

**1997**

**SENATE  
APPROPRIATIONS-  
GENERAL  
GOVERNMENT  
COMMITTEE**

**MINUTES**



SENATE APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT

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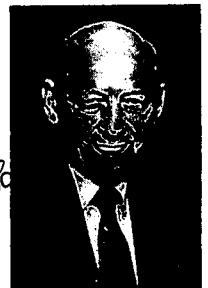


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THE SENATE APPROPRIATIONS SUBCOMMITTEE  
ON  
GENERAL GOVERNMENT

**Departments included**

1. Administrative Rules Review Commission
2. Board of Elections
3. Cultural Resources
4. Department of Administration
5. Department of Insurance
6. Department of Revenue
7. General Assembly
8. Governor's Office
9. Lieutenant Governor's Office
10. Office of Administrative Hearings
11. Secretary of State
12. State Budget Office
13. State Controller's Office
14. Treasurer



# AGENDA

Senate Appropriations Subcommittee  
on  
General Government

March 26, 1997  
Room 425  
8:30 a.m.

Chairman: Senator Ed Warren

Adjustments to Continuation Budget items

Department of Administration

Special Provisions



AGENDA

Senate Appropriations Subcommittee  
on  
General Government

April 1, 1997  
Room 425  
8:30 a.m.

Chairman: Senator Ed Warren

Discussion of Expansion Budget Requests

Department of Administration

Office of State Personnel

Department of Cultural Resources



**AGENDA**

**Senate Appropriations Subcommittee  
on  
General Government**

**April 2, 1997  
Room 425  
8:30 a.m.**

Chairman: Senator Ed Warren

Discussion of Expansion Budget Requests

Department of Revenue

Department of Insurance

Department of State Treasurer

Department of Secretary of State

Department of State Auditor

State Board of Elections

Office of Administrative Hearings



AGENDA

Senate Appropriations Subcommittee  
on  
General Government

April 10, 1997

Room 425

8:30 a.m.

Chairman: Senator Ed Warren

Additional Discussion of Expansion Budget Requests  
and Special Provisions



THE SENATE APPROPRIATIONS SUBCOMMITTEE

ON

GENERAL GOVERNMENT

MINUTES

March 26, 1997 thru April 10, 1997



SENATE APPROPRIATIONS SUBCOMMITTEE  
ON  
GENERAL GOVERNMENT

March 26, 1997

The Senate Appropriations Subcommittee on General Government met Wednesday, March 26, 1997 at 8:30 a.m. in room 425 of the Legislative Office Building. Four of the Senate members were present.

Chairman Warren informed the Committee that they would be discussing adjustments to the Continuation Budget and Special Provisions. He asked Evan Rodewald, Fiscal Analyst, to speak. Mr. Rodewald gave the Committee members handouts of the budget changes and the Special Provisions. (Copies are attached.) The Continuation Budget adjustments were considered first. He stated that all items in the Department of Administration's list, except items 3 and 7, were recommended by the Governor's Office.

The Special Provision for the Procurement Card Pilot in the DOA was then discussed. Senator Lucas asked how the card worked. Mr. Rodewald explained that the DOA would choose entities to be in Pilot; it streamlined the purchase of small items because they could be purchased without a Purchase Order with the Card; and he believed the ceiling for the Card use was \$2,500. Mr. Ed Little, Director of Purchasing and Contracts, wanted to know how this would affect those already using the card. **Mr. Rodewald stated that he would change the wording to state that "all agencies currently using the procurement card could continue to use it."**

The next Special Provision for the DOA states that "moneys appropriated by the General Assembly for operations of the State Health Plan Purchasing Alliance Board shall be deposited to and budgeted in the General Fund and shall not be part of the State Health Plan Purchasing Alliance Fund."

The Special Provision for the Office of State Controller outlines the creation and membership of an INFORMATION RESOURCES MANAGEMENT COMMISSION.

The Governor's Advocacy Council for Persons with Disabilities asked for the next Special Provision which states: "The Department of Human Resources shall



continue to provide the current office space for the four regional offices of the Governor's Advocacy Council for Persons with Disabilities or office space that is comparable to that now used by the Council." Mr. Dorman, of the Governor's Office, stated that this was put in place to assure that they will not be evicted from these offices.

One other Provision for the DOA was presented. It states: "Secretary of Administration may use funds from parking revenues that are in excess of parking system expense requirements to fund the ten dollar (\$10.00) per month subsidies for van pools and transit passes." **Mr. Sid Chamber, DOA, asked that the ten dollar amount be raised to fifteen dollars. The Committee concurred, and Mr. Rodewald said that he would re-write the provision.** Senator Kinnaird asked who paid for the passes, and Mr. Chambers said that the individual users paid half and the DOA paid half. Senator Kinnaird then wanted to know why the Department didn't just charge the amount the user paid in order to save paperwork. Mr. Chambers said that the CAT System did the paperwork.

**Senator Lucas then moved that all the presentations for the DOA be accepted as amended. The motion carried.**

Michele Nelson, Fiscal Analyst, then presented some adjustments for the Office of State Controller which provided for non-recurring support in FY 97-98 for 101 existing Information Highway sites with funding for FY 98-99 to be considered in the 1998 Session. Senator Ledbetter wanted to know if they were allotted too much for the Information Highway sites, or if they were not spending the money as rapidly as anticipated. Ms. Nelson said that they had projected that the cost per site would be \$4,000, but that the rate of use had not been that much. She suggested that the Committee approve these cuts and come back and revisit this line item in 1998 to see what an appropriate amount would be. Marvin Dorman, Budget Office, stated that he had spoken with Ed Renfrow, Controller, and that Mr. Renfrow felt making these funds "non-recurring" would make it very difficult for the institutions on the Highway to plan their



budgets since they could not be sure the State would continue to share the cost. Senator Lucas asked which two community college's were not on the system. Ms. Nelson said they were Martin and Vance. Senator Kinnaird asked if this money funded hooking up to dormitories. Ms. Nelson responded that this money only gave them the capability of tapping into the system; but that there was money in the University System's budget for hooking up to the dorms. The Special Provision relating to the N. C. Information Highway was then discussed. (Attachment 2) **Senator Ledbetter moved that the Adjustment and Special Provision be accepted. The motion carried.**

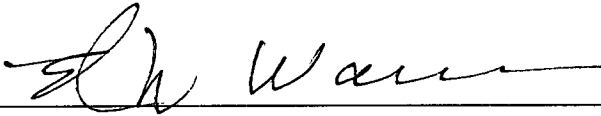

Ms. Nelson then presented the Continuation Budget adjustments and the Special Provision for the Department of Revenue. (Attachment 3.) She stated that the adjustments were recommended by the Governor's Office. **The Special Provision stated that the State Budget Office, Management and Productivity Unit should continue their assessment of the Department of Revenue's staff requirements and make specific recommendations about staffing for the Department to the House and Senate Appropriations Subcommittees on General Government by March 31, 1998.** Senator Kinnaird was concerned about the cuts for data processing equipment in Item 18. **Senator Lucas moved that the adjustments and Special Provision be accepted. The motion carried with a dissenting vote from Senator Kinnaird.**

The Department of Cultural Resources adjustments and Special Provisions were then discussed. (Attachment 4.) Ms. Nelson noted that these adjustments were in the Governor's budget. Senator Kinnaird asked that the cut for the Charlotte Hawkins Brown site, under Item 22, be exempt from the cuts. The final Special Provision to be considered was relating to departmental receipts in the Department of Insurance. (Attachment 5.) **Senator Ledbetter moved to accept all the adjustments and Special Provisions. The motion carried with a dissenting vote from Senator Kinnaird.**



The meeting adjourned at 9:55 a.m.

Respectfully submitted,

Senator Ed Warren, Chairman

Wilma Caldwell, Committee Clerk



Senate Subcommittee on General Government

## Administration

## GENERAL FUND

	FY 97-98		FY 98-99	
<b>Recommended Continuation Budget</b>	<b>\$59,567,213</b>		<b>\$60,961,819</b>	
<b>Legislative Changes</b>				
<b>(0000) All Divisions</b>				
<b>1 Personnel Reductions</b>	(\$572,185)	R	(\$572,185)	R
As a result of a study on the span of control in state government, the Governor will be providing details on how to reduce personnel and personnel expenses by \$572,185. The number of positions that will be eliminated is unknown.				
<b>(1121) Fiscal Management</b>				
<b>2 Reduced Data Processing Services</b>	(\$7,000)	R	(\$7,000)	R
<b>(1225) State Health Plan Purchasing Alliance Board</b>				
<b>3 Reversions From Previous Operating Budgets</b>	(\$648,718)	NR	\$0	NR
Under the statutory language creating the State Health Plan Purchasing Alliance Fund, left over balances from the Board's operating budget have not been reverting to the General Fund. These past balances and the interest earned on them should be transferred from the State Health Plan Purchasing Alliance Fund to the General Fund.				
<b>(1241) Management Information Systems</b>				
<b>4 Reductions in Operating Expenses</b>	(\$3,463)	R	(\$3,463)	R
Reductions in data processing maintenance and office furniture and equipment				
<b>(1264) Agency for Public Telecommunications</b>				
<b>5 Reductions in contractual services and travel</b>	(\$8,920)	R	(\$8,920)	R
<b>(1421) Facility Management</b>				
<b>6 Delays in Operating New Buildings</b>	(\$678,000)	NR	(\$370,000)	NR
Reductions recommended by the Governor due to delays in the opening of the new SBI Laboratory, the Old Revenue Building and the Natural Science Museum.				
<b>7 Additional Delays in Operating New Buildings</b>	(\$215,773)	NR	(\$371,920)	NR
Additional reductions beyond those recommended by the Governor due to additional delays in the opening of the new				

Administration



Senate Subcommittee on General Government

SBI Laboratory, the Old Revenue Building and the Natural Science Museum.

**(1623) State Capitol Police**

<b>8 Eliminate Two Vacant Property Guard Positions</b>	(\$42,524)	R	(\$42,524)	R
	-2.00		-2.00	

**(1741) Human Relations Council**

<b>9 Reduction in Miscellaneous Line Items</b>	(\$11,938)	R	(\$11,938)	R
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**(1771) Veteran Affairs**

<b>10 Reductions in Expenses</b>	(\$65,124)	R	(\$65,124)	R
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Two veterans cemetery maintenance positions will be converted to receipts-supported positions, and motor vehicle replacements will be reduced.

**(1811) Advocacy for Disabled**

<b>11 Reduced Operating Expenses</b>	(\$8,600)	R	(\$8,600)	R
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Reductions in contractual services, and board member travel and subsistence

**(1861) Commission of Indian Affairs**

<b>12 Delete Match for Title XX</b>	(\$15,000)	R	(\$15,000)	R
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Title XX federal funds for Indian Day Care have been discontinued. Therefore, matching funds are no longer needed.

**(1862) Low-Level Radioactive Waste Management**

<b>13 Reductions in Communication Expense and Travel</b>	(\$11,018)	R	(\$11,018)	R
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**(1871) Board of Science and Technology**

<b>14 Reduction in Communications Expense</b>	(\$13,110)	R	(\$13,110)	R
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<b>Total Legislative Changes</b>	(\$758,882)	R	(\$758,882)	R
	(\$1,542,491)	NR	(\$741,920)	NR
<b>Position Changes</b>	-2.00		-2.00	
<b>Revised Budget</b>	\$57,265,840		\$59,461,017	

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CODE NO. 97ADMIN-S002

Requested by: Senator Warren

**PROCUREMENT CARD PILOT**

1           Section @. (a) Except as provided by this section, no  
2 State agency, community college, constituent institution of The  
3 University of North Carolina, or local school administrative unit  
4 may use procurement cards for the purchase of equipment or  
5 supplies prior to July 1, 1998.

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

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



CODE NO. 97INS-S001

Requested by: Senator Warren

STATE HEALTH PLAN PURCHASING ALLIANCE BOARD OPERATING FUNDS  
REVERT

1           Sec. @. (a) G.S. 143-635(c) reads as rewritten:

2       "(c) Moneys appropriated by the General Assembly ~~shall be~~  
3 ~~deposited in the Fund and shall become part of the continuation~~  
4 ~~budget of the Department of Administration.~~ for operations of  
5 the State Health Plan Purchasing Alliance Board shall be  
6 deposited to and budgeted in the General Fund and shall not be  
7 part of the State Health Plan Purchasing Alliance Fund."

8       (b) The State Treasurer shall transfer from the State Health  
9 Plan Purchasing Alliance Fund to the General Fund the sum of six  
10 hundred forty-eight thousand seven hundred eighteen dollars  
11 (\$648,718) for the 1996-97 fiscal year.

12       (c) The State Treasurer shall transfer from the State Health  
13 Plan Purchasing Alliance Fund to the General Fund all monies for  
14 operations of the State Health Plan Purchasing Alliance Board  
15 unexpended at the end of the 1996-97 fiscal year.

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18  
19



Requested by: Senator Warren

INFORMATION RESOURCES MANAGEMENT COMMISSION

1           Sec. @.(a) Effective July 1, 1997, G.S. 143B-426.21  
2 reads as rewritten:       "(a)       Creation; Membership. -- The  
3 Information Resource Management Commission is created in the  
4 Office of the State Controller. The Commission consists of the  
5 following members:

- 6           (1) ~~Four~~ Three members of the Council of State,  
7               appointed by the Governor.  
8           (1a) The Secretary of State.  
9           (2) The Secretary of Administration.  
10          (3) The State Budget Officer.  
11          (4) Two members of the Governor's cabinet, appointed by  
12             the Governor.  
13          (5) One citizen of the State of North Carolina with a  
14             background in and familiarity with information  
15             systems or telecommunications, appointed by the  
16             General Assembly upon the recommendation of the  
17             President Pro Tempore of the Senate in accordance  
18             with G.S. 120-121.  
19          (6) One citizen of the State of North Carolina with a  
20             background in and familiarity with information  
21             systems or telecommunications, appointed by the  
22             General Assembly upon the recommendation of the  
23             Speaker of the House of Representatives in  
24             accordance with G.S. 120-121.  
25          (7) The Chair of the Governor's Committee on Data  
26             Processing and Information Systems.  
27          (8) The Chair of the State Information Processing  
28             Services Advisory Board.  
29          (9) The Chair of the Criminal Justice Information  
30             Network Governing Board.

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

36       The two initial cabinet members appointed by the Governor and  
37 the two initial citizen members appointed by the General Assembly  
38 shall each serve a term beginning September 1, 1992, and expiring  
39 on June 30, 1995. Thereafter, their successors shall be appointed



1 for four-year terms, commencing July 1. Members of the Governor's  
2 cabinet shall be disqualified from completing a term of service  
3 of the Commission if they are no longer cabinet members.

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

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

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

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

20 (b) This section expires June 30, 2001.

6



CODE NO. 97ADMIN-S001

Requested by: Senator Warren

GOVERNOR'S ADVOCACY COUNCIL FOR PERSONS WITH DISABILITIES

1           Section @.   The Department of Human Resources shall  
2 continue to provide the current office space for the four  
3 regional offices of the Governor's Advocacy Council for Persons  
4 with Disabilities or office space that is comparable to that now  
5 used by the Council.



CODE NO. 97GEN-S001A

Requested by: Senator Warren

**PARKING REVENUES**

1           Sec. @. The Secretary of Administration may use funds  
2 from parking revenues that are in excess of parking system  
3 expense requirements to fund the ten dollar (\$10.00) per month  
4 subsidies for van pools and transit passes.



Senate Subcommittee on General Government

## State Controller

## GENERAL FUND

	FY 97-98		FY 98-99	
<b>Recommended Continuation Budget</b>	<b>\$16,053,306</b>		<b>\$16,056,630</b>	
<b>Legislative Changes</b>				
<b>(1000) Divisionwide</b>				
<b>15 532700 Travel/Subsistence</b>	<b>(\$13,100)</b>	<b>R</b>	<b>(\$13,100)</b>	<b>R</b>
Reduce the following line items each fiscal year:				
(532714) In-State transportation	(\$10,000)			
(532724) In-State meals	(\$ 3,100)			
<b>16 5369AA Information Highway</b>	<b>(\$5,337,824)</b>	<b>R</b>	<b>(\$5,337,824)</b>	<b>R</b>
Provide non-recurring support in FY 97-98 for 101 existing sites - 52 high schools; 30 Community Colleges, including 1 data only site; two (2) campuses in the University System; and 17 State and local agencies. Additionally, appropriates to the Office of State Controller funds for long distance services and Data Hubs.	<b>\$5,337,824</b>	<b>NR</b>		
Funding for FY 98-99 to be considered in the 1998 Session.				
<b>Total Legislative Changes</b>	<b>(\$5,350,924)</b>	<b>R</b>	<b>(\$5,350,924)</b>	<b>R</b>
	<b>\$5,337,824</b>	<b>NR</b>		
<b>Position Changes</b>				
<b>Revised Budget</b>	<b>\$16,040,206</b>		<b>\$10,705,706</b>	

State Controller



March 10, 1997

North Carolina Information Highway Funds – FY 96-97

The expenditure information on the NCIH for FY 96-97 was provided by the Office of State Controller at the request of the Fiscal Research Division. The data below reflects the unexpended balance for the NCIH grants line-item appropriated for the fiscal year:

	Amount
Certified Budget	\$5,337,824.00
Grants paid through 03/10/97	\$(2,475,777.49)
Balance 03/10/97	<u>\$ 2,862,046.51</u>
Less Reserve for IXC/Data HUBS	<u>\$ (500,000.00)</u>
	<u><u>\$ 2,362,046.51</u></u>
Projected Expenditures through 06/30/97 (Average of \$356,000/mth X 5 mths.	<u>\$1,780,000.00</u>
Projected account balance 06/30/97	<u><u>\$ 582,046.51</u></u>



CODE NO. 97CONT-S001

Requested by: Senator Warren

NORTH CAROLINA INFORMATION HIGHWAY

1           Section @. The funds appropriated in this act to the  
2 Office of the State Controller for the operation of the North  
3 Carolina Information Highway shall be used only for costs  
4 incurred by the Office of the State Controller related to the  
5 operations and support of the North Carolina Information Highway.  
6 No funds appropriated in this act shall be expended to pay  
7 Minimum Monthly usage charges for North Carolina Information  
8 Highway Services.

