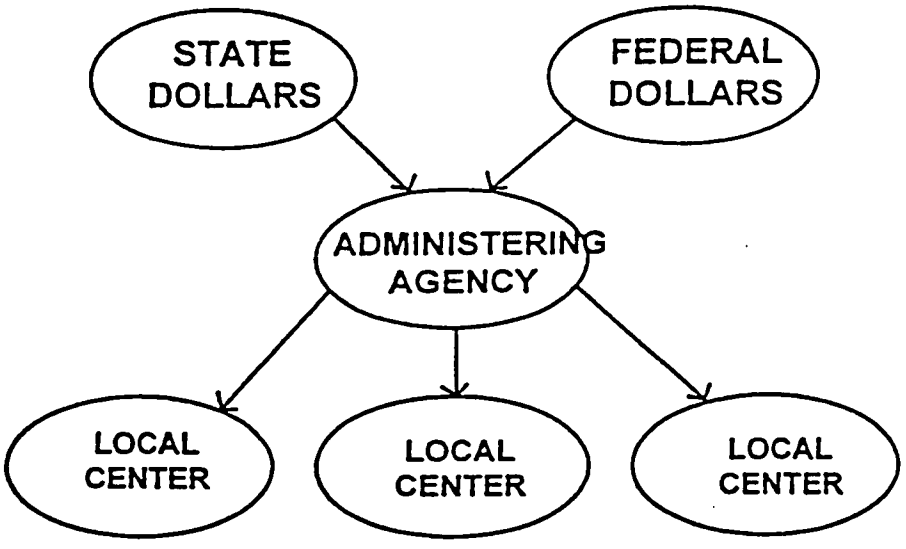
	Grants	Personnel	
		Positions FTE's	Costs
Council for Women			
Domestic Violence	$2.2 million	3.0	$112,000
Sexual Assault	$1.1 million	1.8	69,000
Governor's Crime Commission			
Domestic Violence	$1.5 million	1.5	68,000
Sexual Assault	$0.7 million	.8	36,000
DHR-Family Violence Prevention	$0.5 million	.7	29,000
DHR-Emergency Shelter Grants	$0.8 million	.4	19,000
Total:	**$6.8 million**	**8.2**	**$333,000**

RECOMMENDATIONS

Consolidate the Administration of Domestic Violence Grant Funds

Consolidating the administration of Family Violence Prevention, Governor's Crime Commission, and Council for Women domestic violence grants should significantly reduce the duplication of effort among these agencies, reduce the administrative burden on local domestic violence programs and allow the state to better focus its resources on the domestic violence problem. A diagram of how grant funds might flow under a consolidated structure is presented below.

RECOMMENDED FLOW OF DOMESTIC VIOLENCE FUNDS



Emergency Shelter Grant Program Should Remain Separate

The Office of Economic Opportunity Emergency Shelter Grant Program provides some funding to shelters which provide services to victims of domestic violence. However, the primary focus of the Emergency Shelter Grant Program is shelter for the homeless population. Because most of the

ESG funds are not spent on domestic violence shelters, and because domestic violence is not the primary cause of homelessness, we believe that the Emergency Shelter Grant program should remain separate from a consolidated domestic violence program.

Include Sexual Assault Grant Programs in Consolidation

If the state included sexual assault programs in the consolidation of domestic violence programs, sexual assault programs could benefit from similar efficiencies. Including sexual assault programs in consolidation plans would also make it easier to avoid "splitting" positions devoted to both domestic violence and sexual assault.

OPTIONS

The administration of domestic violence grants could be consolidated under any State agency currently involved with domestic violence. The advantages and disadvantages of consolidation under each of the three agencies are discussed below.

Consolidation at DHR

DV Consistent with DHR Mission

The major advantage of consolidating domestic violence and sexual assault programs under DHR is that these programs are consistent with the mission statements of DHR and the Division of Social Services. Attachment 3 lists the mission statements for all agencies and divisions currently involved with domestic violence. The very first sentence of DHR's mission statement says that DHR "provides services...to achieve and maintain health, social and economic well-being, and self-respect." A sentence within the mission statement of Social Services states that "The division of social services strives to: ensure that children and adults are protected from abuse, neglect, exploitation..." North Carolina's domestic violence programs, which are primarily geared towards providing shelter and other services to victims, are consistent with these missions. The good fit between DSS and domestic violence programs is also apparent in the kinds of programs DSS offers. DSS is responsible for supervising local departments of social services, including Child and Adult Protective Services which seeks to protect children, elderly and disabled adults from abuse and neglect.

DHR Most Experienced with Grant Administration.

Of the three agencies that administer domestic violence grant money, DHR is the most experienced with administering grant programs. This experience

is reflected in the amount of grant money DSS administers. As the chart below indicates DSS administers far more grant money than its counterparts in the other agencies.

Agency/Division	FY95-96 Grant Amount
Social Services	$112 million
Crime Control and Public Safety	$20 million
Gov. Crime Commission (GCC)	$17 million
Department of Administration(DOA)	$12 million
Council For Women (CFW)	$ 4 million

Potential for Less Visibility in DSS/DHR

A potential problem with consolidating the administration of domestic violence and sexual assault programs under the DSS is that the programs could suffer from reduced visibility. Many directors of domestic violence centers told us they believed that domestic violence programs would "get lost" within DHR. This concern may be the reason why several survey respondents voiced a preference for consolidation of domestic violence grants administration under the Council for Women.

Least Experience with Domestic Violence and Sexual Assault

Of the three agencies considered to house the State's domestic violence and sexual assault programs, DSS devotes the fewest personnel to these grant programs. This fact is illustrated in the chart below.

Personnel Devoted to Domestic Violence and Sexual Assault

Program/Division	Domestic Violence	Sexual Assault
Social Services	.7 FTE	0 FTE
Crime Commission	1.5 FTE	.8 FTE
Council for Women	3.0 FTE	1.8 FTE

Also, DSS has been administering DV grants only since 1986, whereas the Council for Women has been administering DV grants since 1982, and the Governor's Crime Commission has been administering DV grants since 1986.

Consolidation at Governor's Crime Commission

Grants Administration Experience

Although the Governor's Crime Commission does not administer as many grants as does Social Services, they are experienced in grants administration. In fact, the entire staff of the Governor's Crime Commission is almost exclusively devoted to grants administration.

DV Inconsistent with Mission

The missions of Crime Control and Public Safety and the Governor's Crime Commission are only partially consistent with the State's domestic violence programs. The mission of CCPS is "controlling crime and providing for public safety," and the mission of the Crime Commission is " improving the criminal justice system." These missions are not totally inconsistent with domestic violence; domestic violence is a "public safety" issue, and some domestic violence funds do go toward "improving the criminal justice system." However, as discussed earlier, most of the State's domestic violence efforts go towards providing services to victims. These services are more consistent with the mission and programs of DHR/DSS.

Consolidation at Council for Women

Most Involvement with Local Domestic Violence Organizations

The Council for Women has been administering domestic violence grants and assisting in the development and growth of local DV programs for several years. Many of the local domestic violence centers in the state were established with the help of the Council. Because their efforts have been broader than simply administering DV funds, the Council has developed a unique working relationship with local centers. This role is perceived by local centers differently from the roles DSS and GCC play. Site visits and survey responses both suggest that the Council has developed a broader relationship with local domestic violence centers. While DSS and GCC both provide support and technical assistance related to domestic violence, CFW plays a greater and a broader role at the local level in terms of program administration and development. CFW's involvement includes board and staff training in organizational development, fiscal management, and local collaboration with human service organizations.

Least Experience with Grants Administration

The Council administers fewer grants than the other two agencies, and because the grants it does administer have fewer restrictions, the Council may have difficulty managing the more complex federal grants administered by the Crime Commission and Social Services.

Domestic Violence Less Consistent with DOA Mission

The mission statement for DOA is very long and inclusive. Among its goals are:

- To acquire and develop properties
- To maintain an efficient system for the purchase and disposition of goods and services
- To achieve fair and equitable opportunities and representation for various segments of the population that have special needs
- To improve public access to the environmental review process
- To elevate the level of importance of science, math and technology

This diverse mission statement parallels the large number of unrelated programs at DOA such as Veteran's Affairs, Motor Fleet Management, State Construction and the Board of Science and Technology. This wide variety in programs was viewed as a problem by the Government Performance Audit Committee. GPAC recommended that only agencies that provided administrative services remain in DOA. They recommended that all divisions that provided public services or advocacy (like the Council for Women and its domestic violence program) be moved out of DOA because "the presence of these units in DOA detracts from DOA's service mission." In other words, GPAC believed that programs like the Council for Women interfered with DOA's ability to focus on its responsibilities for managing the administration of State government.

APPENDIX C

Tabulated Survey Results

Survey for Domestic Violence/Rape Crisis Service Providers

1. List all federal and state funding sources that support your agency's domestic violence and/or rape crisis programs.

Funding Source	Amount of Funding	Period of Funding
Example: Dept of Justice (VOCA)	$15,000	10/1/97 - 9/30/99

2. Please indicate which services your organization provides. Check all that apply.

- ☐ Shelter
- ☐ Advocacy
- ☐ Referral
- ☐ Community Education
- ☐ Training
- ☐ Prevention
- ☐ Crisis Hotline
- ☐ Transportation
- ☐ Counseling
- ☐ Other (please explain)

3. How did the combined application used two years ago affect your agency in applying for grants? How did the current consolidated mailing of separate applications affect your agency?

4. Please indicate your financial and progress reporting requirement for each grant you receive:

Grant Type	# Financial Reports/Year	# Progress Reports/Yr
DHHS/Family Violence Program Grant		
Governor's Crime Commission Grant (VOCA)		
Governor's Crime Commission Grant (VAWA)		
Council for Women Grant		

5. On the average, how many hours per month are spent completing each of the required reports for your federal and/or state grant representative(s)?

Grant Representative	Avg Hours per Month Spent on Reports	
	Financial Reports	Program Reports
DHHS/Family Violence Program Grant		
Governor's Crime Commission VOCA Grant		
Governor's Crime Commission VAWA Grant		
Council for Women Grant		

6. On the average, how many hours per month are spent administering each budget?

Grant Representative	Avg Hours per Month Spent on Budgets
DHHS/Family Violence Program Grant	
Governor's Crime Commission VOCA Grant	
Governor's Crime Commission VAWA Grant	
Council for Women Grant	
Other (please identify)	

7. Other than funding, what other types of support/assistance do you receive from the your state grant representative(s)? Check all that apply.

Grant Representative	Tech Assistance	Planning	Advocacy	Other
DHHS/Family Violence Program	☐	☐	☐	☐
Governor's Crime Commission (VAWA)	☐	☐	☐	☐
Governor's Crime Commission (VOCA)	☐	☐	☐	☐
Council for Women	☐	☐	☐	☐
Other (please identify)	☐	☐	☐	☐

8. How many times per year does your state grant representative conduct site visits?

Grant Representative	Avg Number of Visits per Year	Avg Length of Each Visit
DHHS/Family Violence Program		
Governor's Crime Commission (VOCA)		
Governor's Crime Commission (VAWA)		
Council for Women		
Other (please identify)		

9. Does your federal and/or state grant representative require formally adopted goals and objectives related to domestic violence and sexual assault?

☐ Yes ☐ No

10. In cases where you receive more than 1 type of domestic violence and/or sexual assault grant, are those program objectives different?

☐ Yes ☐ No ☐ We receive only 1 state grant

11. Would you prefer combined reporting for those agencies from which you receive federal and/or state grants?

☐ Combined program reports ☐ Combined financial reports ☐ Doesn't matter to my agency

12. If you could change the state's domestic violence and sexual assault programs, what would you change, and why?

TABULATED SURVEY RESULTS

(The figures shown indicate number of responses in that category)

2. Please indicate which services your organization provides. Check all that apply.

Shelter	42	Training	53	Transportation	44
Advocacy	56	Prevention	51	Counseling	50
Referral	56	Crisis Hotline	54	Other (please explain)	
Community Education		55			

Other:

Child Advocacy Center Certified 1/98
Support Group
Child Care
Material Assistance
Housing and Employment Assistance
Direct Services (rent, medical, etc.)
Volunteer Recruitment
Parenting component
Prevention programs to schools
Court advocacy
Programs for children
Offender
Children's Program
Summer Day Camp
Crises could care and transitional housing
Court Accompainment, Domestic Violence Program Advisory Council
Battered Treatment Program
Support Group
Parenting Class
Support Groups, court advocacy
Individual support group
Treatment Group for Abusers
Court Accompaniment, assistance with filing protective orders
Shelter
SA, Children's, Substance Abuse Support Groups
Support group, Children's program
Court preparation, accompaniment and advocacy. Accompaniment with law enforcement. Direct services to victims.

Transitional living - moving from shelter into independent living.
Primary medical care through the Open Door clinic.
Children's services.
Support group and low or no cost clothing and household items.
Abuser Treatment (Counseling)
Parent Enrichment Classes
Services of victims of SA
Children's Program
Asst. w/50-B
Support Group for abused women.
Support groups.

3. How did the combined application used two years ago affect your agency in applying for grants? How did the current consolidated mailing of separate applications affect your agency?

Comments

a. Did not affect either.
b. The application process this year was hectic, but forms were less cumbersome and easy to use.
c. The combined application saved little time and caused confusion.
d. The combined application was more difficult to prepare for submission than the separate application. Confirmation of which project was to be identified with which grant proposal had to be made repeatedly.
e. There was no difference to our agency.
f. The combining of applications for DOA is practical. Combining the DOA Domestic Violence and DHHS Family Violence Prevention was a little confusing.
g. The combined application for reporting total budget for the NC Council for Women and the FVPSA was made easier for the current funding year. Separate applications for each grant source are still required with reports due for each one during the grant period.
h. The combining of DOA and DHHS applications made the process easier. VOCA and VAWA applications are combined and that make it more efficient.
i. We were totally confused by the combined application. It was hard to stay focused on the various components needs while writing the proposal, a very stressful process. I feel if each agency has applications ready, they should make them available whether the other agencies are ready or not. We need more time to compile such detailed and diverse requests.
j. The combined application was too time consuming. I find the overall application process confusing and I am always overwhelmed by the volume of material to read and understand. It's difficult to keep everything straight.
k. Because we only provide rape crisis services, we were not affected.
l. A consolidated mailing is fine, varied types of data requests, reporting and forms are time consuming, but not difficult.
m. We never received a consolidated application.
n. In some ways it made the application easier. However, our fiscal year parallels only that of the DV grant. We apply for other grants and local funds (United Way, county government) and by the May submission date we barely know the allocation results. If the FVP grant was 7/1 to 6/30, the combined application would be more helpful. October 1st is a long time away from the May 31 deadline for application.
o. Easier to use the consolidated mailing.
p. The first year was confusing.
q. Both were OK. The current mailing was simple and easier to submit.
r. The combined application confused us.
s. We applied for Family Violence Prevention funds as well as out usual domestic violence state funds and only got the domestic violence funds. We sometimes do not apply for federal funds because our chances are so slim and it is not worth the extra time spent when you have almost not chance to receive these funds.
t. Filing the applications are too time consuming.
u. The process is much clearer now. Reports are much clearer on the instructions.
v. I found the combined application to be very confusing, but it had no affect since we only got the Domestic Violence Grant and not the Family Violence Prevention Grant. The consolidated mailing is fine and seems to make things easier.
w. One application is more time efficient.
x. Consolidation of agency information, policies, programs, etc., is much more efficient.
y. Though it was convenient to have only one application form for both grants, this made finding the information needed for grants management and reporting of these two separate sources a little more difficult. Since reporting forms remain separate, I think the consolidated mailing of separate applications is better.

z. The more the application process can be consolidated, the better for the local agencies.

7. Other than funding, what other types of support/assistance do you receive from the your state grant representative(s)? Check all that apply.

Grant Representative	Tech Assistance	Planning	Advocacy	Other
DHHS/Family Violence Program	19	11	7	6
Governor's Crime Commission (VAWA)	23	14	4	5
Governor's Crime Commission (VOCA)	35	18	8	5
Council for Women	39	28	36	10
Other (please identify)	7	2	4	2

8. How many times per year does your state grant representative conduct site visits?

Grant Representative	Avg Number of Visits per Year	Avg Length of Each Visit
DHHS/Family Violence Program	29	1.1 hours
Governor's Crime Commission (VOCA)	38	2 hours
Governor's Crime Commission (VAWA)	32	1.9 hours
Council for Women	57	1.6 hours
Other (please identify)		

9. Does your federal and/or state grant representative require formally adopted goals and objectives related to domestic violence and sexual assault?

50 Yes 4 No

10. In cases where you receive more than 1 type of domestic violence and/or sexual assault grant, are those program objectives different?

40 - Yes 11 - No 3 - We receive only 1 state grant

11. Would you prefer combined reporting for those agencies from which you receive federal and/or state grants?

11 Combined program reports 20 Combined financial reports 15 Doesn't matter to my agency

12. If you could change the state's domestic violence and sexual assault programs, what would you change, and why?

State funds are not available until October but the programs need the money earlier.
Increasing funding for sexual violence programs from the state so that it is closer to the level of D.V. funding.

So many counties have inadequate access to rape crisis services or no access at all.

Joint DV/SA programs tend to divert most resources to DV, leaving the sexual assault response staff feeling like an afterthought in their own organizations.

Continue to give more (dollars) $'s as you did this year.

Grants Manager's Response: As grants manager for our agency, I would like to see the money available from state and federal sources disbursed using a formula that includes a set amount available for essential services to domestic and sexual violence survivors, and an additional amount based upon the number of

people served and the number of services provided by the organization. As with most agencies, much of our time is spent searching for funds and completing grant applications and proposals to secure these funds.

Currently, the Department of Justice and the Department of Health and Human Services have competitive grants' processes that look to fund programs for a limited amount of time. I understand that this action is taken to give new programs a chance to begin and to look for a stable-funding base in order to continue. Unfortunately, private foundations are also geared toward only one to two years of funding for programs, with an emphasis on the new and innovative program.