9           (b) Of the funds appropriated to the Office of the  
10 State Controller for the North Carolina Information Highway  
11 (NCIH), an amount not to exceed five hundred thousand dollars  
12 (\$500,000) for fiscal year 1997-98 shall be used to expand the  
13 long distance capacity and provide for the establishment of  
14 regional hubs in each of the seven LATAS in North Carolina. The  
15 remaining funds shall be used to help defray the costs of  
16 existing NCIH sites except those located at university sites  
17 other than East Carolina University academic affairs campus. Any  
18 savings accrued shall be placed in reserve in the Office of the  
19 State Controller for consideration by the 1997 General Assembly  
20 at its session in 1998.

21           (c) The State Controller shall report quarterly to the  
22 Joint Legislative Commission on Governmental Operations regarding  
23 the costs incurred by the Office of the State Controller related  
24 to the operations and support of the North Carolina Information  
25 Highway and the savings placed in reserve in the Office of the  
26 State Controller.



Senate Subcommittee on General Government

## Revenue

## GENERAL FUND

	FY 97-98		FY 98-99	
<b>Recommended Continuation Budget</b>	<b>\$68,045,123</b>		<b>\$68,862,535</b>	
<b>Legislative Changes</b>				
<b>(0000) Departmentwide</b>				
<b>17 Salary Reductions/Span of Control</b>	(\$592,976)	R	(\$592,976)	R
Reduce excessive administrative positions in the department as a result of the study authorized per Section 10.1, Chapter 324, 1995 Session Laws.				
<b>(1600) Administration</b>				
<b>18 Administration Program Reductions</b>	(\$200,000)	R	(\$200,000)	R
Reduce funds for data processing equipment and for repairs to buildings each year of the biennium:				
FY 97-98				
(532310) Repairs - Buildings	(\$100,000)			
(534522) Equipment - Computers	(\$100,000)			
FY 98-99				
(534522) Equipment - Computers	(\$200,000)			
<b>(1680) Legal and Administrative Services</b>				
<b>19 Reductions to Postage and Printing</b>	(\$263,800)	R	(\$263,800)	R
Adjust appropriations for the following line items each fiscal year:				
(532840) Postage	(\$251,800)			
(532850) Printing	(\$ 12,000)			
<b>Total Legislative Changes</b>	<b>(\$1,056,776)</b>	<b>R</b>	<b>(\$1,056,776)</b>	<b>R</b>
<b>Position Changes</b>				
<b>Revised Budget</b>	<b>\$66,988,347</b>		<b>\$67,805,759</b>	

Revenue



CODE NO. 97REV-S001

Requested by: Senator Warren

**STUDY REVENUE'S STAFF REQUIREMENTS**

1           Sec. @.    The State Budget Office, Management and  
2 Productivity Unit, shall continue work on the assessment of the  
3 Department of Revenue's staff requirements initiated pursuant to  
4 Section 15.6 of Chapter 18 of the Session Laws, Second Extra  
5 Session 1996. In the final phase of the study, the State Budget  
6 Office shall review workload requirements and make specific  
7 recommendations about staffing for the Department. The State  
8 Budget Office shall make a final report to the House and Senate  
9 Appropriations Subcommittees on General Government by March 31,  
10 1998, on the results.



## Senate Subcommittee on General Government

## Cultural Resources

## GENERAL FUND

	FY 97-98		FY 98-99
<b>Recommended Continuation Budget</b>	<b>\$52,608,363</b>		<b>\$52,922,221</b>

## Legislative Changes

## (0000) Departmentwide

**20 Salary Reductions/Span of Control**

(\$610,262)	R	(\$610,262)	R
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Reduce excessive administrative positions in the department and as a result of the study authorized per Section 10.1, Chapter 324, 1995 Session Laws.

## (1210) Division of Archives and History -Admin

**21 Maritime Museum**

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

17.25		17.25	
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## (1992) Continuation Reserves

**22 Reduce Funds in Operating Reserves**

(\$100,000)	R	(\$100,000)	R
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Reduce funds in the reserves both years of the biennium as follows:

## FY 97-98

## (537102) Museum of History

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

## (537110) Tryon Palace

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

## FY 98-99

## (537103) Historic Sites

Charlotte Hawkins Brown	
Misc Contractual Services	(\$20,000)

## Cultural Resources



# Senate Subcommittee on General Government

Enrg Ser - Electrical	( 2,000)
Enrg Ser - Fuel Oil	( 1,000)
Repairs - Other	( 35,000)
Maint Agreement	( 1,000)
Motor Veh Replacement Parts	( 1,000)
Other Mat & Supplies	( 1,000)
Equip - Other	( 5,000)

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

## Total Legislative Changes

\$81,965

R

\$76,451

R

## Position Changes

17.25

17.25

## Revised Budget

\$52,690,328

\$52,998,672



CODE NO. 97CULRES-S001A

Requested by: Senator Warren

**HISTORIC SITES REPAIRS AND RENOVATIONS FUNDS**

1           Sec. @. (a) Funds allocated in Section \_\_\_\_ of Chapter  
2 \_\_\_\_ of the 1997 Session Laws to the Office of State Budget and  
3 Management for the Repairs and Renovations Fund may be used to  
4 make needed repairs and renovations at the State Historic Sites.  
5           (b) There is established the Historic Sites Repairs and  
6 Renovations Review Committee. The Committee shall consist of the  
7 following members:     The three co-chairs of the Senate  
8 Appropriations and Base Budget Committee and the four co-chairs  
9 of the House of Representatives Appropriations Committee. The  
10 Office of State Budget and Management shall submit its proposal  
11 for the use of funds from the Repairs and Renovations Fund for  
12 historic sites to the Committee before submitting the proposal to  
13 the Joint Legislative Commission on Governmental Operations in  
14 accordance with Section \_\_\_\_ of Chapter \_\_\_\_ of the 1997 Session  
15 Laws.



CODE NO. 97CULRES-S002

Requested by: Senator Warren

DEPARTMENT OF CULTURAL RESOURCES RETAIN HISTORICAL PUBLICATIONS  
RECEIPTS

1           Sec. @.   The Historical Publications Section, Division  
2 of Archives and History, Department of Cultural Resources, may  
3 retain the receipts, including over-realized receipts, from the  
4 sale of its publications during each year of the 1997-1999  
5 biennium. The receipts from the sale of those publications  
6 retained by the Historical Publications Section shall not revert,  
7 but shall be used to reprint the publications.

8



CODE NO. 97INS-S001

Requested by: Senator Warren

**CONSTRUCTION CODE RECEIPTS**

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

12



VISITOR REGISTRATION SHEET

Men. Gov.

Name of Committee

3-26-97

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK.

NAME

FIRM OR AGENCY AND ADDRESS

<u>George Mount</u>	<u>OSC</u>
<u>JIM SCARCELLA</u>	<u>OAH</u>
<u>Ed Little</u>	<u>DOA-PTC</u>
<u>SID CHAMBERS</u>	<u>DOA - FACILITY MGMT</u>
<u>Barbara Stone Newton</u>	<u>DOA PAC</u>
<u>Pat Calk</u>	<u>DOA - Fiscal Mgmt.</u>
<u>Sharon Mays</u>	<u>OSPL</u>
<u>Marlene Glass</u>	<u>DOA</u>
<u>John Alford</u>	<u>DOI</u>
<u>Remett Watkins</u>	<u>DOA</u>
<u>Heather Gail</u>	<u>OSF</u>
<u>Quad Lambert</u>	<u>DCR</u>
<u>Kenner Vance</u>	<u>DCR</u>
<u>Honora Roschield</u>	<u>DCR</u>
<u>Ernie E Holloway</u>	<u>OSBM</u>



# VISITOR REGISTRATION SHEET

Gen. Gov.

Name of Committee

9.21.97

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK.

NAME

FIRM OR AGENCY AND ADDRESS

Karin Austin Padgett

OSPL

Jim Newell

OSBM

Karen Murphy

SACRD

G. Peterson

DOA

Robert Powell

OSBM

Bernard Allen

SOS

Willie Byrd Jr

DOA

Manni Korman

OSBM



## SENATE APPROPRIATIONS SUBCOMMITTEE

ON

### GENERAL GOVERNMENT

April 1, 1997

The Senate Appropriations Subcommittee on General Government met Tuesday, April 1, 1997 at 8:30 a.m. in room 425 of the Legislative Office Building. All five of the Senate members were present. Senator Ed Warren chaired the session. The Committee began the discussion of the Expansion Budget requests.

Secretary Katie Dorsett, Department of Administration, thanked the Committee for the opportunity to present its expansion items. A copy of their requests is attached. The requests included raising the hourly wage for Interns from \$5.00 to \$6.75. In response to questions from Senators Warren and Ledbetter, Vida Mays, Director of the Intern Program, stated that the students came from all over the State; that they must be a Sophomore or rising Junior or entering a Community College; that it gave the student an opportunity to experience working in State Government; and that they did many outstanding projects for the agencies for whom they work. Juanita Bryant, N. C. Council for Women then defended the request for funding for an administrative assistant position in the Domestic Violence Program. (See Attachment 1.)

Mr. Ronald Penny, Director of the Office of State Personnel, presented his office's request for three additional positions for the Personnel Management Information System. (See Attachment 2.)

Deputy Secretary Betsy Buford, Department of Cultural Resources, brought apologies from Secretary Betty McCain, stating she had a prior appointment and could not attend the meeting. She introduced Sandy Cooper, State Librarian, who spoke for the North Carolina LIVE - An Electronic Library Project. Ms. Cooper said that she was grateful to the Governor for putting \$200,000 in his budget for this project so that any person in the State will be able to have equal access to a range of electronic information resources and to the resources housed in libraries statewide. (See Attachment 3.) In

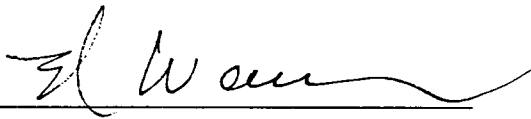


response to Senator Lucas's question, Ms. Cooper said that there was at least one African American serving on the nine-member steering committee.

Senator Kinnaird said that she and Senator Lucas wanted to ask the Department to look elsewhere for the \$66,000 being cut from the Charlotte Hawkins Museum. Senator Warren asked Marvin Dorman from the Budget Office to speak to that. Mr. Dorman stated that the Department had looked throughout their budget but could not better justify the cut any place else. He said the cut was made because of the low visitation. Ms. Buford said they had tried not to harm "live bodies." Senator Kinnaird said that the site was becoming very dilapidated, thus no one wanted to visit it, which made the need for the money even more acute. Senator Warren asked the Department to revisit this cut and bring back their findings tomorrow morning at 8:30 a.m.

The meeting adjourned at 9:50 a.m.

Respectfully submitted,



Senator Ed Warren, Chairman



Wilma Caldwell, Committee Clerk



## Line Item Detail

**Department of Administration****1. Expansion Increase Wages for Interns**

Funds are recommended to increase the hourly wage for the State Government Internship Program from \$5.00 per hour to \$6.75 per hour. The increase will provide a more competitive wage for the 103 state government interns and aid in the recruitment of bright young minds to state government.

	<u>1997-98</u>	<u>1998-99</u>
1761-1351 Wages Interns	\$72,100	\$72,100
1761-1511 Social Security	<u>5,516</u>	<u>5,516</u>
Total	\$77,616	\$77,616

**2. Staff for Domestic Violence Program**

Funding is recommended in the Domestic Violence Program for an administrative assistant position to provide sufficient staff support to meet the demands of the program.

1781-1211 Salaries and Wages	\$32,000	\$32,000
1781-1511 Social Security	2,288	2,288
1781-1521 Retirement	3,466	3,466
1781-1561 Hospitalization	1,736	1,736
1781-2700 Travel	2,000	2,000
1781-2800 Communications	1,500	1,500
1781-3100 Supplies	1,500	1,500
1781-4500 Equipment	4,500	-
1781-5900 Other Expenses	<u>1,010</u>	<u>5,510</u>
Total	\$50,000	\$50,000
Number of Positions	1.0	1.0

## Continuation Adjustments

**1. Delete Indian Title XX Match**

1861-8102 Trans 24100	\$ -15,000	\$ -15,000
-----------------------	------------	------------

**2. Savings Resulting from Delayed Capital Projects**

1421-7121 Res New Facilities	<u>-678,000</u>	<u>-370,000</u>
Total	\$-693,000	\$-385,000



**North Carolina Council for Women  
Expansion Budget Request**

**Abuser Treatment Program Funding**

G.S. 50B-3(12) was amended effective October 1, 1996 to require approval of abuser treatment programs by the Department of Administration. This duty was assigned to the Council for Women. In order to fulfill this mandate, a position and operating funds are needed to consult with local abuser programs to disseminate information and analyze structure of programs now in place. Additionally, programs will be reviewed and monitored. Guidelines for programs will be researched and developed. Position will assist in planning, organizing, implementing and evaluating programs in unserved communities through collaboration with local officials, judicial system, mental health, Department of Correction and other related agencies.

Total amount requested is \$50,000 for FY 1997-98.



Section 6  
Attachment 1  
(Due 8/9/96)  
(Due 9/30/96)  
Preliminary ☐  
Final ☒

SUMMARY LIST OF EXPANSION BUDGET REQUESTS

3 Department: Office of State Personnel

A Priority Number	B Budget Code	C Fund Number	D Program Number	E Program Description (Concise Sentences)	F Requested			G
					1997-98		1998-99	
4	1	14100	1311	520 Information System				
Additional Staffing for the Personnel Management								
5				Requirements	\$	152,934	\$	137,934
6				Receipts		0		0
6a				Federal				
6b				Local				
6c				Other				
7				Appropriation	\$	152,934	\$	137,934
8				No. of Positions		3,000		3,000

(Insert and copy lines 4-8 as needed for each expansion item.)

9	Total Requirements	\$	152,934	\$	137,934
10	Total Receipts		0		0
10a	Federal				
10b	Local				
10c	Other				
11	Total Appropriation	\$	152,934	\$	137,934
12	Total No. of Positions		3,000		3,000

Submit 6 copies on 8 1/2 x 11-inch yellow paper.



# WORKSHEET II EXPANSION BUDGET REQUEST

2 BUDGET CODE: 14100 DEPARTMENT: Administration FUND TITLE: Office of State Personnel DIVISION/ INSTITUTION: 1 of 1  
 3 FUND NUMBER: 1311 PROGRAM TITLE: Personnel Services  
 4 PROGRAM NUMBER: 520  
 5 TITLE OF REQUEST: Additional Staffing for the Personnel Management Information System

6a STATUTORY CHANGES/SPECIAL PROVISIONS REQUIRED TO IMPLEMENT?	1997-98	1998-99
7a YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	152,934	137,934
8a IF YES, ATTACH A COPY OF THE DRAFT.	0	0
9a	152,934	137,934
10	3.00	3.00

## NARRATIVE:

Many new and expanded business demands have been placed on the Office of State Personnel in recent years as has been the case in most all of the public and private sector. With these demands, needs have arisen for increased computer systems development to support many of these newer programs. Examples of some of these projects are: Employee Training Records System, Employee Grievance Tracking System, Worker's Compensation/Safety and Health System, Leave Tracking/Time and Attendance System, Agency Lapsed Salary Calculation, Violence in Workplace System, Delegation of Salary Administration, and many others.

As a result of these major projects and many other minor (as it relates to required staff time) projects, the Office of State Personnel is requesting two additional computer analyst programmers to aid in the tremendously increased workload required to comply with the statewide needs of personnel data collection and analysis. In addition, because of this increased dependence on PMIS as the central data repository, office support needs have also increased sharply. The office support staff serves as a "help desk" to PMIS users which have doubled to 2500 in the last six years causing an increase in transaction count (on-line updates and queries) from 150,000/month to 800,000/ month during this timeframe. The office support staff also schedules hard-copy data requests, the volume of which has doubled to 1100/month in the last six years.

As these business needs continue to change and increase in number, it is becoming more and more apparent that data demands are far surpassing the PMIS ability to respond. PMIS, and therefore State Personnel, is at the point of either (1) hiring more personnel to meet these new data collection and analysis demands, or (2) ignoring some of the future data needs and simply maintaining what is currently in place. PMIS has seen extremely lean staffing over the last 6-8 years with a constant minimum of 6 months backlog on most "moderate" to "heavy" system changes. Although the number of PMIS mainframe support personnel has remained constant at six employees since 1990, the number of PMIS subsystems has increased from 6 to 16. Clearly, additional support is needed.