This focus causes many older, essential services that are effectively addressing the issues of domestic and sexual violence, to lose over the new and innovative program

Also, from an agency budgeting standpoint (though this is not my role), I believe the old adage, "A bird in the hand is worth two in the bush," is appropriate. I would like to know from year to year the amount we can expect from the state, then look to our community for additional funding for essential services, and finally seek private foundations for new programs.

Program Director's Response: As a program director for a relatively new sexual assault program, I would like to see more resources and guidance for new programs. Resources such as volunteer training, training materials, practical program ideas and steps of implementation, and basic policy ideas would all be very beneficial to programs as we try to provide consistent, quality state wide services.

More funding and less paperwork - takes away from direct services.

Two year investigation - VOCA/UFWH, make it available

Allow grantees to purchase vehicles/equipment with grant funds (allow us to attend auctions with other state agencies)
Provide state benefits/health insurance etc. ...for employees of non-profits.

I would suggest that funding not be halted at the beginning of a fiscal year but that funds are drawn from another source until the legislature finishes its session.

I want the funds from Council for Women to remain noncompetitive - they're the life blood of small, rural programs.

All grants that are victim related i.e., (VAWA, VOCA, DOA-SA, DV & ML should have one grant information proposal to establish eligibility for the agency. Then, separate individual budget request could be submitted for each grant.

If one state agency kept the central file on eligibility of programs, then each grant source would verify eligibility through this source. This would be much more effective and cut down on duplication of paper work by the agencies and the state and federal funders.

An individual program could then send in yearly updates to the state eligibility agency (i.e., new board, by laws changes, etc) This would allow all funding sources to see at a glance what victim funding was going where and would require only one monitoring per program.

Reported monthly. Receive funds monthly.

Wouldn't change. We find strong support and sensitivity among our Council for Women program representatives.

Question Number 12 regarding Changes recommended:

It is recommended that A singular block grant mechanism be made available that incorporates any federal and state funds to local agencies.

There should be a limit on the time that the legislature is involved in the budget decision making process. Delays for 1997-1998 caused by the legislature put us into October before we received notification of award for NCCFW funds. this put both state and local agencies in a serious bind.

Funds for "one time, one year only" efforts should be de-emphasized. More emphasis should go to sustaining existing programs.

It is urged that more emphasis be placed on ongoing funding for core services, based upon program and administrative performance. Currently, funds are limited by the continual emphasis on new projects with nearly all state and federal funds. As an example, VOCA is limited to two years of funding before a new grant process begins.

That new process emphasizes the development of new programs rather than performance and subsequent support of existing programs. This is not a federal requirement for VOCA, but is instead a requirement placed on these funds by the state. State administrators and local agencies struggle to meet this requirement while simultaneously assisting local agencies in sustaining existing efforts.

Few of the funds involved assist in the administrative support of an agency. VOCA and VAWA are both limited to direct services. ESGP only allows 10% of the budget to go to administration. NCCFW and FVPSA make more allowances for this with their funds. Support for administrative is critical to the local agency effort. These limits place an artificial "cap" on the salary paid to the Director and Shelter Manager of an agency. Currently, with regard to our Executive Director and Shelter Manager positions we are more than $5,000 below the rest of non-profits in our region of the state. This gap is even larger when we are compared overall to non-profits in our region of the state. This gap is even larger when we are compared overall to non-profits in the state. Any study to date should be discarded and further study should be made to compare us among public and non-profit agencies across the state. This information should be then used to assist in determining budget needs.

An "incentive based" system could be developed that:

1. Establishes the standards required of a sustained agency effort. They could include service and program requirements, fiscal requirements, and administrative requirements. New agencies would get a waiver for the first one to two years until they are established. On-going agencies could be monitored and subsequently certified.

2. Upon certification they would be eligible for the funds that are available, based upon the type and level of services offered.

3. Contingency funds could be set aside for special situations that would help overcome major barriers to programs and services.

4. Given the limits that they must overcome, state agency staff efforts to be helpful are commendable. The involvement of state agency staff could be centered upon assignments to territories where they would be more available and more familiar with the needs of agencies within their assignment. However they are spread very thin across the state. Local agency heads (Executive Directors) are spread thin as they work to maintain grants, reports, and communication with state officials. The time that is "freed" could be placed in development of innovative efforts and consolidation of program and service materials for local agency use/adaptation.

5. Budget Line Items (Chart of Accounts) for each of these are different.

6. Statistical Reports call for different information as well. Sometimes an unduplicated count of clients is required. At other times the emphasis is on shelter days and average daily census. Some information is called for monthly. Some is called for quarterly and some is required as part of an annual report. This can be consolidated in a way that local agencies are collecting the data during the year in the format that will be required monthly, quarterly and annually.

It is hoped that the legislature would pass on the opportunity to reduce the funds and positions made available to the state agencies to do their work. They provide a good service to local agencies and they need every penny they currently get. They probably could use more funds to improve their monitoring and technical assistance. It is also hoped that the legislature could be the social and economic impact of the work that is done by Domestic Violence and Sexual Assault Agencies. If they could understand this, then additional funds would become available to do the work we do.

Both state and local agencies need to be represented in the decision making process. It is admirable that a survey is being conducted to get input from local agencies. It would be a bigger accomplishment to include representation in the decision making process. If you are already doing so, that's great.

It would be nice if we didn't have to spend so much time on grant writing for every pot of money and if we had all the money received on the same fiscal year. It would be simpler to allot each program a set amount per fiscal year and specify the amount to be spent on domestic violence services and amount to be spent on sexual assault services and give sexual assault services more than they have been getting, as a large portion of sexual assaults are perpetrated against children and they require a great deal of specialized help. For programs who have been in operation over 10 years and have audits and other safeguards, it would be nice not to have to "jump through so many hoops!! We need less bureaucracy and more focus on victims!

More guidance and suggestions on issues and how to present to the community.
More public awareness on the state level.

We never know what our budget will be until October of each year. 3 months into our fiscal year. A corporation with a budget over $1000,000.00 is a business and it should be run as such with a good fiscal policy and foundation. We don't even know if we can keep our staff - most of whom are dedicated to our purpose and are well trained. In progress reports, I've found that many shelters do not interpret what they do in the same manner so some statistics are incorrectly given.

Do you mean the actual programs or the ways we are funded? From being in the sexual assault field for 15 years and in the domestic violence field for 5 years, I would change very little about the programs except their instability of their funding. The delivery of services to victims, the community education programs, the teamwork with police, DSS, emergency rooms and others - plus the incredible dedication and commitment of staff: impressive, excellent, valuable.

But imagine what it feels like to receive only $18,940 from the State of North Carolina and to hold garage sales, etc., just to make ends meet? We can't afford postage....and here comes an offer of $15,000 from Centers for Disease Control with their stipulations attached: you can only use this money for prevention programs. Well, sure - we already do those and could improve them with the money, but the rent is still due!!

Join statistical and financial reports so that data required is the same. At this time each funding agency has their own requirements. It's time consuming and at times confusing.

One application form so that application process is standardized. This will save time and money. We submit the same information and documents to several state departments, but there is no sharing of that information.

Length of time from start of Fiscal Year (7/1) until receipt of state funded programs for domestic violence/sexual assault is ridiculous and for all the programs I have spoken to, nerve racking. Some years we have not received funding until the second quarter in October and one year in November. While the State expects budget and program reports on a timely basis. Running our programs depends on a quick turn around.

Quarterly program reports keeps you focused and up to date on progress.

I am new in this position and in the beginning I felt overwhelmed by all of the forms and reports, but with time, I have found the reports to be logical, self-explanatory, and very user friendly. Most of all, all of our funding representatives return calls and are very helpful to our program. Actually, the forms that are provided by each funding source are necessary and helpful for our annual audit.

It would be our hope that any administrative changes would not affect local program funding.

VOCA and other state grants should be handled in the same way Department of Administration administers their grants, money divided equally among programs. This would allow the programs in the state to worry less about funding. The competitive process is much more stressful and leaves program administrators concerned with where their programs funds are going to come from. I also feel that the Council for Women should administer the funds.

To have a standardized criteria for each program to follow so all programs are operating on a consistent and accountable level.

More funding
More state wide sharing of information/stats
More timely payments
On-line reporting

I would like to see some of the domestic violence money be allotted to programs such as ours which do not operate the shelter, but provide counseling, court accompainment and assistance with filing protective order to over 2,000 clients per year. This type of program has reduced the cost of housing clients and forcing them to relocate.

Request for funding for more than one year. A software program for Domestic Violence Prevention agencies be made available that will create the data for the required statistics.

I have always found the staff at the Council on Women and the Governor's Crime Commission to be very helpful and concerned with my needs.

Advance notice of potential grant opportunities – to often grant opportunities can be missed because we weren't on the lookout for them or prepared with proposal plans.

Private agencies should receive all information regarding available grants – in the past, state agencies have been notified of grant opportunities while private agencies were not. More focus on the small, private agencies is needed.