## Anticipated Outcome

These two requested computer programming positions will enable the PMIS staff to continue to respond to the currently designated mainframe data collection and analytical needs, and to also be able to provide for most additional data needs in the foreseeable future. An additional office support position will enable the PMIS user community to continue to receive service at the level our users have come to expect.

The downside of not providing these additional positions to PMIS implies that future statewide personnel data needs most likely cannot be maintained in the existing centralized data base. The legislature and other central organizations would then be required to contact agencies individually to collect data; in addition, the additional technical staff needed by individual agency IMS staffs would, in total, be much greater than this PMIS request for positions.



MEASURES: G.S. 143-3.5

Description:

New/  
Existing\* Actual Authorized  
1995-96 1996-97

1997-98 1998-99 1999-00 2000-01 2001-02

E	9,600,000	10,000,000	10,500,000	11,000,000	11,500,000	11,500,000	11,500,000	11,500,000
E			10,500,000	11,000,000	11,550,000	11,600,000	11,600,000	11,600,000
			0	0	50	100,000	100,000	100,000

Continuation  
Expansion  
Revised

E	12,000	12,500	13,000	13,500	13,500	13,500	13,500	13,500
E			13,000	13,500	13,250	14,000	14,000	14,000
			0	0	250	500	500	500

Continuation  
Expansion  
Revised

N	N/A	N/A	75%	80%	80%	80%	80%	80%
N			80%	85%	90%	90%	90%	90%
			5%	5%	10%	10%	10%	10%

Continuation  
Expansion  
Revised

By FY 99, 80% of clients responding to a survey will provide positive feedback on PMIS data services


Continuation  
Expansion  
Revised


Continuation  
Expansion  
Revised


Continuation  
Expansion  
Revised


Continuation  
Expansion  
Revised

Note: Attach a graphic if necessary to explain the change in measures.

\* Indicate if this is a New (N) or Existing Measure (E).



**STATE LIBRARY OF NORTH CAROLINA/DEPARTMENT OF CULTURAL RESOURCES**

**WORKING TOGETHER FOR EXCELLENCE**

**A VISION FOR NORTH CAROLINA LIVE -- AN ELECTRONIC LIBRARY PROJECT**

**SEPTEMBER 3, 1996 - UPDATED OCTOBER 9, 1996**

**The Vision**

North Carolina has a proud tradition of support for higher education and is recognized nationally for its network of libraries that use modern computer and telecommunications technology to deliver information to people throughout the state. Building on this tradition, the libraries of the State aspire to strengthen the delivery of information statewide to enhance education, economic development, and the overall quality of life.

Working together, the libraries represented by the State Library of North Carolina, The University of North Carolina, The North Carolina Community College System, and the North Carolina Center for Independent Higher Education propose a North Carolina Electronic Library Project Library. These communities of interest will collaborate to give all North Carolinians--students, faculty, business people, and residents in all walks of life--equal access to a range of electronic information resources and to the resources housed in libraries statewide.

The North Carolina Electronic Library is responsive to the legislatively-mandated articulation agreements between The University of North Carolina and The North Carolina Community College System. The project also recognizes that equality of access to information is critical to people in all walks of life throughout the state.

The libraries of North Carolina share a vision of each library in the state serving as a gateway to the total library and information resources in the state and to a rich array of electronic information. These resources will be available to all the people of the state regardless of location or time through tradition and non-traditional means.

Representatives of participating agencies propose to call the project **NC LIVE -- North Carolina Libraries and Virtual Education**.

**Goals & Outcomes**

To achieve this vision, the leadership of North Carolina will work toward these goals using the strategies outlined below:



*Goal #1: Ensure ongoing universal access to core group of reference and research materials available in electronic format regardless of geographic location and time.*

- The participating agencies will arrange for statewide licenses to a range of resources that will be available to users of all participating libraries on a continuing basis to provide access to:
  - ⇒ Full-text of standard reference works and indexes made readily available using the Internet to users of libraries throughout the state, expanding access to smaller institutions and communities that have not been able to afford these resources in the past. Examples of resources in this category include encyclopedias, dictionaries, newspapers, and statistical information.
  - ⇒ Electronic full-text of core academic journals essential to undergraduate programs at each campus using the Internet to make these resources available to students, faculty, staff, and public library users statewide regardless of location--supporting both traditional residential, off-campus, and distance learning as well as the needs of business people and others throughout the state.
  - ⇒ Electronic full-text of research journals that are essential to university-level institutions and to faculty and students at all institutions who need resources to support advanced projects.

*Goal #2: Improve access to the holdings housed at libraries and archives statewide through an expanded program of resource sharing and electronic delivery of information through a grant program administered by the State Library.*

- Convert the card catalogs of all participating libraries to computer format to make information on library holdings available online.
- Create a digital library of valuable documents and records currently held at institutions.



*Goal #3: Provide the technical infrastructure necessary to provide access to online resources.*

- Support two parallel electronic resource centers at two institutions of the University of North Carolina to provide the hardware, software, and network access to provide access to electronic information resources onsite or using remote access at vendor sites outside of North Carolina.
- Each community of interest will be responsible for working to enhance the computer and telecommunications infrastructure at participating libraries to enable them to have access to the full range of resources.

*Goal #4: Expand access to state government information.*

- Distribute state publications electronically as part of the State Library's State Documents Clearinghouse program.

*Goal #5: Assure that library staff statewide have the knowledge and skills to help users access resources of the North Carolina Virtual Library.*

- Provide a comprehensive and systematic ongoing program of training for staff in all participating libraries.

## **Means**

### *Funding*

The University of North Carolina, State Library of North Carolina, and the North Carolina Community College System will request state funds to support the overall program in the 1997-99 Biennium. The budget request totaling \$4,708,658 for 1997-98 and \$4,350,000 for 1998-99 will include:

- Each of the participating agencies will request funds to provide a pool to pay for the statewide licenses that will be available to users of all the participating libraries.



- Funds requested by The University of North Carolina to support the two redundant sites for network access to resources available through the licensing.
- The University of North Carolina and the State Library will request funds to be pooled to provide a comprehensive training program for library staff members in all participating libraries.
- The State Library will request funds to be distributed through a competitive grant process to libraries and archives for conversion of card catalogs to computer format and to initiate the program of creating electronic versions of valuable historical records and document.
- The State Library will request funding to purchase and maintain equipment needed to make current and retrospective state government publications available in electronic format.

A breakdown of the budget amounts by purpose and agency is attached.

#### *Participation in NC-LIVE*

To achieve the vision of having academic journals and major research and reference materials available to libraries across the state, all regionally accredited institutions of higher education should participate. The libraries of the 16 public universities, the 37 independent colleges and universities, and the 58 community colleges as well as the State Library, public libraries, and state agency libraries will form a network with access to information currently unparalleled in North Carolina. Residents statewide will have each access to these resources from the coast to the mountains.

Independent colleges and universities will be able to join the project by supporting the incremental cost of adding their libraries to the agreements reached with vendors (e.g., access costs, overhead for electronic resource centers, telecommunications costs, database licensing) by the publicly funded institutions.

The Steering Committee will explore the feasibility of including school library media centers and students and teachers in North Carolina's public schools in the NC-ALIVE project. The goal will be to develop an inclusive program as soon as it is feasible. One potential model would be to negotiate a long-term pricing structure based on public school library



participation and give local school systems the option of paying to join the program. A second option is to have a state-level appropriation available to support the participation of all schools in the state. Pricing issues and other factors need to be explored further, and full school participation may not be feasible in the first year to two years. The participating agencies are committed to bringing public school library media centers into the project as soon as is feasible.

### *Governance*

The project will be guided by a Steering Committee comprised of 9 members. That membership will include 1 leadership position and 1 library director position from each of the participating communities of interest (University of North Carolina, North Carolina Community College System, Department of Cultural Resources/State Library, and Independent Colleges and Universities) as well as a representative appointed by the Governor. The State Library will serve as convener of the group.

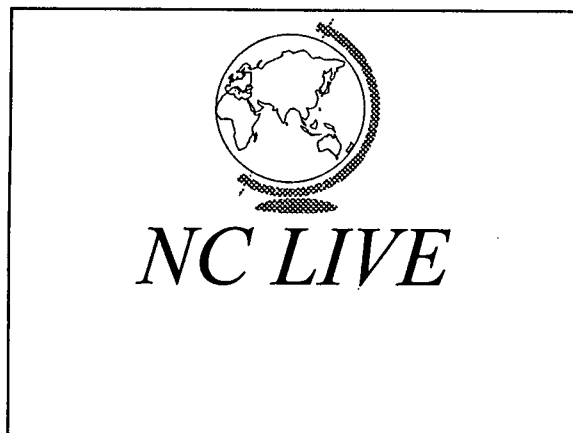
Advisory groups to the Steering Committee will be made up of representatives from the participating libraries to develop recommendations for implementation of the project as appropriate. The Steering Committee will coordinate and support the work of these Advisory Committees.



NC - LIVE Budget Summary for 1997-99  
9.3.96/10.9.96

Category	UNC System			Community College System			State Library			Totals	
	1997-98	1998-99		1997-98	1998-99		1997-98	1998-99		1997-98	1998-99
Fiscal Year											
Statewide Licensing	\$1 million (R)	\$1 million (R)		\$1 million (R)	\$1 million (R)		\$1 million (R)	\$1 million (R)		\$3 million (R)	\$3 million (R)
Technical Infrastructure	\$300,000 (R) \$258,658 (NR)	\$300,000 (R)								\$300,000 (R) \$258,658 (NR)	\$300,000 (R)
Grants for Retrospective Conversion/Digitization							\$1 million (NR)	\$1 million (NR)		\$1 million (NR)	\$1 million (NR)
Electronic State Documents							\$50,000 (NR) \$10,000 (R)	\$10,000 (R)		\$50,000 (NR) \$10,000 (R)	\$10,000 (R)
Training Program	\$20,000 (R) \$25,000 (NR)	\$20,000 (R)					\$20,000 (R) \$25,000 (NR)	\$20,000 (R)		\$40,000 (R) \$50,000 (NR)	\$40,000 (R)
Totals	\$1,320,000 (R) \$283,658 (NR)	\$1,320,000 (R)		\$1 million (R)	\$1 million (R)		\$1,030,000 (R) \$1,075,000 (NR)	\$1,030,000 (R)		\$3,350,000 (R) \$1,358,658 (NR)	\$3,350,000 (R) \$1,000,000 (NR)





## Vision

North Carolina libraries share a vision of each library in the state serving as a gateway to the total library resources in the state as well as to a rich array of electronic information. These resources will be available to all the people of the state regardless of location or time through traditional and non-traditional means.




March 24, 1997

NC LIVE Briefing Sessions

## NC LIVE Goals


- ♦ Universal access to core group of reference and research materials online in the form of full-text electronic information and indexes.
- ♦ Unlimited access to digital versions of important historical documents and state government information



March 24, 1997 NC LIVE Briefing Sessions

## More Goals...

- ♦ Information to assist users in gaining access to print materials available in libraries statewide.
- ♦ Assistance from library staff members with skills to help people of all ages use these exciting resources.




March 24, 1997 NC LIVE Briefing Sessions

## Who is participating?

Four communities of interest:


- ♦ University of North Carolina Libraries
- ♦ Community College Libraries
- ♦ State Library & Public Libraries
- ♦ Independent College & University Libraries



March 24, 1997 NC LIVE Briefing Sessions

## Who is in charge?

The project is guided by a Steering Committee comprised of 9 members. That membership includes 1 leadership position and 1 library director position from each of the participating communities of interest as well as a representative appointed by the Governor. The State Library is serving as serving as convener of the group.



March 24, 1997 NC LIVE Briefing Sessions



## Role of State Funding

To level the playing field so that rural isolation, community or institutional financial constraints, and limited local library resources are not barriers to accessing information.



March 24, 1997

NC LIVE Briefing Sessions

## Funding Goals

- ✦ UNC System
  - ✓ \$1 million for licensing
  - ✓ \$ 558,658 for technical infrastructure
  - ✓ \$ 45,000 for training
- ✦ Community College System
  - ✓ \$1 million for licensing



March 24, 1997

NC LIVE Briefing Sessions

## Funding Goals (continued)

- ✦ State Library
  - ✓ \$1 million for licensing
  - ✓ \$1 million in grants for retrospective conversion and digitizing
  - ✓ \$ 60,000 for electronic state government documents
  - ✓ \$ 45,000 for training



March 24, 1997

NC LIVE Briefing Sessions



## Frequently Asked Questions about NC LIVE

## Who will be able to use it?

Our vision....

That users of all participating libraries will have access to the full range of NC LIVE resources and information.



March 24, 1997

NC LIVE Briefing Sessions

## What about K-12 libraries?

The goal is to include K-12 libraries in Phase 2 of NC LIVE.



March 24, 1997

NC LIVE Briefing Sessions



### What databases will be available?

- ♦ Available databases will depend on funding and on input to the Steering Committee from each of the communities of interest.
- ♦ The Librarians on the Steering Committee will meet on April 7 to develop a process to begin a discussion of each community of interest's priority databases.



March 24, 1997

NC LIVE Briefing Sessions

### How will we connect to it?

The resources will be available over the Internet. The proposed funding for the NC LIVE technical infrastructure provides for two parallel North Carolina access points for the information resources. Having two sites will make the resources readily accessible at high-use periods and if one site is temporarily unavailable.



March 24, 1997

NC LIVE Briefing Sessions

### What will NC LIVE look like (user interface)?

The Steering Committee's goal is to create a single user-friendly Web interface for all users.



March 24, 1997

NC LIVE Briefing Sessions

### What will be the cost to participating libraries?

Local libraries will be responsible for providing Internet access for library users and staff with skills to assist users in accessing resources. The funding request submitted to the General Assembly is to make certain that libraries of all sizes and types have access to the full range of resources.



March 24, 1997

NC LIVE Briefing Sessions



# VISITOR REGISTRATION SHEET

Yusef Yusef  
Name of Committee

April 1, 1997  
Date

**VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK**

NAME

FIRM OR AGENCY AND ADDRESS

Betsy Bayard	DCR
Kathy Cooke	DOA
Virginia Eagles	DOA -
Pam Deardorff	YA10 / DOA
Martin Glass	DOA
Janette Bryant	DOA, Council for Women
Joseph W. Allen	" " " "
Melanie Wade	" " " "
Kate L. Dorsott	Dept of Admin.
John Dorman	OSPL
Maurie Dorman	OSBM



# VISITOR REGISTRATION SHEET

Sen. Gov.  
Name of Committee

4-1-97  
Date

**VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK**

NAME

FIRM OR AGENCY AND ADDRESS

<u>Bernard Allen</u>	<u>SOS</u>
<u>Kenneth Atkins</u>	<u>DOA</u>
<u>John Bowditch</u>	<u>Zeb Alley PA</u>
<u>John A Ford</u>	<u>DOJ</u>
<u>George Mount</u>	<u>OSC</u>
<u>Marl E. Hollway</u>	<u>OSBM</u>
<u>Jim Newell</u>	<u>OSBM</u>
<u>Kathie Austin Padgett</u>	<u>OSPL</u>
<u>Willie Riddick</u>	<u>BOR</u>
<u>Sandy Cooper</u>	<u>DCR / State Library</u>
<u>Norace Rosefield</u>	<u>DCR</u>



Name of Committee	Date
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Date \_\_\_\_\_

**VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK**

NAME	FIRM OR AGENCY AND ADDRESS
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FIRM OR AGENCY AND ADDRESS

Mellie Piny	OSP
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osp

ROMAN, Penny	OSP
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OSP

Heather Sail	087A
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087A

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SENATE APPROPRIATIONS SUBCOMMITTEE  
ON  
GENERAL GOVERNMENT

April 2, 1997

The Senate Appropriations Subcommittee on General Government met Wednesday, April 2, 1997 at 8:30 a.m. and 3:45 p.m. in room 425 of the Legislative Office Building. All of the Senate members were present.

Senator Ed Warren chaired the meeting. Betsy Buford, Deputy Secretary of the Department of Cultural Resources, brought revised cuts for their Department in order that the Charlotte Hawkins Brown historic site funds not be cut. (See Attachment 1.) Senators Lucas and Kinnaird thanked her for these changes.

Secretary Muriel Offerman stated that the Department of Revenue's Expansion Budget requests for a Field Auditor II and an Administrative Officer III position were in the Governor's budget, and that each position will yield 2M\$ in assessments. (See details in Attachment 2.)

Mr. Dascheil Propes, Assistant Commissioner of the Department of Insurance, explained their Expansion Budget requests and noted that they were all "revenue neutral" because they would be covered by receipts. (Attachment 3.)

Mr. James Moore, Director of the Administrative Services Division, Office of the State Treasurer, brought forth four Expansion Budget items, all of which are in the Governor's budget, and all "revenue neutral." (Attachment 4.)

Auditor Ralph Campbell, Jr. furnished the committee members statistical information concerning the increase in the workload for his office over the past three to four years which they had asked for in the meeting February 17, 1997. (Attachment 5.) He then went over the Office of the Auditor's summary list of Expansion Budget requests. (Attachment 6.)

Mr. Gary Bartlett, Director, NC State Board of Elections, asked that the Committee concur with the \$1.9M which the Governor had approved in his budget for the voter registration computer system. Senator Warren asked Mr. Bartlett to comment on



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April 2, 1997

the proposed shortened election cycle. Mr. Bartlett said that counties with optical scan printing will have time problems. He noted that now it took 45 days to get absentee ballots out and back, and that these laws needed to be modernized. In response to Senator Page's question, Mr. Bartlett said that all 100 counties had some type of computer system – some are very outdated. Mr. Bartlett told Senator Warren that there were 2,550 precincts.