Simplified application process with adequate time for preparation – the process is often too complex; instructions are often vague and unclear. Too often, the deadline data is within 10 to 14 days of receipt, which does not allow sufficient preparation time.

Funding periods extended to multi-years – a lot of staff time and energy is used in writing grant proposals, designing projects, and developing budgets – the process is quite costly. Multi-year funding would be

more efficient, as well as assist in getting a project firmly grounded before the need to re-apply or seek other funding.

The programs could be more efficient by establishing more uniformity and by creating a simple renewal process for those funds, which are continued each year.

More coordination between state agencies.

Less bureaucracy, paper work

Less time delay for money to get to programs.

Provide funding for two years with quarterly reports due. Provide an annual workshop/training by professionals to service providers regarding expanding programs.

I am new in my position and need more time to make an assessment.

I am a new Director so I'm not certain about all the answers to some of the questions. However, I'm not absolutely certain continuing everything will make it easier for us in administering the money.

Focus put on Program Advisory Councils as the primary oversight entity and correspondence on issues of importance directed to the Board of Directors and Chief Administrator.

Correspondence not received by the proper authorities can result in matters of importance not being addressed.

State Administration of DHHS Family, Violence Prevention and Services and Governor's Crime Prevention VOCA trends to be administered by the North Carolina Council for Women.

The reporting and financial reports could be combined. We need separate technical assistance for best assistance. The technical support for grant writing and report assistance is vital to program operation.

2 year limitations on VOCA/VAWA, make it available continuously.

More money available.
More funds available as "free money" to be used as needed when unexpected expenses occur (Example: van repair, heating, roof repair etc...).
Allow grantees to purchase vehicles/equipment with grant funds (all us to attend auctions with other state agencies).
Provide state benefits/health insurance, etc... for employees of non-profits.

If funding could be established based on a set standard of servers provided, instead of being related to new projects and/or program objectives, then combined reporting would be possible and efficient. One yearly report that would give all program statistics and accomplishments could be distributed to all funders. As it stands now, each funding source has its own reporting requirements and is only interested in the particular project it funded.

Grant match formula consistently for all grants. For example, the amount reported on the financial reports for some is the gross amount and some it is the net amount reimbursed.

All grants be operated on the same fiscal year ending June 30th.

We would like DV & SA funding to come as one lump sum in order to assist total program.

More support and more visits on site.

Prevention Education Funding for:

Pre-school, elementary, middle, high school and college students. Prevention Education is a critical issue in keeping our children (of all ages) safe.

I would lift the 2 year cap on VOCA and VAWA and not make programs who are serving victims compete with each other. I would also place Family Violence, VOCA, and VAWA under the Council for Women. I would also look at the resources in N.C. for planning and goal setting and not at programs outside of N.C. This money used to travel out of state could be put to good use here in North Carolina. Each program would be treated with fairness and rural areas would get top priority.

Make funding year round, year after ;year. Our clients are year-round and finding funding to help them could be detrimental to their healing if it is not provided.

Offer guidelines on amount available to request for upcoming year.

Expedient turn round on CVC and RVA reimbursement so our client's credit may be protected.

Funding should be made available depending on the number of clients/population served, not a straight across-the-board budget for all agencies regardless of size.

Drop 2 year funding limit
Provide enough money to sustain
Distinguish between information required of state vs local agencies, - different function
State office doesn't directly serve victims

More visits from representatives. Simpler application process.

Combine/consolidate financial and program reporting. Need more uniformity for statistical reporting.

If the combined application two years ago is an indication of the results of consolidation, we would not consolidate all grants. This caused confusion and saved very little time. We can only imagine the results of mass consolidation. Additionally, administration by different departments provides strength and support to specific components of domestic violence and sexual assault programs. We would, however, change the way grants are renewed:
1) For those grants that are non-competitive and distributed equally, information requirements should be minimal with proven programs. There is always financial and statistical accountability through reports and audits, thus a program update, and short and long-range program plans should provide all necessary information.
2) For competitive grants, comprehensive information would initially be necessary, but again, approval for renewal should never force programs to do away with or redesign tried and effective services simply to look new. Let's support what works with simplicity, as well as accountability. Foundations often ask only for final reports, trusting that choosing to fund a program already means that the program is fiscally sound, accountable, and proven. State requirements often feel like time-consuming and redundant exercises that rob precious time from victims needing services.

Attachment # 4-21-98

Domestic Violence/Sexual Assault Presentation

Prepared by Jeff Hibbard, Office of State Budget and Management
Management Section

Overview of Report Format

- OSBM Report
- Appendix A - copy of legislation
- Appendix B - copy of 1996 FRD study
- Appendix C - copy of OSBM survey and survey results

Senate Bill 352, 1997 Session of the NC General Assembly directed OSBM to "...study the feasibility of consolidating the budgets and services and the administration of federal and State grants for domestic violence programs and rape crisis programs in the State..."

Legislation identified: Council for Women, Crime Commission, and Division of Social Services

OVERVIEW

North Carolina has an average of around 90 DV/SA programs, providing services to all counties in the state. Programs can receive a mix of local, state, federal and privately donated funds. During FY 1996-1997, NC distributed approximately $5.0 million in appropriations and $14 million in federal funds to programs around the state

Each of the three agencies manages grants related to DV/SA, each with different program and reporting requirements. For the federal grants each agency is allowed to utilize a percentage of each of their grants as administrative overhead to recover the administrative costs.

Council for Women: CFW manages both state and federal grants, and is the only agency in the state that distributes state appropriated funds as grants. Table 1, page 2, is a breakdown of the funds administered by the Council. The Council utilizes approx. 7.3 full time positions for program administration related to DV/SA, as indicated in Table 3, page 3. Council grants are a mix of competitive, and non-competitive grants.

Crime Commission: GCC manages federal funds allocated from the US Department of Justice. The Victims of Crime Act (VOCA) and Violence Against Women act (VAWA) accounted for approx 68% of all monies allocated to DV/SA programs around the state during FY 1996-1997. The availability of VOCA monies fluctuates from year to year because the source of the funds are settlements from federal lawsuits. All GCC grants are competitive. GCC allocates 3.9 full time positions for VOCA/VAWA administration.

DSS: DSS manages a federal grant allocated through the US Dept of Health and Human Services. The Family Violence Prevention grant is a competitive grant, and represented approx. 5% of the DV/SA funding for FY 1996-1997. DSS allocates approx. one-half of a full time position to grant administration.

FINDINGS

The findings of the study can be summed up into the following points:

1. Each of the three agencies pursues goals and objectives separately from one other, with some minimum coordination.

- grants are focused on differing program aspects, some on new programs, some towards existing programs
- there is no combined focus on the types of services offered around the state, and if these services are appropriate to meet the local need
- lack of a single source of information that presents a picture of DV/SA in NC
- inconsistency in the types of services and assistance that state agencies provide to DV/SA shelters

2. There is no defined, common statewide approach to DV/SA that binds the programs together.

- lack of a common training curriculum for shelter staff
- lack of a common grievance procedure
- there are differing approaches to funding allocation formulas; some programs receive multi-year funding while others receive time-limited funding
- there is a need to include various groups in the development of a statewide plan, including law enforcement, women's groups, alternative funding sources, local government, and victim's right groups as all these interests play a role in DV/SA

3. The potential for unnecessary administrative duplication and program overlap exists within the current program.

- each time a shelter is established, grant funds contribute to the administrative cost of operating the shelter. There is no combined focus on the geographical distribution of shelters throughout the state; the possibility could exist where shelters could be established in close geographical proximity to one another, possibility creating administrative and programmatic overlap

- there is the possibility that one state agency could sanction a local program, yet the local program could turn around, apply for, and receive grant monies from a different state agency

4. There are no outcome measures for the programs in terms of the overall progress being made around the state in DV/SA.

- while statistics are reported, no outcomes measures are tracked by any agency in NC to make a determination as to the effectiveness of state and local programs to combat DV/SA
- No single source holds all the data in NC pertaining to DV/SA - therefore it is difficult to for any one agency to have the full picture

RECOMMENDATIONS

A synopsis of the recommendations includes:

1. Consolidation of selected funds that are presented in the budget.

2. The establishment of a multi-agency Advisory Council, with members from the three agencies, along with additional members representing selected professional specialties. The Advisory Council would develop a statewide plan and set policy for DV/SA, with the day to day administration of the plan would continue to be carried out by the three agencies. The statewide plan would be the sum of local district plans using the existing 39 judicial districts as the geographical and organizational building blocks. Each district would develop a plan, which is in turn folded into the statewide plan. Once the advisory council is established, the advisory council would analyze the administrative cost to administer the statewide program, and if it is determined that cost could be reduced, should consider awarding the administration of the DV/SA program to a third party with administrative and program requirements coming from the advisory council. If a third party were to administer the program, the third party administrator would replace those resources at the state level currently managing the program.

3. The recommendations also include consideration for changing the allocation formula for non-competitive grants to award more monies to programs serving larger numbers of clients.

4. The establishment of a common documented grievance procedure as a service to citizens seeking DV/SA services.

5. Consideration in allowing VOCA and VAWA funds to be utilized beyond the current two year deadline.

6. Biennial program evaluation by a third party to assist in identifying outcomes and program effectiveness.

NORTH CAROLINA
DEPARTMENT OF REVENUE

STAFFING STUDY REPORT
AS DIRECTED BY 1997 SESSION LAWS

STATE OF NORTH CAROLINA
Office of State Budget and Management
Management and Productivity Section
Raleigh, North Carolina 27603-8005

March 1998

INTRODUCTION AND BACKGROUND

Senate Bill 352 Section 29 directed the Office of State Budget and Management (OSBM) to "*...complete work on the assessment of the Department of Revenue (DOR)'s staff requirements initiated pursuant to Section 15.6 of Chapter 18 of the Session Laws, Second Extra Session 1996. In the final phase of the study, the Office of State Budget and Management shall review workload requirements and make specific recommendations about staffing for the Department...*" A copy of the full text of Section 29 is attached Appendix A to this report.

The earlier study referred to in the legislation was a study completed in the spring of 1997, in which unit costs related to workload were developed. An assessment of staff requirements was made based on actual fiscal year 1995-96 operations. The current study was designed to take advantage of the data compiled earlier, update it to reflect changes, and to develop a model which could be used now and in the future for calculating staffing requirements on a consistent basis, and based on objective measures.

OSBM analysts would like to express their appreciation to the staff of the Department of Revenue for the provision of large amounts of data in order for us to conduct this analysis and for the time spent reviewing the methodologies and the results of our analyses. Their cooperation was invaluable.

METHODOLOGIES

To conduct the study, OSBM requested DOR management to provide an estimate of every staff person's time spent doing specific tasks in support of the various tax schedules in effect. [Note: The task list originally developed for the 1997 study was modified for the 1998 study to more clearly reflect the work in a meaningful way, that was compatible with earlier data, so that trends could be monitored. Appendix B contains the full listing used in this study.] In addition, interviews were held with division and section heads to discuss their staff allocation, to understand law, policy and processing changes that affected their specific units, as well as future initiatives or specific workload and staffing concerns.

Production data was also gathered to add to information from previous studies that show staffing, returns processed, dollars collected, etc. in order to understand what progress has been made and areas affected by changing work or tax situations.

Budget and expenditure information was also provided by DOR. And finally, research was conducted of other states, via a survey conducted by DOR staff, which was also analyzed by OSBM and added to through government data on the Internet, to see how North Carolina compares to states with similar tax structures in place.

COST AND STAFFING COMPARISONS

Chart 1, following this page, presents the unit cost and staffing by tax schedule. It shows total expenditures by tax schedule, and then uses multiple indicators to look at the activities and workload of the Department to derive unit costs. For example, the indicators which measure workload as well as results, are:

- Number of taxpayers
- Number of returns
- Dollars collected

Based on this year's expenditures, the chart shows the unit cost based on each of these.

The lower half of the chart uses DOR's full time equivalent (FTE) staff numbers provided by DOR management. It shows how many provide direct support to each tax schedule, and how many were "distributed" (administrative support provided to a tax schedule) Again, the same indicators are used to derive the workload per FTE. Looking at the final column on the chart ("Ratio"), it is clear that the department is meeting or exceeding last year's productivity on nearly every basis shown.

CHART 1 – NC Department of Revenue Unit Cost and Staffing by Tax Schedule – FY1996-97

Unit Costs	Ad Valorem	Controlled Substances	Corporate Income and Franchise	Individual Income	Ind. Income Withholding	Insurance	Intangibles	License & Excise	Motor Fuels	Other Non-Schedule Specific Taxes	Sales and Use	FY 96-97 Totals	Last Year FY 1995-96	Ratio of This Year to Last
Personnel Costs - Tax Specific	$748,715.79	$921,162.75	$3,401,145.69	$15,022,586.27	$4,918,210.65	$100,241.36	$649,536.23	$2,659,214.95	$2,253,644.35	$31,670.75	$15,302,015.78	$46,008,144.77	$40,383,034.00	1.140
Personnel Costs - Distributable	$100,808.42	$124,026.98	$457,936.31	$2,022,667.62	$662,196.59	$13,496.67	$87,454.71	$358,041.41	$303,434.67	$4,264.21	$2,060,290.50	$6,194,618 09	$9,856,695.00	0.628
Total Personnel Costs	$849,524.21	$1,045,189.73	$3,859,082.20	$17,045,253.89	$5,580,407.24	$113,738.03	$736,990.94	$3,017,256.36	$2,557,079.02	$35,934.96	$17,362,306.28	$52,202,762 86	$50,219,729.00	1.039
Total Non Personnel Costs	$317,213.11	$485,295.33	$1,415,103.02	$7,232,748.75	$2,181,617.15	$39,308.42	$235,850.50	$1,002,364.64	$3,249,985.14	$19,654.21	$8,084,125.39	$22,243,265 66	$21,739,350.00	1.023
Total Costs	$1,166,737.32	$1,530,485.06	$5,274,185.22	$24,278,002.64	$7,762,024.39	$153,046.45	$972,841.44	$4,019,621.00	$5,807,064.16	$55,589.17	$23,426,431.67	$74,446,028 52	$71,959,079.00	1.035
Number Taxpayers		6,069	300,499	4,778,829	174,581	1,779	134	199,653	32,213		190,449	5,684,206	5,646,756	1.007
Cost Per Taxpayer		$252.18	$17.55	$5.08	$44.46	$86.03	$7,260.01	$20.13	$180.27		$123.01	$13.10	$12.74	1.028
Number Returns		6,069	300,499	4,157,733	1,933,142	7,052	113	315,969	54,756		2,126,588	8,901,921	8,505,597	1.047
Cost Per Return		$252.18	$17.55	$5.84	$4.02	$21.70	$8,609.22	$12.72	$106.05		$11.02	$8 36	$8.46	0.989
Dollars Collected		$6,674,155	$1,628,165,261	$1,579,833,070	$4,921,400,036	$288,537,604	$6,497,102	$321,706,808	$1,090,368,365	$706,088	$4,748,361,971	$14,592,252,440	$13,479,316,045	1.083
Cost Per $1,000 Collected		$229.32	$3.24			$0.53	$149.73	$12.49	$5.33	$78.73	$4.93	$5 10	$5.34	0.956
FTE	**Ad Valorem**	**Controlled Substances**	**Corporate Income and Franchise**	**Individual Income**	**Ind. Income Withholding**	**Insurance**	**Intangibles**	**License & Excise**	**Motor Fuels**	**Other Non-Schedule Specific Taxes**	**Sales and Use**	**Totals**		
Tax Schedule Specific FTE	15.8	20.8	87.8	451.4	135.7	2.8	15.0	62.6	59.5	1.2	373.4	1,235 8	1,155.97	1.069
Distributable FTE	2.0	2.6	10.9	55.9	16.8	0.3	1.9	7.7	7.4	0.1	46.3	151.9	221.66	0.685
Total FTE	17.7	23.4	98.6	507.3	152.5	3.1	16.8	70.3	66.8	1.3	419.7	1,387.7	1,377.63	1.007
Number Taxpayers		6,069	300,499	4,778,829	174,581	1,779	134	199,653	32,213		190,449	5,684,206	5,646,756	1.007
Taxpayers Per FTE		260	3,046	9,419	1,145	576	8	2,840	482		454	4,096	4,099	0.999
Number Returns		6,069	300,499	4,157,733	1,933,142	7,052	113	315,969	54,756		2,126,588	8,901,921	8,505,597	1.047
Returns Per FTE		260	3,048	8,195	12,679	2,282	7	4,495	819		5,067	6,415	6,174	1.039
Dollars Collected Per FTE		$285,502	$16,505,519	$3,113,987	$32,278,522	$93,356,920	$386,425	$4,576,278	$16,310,943	$532,404	$11,313,573	$10,515,726	$9,784,007	1.075

Chart 2 below, "Productivity Comparison by Tax Schedule", takes the available staff FTE and divides it by the number of returns processed for each tax schedule to derive the minutes per return to process. Again, in nearly all cases the processing time was reduced, some quite significantly. (Note: The major increase was for Intangibles Tax which is being phased out).

Chart 2 -- Productivity Comparison By Tax Schedule

Fy 1996-97 vs 1995-96

	Returns Processed Per FTE			Minutes Per Return	
	1995-96	1996-97	% Incr/Decr.	FY 1995-96	FY 1996-97
Individual Income/Withholding	11,850	12,679	7.0%	8.96	8.38
Individual Income	7,804	8,195	5.0%	13.61	12.96
Sales & Use Tax	4,782	5,067	6.0%	22.21	20.96
License & Excise	4,480	4,495	0.3%	23.71	23.63
Corporate Income & Franchise	2,660	3,046	14.5%	39.92	34.87
Insurance	1,481	2,282	54.1%	71.71	46.54
Motor Fuels (point of collection change)	1,705	819	-52.0%	62.29	129.67
Controlled Substance	203	260	28.1%	523.15	408.46
Intangibles (eliminated)	947	7	-99.3%	112.14	15,171.43
All Schedules	**6,177**	**6,415**	**3.9%**	**17.19**	**16.43**

The use of multiple indicators, as shown on Charts 1 and 2, to look at work such as DOR does is important because the dollars collected are not the only measure of value. Often the same amount of work may yield lower dollar returns, such as when the food tax percentage was reduced; the same number of records had to be processed but fewer dollars were collected, and this will continue to be a factor into the future.