Secretary of State Elaine Marshall's remarks regarding the 1997-99 Expansion Budget and a summary of requests for her Department are attached and labeled Attachment 7. Bruce Garner gave the technical version of the SIPS program. Mr. Joseph A. Smith, Senior Vice-President and General Counsel for Centura Bank spoke briefly, from a user's perspective, about the department's technology needs. Mr. Jerry Daniel, who was formerly North Carolina's Director of Corporations and is Director of Government Relations with CT Corporation, shared with us what he feels the Secretary of State's Office will need in the way of technology to be a viable business partner and a better customer service provider. After several questions from the committee, Senator Kinnaird said that she was amazed that as pro-business as North Carolina is we have allowed our Secretary of State Department to become so antiquated. The morning meeting adjourned at 10:00 a.m.

When the Committee reconvened at 3:45 p.m. Secretary of State Elaine Marshall responded to several more questions from the Committee. Chairman Warren then recognized Mr. Julian Mann, Director of the Office of Administrative Hearings, who told the Committee that their office desperately needed funds for a LAN Administrator's position. (Attachment 8.)



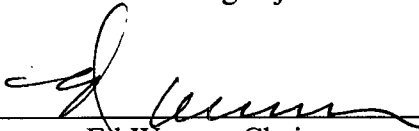
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Senator Kinnaird said that she wanted to hear from the Low Level Radioactive Waste Management section, and Fiscal Analyst Rodewald and Chairman Warren agreed to schedule this hearing.

The meeting adjourned at 5:10 p.m.

  
\_\_\_\_\_  
Senator Ed Warren, Chairman

Respectfully submitted,

  
\_\_\_\_\_  
Wilma Caldwell, Committee Clerk



Attachment 1

## Department of Cultural Resources

## Revised Cuts as per Senate General Government Committee Directions

4/1/97

1998-99

## Historic Sites

1241/532714 Transp-Grnd-In State \$ 15,000

1241/534500 ~~Equipment~~ \$ 15,000

4549 Other Motorized Vehicles

## State Library

1410/534630 Libry&amp;Learning Res. \$ 6,000

## Museum of History

1500/534522 Equipment ~~Computers~~ \$ 30,000

Total

\$ 66,000



NC Department of Revenue  
Position Analysis Summary - Page 1

Summary of Costs Per Positions Effective January 1, 1998

FY 1997-1998	FY 1998-1999
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*Interstate Audit Division*

<i>Revenue Field Auditor II - 7</i>	
Total Cost - 7 @ 48,654	\$340,578
Total Cost - 7 @ 80,107	\$560,749

<i>Tax Technician - 2</i>	
Total Cost - 2 @ 25,807	\$51,614
Total Cost - 2 @ 34,614	\$69,228

*Corporate and Franchise Tax Division*

<i>Revenue Administrative Officer III - 1</i>	
Total Cost - 1 @ 39,805	\$39,805
Total Cost - 1 @ 62,609	\$62,609

<i>Total</i>	<i>\$431,997</i>	<i>\$692,586</i>
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<i>Total Positions</i>	<i>(10)</i>	<i>(10)</i>
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NC Department of Revenue  
Position Analysis Summary - Page 2

FY 1997-1998				
Position Analysis	Rev. Field Auditor II - 7	Tax Technicians - 2	Revenue Admin. Officer III - 1	
Salary	\$23,241	\$13,664	\$25,479	
Social Security	1,778	1,045	1,949	
Retirement	2,517	1,480	2,759	
Hospitalization	868	868	868	
Total Salary Cost	\$28,404	\$17,057	\$31,055 (R)	
Travel	9,000	0	0 (R)	
Laptop Computer/Software	6,000	3,500	3,500 (NR)	
Office Supplies	250	250	250 (R)	
Workstation Configuration/Office Equipment	5,000	5,000	5,000 (NR)	
<b>Total</b>	<b>\$48,654</b>	<b>\$25,807</b>	<b>\$39,805</b>	

FY 1998-1999				
Position Analysis	Rev. Field Auditor II - 7	Tax Technicians - 2	Revenue Admin. Officer III - 1	
Salary	\$46,481	\$27,327	\$50,956	
Social Security	3,556	2,091	3,898	
Retirement	5,034	2,960	5,519	
Hospitalization	1,736	1,736	1,736	
Total Salary Cost	\$56,807	\$34,114	\$62,109 (R)	
Travel	22,800	0	0 (R)	
Laptop Computer/Software	0	0	0	
Office Supplies	500	500	500 (R)	
Workstation Configuration/Office Equipment	0	0	0	
<b>Total</b>	<b>\$80,107</b>	<b>\$34,614</b>	<b>\$62,609</b>	



**VOLUNTEER SAFETY WORKERS' COMPENSATION FUND**

	<u>1997-98</u>	<u>1998-99</u>
Replinish Fund to previous level	\$4,500,000	\$4,500,000



**DEPARTMENT OF INSURANCE  
EXPANSION BUDGET REQUEST  
April 2, 1997**

**COMPANY SERVICES GROUP**

Company Admissions (licensing)

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

Financial Monitoring

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

Actuarial Services

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

Information Systems

- computer replacement on a four-year life cycle      283,800      283,800

Total Appropriation	\$ 524,578	\$ 544,369
No. of Positions	(4)	(4)

**TECHNICAL SERVICES GROUP**

Market Practices Examinations

- only have one team (3 employees)  
to monitor 27 HMO's
- only have one team (3 employees)  
monitoring 550 life and health companies      \$ 469,970      \$ 499,762

Seniors' Health Insurance Information Program (SHIIP)

- telephone call volume more than  
doubled in 1996
- over 65 population will increase 50%  
in next 15 years
- field employees having to handle  
phone calls in Raleigh      32,311      31,357

Total Appropriation	\$ 502,281	\$ 531,119
No. of Positions	(10)	(10)



## **PUBLIC SERVICES GROUP**

### **Special Services**

- growth in bail bond industry and legislated continued education \$ 26,194 \$ 25,432

### **Investigations**

- no means to track repeat offenders of insurance laws and criminal history of licensees 31,068 37,280

### **Agent Services (Continuing Education Program)**

- additional clerical positions to comply with recommendation of State Auditor
- self supporting program/receipts available 52,801 49,680

Total Requirements	\$ 110,063	\$ 112,392
Total Receipts	52,801	49,680
Total Appropriation	57,262	62,712
No. of Positions	(4)	(4)

## **SAFETY SERVICES GROUP**

### **Engineering Services**

- additional resources needed so plan review can keep pace with construction and not slow down the economy \$ 176,323 \$ 172,906

### **Fire and Rescue Services**

- computer software for reporting fires in all counties or our fire reporting system becomes useless
- need injury prevention specialist for our child injury prevention programs (Learn Not to Burn, Buckle Up Kids, Safe Kids)
- authorization to produce and sell fire and rescue publications 203,132 111,357



**Manufactured Building**

- phenomenal growth in manufactured housing and building industry
  - NC leads the nation in manufactured home production
  - additional resources need to meet industry demands for assistance
  - industry supports request receipts available
- |  |         |         |
|--|---------|---------|
|  | 237,622 | 217,972 |
|--|---------|---------|

Total Requirements	\$ 617,077	\$ 502,235
Total Receipts	292,622	217,972
Total Appropriation	324,455	284,263
No. of Positions	(7)	(7)

**Consumer Protection Fund**

- replenishment in excess of the \$250,000 for outside contracted services needed.
  - three auto rate filings ongoing; appeals anticipated
  - homeowner rate filing anticipated
  - currently in excess of \$400 million in auto premium refunds and increases at stake.
- |  |            |            |
|--|------------|------------|
|  | \$ 200,000 | \$ 200,000 |
|--|------------|------------|

Total requirements	\$1,953,999	\$1,890,115
Total Receipts	345,423	267,652
Total Appropriation	\$1,608,576	\$1,622,463
No. of Positions	(25)	(25)

**NOTE: All expansion requests is revenue neutral.**



**Department of State Treasurer  
Expansion Budget Request  
1997-99 Biennium**

	<u>1997-98</u>	<u>1998-99</u>
<b>1. Strengthen Maintenance of Automated Programs</b>		
During the 1995-97 biennium, the department has been engaged in a substantial program to automate the major processes in the department. Through this effort, the basic requirements for first level maintenance have been identified to keep the automation programs running smoothly. This recommendation will allow the department to achieve the maximum benefit from it's already substantial investment in automation.		
Requirements	\$240,968	\$230,264
Receipts	<u>240,968</u>	<u>230,264</u>
Appropriation	<u>\$ -</u>	<u>\$ -</u>
Number of Positions	5.0	5.0

Positions: 1 each Systems Programmer/Administrators I Grade 78 starting 9/1/97  
 2 each Applications Analyst Programmers II Grade 76 starting 9/1/97  
 2 each Applications Programmer II Grade 72 starting 9/1/97

- 2. Improve Ability to Manage Debt Approval and Issuance**  
 During the last several years there have been increasing pressures on issuers of municipal debt to improve disclosure, deal with increasingly complex forms, and to issue debt. The department needs to increase its ability to respond to these issues and continue to provide the quality technical assistance required by the municipalities. This recommendation will assist the department in meeting these increasing demand for service

Requirements	\$101,901	\$101,023
Non tax Revenue	<u>101,901</u>	<u>101,023</u>
Net effect on General Fund	<u>\$ -</u>	<u>\$ -</u>
Number of Positions	2.0	2.0

Positions: 1 each Accountant III Grade 76 starting 9/1/97  
 1 each Data Coordinator/Statistician Grade 68 starting 9/1/97



### 3. Strengthen Investment Administration

The investment portfolios of the State Treasurer are increasing at a rate of 9-12% per year and will double every seven years. In addition, the markets are becoming more complex and require greater monitoring. This recommendation would provide funds to establish an additional Portfolio Manager position to help the department meet this increasing volume.

Requirements	\$74,889	\$56,065
Non tax Revenue	<u>74,889</u>	<u>56,065</u>
Net effect on General Fund	<u>\$ -</u>	<u>\$ -</u>
Number of Positions	1.0	1.0

Positions: 1 each Portfolio Manager Grade 76 starting 9/1/97

### 4. Strengthen Personnel Function

Numerous duties have been assigned to the department's personnel function in the past few years, including: position analysis, workmen's compensation, health and safety training, and health benefits. In order to provide an adequate level of personnel support to management and employees as a result of these additional responsibilities, it is recommended that funds be provided to establish a Personnel Officer I position.

Requirements	\$44,558	\$42,127
Receipts	<u>44,558</u>	<u>42,127</u>
Appropriation	<u>\$ -</u>	<u>\$ -</u>
Number of Positions	1.0	1.0

Positions: 1 each Personnel Officer I Grade 70 starting 9/1/97

### Total Recommended Expansion for the Department

Requirements	\$462,316	\$429,479
Receipts	<u>285,526</u>	<u>272,391</u>
Appropriation	176,790	157,088
Non tax Revenue	<u>176,790</u>	<u>157,088</u>
Net effect on General Fund	<u>\$ -</u>	<u>\$ -</u>
Total Number of Positions	9.0	9.0



STATE OF NORTH CAROLINA  
Office of the State Auditor

300 N. SALISBURY STREET  
RALEIGH, N. C. 27603-5903  
TELEPHONE: (919) 733-3217  
FAX: (919) 733-8443

RALPH CAMPBELL, JR.  
STATE AUDITOR

March 31, 1997

Senator Ed Warren, Chair  
Senator Jeanne Lucas, Vice-Chair  
Representative Bill Ives, Co-Chair  
Representative Eugene McCombs, Co-Chair  
Representative Wilma Sherrill, Co-Chair  
Members of Joint Appropriations Sub-Committee on General Government

Ladies and Gentlemen:

When I made a presentation to your committee on February 17, 1997 giving an overview of the operations of the Office of State Auditor, I was asked a question concerning the increase in the workload for this office over the past three to four years. In response to that question, I submit the following statistical information on the results of our operations.

	<u>Actual 1992-93</u>	<u>Actual 1995-96</u>	<u>Projected 1996-97</u>
Total Reports and Management Letters Issued	122	221	262
Total Audit Staff	117	145	147*
Increase in workload 1993 to 1996		81.15%	
Increase in audit staff 1993 to 1996		23.93%	
Increase in workload 1993 to 1997			114.75%
Increase in audit staff 1993 to 1997			25.64%

\*the total audit staff shown is an actual number, not projected

As you can see from the information above, we have been able to utilize the additional resources funded in this Office over the last four (4) years to increase efficiency and thereby increase productivity by approximately 115%.

I appreciate the opportunity to share this information with you and members of your committee. I will be available to answer any further questions you may have concerning the operations of the Office of State Auditor.

Sincerely,



Ralph Campbell, Jr.  
State Auditor

cc: Evan Rodewald, Legislative Fiscal Research





**OFFICE OF THE STATE AUDITOR  
BUDGET CODE 13300**

**SUMMARY LIST OF EXPANSION BUDGET REQUEST  
1997-99 BIENNium**

Priority Number	Fund Number	Program Description	Requested	
			1997-98	1998-99
1		<u>The following items are critically needed in order for this Office to continue our present level of services:</u>		
a.	1210	<b>Scheduled Replacement of Personal Computers</b> To provide continuing funding to allow this Office to proceed with the planned replacement of obsolete personal computers assigned to the audit staff.	R \$175,000	R \$175,000
b.	1120	<b>Additional Funding-Service &amp; Maintenance</b> To provide the funds to cover the maintenance on our current printing equipment.	R 38,600	R 38,600
c.	1210	<b>Funding to Purchase Audit Software</b> To provide the funding to purchase software designed to integrate virtually all the PC-based audit tools needed by our auditors. This system also computerizes some of our most time-consuming activities - preparing, referencing, organizing and reviewing workpapers. This system will facilitate a uniform audit methodology thereby increasing efficiency and quality control in the audit process.	NR 159,000	R 15,000
<b>Total Request to Continue Present Level of Services</b>			<u>\$372,600</u>	<u>\$228,600</u>
<b>No. of Positions</b>			0	0



**OFFICE OF THE STATE AUDITOR  
BUDGET CODE 13300**

**SUMMARY LIST OF EXPANSION BUDGET REQUEST  
1997-99 BIENNIUM**

Priority Number	Fund Number	Program Description	Requested	
			1997-98	1998-99
<b>2</b>		<u>The following items will allow this Office to address backlogs of work and expand the scope of our performance and financial audit work.</u>		
<b>a</b>	<b>1210</b>	<b>Additional EDP Audit Positions</b> To provide the additional EDP audit positions necessary to adequately audit the computer applications and installations in state government.	R \$136,586	R \$191,899
		No. of Positions	2	3 Continue 2 Additional 1
<b>b</b>	<b>1210</b>	<b>Additional Audit Positions</b> To provide audit resources that will increase the amount of performance and financial audit work in general government agencies and reduce the backlog of work in Fraud and Abuse.	R \$179,792	R \$282,647
		No. of Positions	3	5 Continue 3 Additional 2
<b>c</b>	<b>1210</b>	<b>LAN Equipment and Technology Upgrade</b> To provide funding necessary to allow this Office to proceed with the implementation of projects as outlined in our computer technology plan. This includes upgrades to LAN and peripheral central office equipment.	NR \$360,220	NR \$347,500



**OFFICE OF THE STATE AUDITOR**  
**BUDGET CODE 13300**

**SUMMARY LIST OF EXPANSION BUDGET REQUEST**  
**1997-99 BIENNIIUM**

Priority Number	Fund Number	Program Description	Requested	
			1997-98	1998-99
d	1210	<b>Additional IRM Support Positions</b> To provide the resources needed to adequately support the audit efforts and computer operations within this Office.	R \$56,466	R \$49,976
		No. of Positions	1	Continue 1
<b>Total Request to Address Backlogs and Expand Audit Coverage</b>			<u>\$733,064</u>	<u>\$872,022</u>
		No. of Positions	6	9 Continue 6 Additional 3
<b>Total Expansion Budget Request</b>			<u>\$1,105,664</u>	<u>\$1,100,622</u>
		No. of Positions	6	9 Continue 6 Additional 3
		<b>TOTAL RECURRING (R)</b>	\$547,504	\$733,652
		<b>TOTAL NON-RECURRING (NR)</b>	\$558,160	\$366,970

**NOTE:** Funding to support positions requested is identified as recurring. However, the equipment funding included with each position is non-recurring funding and has been included in the total non-recurring dollars shown above.

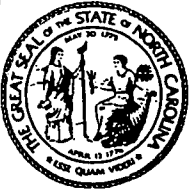


**OFFICE OF THE STATE AUDITOR**  
 Budget Code 13300

**SUMMARY LIST OF CAPITAL EXPANSION BUDGET REQUEST  
 RE-LOCATION OF OFFICES**

Priority Number	Fund Number	Program Description	Requested	
			1997-98	1998-99
1	1210	Office Furniture and Equipment-Relocation of Offices To provide the funding needed to equip the space provided for this Office in the Revenue Building with modular furnishings and other equipment necessary for efficient operations,	\$1,135,095	\$0





RALPH CAMPBELL, JR.  
STATE AUDITOR


STATE OF NORTH CAROLINA  
**Office of the State Auditor**

300 N. SALISBURY STREET  
RALEIGH, N. C. 27603-5903  
TELEPHONE: (919) 733-3217  
FAX: (919) 733-8443

March 7, 1997

MEMORANDUM

TO: Evan Rodewald  
Legislative Fiscal Research

FROM: Camille Winston   
Accounting Manager

RE: Capital Expansion Request - 1997-99 Biennium

At your request, I met with representatives of the Division of Purchase and Contract to review the detail supporting our capital expansion budget request for the 1997-99 biennium. As you are aware, this request is for funding that will enable this Office to equip the space provided for us in the old Revenue building with modular furnishings and other equipment necessary for efficient operations.

Once I provided them with the detail information supporting our request, the Division of Purchase and Contract concurred with most of our estimates. I have revised the request to reflect the prices suggested by the Division for the items on which we did not agree. I have enclosed a copy of the revised request. You will notice that the revised costs have increased our request by \$21,226.00. We will; however, stand by our original request of \$1,135,095.00. If, when we begin bidding and purchasing the furnishings and equipment, the funding appears to be inadequate for the items identified, we will need to make a request from a reserve account or from contingency and emergency funds.

If you have any further questions or need additional information, please do not hesitate to give me a call.

cc: Ralph Campbell, Jr.



**OFFICE OF THE STATE AUDITOR**  
**CAPITAL EXPANSION REQUEST**  
**1997-99 BIENNIUM**

		<u>Number</u>	<u>Price Ea.</u>	<u>Total</u>
All estimates were received from the architectural firm (except as otherwise noted) that is handling the renovations of the Revenue building. These estimates have been reduced by this office. None of the estimates include sales tax, which is added at the bottom of the schedule.				
1	Executive offices			
	Executive desk & chair, small conference table w/4chairs, credenza & bookcase	3	5,780	17,340
		6	6,660	39,960
2	Manager's/Supervisor's/Professional Offices			
	Desk & chair, side chair, credenza & bookcase	40	3,142	125,680
3	Conference rooms			
	Small-w/ table & 4-6 chairs	6	1,500	9,000
	Medium-w/ 12-14 chairs	4	3,000	12,000
4	Secretarial/Clerical/Field Auditors			
	8'x8' typical size w/ landscape partitions w/ desk, return overhead cabinet & 2 undercounter files	89	3,250	289,250
	8'x8' small conference areas w/ table & 5 chairs	13	1,800	23,400
5	File areas			
	Lateral files (4 drawer)	60	450	27,000
	Work/reference tables & 12 chairs	3	3,000	9,000
6	Waiting areas			
	Executive level w/ sofa, side tables, coffee table and credenza	2	4,425	8,850
7	Blinds			
		84	400	33,600
		51	250	12,750
8	High-Density Filing system (estimate from State Property)	1		250,000
9	Estimated cost for main conference/training room w/ flexible tables & 40-50 chairs, and audio-visual equipment (purchase and installation)	1		111,000
10	Modular components to house LAN equipment such as LAN servers, tape back-up drives, monitors, etc. This is in the LAN room and not in individual offices			9,700
Sub-Total				978,530
Estimating contingency 10%				97,853
Tax @ 6% on sub-total				58,712
<b><u>Total Capital budget needs for move to Revenue Bldg-1997-99 biennium</u></b>				<b><u>1,135,095</u></b>



**OFFICE OF THE STATE AUDITOR  
CAPITAL EXPANSION REQUEST  
1997-99 BIENNIAL**

		<u>Number</u>	<u>Price Ea.</u>	<u>Total</u>
1	Executive offices			
	Executive desk & chair, small conference table w/4 chairs, credenza & bookcase	3	5,780	17,340
2	Manager's/Supervisor's/Professional Offices	6	6,660	39,960
	Desk & chair, side chair, credenza & bookcase			
3	Conference rooms	40	3,142	125,680
	Small-w/ table & 4-6 chairs	6	1,500	9,000
	Medium-w/ 12-14 chairs	4	3,000	12,000
4	Secretarial/Clerical/Field Auditors			
	8'x8' typical size w/ landscape partitions w/ desk, return overhead cabinet & 2 undercounter files	89	3,500	311,500
	8'x8' small conference areas w/ table & 5 chairs			
5	File areas	13	3,445	44,785
	1.0x1.0x1.0 files (4 drawer)	60	375	22,500
	Work/reference tables & 12 chairs	3	4,078	12,234
6	Waiting areas			
	Executive level w/ sofa, side tables, coffee table and credenza	2	4,425	8,850
7	Blinds	135	83	11,150
	Drapes	12	500	6,000
8	High-Density Filing System (estimate from State Property)	1		250,000
9	Estimated cost for main conference/training room w/ flexible tables & 40-50 chairs, and audio-visual equipment (purchase and installation)	1		111,000
10	Modular components to house LAN equipment such as LAN servers, tape back-up drives, monitors, etc. This is in the LAN room and not in individual offices			9,700
	Sub-Total			991,699
	Estimating contingency 10%			99,170
	Tax @ 6%			65,452
	<b>Total Capital budget needs for move to Revenue Bldg-1997-99 biennium</b>			<b>1,156,321</b>

The Division of Purchase and Contract has reviewed the amounts shown above and agrees that all amounts represent the current state contract prices or the best available estimate at this time.

  
for the Division of Purchase and Contract



## **Remarks By Secretary of State Elaine Marshall Regarding the 1997-1999 Expansion Budget for the Department of the Secretary of State**

"Technology within the department is severely outdated," quoted from the governor. "The lack of technology impedes effective operations," in the Secretary of State's Office says the state auditor. These quotes go to the heart of our primary expansion budget request.

The Governor's budget did not recommend giving our department expansion budget money to actually purchase any modern business equipment. At the time the governor's budget was prepared, his staff said "the department lacks the specific technological skills necessary" to devise a sound purchasing package for technology, which was consistent with the auditor's previous findings. Regardless of whether that assessment was correct at the time it was written, it is absolutely incorrect today.

While we are seeking funding for a comprehensive business plan study, to help fine tune our services for years to come, we already know what our fundamental technological needs are. Our Deputy Secretary for Information Technology, Bruce Garner, has vast experience in this area, and has developed a plan that will solve many of our biggest problems today, and is flexible enough to integrate itself into the business plan's findings for tomorrow. This plan has been approved by the Information Resources Management Commission. If we do not implement this plan, our ability to serve North Carolina business and the public will increasingly suffer.

Let me stress what we do at the Secretary of State's Office. We create business entities in North Carolina. In order to conduct business, that business entity must raise capital. Most capital is raised either through investors or through lenders. We play a role in both methods of raising funds. We protect investors from fraudulent investment schemes. That's protecting your parent's retirement fund. We play a major role in commercial lending when lenders protect their security interest in goods through filing documents known as UCC's with the Secretary of State. UCC stands for Uniform Commercial Code.

We want to provide you with information about our expansion budget request which explains our technology needs in a clear, step-by-step manner. I want to make sure that you understand and appreciate the shortcomings of our current systems, and the contents and expected benefits of our expansion request. To start, let me show you a "low tech" illustration of a "high tech" problem. We didn't produce these posters or photographs "in house," but here's something that we did create "in house." Our



technology plan is like a bridge. It has three components: an "on-ramp," the bridge itself, and an "off-ramp." With our technology plan, the local area network (LAN) component is like the bridge structure itself: it's the backbone that carries the data that our employees and ultimately the public use every day. The imaging component is like the "on-ramp," putting information onto the system so it can be accessed by our employees and the public. The relational database component of our expansion request is like the "off-ramp," because it helps our users "get where they're going," providing them data access in a format that is efficient and useful. And now that I've given you the "technical explanation," I'd like for Bruce Garner to come up and give you some specifics on this topic.

\* \* \*

We must not let profound technological shortcomings in the Secretary of State's office continue for another year for another important reason. Business in North Carolina is growing, and will continue to grow next year, and for years to come. Tens of thousands of businesses must interact with our department every year. Here are a few statistics from just one division, our Corporations Division, that I've mentioned to this committee before:

- There were more than 48,000 corporate filings last year, up 12 percent over 1995.
- There were more than 17,500 new businesses incorporated; a 9 percent increase over 1995.
- There were about 4,000 foreign corporations authorized to do business in North Carolina last year; that represents an 18 percent increase.

Each of these numbers means that our employees had to work harder, just to maintain our current level of service, using outdated equipment, and having to cope with excessive downtime. As I mentioned to you in our continuation budget presentation, the most-used computer system in our department, a WANG system from the 1980's, suffered over 24 hours of "down time" in my first 45 days. Big business considers unscheduled down time over 30 hours per year to be unacceptable. When the WANG is down, 75 employees are idle. Approximately 2,000 public requests for assistance have gone unfilled.

Another example of our technology deficit can be illustrated by three documents I'd like to show you. These three documents are actual "search results" from the microfilm records of our Uniform Commercial Code section. We have in excess of 2 million documents on file which evidence security interests and tax liens in commercial and agricultural assets. Banks and other businesses use this information to make lending and credit decisions involving millions of dollars. Yet our current technology frequently produces totally unacceptable results -- too dark, too light, partially or totally unreadable.



The volume of records we must record and be able to access has simply rendered our existing equipment inadequate. Whenever we get search results like this, our staff must then go search our paper files -- over 2 million documents -- for the original filings, make copies and mail them out. That contributes to backlogs which delays business from being done. Modern technology, including both document imaging and electronic filing capabilities, will put us in a position to be an asset, instead of an impediment, to doing business in North Carolina.

As you may recall, our continuation budget request for the coming year is actually smaller than it was for last year. Our department has not grown in size; it has not purchased any significant amount of new technological hardware. Demand for many of our services is expected to double within 10 years. This leaves us with very few choices. We can do nothing. If we choose this route, then citizens trying to do business will suffer. Businesses will have to accept delays, slow paperwork, and other related problems as a cost of doing business in this state. This is a cost North Carolina can ill-afford. Overall economic development suffers when the Secretary of State is slow to deliver. I can tell you that employees in the Secretary of State's offices already work hard from the moment they arrive, until the moment they go home, each and every day. They simply cannot substantially increase the number of transactions they handle a day, given their outdated office equipment. In fact, some of the Secretary of State's staff takes papers home to do the state's work on their more powerful home PC's.

We could seek to add more and more employees to the payroll. This would be a low-tech answer to the problem. Or, the General Assembly can choose to fund this technology budget for the department, so that we can achieve a modern business standard of service and handle our increasing workload without a loss of service. I hope that you will choose this third and best option, and on that point, I would like to introduce Joseph A. Smith, Senior Vice-President and General Counsel for Centura Bank, and a member of the Governor's Commission on Business Laws and the Economy, who has graciously agreed to speak briefly from his perspective -- a user's perspective -- about our department's technology needs.

\* \* \*

We are fortunate to have with us today Jerry Daniel who was formerly North Carolina's Director of Corporations and is Director of Government Relations with CT Corporation. CT Corporation is an industry leader in representing over 240,000 corporations by performing multiple business functions ranging anywhere from filing documents to staffing stockholder meetings. Jerry's company deals with all fifty Secretary of State's Offices and many international counterparts. Jerry will share with us what he feels the Secretary of State's office will need in the way of technology to be a viable business partner and a better customer service provider.

\* \* \*



The total cost of implementing our new information technology plan is slightly over \$2 million dollars. I hope you agree that this a relatively small amount, compared to the service we provide to North Carolina businesses, the nearly \$15 million dollars we generate annually for the General Fund, and the amount of good it will do for our department and the public.

I urge the committee members to look past the Governor's recommendation and save this department, a major ally to North Carolina's business community, from sinking so deeply into service delays. In business, when a deal is delayed the economy suffers.

The second component of our expansion request is \$374,000 dollars needed to move the Secretary of State's office out of the Legislative Office Building into other office space. Part of the move has already been funded to the Department of Administration, but our request is necessary to address moving costs that we understand are not available from the funds already allocated to the Department of Administration. Based upon information we received from state Purchasing & Contracting, \$125,000 dollars are necessary to install a telephone system with modern call queuing and distribution functions that will minimize the number of callers who get a "busy signal," minimize the time that callers have to wait "on hold," and replace our worn out, inadequate telephone system. The remaining \$249,000 dollars are requested to upfit cubicle workspaces for our employees.

The final component of our request is \$295,000 dollars for six positions in our Securities Division, which last year generated over \$6 million dollars in General Fund revenues. Recent changes to federal securities law give our state exclusive regulatory authority, beginning this summer, over investment advisors with less than \$25 million dollars in assets under management. Currently our securities staff responds first to complaints as they should. Once that is done, current staff is available to audit investor advisors. We have computed that will happen once every 44 years. Very soon we will have even greater audit obligations because Federal authorities will no longer be available to audit the \$25 million and under group. I believe that our citizens, like your neighbors or parents, who go to these businesses for investment advice deserve better service than that from their government.

We want to shift into a more proactive role -- to identify and solve investment problems before they occur -- because when problems occur, it's typically one of our citizens who is losing money -- money like their retirement fund, or your children's or grandchildren's college fund. So I'm asking you for 4 additional examiner positions, and 2 much-needed support positions, to allow us to perform those audits on a more frequent basis. Please note, however, that I'm not asking for those positions to be funded until next year. Frankly, right now I don't have the physical space to place them, and I also want to give our existing staff an opportunity to gain additional experience in this field, so that our new staff can be trained in the most effective and efficient audit techniques possible.



In conclusion, we're asking for the technology we need to do the job that you and the public expect us to do, cubicles to do business in, phones to do business on, and six more positions to help protect investors. Our request is approximately \$1.7 million dollars for FY98, approximately \$1 million dollars for FY99, of which \$500,000 dollars are recurring funds. Thank you very much for your consideration. My staff and I will be happy to provide any information or answer any questions that you may have. Let me restate my invitation to visit the Secretary of State's Office anytime.

C:\FST\LEGIS\97EXP.ST1

04/01/97 9:44 PM



*“Technology within the  
department is severely  
outdated.”*

Governor James B. Hunt, Jr.  
The North Carolina State Budget  
Summary of Recommendations  
(addressing the Department of  
The Secretary of State)

1997-99

Page 35



*“The lack of technology  
impedes effective  
operations.”*

Ralph Campbell, Jr., State Auditor  
Audit of the Office of  
The Secretary of State  
December 1995  
Page 32



# Department of the Secretary of State

## Expansion Budget Request Summary

PRIORITY	STRATEGY	COSTS	BENEFITS	FUNDING SOURCE
1	<b>Department Information Technology Architecture:</b> Provide employees in the department with modern information technology to provide better & more reliable customer service, make employees more productive, and provide the department with an infrastructure for new imaging system. <i>\$175K recurring</i> <i>[FY8 \$800K + FY9 \$235K]</i>	\$1,035,000	Equipment will be more efficient, perform better and keep up with increasing demands for service, thus improving productivity of dept. employees and service to customers and eliminate dependence on WANG for access to SIPS by employees.	not funded, IRMC approved
2	<b>Data Management Directions:</b> Imaging, workflow, document management business requirements study & plan & implementation. <i>(\$40K recurring)</i> Assumes department has PC/LAN infrastructure in place. <i>[FY8 \$310K + FY9 \$230]</i> <i>*Includes \$125K recommended in Governor's budget request.</i>	\$540,000	Replace WANG with PC/ LAN imaging solution and compliance for public access to information and improved record retention & disposition and improved productivity and less office space for document storage.	not funded, IRMC approved
3	<b>Data Management Directions:</b> Client/server relational database software for server or minicomputer and licenses, maintenance, consultation, & training for IR staff & start migration of systems. <i>(\$40K recurring)</i> <i>[FY8 \$200K + FY9 \$260K]</i>	\$460,000	Compliance for public access to information and gov't information location services and relational database for dept. to provide alternative to SIPS for small applications.	not funded, IRMC approved
Tech. Sub-Total	<u>FY8 \$1,310K</u> <u>FY9 \$ 725K</u> <i>(\$255K recurring each year)</i>	<u>\$2,035,000</u>		
4	<b>Moving Department to a New Location:</b> Consolidate all dept. offices and relocate entire department staff to another location out of the Legislative Office Building.	\$374,000	Facilitate physical relocation of the Department to cover costs not funded by OSBM for replacement of telephone system, and modular office furniture acquisition.	not funded
5	<b>Securities Division Auditors:</b> To comply with the federal Securities Markets Improvements Act of 1996, add 4 auditors, 2 support staff, & related office equipment. <i>[FY9 \$295K] (\$246K recurring starting FY2000)</i>	\$295,000	Current investigative program is largely complaint-driven; increased staff will allow program to reduce current average audit cycle time from 44 years to 22 years or less.	not funded
Request Total		<u>\$2,704,000</u>		



## ◆ **Shortcomings of Current Business Processes and Lack of Automation:**

### ◆ **Currently more than 1 million corporations documents are on file with an indefinite retention period**

- ◆ No other copies of documents (not imaged, microfilmed, or microfiche)
- ◆ Many older documents are becoming worn and fragile due to age and use
- ◆ Access to the documents is not physically restricted or secure
- ◆ Physical documents important to business community and have historical value to the state
- ◆ Some important information from documents stored in databases on SIPS mainframe computer

### ◆ **Currently Department receives more than 500,000 UCC and Federal Tax Liens filings per year**

- ◆ Most UCC & federal tax liens accounting processes are manual
- ◆ Most of automated processes depend upon outdated microfilm equipment
- ◆ Staff frequently required to manually search files to provide requested information from files
- ◆ Important information from documents stored in databases on SIPS mainframe computer
- ◆ Limited access by banks to some mainframe information in this system via dial-up modems

### ◆ **Electronic tools and communications in the Department are very limited**

- ◆ Electronic Calendaring for scheduling meetings among staffs does not exist
  - ◆ Meetings are scheduled (and rescheduled) by telephone
  - ◆ Shared resources (such as conference rooms) are reserved on manual calendars
- ◆ Access to electronic Mail (E-mail) in the Department is very limited
  - ◆ Memos, forms, and other correspondence to employees are typed, copied, and distributed manually
  - ◆ All memos and other correspondence are stored file folders in desks or file cabinets
- ◆ For many employees in the department, their only business tools are telephones, typewriters, calculators, and pencils & paper

### ◆ **Historically the Department relied almost totally on SIPS for it's Information Technology solutions and directions**

- ◆ Most mainframe applications were developed in the 1980's and early 1990's before client/server solutions existed or became a reasonable alternative
- ◆ 10-15% of the Department's total annual budget goes to support legacy applications that run on the SIPS mainframe computer



WORKSHEET II EXPANSION BUDGET REQUEST

1 BUDGET CODE: 18210 DEPARTMENT: Office of Administrative Hearings DIVISION/INSTITUTION: 1 of 1

2 FUND NUMBER: 1100 FUND TITLE: Administration & Operations

3 PROGRAM NUMBER: 0520 PROGRAM TITLE: Personal Services

4 TITLE OF REQUEST: Office of Administrative Hearings Lan Administrator

5a STATUTORY CHANGES/SPECIAL PROVISIONS REQUIRED TO IMPLEMENT?