In addition to looking at the processing activity over the past several years, another key factor to consider is the trend in staffing. Chart 3, below, shows the comparison between the number of returns filed over the past eight years compared to the growth in full-time staff, because this is another means of assessing productivity in an agency. As the chart indicates, there has been a relatively steady increase in the number of returns filed over the past few years, but the permanent staffing of the department has actually dropped, indicating that there have been operating improvements to allow work to continue as well as it has, as shown in Charts 1 and 2.

Chart 3 -- Comparison of Staffing to Returns -- FY90-91 thru FY97-98

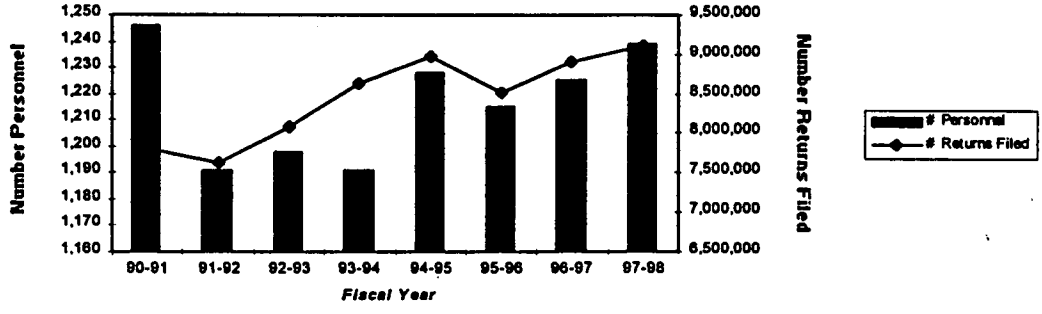


Chart 4, "Comparisons with Other States", uses the same indicators as Chart 1 (and adds a few others for information), to show how North Carolina compares to other states. These states were selected because their tax system is roughly equivalent to that in North Carolina in terms of number of tax schedules, and other factors such as population. The chart was developed from a survey conducted by DOR staff, supplemented by information OSBM gathered from government sources on the Internet by these states. In looking at the factors on the chart, on average, North Carolina's Department of Revenue is processing more work, at far lower cost per return and with greater yield than the group of states shown on the chart.

CHART 4 -- COMPARISONS WITH OTHER STATES

State	Returns Processed Per D.O.R. Employee	Cost Per Return	Cost Per $1,000 Collected	Dollars Collected Per D.O.R. Employee	Dollars Per Return	Returns Per Capita	Number Citizens Per D.O.R. Employee
Washington	1561	$43.13	$6.76	$9,951,219.51	$6,375.00	0.30	5,268
Wisconsin	2089	$49.69	$13.11	$7,914,857.47	$3,789.00	0.53	3,929
Montana	2439	$16.09	$22.72	$1,726,508.91	$708.00	1.84	1,326
Wyoming	2551	$46.47	$25.70	$4,612,244.90	$1,808.00	0.52	4,898
Alabama	4082	$14.00	$15.70	$3,639,598.63	$892.00	1.35	3,028
Pennsylvania	4748	$9.62	$5.60	$8,157,099.70	$1,718.00	0.92	5,179
Indiana	5368	$10.21	$7.67	$7,146,327.00	$1,331.26	1.21	4,448
Mississippi	5682	$9.83	$10.37	$5,385,274.74	$948.00	1.96	2,904
Illinois	6806	$8.60	$7.10	$8,241,082.41	$1,211.00	1.41	4,838
New Jersey	7571	$8.71	$5.87	$11,236,881.68	$1,484.00	1.15	6,572
Ohio	8495	$8.63	$5.72	$12,816,691.51	$1,509.00	1.02	8,346
Virginia	9486	$6.22	$5.84	$10,102,381.00	$1,064.95	1.20	7,885
North Carolina	**7267**	**$8.36**	**$5.10**	**$11,912,043.00**	**$1,639.23**	**1.27**	**5,714**
Average	**5073**	**$19.27**	**$11.01**	**$7,577,513.96**	**$1,903.18**	**1.12**	**4,885**
	43% more returns in N.C. than average of other states	43% of average cost/return in N.C. than average of other states	46% of average cost to collect $1,000 in N.C. than average of other states	57% more collected per DOR employee than average of other state	86% of average dollars collected per return in NC than average of other states	14% more returns processed per citizen in NC than average of other states	17% more citizens per DOR employee

UPDATE FROM THE PREVIOUS STUDY

Last year's report made several observations which are related to the above charts. The progress made by DOR is noteworthy with respect to this study, and has a bearing on the staffing recommendations made later. The main issues from the prior study are discussed briefly below, along with issues pertaining to the current legislative request.

1. Unit Cost: Regarding unit costs, it was noted that monitoring the allocation of FTE to tax schedules in order to compare resource with external factors (number of taxpayers and returns, for example) is important in order for DOR to assess what is affecting workload and where processes might need further study. DOR has been doing this, and is expanding their effort by looking at sister states. What the combination of analyses would indicate is that while some improvement in dollars collected may be attributable to a stronger economy, the cost per return processed and the number of citizens per DOR employee would indicate that the internal processing improvements are effective as well in keeping unit costs under control.

2. Administrative Staffing: Observations related to staffing in last year's report indicated concerns with the high percentage (16%) of time that was unable to be attributed to a specific tax schedule and was therefore considered "administrative". This has been reduced to 11% since that time, presumably attributed to less demand from ITAS-related committee work now that the main tax schedules are implemented, and a stronger emphasis by management on the need to control overhead. The

availability of those staff resources to do "tax-related" work may also account for the improved productivity noted in the previous charts, as well as in the reduction in the backlog reported by DOR management. To reduce the backlog, they redeployed some paraprofessional staff to handle certain tasks and use administrative officers to do the more complex tasks which comprised the backlog, resources which in prior years had been used in much of the planning and testing for various ITAS modules. The lower the administrative time allocation, the higher the availability of staff for mandated/program work.

3. ITAS: The implementation of ITAS was another key factor in last year's report, and the observation was made of the need to continue to track activity, using the system, in order to ensure that full information is available about workload and the impact of the system. This year, more data has been available to the analysts than was available last year. This trend is strongly encouraged, because ITAS is a key tool for the department in many ways, the investment of significant funds for automation needs to be justified, and the information on workload it can provide will prove invaluable in making resource management decisions and setting policy and priorities for compliance. Two areas where this is a particular issue are the field and auditing activities. The field has 30% of the total DOR staff. Their workload consists of three key elements: collection, auditing, and taxpayer assistance. Allocating staff and tracking work in collection and auditing are critical to ensure workload is evenly distributed, and that work priorities are reviewed from a cost justification basis. The information affects policies such as at what point to change system review tolerances or which units should handle certain work types (such as CCU versus the field).

4. Sharing of Resources and Use of Temporary Staff: These were other related observations as staffing models. In the case of shared resources, DOR routinely moved staff to other units or areas to resolve a temporary workload peak or address specific problems. Likewise, using temporary staff to meet predictable workload variations was highlighted. Both of these are excellent tools to address specific staffing needs and DOR continues to effectively use both tools. The key, as noted in last year's report, is to monitor this reallocation of staff, to ensure no negative impact on work in the "home" unit when a person is temporarily transferred to another unit, and to be able to determine whether a permanent reallocation or permanent staff increase is justified.

All of the above observations from the previous report are still factors in proposing the staffing that is needed for the department.

THE DEPARTMENT OF REVENUE IN FY96-97: KEY CHANGES AND EMERGING ISSUES AFFECTING STAFFING

As noted earlier with reference to the charts, DOR is operating more efficiently than last year, based on its own data, and it appears that DOR is operating more efficiently and effectively than a number of other similar states. And the issues about which observations were made in last year's study (see above) continue to be issues that DOR will want to stay on top of.

However, several new issues have emerged in the past fiscal year that must also be included in considering the staffing requirements and in proposing a staffing model. The issues and their relationship to staffing include:

1. Year 2000 Efforts and Remittance Processing: With the Year 2000 effort underway, the directive has been that agencies may request funds to correct the limitations of their system. However, in making their requests, the funds are limited to replacement of software, not upgrades or major new systems. In the case of DOR, its Remittance Processing System (RPS), which was installed nearly 15 years ago, is the one most affected by the Year 2000 issue. According to DOR, the RPS paid for itself, through expedited receipt of funds and the related additional interest income, within 18 months of being implemented. The system is in need of replacement, and funds would be available from the Year 2000 effort to fix the specific problems by replacing it. However, DOR is very interested in considering a much enhanced total electronic commerce system, that would also include scanning equipment (which would significantly reduce the current staff required for data capture, data editing, central files and archives, and the related lag or delay time), and would speed up data retrieval capabilities both at the time of entry and during later reviews by DOR staff, not to mention the cash management benefits of the automated remittance processing. A substantial annual labor savings is not unrealistic in this area

of the department, which allows redirection of resources to areas where there are increased labor needs based on changing workloads. IBM has been contracted by DOR, and is in the process of doing, a project to identify specific staff requirements, system needs, and labor savings; the report will be completed by June.