7a YES ☒ NO ☐

8a IF YES, ATTACH A COPY OF THE DRAFT.

9a

10

	1997-98	1998-99
6b TOTAL REQUIREMENTS	47,387	44,387
7b TOTAL RECEIPTS	0	0
8b APPROPRIATION	47,387	44,387
9b TOTAL POSITIONS	1 0.00	1 0.00

NARRATIVE:

NEED

In 1996/97, the General Assembly generously appropriated funds to upgrade and expand OAH's computer capabilities. Using these funds, OAH was able to purchase all necessary equipment, software and ancillary items to provide an up-to-date LAN System. While the equipment and software needs have been met, the continuing technical operation and maintenance of the new LAN System represent a serious problem to the system. The SIPS study of OAH's computer operations recommended that a position be established to answer questions, maintain the LAN System and resolve problems on a day-to-day basis, install hardware/software when needed and provide training in computer applications. It was OAH's intentions to somehow utilize our internal resources to meet the demands of the new system, but the complex nature of the LAN System far surpasses OAH's technological and physical ability to meet those demands.

OAH is requesting a pay grade 74, Computing Consultant IV, as a LAN Administrator. This is the recommended grade for a LAN Administrator and was established by the Office of State Personnel for small to medium sized departments.

If an additional position is not provided to protect the significant investment by the General Assembly and assure the efficient and continued operation of the LAN, it will be necessary to utilize SIPS consultants to a much greater degree. This alternative would be expensive (approximately \$50,000 for 16 hours/week service) and well beyond OAH's existing resources.







Detail of the positions included in this expansion request.

### **POSITIONS REQUESTED:**

GRADE

74

CLASSIFICATION/EFFECTIVE DATE:

Computing Consultant IV  
(Lan Administrator)

FTF  
1997-98

1998-99  
F.T.E.

Annual  
Salary\*\*

1997-98	1998-99
Budgeted	Budgeted
Salary	Salary

<u>Salary</u>	<u>dated</u>	66-866
---------------	--------------	--------

1

0.000

1

0 000

981 \$0

981\$0

81 \$0

Total#

11

**0.000**

1

**0.000**



**981 \$0**

81 \$0

**\*\*\* Minimum level salary for the classification requested unless supporting OSP documentation attached. Total F.T.E.'s equal the number of total F.T.E.'s shown on Page 3, Line 16 of this request.**

23 DOES THIS EXPANSION REQUEST RELATE TO A CAPITAL IMPROVEMENT PROJECT?

24 IF YES, TITLE OF C.I. PROJECT:

ITEM NUMBER: PROJECTED COMPLETION DATE:

**SPACE REQUIREMENTS: G.S. 120-36.7 (c)**

DOES THIS REQUEST REQUIRE ADDITIONAL SPACE?

Office	Storage	Other

Type of Space:

Additional Square Footage Required

### Estimated Cost of Space Requirements

YES ☐

NO ☐ X

NO	<input type="text"/>	IF YES, COMPLETE THE FOLLOWING:		
1997-98	1998-99	1999-00	2000-01	2001-02

**Submit 6 copies on 8 1/2 x 11-inch yellow paper.**



# SUMMARY LIST OF EXPANSION BUDGET REQUESTS

3 Department:

Office of Administrative Hearings

A Priority Number	B Budget Code	C Fund Number	D Program Number	E Program Description (Concise Sentences)	F Requested		G
					1997-98	1998-99	
4	1	18210	1100	0520 Office of Administrative Hearings Lan Administrator			
5					Requirements	\$ 47,387	\$ 44,387
6					Receipts		
6a					Federal	0	0
6b					Local	0	0
6c					Other	0	0
7					Appropriation	\$ 47,387	\$ 44,387
8					No. of Positions	1	1
						x.xx	x.xx

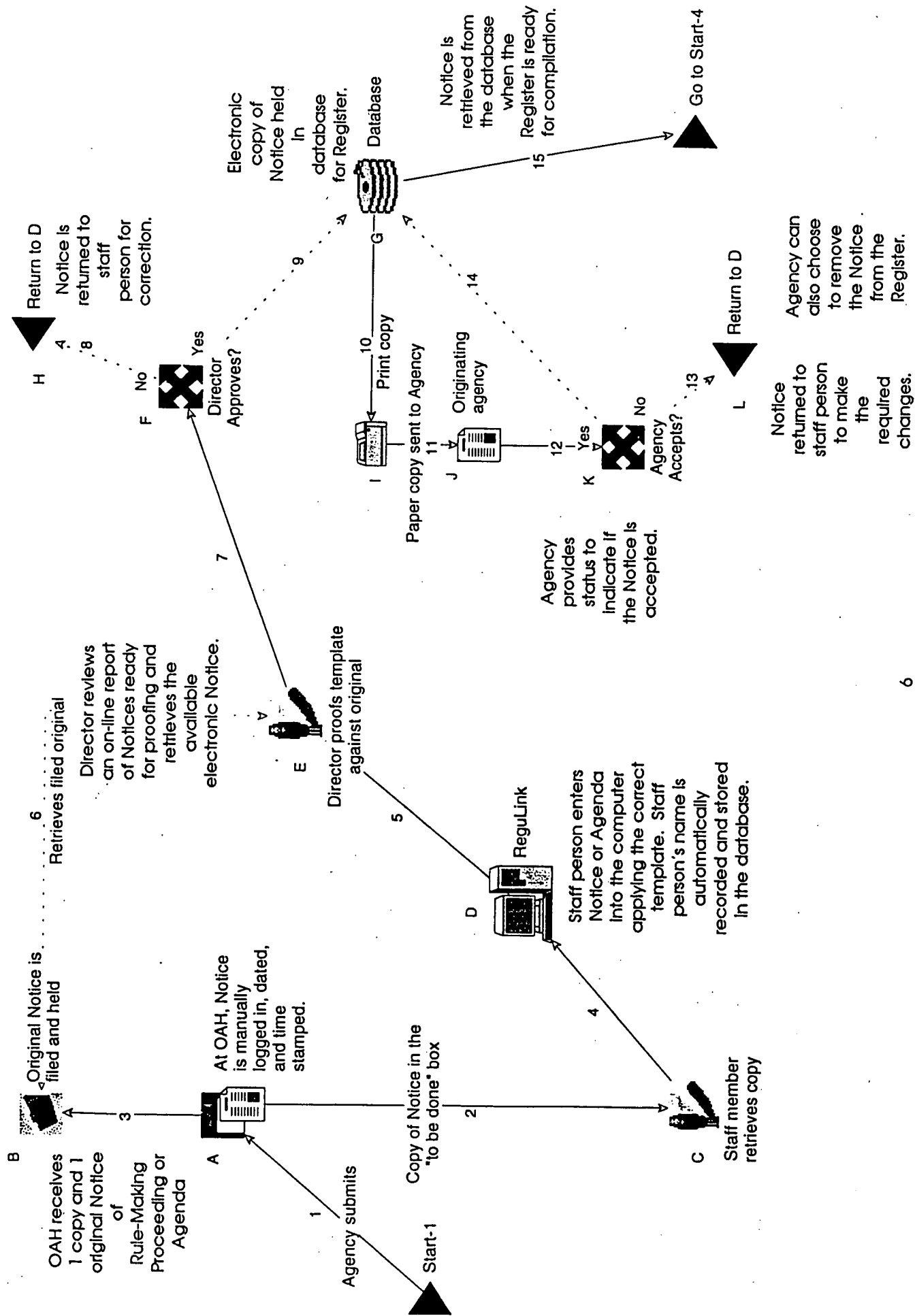
(Insert and copy lines 4-8 as needed for each expansion item.)

9	Total Requirements	\$ 47,387	\$ 44,387
10	Total Receipts		
10a	Federal	0	0
10b	Local	0	0
10c	Other	0	0
11	Total Appropriation	\$ 47,387	\$ 44,387
12	Total No. of Positions	1	1
		x.xx	x.xx

Submit 6 copies on 8 1/2 x 11-inch yellow paper.

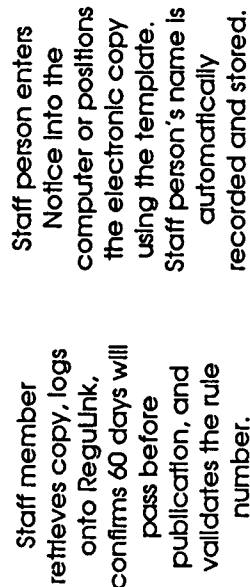


# Workflow 1: Notice of Rule-Making Proceeding and Notice of Rule-Making Agenda





the fiscal note not attached or the requirements are not met, the file is returned to the Agency.

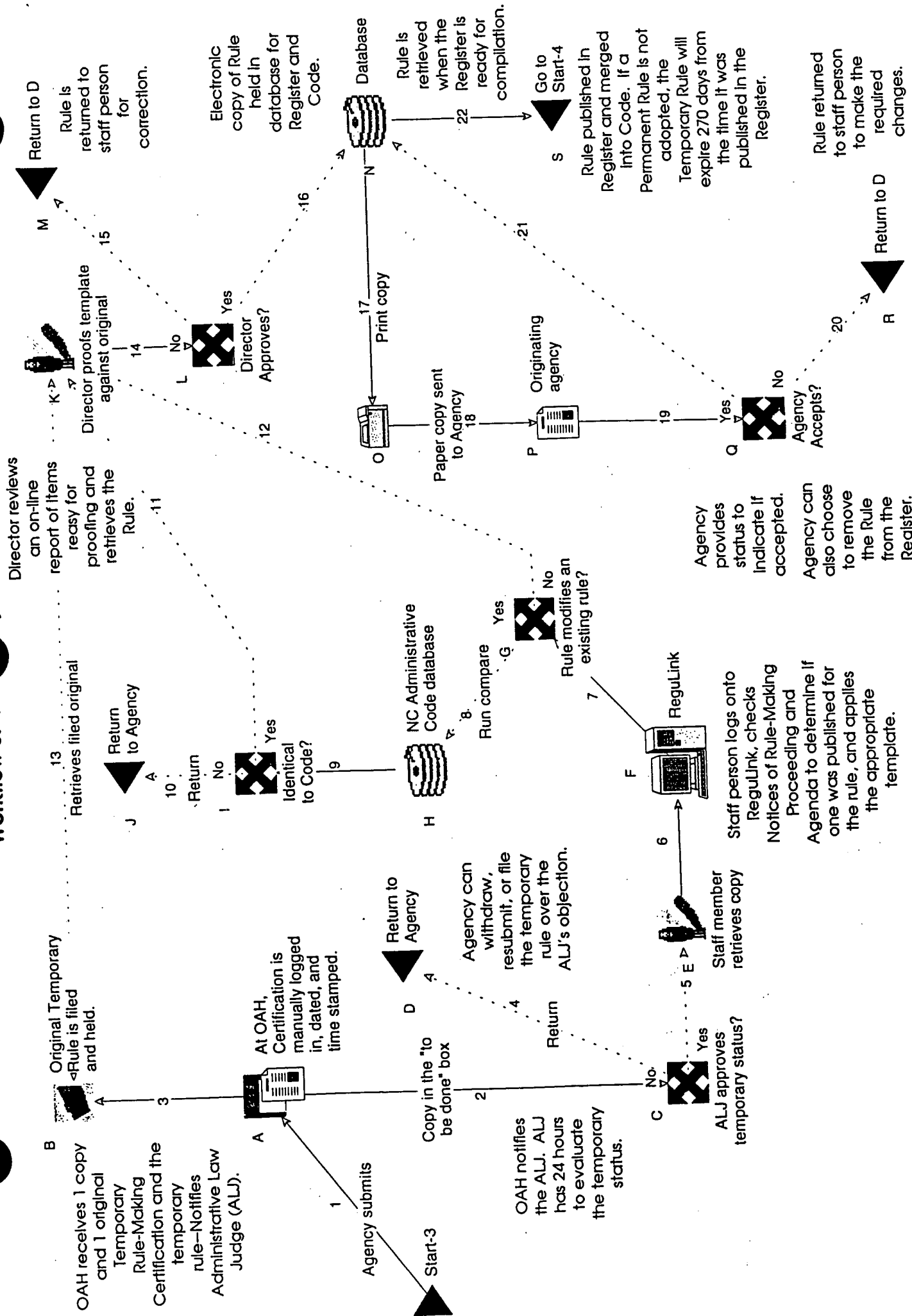






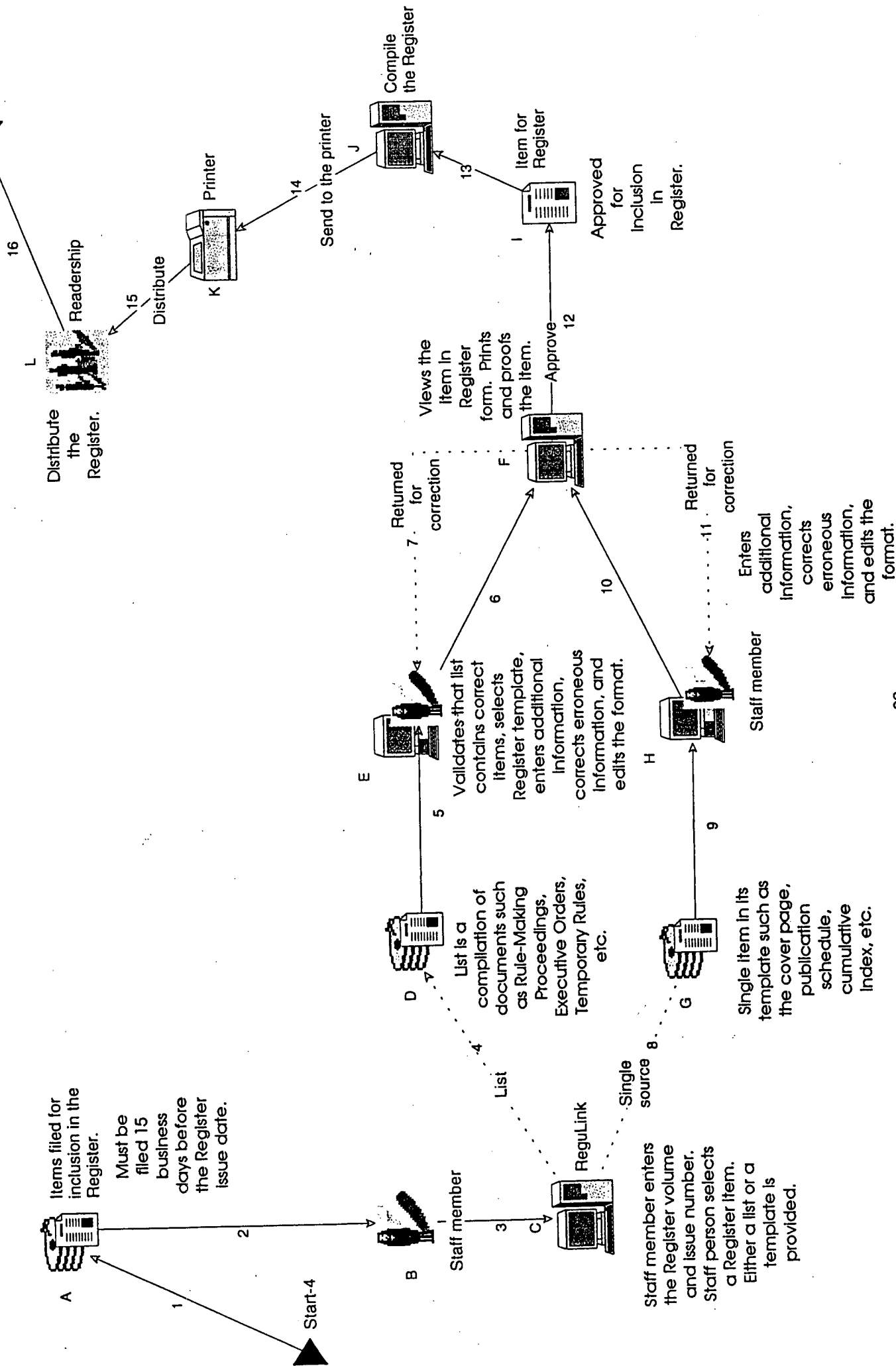


# Workflow 3: Temporary Rule





# Workflow 4: The Register





Form and rule are returned to staff person for correction.





## VISITOR REGISTRATION SHEET

Gen. Gov.

4-2-97 Am

Name of Committee

Date

VISITORS: Please sign below and return to Committee Clerk.

NAME

FIRM OR STATE AGENCY AND ADDRESS

Bernard J. Allen	SOS
Harold H. Webb	CHB Foundation
Robert Wilson	S.O.S
Betsy Byrd	DCR
William Riddick	DOR
Dewey London	DOR
Bruce Garner	SOS
Robert Parker	OSBA
Jimmy Moore	Treasurer
Janice Burke	Treasurer
Long Russell	"
Steve Albright	"
Camille Stinson	OSA
Kathleen	OSA
Marcil Hoffman	DOR
Leita McCasall	✓
Leann Van	DCR
Clark J. Marshall	SOS
Mike Hodges	DOR
Keith McCasall	DOR
Barbara Ryan	SOS



## VISITOR REGISTRATION SHEET

Gen. Sec.  
Name of Committee

4-2-99 Am  
Date

VISITORS: Please sign below and return to Committee Clerk.

NAME

FIRM OR STATE AGENCY AND ADDRESS

Jack Bond	OSA
Jim Howell	OSBLR
Johnny Brown	OSA
Robert Campbell Jr.	OSA
E.E. Helms	OSBM
Km Honeycreek	Revenue
Joseph A. Smith Jr	Central Bank
Jameson	Office of Admin. Hearing
Roger Langer	DOE
Daniel Propp	"
Stella H. McHenry	NC DOE
John A. Ford	NC DOT
Zane Matthews	Lexington, N.C. Chamber of Commerce
Paul L. Thomas	Mayor
Jill Doss	The Dispatch in Lexington, N.C.
Duke Whisenant	Lexington Chamber Commerce
Ann Smith	Lexington Chamber
Nancy O. Bartlett	SBOE
Elmer D. Duncanson	Department of State Treasurer
Rodney Maddox	Sec. of ST.
Joe Langston	"



## VISITOR REGISTRATION SHEET

Name of Committee

Date \_\_\_\_\_

VISITORS: Please sign below and return to Committee Clerk.

FIRM OR STATE AGENCY AND ADDRESS

OSC

CT CORPORATION SYSTEM RALEIGH

Sec of State

Sec. of State



# VISITOR REGISTRATION SHEET

*Ken Cox*

Name of Committee

*4-2-97 pm*

Date

**VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK**

NAME

FIRM OR AGENCY AND ADDRESS

<i>Bernard Allen</i>	<i>SOS</i>
<i>Bruce Garner</i>	<i>SOS</i>
<i>Barbara Runyan</i>	<i>SOS</i>
<i>Rodney Madley</i>	<i>SOS</i>
<i>Burg Jeter</i>	<i>SOS</i>
<i>Scott Temple</i>	<i>SOS</i>
<i>Jacqui Mann</i>	<i>Office of Admin Hearings</i>
<i>Molly March</i>	<i>DAH</i>
<i>JIM SCARCELLA</i>	<i>DAH</i>
<i>Elaine Marshall</i>	<i>SOS</i>
<i>Willie Riddick</i>	<i>DOR</i>
<i>Kathie Austin Padgett</i>	<i>OSPL</i>
<i>John Dorman</i>	<i>OSPL</i>



# SENATE APPROPRIATIONS SUBCOMMITTEE

ON

## GENERAL GOVERNMENT

April 10, 1997

The Senate Appropriations Subcommittee on General Government met on Thursday, April 10, 1997 at 8:30 a.m. in room 425 of the Legislative Office Building. Four of the five Senate members were present. Senator Ed Warren chaired the session.

Senator Warren thanked the agency representatives for being present. He told them that the committee, working within the constraints of keeping a balanced budget, would work hard to meet their requests.

Attachment No. 1 lists the departmental requests. Evan Rodewald, Fiscal Analyst, made the following comments about the Secretary of State's recommendations: (Page 1) If item No. 2 is funded, item No. 1 was not necessary. Re Item No. 3, there is a reserve fund set up in the Budget Office to assist in departmental moves, so it is possible that no additional funds will be necessary for office relocation. Re Item No. 4, you could choose not to fund additional auditor position, and revisit the need next year. **Senator Ledbetter moved that Item No. 2 be funded. The motion carried.**

The Auditor's recommendations appear on Page 2. Since they were informed there was money in the Office of State Budget for relocation, the Auditor agreed to delete Item No. 12. **Senator Lucas moved that the other items be accepted as listed. The motion carried.**

There was no discussion on the Treasurer's report as all requests would be covered by increased receipts or would be offset by increases in non-tax revenues.

Mr. Dascheil Propes, representing the Insurance Department, prioritized their requests as follows (in descending order-i.e. Item 31=No. 1, etc. 31, 27, 22, 21, 28, 23, 17, 25, 18, 24, 20, 26, 19,.) The Committee accepted these recommendations. They then quickly reviewed the remaining departmental requests and the special provisions in Attachment 2.



April 10, 1997

Senator Kinnaird then asked how much money the Governor planned to spend on the Hazardous Waste project. Senator Warren asked Mr. Walter Sturgeon, Executive Director of the N. C. Hazardous Waste Authority, to respond. In response to several questions from Senator Lucas, Mr. Sturgeon stated the following: He came to N. C. March 1; he has 7 people on board and 2 open positions; they are asking for \$540,000 for each of two years; they are responsible for licensing, building and operating the site as authorized by the Legislature to fulfill their responsibility with respect to the compact made with 6 other states; they have selected a site in Wake County South of Raleigh. Mr. George Robinson said the other six states would begin bringing waste to this site after it goes on line in 2002.

Senator Kinnaird wanted to know how many years N. C. had spent trying to license this site, and how long did they think it would take at the beginning. Mr. Robinson said they had anticipated that the site would be ready by 1992, and that over \$100,000,000 has already been spent. Senator Kinnaird then wanted to know if North Carolina was allowed to put its waste in South Carolina. Mr. Robinson said that when South Carolina withdrew from the Compact, they opened their own site and excluded North Carolina.

Senator Kinnaird stated that more nuclear power plants are being built and she asked where their waste would go when they are decommissioned. Mr. Spurgeon said that it would go to our site, but that only about 40 percent of the waste comes from power plants. He said that the Federal Government will determine some of the rules about decommissioning.

As time was running out, Senator Warren said that he would get together with each Co-Chair and they would try to finish up this week.

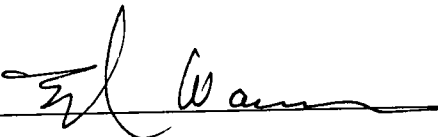



Appropriations/General Government Committee  
Minutes  
April 10, 1997

Senator Kinnaird thanked Senator Warren for introducing her, a new senator, to the committee process. He graciously acknowledged her comments and said that was part of the job.

The meeting adjourned at 9:30 a.m.

Respectfully submitted,

  
\_\_\_\_\_  
Senator Ed Warren, Chairman

  
\_\_\_\_\_  
Wilma Caldwell, Committee Clerk



Senate Subcommittee on General Government

## Secretary of State

GENERAL FUND
--------------

	FY 97-98		FY 98-99	
Recommended Continuation Budget	\$5,243,012		\$5,230,680	
<b>Legislative Changes</b>				
<b>(0000) Departmentwide</b>				
<b>1 Needs Analysis for Technology</b>				
Money to study technology needs in the department and to develop a business plan for meeting those needs. Recommended by the Governor.	\$125,000	NR		
<b>2 New Computer System</b>	\$80,000	R	\$80,000	R
Replaces old computer equipment with new local area network, new imaging system, new relational database software	\$1,230,000	NR	\$645,000	NR
<b>3 Office Relocation</b>				
	\$547,000	NR		
<b>(1230) Securities Division</b>				
<b>4 Additional Auditors</b>	\$0	R	\$246,000	R
	\$0	NR	\$49,000	NR
	0.00		6.00	
<b>Total Legislative Changes</b>	\$80,000	R	\$326,000	R
	\$1,902,000	NR	\$694,000	NR
<b>Position Changes</b>	0.00		6.00	
<b>Revised Budget</b>	\$7,225,012		\$6,250,680	



## Auditor

## GENERAL FUND

	FY 97-98		FY 98-99	
<b>Recommended Continuation Budget</b>	<b>\$9,495,886</b>		<b>\$9,504,085</b>	
<b>Legislative Changes</b>				
<b>(1120) Support Services</b>				
<b>5 Maintenance on Printing Equipment</b>	\$38,600	R	\$38,600	R
Provides funds to maintain computer printing and duplicating equipment. Recommended by the Governor.				
<b>(1210) Field Audit Division</b>				
<b>6 Additional IRM Support</b>	\$56,466	R	\$49,976	R
	1.00		1.00	
<b>7 Equipment Replacement</b>	\$175,000	R	\$175,000	R
Funds would allow the Auditor to replace its computers every three years. Recommended by the Governor.				
<b>8 Audit Software</b>	\$0	R	\$15,000	R
	\$159,000	NR	\$0	NR
<b>9 EDP Audit Positions</b>	\$136,586	R	\$191,899	R
Additional electronic data processing auditors.				
	2.00		3.00	
<b>10 Additional Audit Positions</b>	\$179,792	R	\$282,647	R
Additional performance and financial auditors				
	3.00		5.00	
<b>11 Equipment and Technology Upgrade</b>				
Upgrades to LAN and peripheral central office equipment.				
	\$360,220	NR	\$347,500	NR
<b>12 Office Relocation</b>				
	\$1,135,095	NR		
<b>Total Legislative Changes</b>	<b>\$586,444</b>	<b>R</b>	<b>\$753,122</b>	<b>R</b>
	<b>\$1,654,315</b>	<b>NR</b>	<b>\$347,500</b>	<b>NR</b>
<b>Position Changes</b>	6.00		9.00	
<b>Revised Budget</b>	<b>\$11,736,645</b>		<b>\$10,604,707</b>	



## Treasurer

## GENERAL FUND

	FY 97-98		FY 98-99	
<b>Recommended Continuation Budget</b>	<b>\$18,432,034</b>		<b>\$18,434,193</b>	
<b>Legislative Changes</b>				
<b>(1110) General Administration</b>				
<b>13 Strengthen Personnel Function</b>	\$0	R	\$0	R
Funds a Personnel Officer I position in the department. Recommended by the Governor. Expenditures of \$44,558 in 1997-98 and \$42,127 in 1998-99 would be covered by increased receipts.	1.00		1.00	
<b>(1150) Information Systems</b>				
<b>14 Maintenance of Automated Programs</b>	\$0	R	\$0	R
Increased staffing to maintain automation in the department. Recommended by the Governor. Expenditures of \$240,968 in 1997-98 and \$230,264 in 1998-99 will be covered by increased receipts.	5.00		5.00	
<b>(1210) Investment Management</b>				
<b>15 Strengthen Investment Administration</b>	\$74,889	R	\$56,065	R
Additional Portfolio Manager to handle increased volumes of investments. Recommended by the Governor. These appropriations from the General Fund would be offset by increases in non-tax revenues.	1.00		1.00	
<b>(1310) Local Government Operations</b>				
<b>16 Improve Ability to Manage Debt Approval</b>	\$101,901	R	\$101,023	R
Additional staff to respond to increased demands for technical assistance. Recommended by the Governor. These appropriations from the General Fund would be offset by increases in non-tax revenues.	2.00		2.00	
<b>Total Legislative Changes</b>	<b>\$176,790</b>	<b>R</b>	<b>\$157,088</b>	<b>R</b>
<b>Position Changes</b>	<b>9.00</b>		<b>9.00</b>	
<b>Revised Budget</b>	<b>\$18,608,824</b>		<b>\$18,591,281</b>	



## Insurance

## GENERAL FUND

	FY 97-98		FY 98-99	
<b>Recommended Continuation Budget</b>	<b>\$19,880,965</b>		<b>\$19,909,612</b>	
<b>Legislative Changes</b>				
<b>(1200) Company Services</b>				
<b>17 Replace Computer Hardware</b>	\$283,800	R	\$283,800	R
Department is currently on a four-year cycle for replacing all computer hardware. These amounts would allow department to replace one-fourth of its computer equipment each year. Not included in Governor's recommendations.				
<b>18 Additional Actuary</b>	\$79,408	R	\$87,489	R
Hire one additional Life and Health Actuary. Not included in Governor's recommendations.				
	1.00		1.00	
<b>19 Additional Financial Analysts</b>	\$103,555	R	\$111,104	R
Hire additional financial analysts with HMO expertise to handle mergers and acquisitions. Not included in the Governor's recommendations.				
	2.00		2.00	
<b>20 Additional Employee to Process Licensing Requests</b>	\$57,815	R	\$61,976	R
Hire one additional employee to process license requests and clear up backlog of 130 license requests. Not included in Governor's recommendations.				
	1.00		1.00	
<b>(1300) Technical Services</b>				
<b>21 Seniors' Health Insurance Information Program</b>	\$32,311	R	\$31,357	R
Hire additional employee to handle phone calls. Not included in Governor's recommendations.				
	1.00		1.00	
<b>22 Additional Market Practices Examiners</b>	\$469,970	R	\$499,762	R
Hire people to form additional teams to monitor market practices of HMOs and Life and Health companies. Not included in Governor's recommendations.				
	9.00		9.00	
<b>(1400) Regulatory/Public Services</b>				
<b>23 Additional Person in Special Services</b>	\$26,194	R	\$25,432	R
Hire one additional person for continued education and monitoring of bail bond industry. Not included in Governor's recommendations.				
	1.00		1.00	
<b>24 Additional Employee to Track Repeat Offenders</b>	\$31,068	R	\$37,280	R
Hire one additional person to track repeat offenders of insurance laws and criminal history of licensees. Not included in Governor's recommendations.				
	1.00		1.00	
<b>25 Additional Positions in Agent Services</b>	\$52,801	R	\$49,680	R
Hire two additional clerks to allow for separation of duties,				



Senate Subcommittee on General Government

as recommended in State Auditor's report. Not included in Governor's recommendations.

2.00

2.00

**(1500) Safety Services**

**26 Additional Employees for Manufactured Housing**

\$237,622

R

\$217,972

R

Hire additional inspectors for manufactured housing and buildings. Not included in Governor's recommendations.

3.00

3.00

**27 Upgrade and Increase Fire and Rescue Services**

\$203,132

R

\$111,357

R

Computer software for counties to report fires; hire specialist for child injury prevention programs; produce and sell fire and rescue publications. Not included in Governor's recommendations.

1.00

1.00

**28 Additional Personnel in Engineering Services**

\$176,323

R

\$172,906

R

Hire additional personnel to work in construction plan review. Not included in Governor's recommendations.

3.00

3.00

**(1900) Reserves and Transfers**

**29 Pay for Revenue Workers**

\$99,270

R

\$99,270

R

This transfer pays the Department of Revenue for the two (2) positions which collect the gross premiums tax which supports the Department of Insurance.

**30 Fire and Rescue Workers' Comp**

\$1,000,000

R

\$1,000,000

R

Provides a recurring grant to the Fire and Rescue Workers' Comp Fund. Intent is for the State to contribute to the Fund until its reserves (projected time: about 8 years) are sufficient to let it be self-supporting. Recommended by the Governor.

**31 Consumer Protection Fund**

\$200,000

R

\$200,000

R

Additional funds to hire outside contractual services for legal proceedings in ratesetting cases. Not included in Governor's recommendations.