2. Backlogs: DOR provided data on the backlog situation. Although they made strides in reducing the backlog last year through the sharing of resources (as discussed earlier in the observations) to concentrate on specific areas, much remains to be done. It is their contention that additional staffing will be needed to eliminate this within the statutory time frames, rather than continuing to rely on the temporary deployment of staff. Moreover, it is DOR's contention that the level of staff to reduce the backlogs requires more than entry level staff in many cases, so the use of temporary staff is not a total solution either. Appendix C depicts the backlog situation and the estimate of hours from DOR that they think would be required to clear this up. The issue of backlogs is a significant one because of several factors: it represents lost potential revenues due to the state if not pursued, or if the statute of limitations expires; it creates additional work as more time elapses and additional correspondence and calls result; and it diminishes the effectiveness of the tax compliance message that DOR wishes to communicate.

3. ITAS: more tax schedules and longer historical data is now available to DOR staff via computer. The availability of key information on computer, rather than relying solely on paper files for audits, responding to inquiries, and processing collections has increased certain staff efficiencies. In addition to being a key tool for them to do work, however, the ability of ITAS to initiate work also affects the workloads. ITAS can review multiple tax schedule returns, can target specific review items, and generate letters related to review items. Not only does this create work for the staff who will eventually talk with the taxpayers and possibly conduct an audit, it creates work in other divisions, from the mailroom to the field offices. It has also required additional work to capture the additional information that forms the basis of doing better reviews via computer.

4. Other Automation Improvements: as with the ITAS improvements, other automation improvements have greatly benefited DOR in recent years, and the trend is continuing.

   - Electronic Filing: The number of people filing individual income tax returns electronically is the highest in the nation, and has been increasing at a rate of over 25% over the past couple years. Electronic returns represented nearly 14% of all returns last year, compared to 11% the year before and 9% prior to that. (Chart 5 below shows the history on this.) Until this year, the only electronic returns that were permitted were refund returns; however, tax due returns are now being allowed. From a workload standpoint, a refund return still requires manual matching of taxpayer documentation once it is physically received in the mail (e.g. W-2, other documentation). Tax due returns will require this as well as matching the checks with the returns. However, the electronic filing reduces the staff requirements for data capture, editing and filing so it is to the state's advantage to continue to promote this program. It is estimated that for every 50,000 electronic returns, one less FTE is required due to reduction in manual data entry.

Chart 5 -- Electronic Filing History

Tax Year	1993	1994	1995	1996	1997 Projected
Electronic Returns	334,268	287,611	369,310	462,979	*523,342*
Paper Returns	2,704,863	2,905,267	2,866,369	2,924,348	*2,965,605*
Total Returns	3,039,131	3,192,878	3,235,679	3,387,327	*3,488,947*
Increase in Total Returns		*5.1%*	*1.3%*	*4.7%*	*3.0%*
Ratio (Paper to Electronic)	8.1	10.1	7.8	6.3	*5.7*
Electronic - % of Total Returns	*11.0%*	*9.0%*	*11.4%*	*13.7%*	*15.0%*

   - Electronic Funds Transfer: The number of EFT transactions has increased over 2,000% since 1993-94. The gross receipts have increased over 1000%, and the interest earnings have increased 1500%. Like electronic return processing, there are still some manual aspects to EFT's; staff still need to match remittance documents with the automated records and similar work; the

cost of their time doing this is more than offset by the funds being received faster and the interest accruing sooner. Up until now, the EFT taxpayers have been primarily those who are required to submit electronically, namely those who owe $20,000 or more per month per tax. As such, it has been limited to the major corporations in the state. Voluntary use of EFT's is now beginning for those owing less than the base amount. While the staff required to process the transactions will be the same on a per-transaction basis, average dollar processed per transaction and the average interest earned per transaction will begin to diminish. Chart 6 below depicts this pattern for the four prior years and projects through the current year 97-98.

Chart 6 -- Electronic Funds Transfer History

Electronic Funds Transfers	93-94	94-95	95-96	96-97	*97-98 Projected*
Gross Receipts	$680,113,954	$3,489,859,515	$6,246,822,286	$7,679,660,083	*$8,831,609,096*
Interest Earnings	$242,562	$1,864,212	$3,362,941	$3,955,615	*$4,592,437*
Transactions	7,199	24,611	99,173	160,797	*209,036*
Incr - Gross Receipts		*413%*	*79%*	*23%*	*15%*
Incr - Interest Earnings		*669%*	*80%*	*18%*	*16%*
Incr - Transactions		*242%*	*303%*	*62%*	*30%*
% Interest to Receipts	*0.036%*	*0.053%*	*0.054%*	*0.052%*	*0.052%*
Receipts/Transaction	$94,473	$141,801	$62,989	$47,760	$42,249
Addt'l. Interest/Transaction	$33.69	$75.75	$33.91	$24.60	$21.97

The increased use of electronic submissions (returns or funds) is an important one for DOR in that it provides positive and tangible rewards to the department: funds and information are processed faster, more accurately, and with less hands-on activity. However, the need to staff appropriately to ensure the support activities can keep the pace with the automation is very important. This is a case where automation can actually increase staff requirements, but if done carefully will more than pay for itself in increased revenues to the state.

5. Changing Workflow and Processing Issues Throughout the Organization: In the case of DOR, there are many work units which support each tax schedule. For example, an increase in the number of individual income tax returns filed has a direct bearing on the workload in the DOR mailroom, although it may only have a minimal bearing on the Building Maintenance staff or the Criminal Investigations Division. Likewise, the creation of new programs or enhancing automation can alter established processing flows or staffing requirements. Examples could include raising the limit for which collections would be handled by the Central Collection Unit in the Raleigh office, which could significantly increase their workload and possibly reduce the workload of Revenue Officers in the field, or allow their efforts to be redirected towards other priorities. Another example is the proposed project, where the IRS, based on its analyses, would generate potential reviews to be done at the state level. This would initiate automated letters to taxpayers, and these letters generate numerous phone calls and response letters. Some will result in actual audits and/or assessments for back taxes. This kind of initiative involves the DOR staff throughout the organization, but in different combinations than for a traditional review. This close interrelationship of all the units in support of an activity that can yield revenue is important in understanding the staffing model being proposed. DOR has been working on the internal processes as part of its Total Quality effort and to ensure smooth integration of the ITAS with manual processes. The two studies for the legislature have provided them information about meeting existing needs and their staffing complement's allocation of time to specific processes and tax schedules. This will become increasingly important during these transitional times.

6. Court Rulings: An appeals court recently ruled that it was illegal to collect taxes on Controlled Substances, a decision which could eliminate a key revenue source, as well as a whole work unit of 25 people. However, if upheld, it could make available staff resources needed in other areas, but who are already familiar with many of the department's operations and would therefore need less training.

7. Tax Law and Policy Changes: changes occurred this past year, which affect operations, unit costs, and revenues. One change this year was reducing Sales Tax on specific items, which reduced the collections without reducing the workload requirements. Another change was in how taxes will be

collected, such as in Motor Fuels, which reduced processing requirements but also actually increased collections. Because taxation is not a static field, adaptability to these changes is a continuing need for DOR.

CONCLUSIONS

DOR is an agency that is still undergoing major changes as a result of its automation efforts. Some significant changes are occurring, and while the ITAS and other innovations in automation become more mature, this kind of rapid change will continue. DOR has structured itself to be a flexible organization (through its use of temporary staff, reengineering, and the functional organization structure) that can adapt quickly to changes, and it is going to need excellent data in order to understand when and where changes need to be quickly made. And it will need to make decisions, knowing which are cost-justified, and which are not cost-justified, but perhaps important to do based on other criteria.

The data gathered for this and the prior study, along with the taxpayer data they already maintain, will be critical to allocating their resources wisely. The data also indicate, however, that DOR may be at capacity, especially when compared with other states and given that DOR has a substantial backlog. DOR has realized almost a 20% increase in processing productivity since beginning the implementation of ITAS. With the primary tax schedules completed, we believe that processing productivity may have reached its limit during FY1996-97, creating an acceptable base of processing productivity to be used until further automation is implemented, i.e., scanning of tax forms, electronic archival and retrieval of records, etc.

And finally, there are still limitations to the availability of certain data that the analysts on the study team believe is important to have in order to make internal processing and resource allocation decisions. Much of this would be data that ITAS should be able to provide but which is still unavailable, such as analysis of the backlog by number of taxpayers represented, caseloads of field staff by type of cases, and other similar aspects that help in decision making about resources. This issue of "case management" is a major DOR initiative at this time, in recognition of its importance.

RECOMMENDATIONS

Recommendation 1: Use fiscal year 1996-97 as the base year for purposes of the staffing model

Recommendation 2: Use the model shown below to ensure that changes in demands on the Department and changes in how work is accomplished (especially in the area of automation) can be accommodated in a systematic fashion, that has flexibility. The mechanism must distinguish between recurring and short-term transitional needs objectively.

PROPOSED STAFFING FORMULA		
BASE STAFFING	= RETURNS / RETURNS PER FTE	
	- Adjustments for methods/automation improvements	
	- Adjustments for increasing ratio of ELF (Electronic Filing)	
	+ Adjustments for increasing ratio of EFT (Electronic Funds Transfers)	
	+ Adjustments for cost/benefit justifications	
	+/- Adjustments for tax law changes	
	+ Unaccomplished work (backlog), customer service/response time improvement	
TOTAL STAFFING REQUIREMENTS		

Recommendation 3: Based on the staffing model, above, the trend data shown previously in the report, and the anticipated workload changes, the following staffing changes are recommended:

- Addition of 2 full time permanent staff at a minimum to accommodate increased EFT workloads.
- Reduction of 1 full time permanent staff based on reduced workload requirements in data capture for Electronic Filing
- 21 full time equivalent staff are needed to handle existing workloads for the current year in excess of what was anticipated being needed by DOR. NOTE: These can be a mix of temporary and permanent if DOR believes that it gives them the flexibility and sufficient coverage to meet their needs. Funding should be made available as if they are to be permanent). For the coming fiscal year, their total staffing complement will need to increase to 1,453 to meet projected increases.
- Reduction/redirection of 15 staff with the continued phase out of the Intangibles Tax schedule (NOTE: data shown in the report were for last fiscal year; since that time 13 of the 15 have already been redirected, and only 2 remain to complete the close-out of all aspects of this tax schedule)
- Addition of 55 time-limited temporary staff for the coming fiscal year to reduce the existing backlog. It is hoped that more senior existing permanent staff can be transferred to handle the more complex backlog work, allowing some of the time-limited positions to be filled with entry level temporaries who require little training.

Formula for Staffing	FY97-98	FY98-99	Basis for Numbers
RETURNS / RETURNS PER FTE	1,420	1,453	OSBM projects 2.3% increase annually in number of returns (for FY97-98: 9,109,336 and for FY98-99: 9,318,850), but the number of returns processed per FTE to remain at 6,415
Adjustments for methods/automation improvements	unknown	unknown	
Adjustments for increasing ratio of ELF (Electronic Filing)	-1	-2	Assumption: 60,464 per year increase. On assumption that for every 50,000 ELF, can reduce 1 FTE
Adjustments for increasing ratio of EFT (Electronic Funds Transfers).	2	4	Assume 30% additional EFT transactions per year:
Adjustments for cost/benefit justifications	unknown	unknown	
Adjustments for tax law changes.		-15	Near final phase of Intangibles Tax which will free up 10-15 staff shown in FY97-98's time allocation as supporting this schedule
Unaccomplished work (backlog), customer service/response time improvement.		55	Estimated by DOR at 55 FTE, due to actual work plus "re-work" when notices sent late, etc. (see Appendix B). OSBM recommends these be Time-Limited Positions
TOTAL STAFFING REQUIREMENTS	1,421	1,495	

NOTE: DOR anticipated it would use 1400 FTE in this fiscal year. (This includes permanent and temporary staff)

Recommendation 4: An exception should be granted to DOR to purchase a more advanced remittance processing system with scanning and retrieval capabilities, rather than simply replacing the existing machine or correcting the Year 2000 issues.

Recommendation 5: DOR needs to develop a better reporting/tracking capacity from ITAS in order to obtain workload information as well as information about results of work to ensure that maximum data is available to decision makers, particularly when making cost/benefit justifications for staffing increases as well as setting priorities for compliance. This is especially critical in looking at areas, such as EFT, the Field, Office Exams, and Office Services, where there may be opportunities to redirect staff.

APPENDIX A

SENATE BILL 352, SECTION 29
STUDY REVENUE'S STAFF REQUIREMENTS

SENATE BILL 352

STUDY REVENUE'S STAFF REQUIREMENTS

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

Requested by: Senator Warren

APPENDIX B

LIST OF PRIMARY TASKS USED TO ESTIMATE FTE BY DEPARTMENT OF REVENUE

LIST OF PRIMARY TASKS USED TO ESTIMATE FTE

Division	Task	FTE	% of total
Accounting	Mail extraction, sort and distribution	33.92	2.4%
	Remittance processing	57.76	4.2%
	Budget and payroll	15.29	1.1%
Returns Processing	Data capture	115.28	8.3%
	Validation/error resolution	125.22	9.0%
	Central files/archives	40.06	2.9%
Office Exams	Exceptions processing	41.34	3.0%
	Compliance examination	95.33	6.9%
	ELF (electronic filing)	4.17	0.3%
	Distribution	0.36	0.0%
	Taxpayer assistance	86.67	6.2%
Office Services	Compliance	20.03	1.4%
	Setoffs	3.65	0.3%
	Correspondence	23.63	1.7%
	Taxpayer assistance	24.92	1.8%
	Bankruptcy	1.43	0.1%
Motor Fuels	Appeals	0.77	0.1%
	Compliance	38.02	2.7%
	Tax Policy	4.42	0.3%
	Taxpayer asistance	11.93	0.9%
Control Substances	Audit/investigation	2.7	0.2%
	Processing/collections	13.58	1.0%
	Distribution	0.79	0.1%
Field Operations	Collections	217.58	15.7%
	In-state Audits	118.44	8.5%
	Out-of-state Audits	24.85	1.8%
	Taxpayer assistance	58.23	4.2%
Criminal Investigations	Criminal investigations	10.3	0.7%
Ad Valorem	Appeals	5.53	0.4%
	Appraisals	3.66	0.3%
	Taxpayer Assistance	6.37	0.5%
License and Excise	Appeals	0.27	0.0%
	Tax Policy	3.51	0.3%
	Legislation	0.32	0.0%
Personal Taxes	Appeals	1.44	0.1%
	Tax Policy and Education	6.88	0.5%
	Legislation	0.75	0.1%
Sales and Use Tax	Appeals	5.64	0.4%
	Tax Policy and Education	6.78	0.5%
	Legislation	0.36	0.0%
Corporate and Franchise	Appeals	0.46	0.0%
	Tax Policy and Education	5.57	0.4%
	Legislation	0.48	0.0%
Tax Research	Tax research	16.15	1.2%
Admin. (Secretary's Office, etc)	Administration	13.41	1.0%
Personnel	Personnel	12.26	0.9%
Admininstrative Services	Purchasing	2.28	0.2%
	Forms mgmt/graphics/printing	4.89	0.4%
	Maintenance	2.26	0.2%
	Mail operation	12.64	0.9%
	Warehousing/supply	5.37	0.4%
	Administration	3.74	0.3%
Planning, Development, Tech.	Data base administration	2.38	0.2%
	System development and application	27.32	2.0%
	Network and client support	17.73	1.3%
	Operations	14.3	1.0%
Internal Audit	Internal audit	1	0.1%
Security	Security tasks/projects	3.22	0.2%
Totals Per Tax Schedule		1387.7	100.0%

APPENDIX C

BACKLOG OF WORK REQUIREMENTS

ESTIMATED BY DEPARTMENT OF REVENUE

Appendix C

ESTIMATED HOURS AND FTE NEEDED TO CLEAR OUT BACKLOG DURING COMING FISCAL YEAR

Division Responsible To Do Work	Section Responsible for Work	Estimated Hours To Complete Undone Work	Estimated FTE To Complete Undone Work
Office Examinations	Business License & Returns	1,521	1
	Examinations Support	4,278	2
	Receiving	1,008	1
	Correspondence Unit Teams		
	Examinations (Audit)	75,164	43
	Insurance Premium		0
	TOTAL/OFFICE EXAMS	81,971	47
Office Services	Central Collection Unit	5,750	3
	Bankruptcy Unit	1,455	1
	Taxpayer Assistance	6,403	4
	TOTAL/OFFICE	13,608	8
			0
	GRAND TOTALS	95,579	55

4/21/98 Committee - Preparation and Committee for Site Visit

Name	Agency
Roslyn Savitt	NC Coalition Against Domestic Violence
Katie L. Stancil	DOA
Doreen W. Dees	DOR
Jim Cooke	Dept of Revenue
Mike Boone	Dept. of Revenue
Mike Hodges	" "
Willie Riddick	" "
Keith McCombs	DOR
Joyce Allen	DOA - CFW
Juanita Bryant	DOA - Council for Women
Martha Sloan	DOA
Ada Gregory	Gov's Crime Comm
Tom Ransone	OSBM
Jeff Hubbard	OSBM
Ann Harris	Sec. of State
Charles Collins	DOR
Muriel K. Offerman	DOR
John Borden	Zeb Alley P.A.
Carl Goodwin	OSP
Shanese Ransone	DSS