---

**Total Legislative Changes**

\$3,053,269

R

\$2,989,385

R

**Position Changes**

25.00

25.00

**Revised Budget**

\$22,934,234

\$22,898,997

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## Administration

## GENERAL FUND

	FY 97-98		FY 98-99	
<b>Recommended Continuation Budget</b>	<b>\$59,567,213</b>		<b>\$60,961,819</b>	
<b>Legislative Changes</b>				
<b>(0000) All Divisions</b>				
<b>32 Personnel Reductions</b>	(\$572,185)	R	(\$572,185)	R
As a result of a study on the span of control in state government, the Governor will be providing details on how to reduce personnel and personnel expenses by \$572,185. The number of positions that will be eliminated is unknown.				
<b>(1121) Fiscal Management</b>				
<b>33 Reduced Data Processing Services</b>	(\$7,000)	R	(\$7,000)	R
<b>(1225) State Health Plan Purchasing Alliance Board</b>				
<b>34 Reversions From Previous Operating Budgets</b>	\$0	R		
Under the statutory language creating the State Health Plan Purchasing Alliance Fund, left over balances from the Board's operating budget have not been reverting to the General Fund. These past balances and the interest earned on them should be transferred from the State Health Plan Purchasing Alliance Fund to the General Fund at the end of 1996-97. This transfer will increase funds available for 1997-98 by \$648,718.				
			\$0	NR
<b>(1241) Management Information Systems</b>				
<b>35 Reductions in Operating Expenses</b>	(\$3,463)	R	(\$3,463)	R
Reductions in data processing maintenance and office furniture and equipment				
<b>(1264) Agency for Public Telecommunications</b>				
<b>36 Reductions in contractual services and travel</b>	(\$8,920)	R	(\$8,920)	R
<b>(1311) Office of State Personnel</b>				
<b>37 Staff for Personnel Mgmt Information System (PMIS)</b>	\$137,934	R	\$137,934	R
The Governor recommends funding to provide two (2) computer analyst programmers and a support position to enable the Office to respond to increased mainframe data collection and analytical needs, and to continue to efficiently respond to PMIS users.				
	\$15,000	NR		
	3.00		3.00	



Senate Subcommittee on General Government

**(1421) Facility Management**

**38 Delays in Operating New Buildings**

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

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

**39 Additional Delays in Operating New Buildings**

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

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

**(1623) State Capitol Police**

**40 Eliminate Two Vacant Property Guard Positions**

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

-2.00 -2.00

**(1741) Human Relations Council**

**41 Reduction in Miscellaneous Line Items**

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

**(1761) Youth Involvement Office**

**42 Increase Wages for Interns**

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

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

**(1771) Veteran Affairs**

**43 Reductions in Expenses**

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

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

**(1781) Domestic Violence Program**

**44 Additional Position**

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

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

1.00 1.00

**(1811) Advocacy for Disabled**

**45 Reduced Operating Expenses**

Reductions in contractual services, and board member travel and subsistence

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

**(1861) Commission of Indian Affairs**

**46 Delete Match for Title XX**

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

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



Senate Subcommittee on General Government

(1862) Low-Level Radioactive Waste Management

47 Reductions in Communication Expense and Travel	(\$11,018)	R	(\$11,018)	R
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(1871) Board of Science and Technology

48 Reduction in Communications Expense	(\$13,110)	R	(\$13,110)	R
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Total Legislative Changes	(\$493,332)	R	(\$493,332)	R
	(\$878,773)	NR	(\$741,920)	NR
Position Changes	2.00		2.00	
Revised Budget	\$58,195,108		\$59,726,567	

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## State Controller

## GENERAL FUND

	FY 97-98		FY 98-99	
<b>Recommended Continuation Budget</b>	<b>\$16,053,306</b>		<b>\$16,056,630</b>	
<b>Legislative Changes</b>				
<b>(1000) Divisionwide</b>				
<b>49 Year 2000 Computer Conversion</b>				
Nonrecurring funding is recommended by the Governor to assist state government departments and agencies in the conversion of computer applications to accommodate year 2000 requirements.	\$5,000,000	NR		
<b>50 532700 Travel/Subsistence</b>	(\$13,100)	R	(\$13,100)	R
Reduce the following line items each fiscal year:				
(532714) In-State transportation (\$10,000)				
(532724) In-State meals (\$ 3,100)				
<b>51 5369AA Information Highway</b>	(\$5,337,824)	R	(\$5,337,824)	R
Provide non-recurring support in FY 97-98 for 101 existing sites - 52 high schools; 30 Community Colleges, including 1 data only site; two (2) campuses in the University System; and 17 State and local agencies. Additionally, appropriates to the Office of State Controller funds for long distance services and Data Hubs.	\$5,337,824	NR		
Funding for FY 98-99 to be considered in the 1998 Session.				
<b>Total Legislative Changes</b>	<b>(\$5,350,924)</b>	<b>R</b>	<b>(\$5,350,924)</b>	<b>R</b>
	<b>\$10,337,824</b>	<b>NR</b>		
<b>Position Changes</b>				
<b>Revised Budget</b>	<b>\$21,040,206</b>		<b>\$10,705,706</b>	



## Revenue

## GENERAL FUND

	FY 97-98		FY 98-99	
<b>Recommended Continuation Budget</b>	<b>\$68,045,123</b>		<b>\$68,862,535</b>	

## Legislative Changes

## (0000) Departmentwide

**52 Salary Reductions/Span of Control**

(\$592,976)	R	(\$592,976)	R
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Reduce excessive administrative positions in the department as a result of the study authorized per Section 10.1, Chapter 324, 1995 Session Laws.

## (1600) Tax Administration

**53 Premiums Tax Positions**

(\$99,270)	R	(\$99,270)	R
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Funds transferred from the Department of Insurance regulatory charge to provide continued support for the two (2) positions that are responsible for collection of the gross premiums tax. For the Department of Revenue the transfer of funds increases receipts, reducing the General Fund appropriation.

**54 Administration Program Reductions**

(\$200,000)	R	(\$200,000)	R
-------------	---	-------------	---

Reduce funds for data processing equipment and for repairs to buildings each year of the biennium:

FY 97-98

(532310) Repairs - Buildings (\$100,000)

(534522) Equipment - Computers (\$100,000)

FY 98-99

(534522) Equipment - Computers (\$200,000)

## (1660) Field Operations

**55 Additional Interstate Audit Positions**

\$329,497	R	\$692,586	R
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Add seven (7) new auditor positions, two (2) Tax Technician positions, and a Administrative Officer III position in the Interstate Audit Division per the recommendation of the Governor. All positions are effective January 1, 1998.

\$102,500	NR		
10.00		10.00	

## (1680) Legal and Administrative Services

**56 Reductions to Postage and Printing**

(\$263,800)	R	(\$263,800)	R
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Adjust appropriations for the following line items each fiscal year:

(532840) Postage (\$251,800)

(532850) Printing (\$ 12,000)



Senate Subcommittee on General Government

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<b>Total Legislative Changes</b>	<b>(\$826,549)</b>	<b>R</b>	<b>(\$463,460)</b>	<b>R</b>
	<b>\$102,500</b>	<b>NR</b>		
<b>Position Changes</b>	10.00		10.00	
<b>Revised Budget</b>	<b>\$67,321,074</b>		<b>\$68,399,075</b>	

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## Cultural Resources

## GENERAL FUND

	FY 97-98		FY 98-99	
<b>Recommended Continuation Budget</b>	<b>\$52,608,363</b>		<b>\$52,922,221</b>	
<b>Legislative Changes</b>				
<b>(0000) Departmentwide</b>				
<b>57 Salary Reductions/Span of Control</b>	(\$610,262)	R	(\$610,262)	R
Reduce excessive administrative positions in the department and as a result of the study authorized per Section 10.1, Chapter 324, 1995 Session Laws.				
<b>(1210) Division of Archives and History -Admin</b>				
<b>58 Maritime Museum</b>	\$792,227	R	\$786,713	R
Transfer funds and personnel from the Department of Agriculture to the Department of Cultural Resources, Division of Archives and History (Fund 1210) for the Maritime Museum.				
	17.25		17.25	
<b>(1241) Historic Sites</b>				
<b>59 Reuctions in Travel and Equipment</b>			(\$30,000)	R
Reduce the following line items in FY 98-99:				
(532714) In-State transportation (\$15,000)				
(534549) Other Motorized Vehicles (\$15,000)				
<b>(1410) State Library Services</b>				
<b>60 Library and Learning Resources</b>			(\$6,000)	R
Reduce funds in line item 534630 in FY 98-99.				
<b>(1480) Statewide Programs and Grants</b>				
<b>61 NC LIVE - Statewide Electronic Library</b>	\$200,000	R	\$200,000	R
Funding to support NC-Live (North Carolina Libraries and Virtual Education), a collaborative effort among the State Library and public libraries statewide in partnership with libraries in the University of North Carolina system and the Community College system recommended by the Governor to expand access to library and information resources. Initial funds will support statewide licensing of on-line reference and research materials.				
<b>(1500) Museum of History</b>				
<b>62 Equipment</b>			(\$30,000)	R
Reduce funds in line item 534522 in FY 98-99.				



**(1992) Continuation Reserves****63 Reduce Funds in Operating Reserves**

(\$100,000) R

(\$34,000) R

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

FY 97-98

(537102) Museum of History

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

(537110) Tryon Palace

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

FY 98-99

(537103) Historic Sites

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

**Total Legislative Changes**

\$281,965 R

\$276,451 R

**Position Changes**

17.25

17.25

**Revised Budget**

\$52,890,328

\$53,198,672



CODE NO. 97ADMIN-S002B

Requested by: Senator Warren

PROCUREMENT CARD PILOT PROGRAM

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

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

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

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



1 CODE NO. 97INS-S001C

2

3 Requested by: Senator Warren

4

5 STATE HEALTH PLAN PURCHASING ALLIANCE BOARD OPERATING FUNDS  
6 REVERT

1 Sec. @. (a) G.S. 143-635(c) reads as rewritten:

2 "(c) Moneys appropriated by the General Assembly ~~shall be~~  
3 ~~deposited in the Fund and shall become part of the continuation~~  
4 ~~budget of the Department of Administration.~~ for operations of  
5 the State Health Plan Purchasing Alliance Board shall not be part  
6 of the State Health Plan Purchasing Alliance Fund."

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

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

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

15

16

17

18

*Technical changes were made to ensure*

*funds would be counted toward 97-98 availability*



Requested by: Senator Warren

**INFORMATION RESOURCES MANAGEMENT COMMISSION**

1           Sec. @.(a) Effective July 1, 1997, G.S. 143B-426.21  
2 reads as rewritten:       "(a)       Creation; Membership. -- The  
3 Information Resource Management Commission is created in the  
4 Office of the State Controller. The Commission consists of the  
5 following members:

- 6           (1) Four members of the Council of State, appointed by  
7           the Governor.  
8           (1a) The Secretary of State.  
9           (2) The Secretary of Administration.  
10          (3) The State Budget Officer.  
11          (4) Two members of the Governor's cabinet, appointed by  
12          the Governor.  
13          (5) One citizen of the State of North Carolina with a  
14          background in and familiarity with information  
15          systems or telecommunications, appointed by the  
16          General Assembly upon the recommendation of the  
17          President Pro Tempore of the Senate in accordance  
18          with G.S. 120-121.  
19          (6) One citizen of the State of North Carolina with a  
20          background in and familiarity with information  
21          systems or telecommunications, appointed by the  
22          General Assembly upon the recommendation of the  
23          Speaker of the House of Representatives in  
24          accordance with G.S. 120-121.  
25          (7) The Chair of the Governor's Committee on Data  
26          Processing and Information Systems.  
27          (8) The Chair of the State Information Processing  
28          Services Advisory Board.  
29          (9) The Chair of the Criminal Justice Information  
30          Network Governing Board.

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

36 The two initial cabinet members appointed by the Governor and  
37 the two initial citizen members appointed by the General Assembly  
38 shall each serve a term beginning September 1, 1992, and expiring  
39 on June 30, 1995. Thereafter, their successors shall be appointed



1 for four-year terms, commencing July 1. Members of the Governor's  
2 cabinet shall be disqualified from completing a term of service  
3 of the Commission if they are no longer cabinet members.

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

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

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

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

20 (b) This section expires June 30, 2001.



1 CODE NO. 97ADMIN-S001-P

2

3 Requested by: Senator Warren

4

5 GOVERNOR'S ADVOCACY COUNCIL FOR PERSONS WITH DISABILITIES

1 Section @. The Department of Human Resources shall  
2 continue to provide the current office space for the four  
3 regional offices of the Governor's Advocacy Council for Persons  
4 with Disabilities or office space that is comparable to that now  
5 used by the Council.

6



1 CODE NO. 97GEN-S001B-P

2

3 Requested by: Senator Warren

4

5 **PARKING REVENUES**

1           Section @.   The Secretary of Administration may use  
2 funds from parking revenues that are in excess of parking system  
3 expense requirements to fund the fifteen dollar (\$15.00) per  
4 month subsidies for van pools and transit passes.

5



CODE NO. 97CONT-S001A

Requested by: Senator Warren

**NORTH CAROLINA INFORMATION HIGHWAY**

1           Section @. The funds appropriated in this act to the  
2 Office of the State Controller for the operation of the North  
3 Carolina Information Highway shall be used only for costs  
4 incurred by the Office of the State Controller related to the  
5 operations and support of the North Carolina Information Highway.  
6 No funds appropriated in this act shall be expended to pay  
7 Minimum Monthly usage charges for North Carolina Information  
8 Highway Services.

9           (b) Of the funds appropriated to the Office of the  
10 State Controller for the North Carolina Information Highway  
11 (NCIH), an amount not to exceed five hundred thousand dollars  
12 (\$500,000) for fiscal year 1997-98 shall be used to support long  
13 distance capacity and provide for the establishment of regional  
14 hubs in each of the seven Local Access Transport Areas (LATAs) in  
15 North Carolina. The remaining funds shall be used to help defray  
16 the costs of existing NCIH sites except those located at  
17 university sites other than East Carolina University academic  
18 affairs campus. Any savings accrued shall be placed in reserve  
19 in the Office of the State Controller for consideration by the  
20 1997 General Assembly at its session in 1998.

21           (c) In the interim, the Office of State Controller is  
22 encouraged to consider new technologies and capabilities as a  
23 means of providing NCIH users access to information and  
24 resources. The Office of the State Controller shall report to  
25 the General Assembly in 1998 before the reconvening of the  
26 Regular Session on its findings.

27           (d) The State Controller shall report quarterly to the  
28 Joint Legislative Commission on Governmental Operations regarding  
29 the costs incurred by the Office of the State Controller related  
30 to the operations and support of the North Carolina Information  
31 Highway and the savings placed in reserve in the Office of the  
32 State Controller.



1 CODE NO. 97REV-S001A-P

2

3 Requested by: Senator Warren

4

5 STUDY REVENUE'S STAFF REQUIREMENTS

1 Section @. The State Budget Office, Management and  
2 Productivity Unit, shall continue work on the assessment of the  
3 Department of Revenue's staff requirements initiated pursuant to  
4 Section 15.6 of Chapter 18 of the Session Laws, Second Extra  
5 Session 1996. In the final phase of the study, the State Budget  
6 Office shall review workload requirements and make specific  
7 recommendations about staffing for the Department. The State  
8 Budget Office shall make a final report to the House of  
9 Representatives and Senate Appropriations Subcommittees on  
10 General Government and the Fiscal Research Division of the  
11 General Assembly by March 31, 1998, on the results.



1 CODE NO. 97CULRES-S001A-P

2

3 Requested by: Senator Warren

4

5 HISTORIC SITES REPAIRS AND RENOVATIONS FUNDS

1 Section @. (a) Funds allocated in Section \_\_\_\_ of Chapter  
2 \_\_\_\_ of the 1997 Session Laws to the Office of State Budget and  
3 Management for the Repairs and Renovations Fund may be used to  
4 make needed repairs and renovations at the State Historic Sites.

5 (b) There is established the Historic Sites Repairs and  
6 Renovations Review Committee. The Committee shall consist of the  
7 following members: The three cochairs of the Senate  
8 Appropriations and Base Budget Committee and the four cochairs of  
9 the House of Representatives Appropriations Committee. The  
10 Office of State Budget and Management shall submit its proposal  
11 for the use of funds from the Repairs and Renovations Fund for  
12 Historic Sites to the Committee before submitting the proposal to  
13 the Joint Legislative Commission on Governmental Operations in  
14 accordance with Section \_\_\_\_ of Chapter \_\_\_\_ of the 1997 Session  
15 Laws.



1 CODE NO. 97CULRES-S002-P

2

3 Requested by: Senator Warren

4

5 DEPARTMENT OF CULTURAL RESOURCES RETAIN HISTORICAL PUBLICATIONS  
6 RECEIPTS

1           Section @.       The Historical Publications Section,  
2 Division of Archives and History, Department of Cultural  
3 Resources, may retain the receipts, including over-realized  
4 receipts, from the sale of its publications during each year of  
5 the 1997-99 biennium. The receipts from the sale of those  
6 publications retained by the Historical Publications Section  
7 shall not revert, but shall be used to reprint the publications.



1 CODE NO. 97CULRES-S003-P

2

3 Requested by: Senator Warren

4

5

6 MODIFY THE AREAS OF RESPONSIBILITY OF THE ROANOKE ISLAND  
7 COMMISSION

1 Section @. G.S. 143B-131.2(b)(1) reads as rewritten:  
2 (1) To advise the Secretary of Transportation and adopt  
3 rules on matters pertaining to, affecting, and  
4 encouraging restoration, preservation, and  
5 enhancement of the appearance, maintenance, and  
6 aesthetic quality of U.S. Highway 64/264 the U.S.  
7 64/264 Bypass and N.C. 400 travel corridors on  
8 Roanoke Island and the grounds on Ice Plant Island.  
9 Roanoke Island Festival Park.



1 CODE NO. 97INS-S001-P

2

3 Requested by: Senator Warren

4

5 CONSTRUCTION CODE RECEIPTS

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

12



# VISITOR REGISTRATION SHEET

Gen Gov.  
Name of Committee

4-10-97  
Date

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FIRM OR AGENCY AND ADDRESS

Steve Moore

OSC

Jessie Bryant

DDA Council for Women

Sandy Cooper

DCR - State Library

STEVE ALBERTO

SONETREASURER

Bernardella

SOS

Heather Gail

OSA

Camille Winston

"

Ralph Campbell

"

John Alford

DOI

Rodney Bladon

Sec. of State

Benny Vance

DCR

Willie R. Bell

DCR



# VISITOR REGISTRATION SHEET

Ben. Davis  
Name of Committee

4-10-97  
Date

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NAME

FIRM OR AGENCY AND ADDRESS

Claine J. Marshall	SOS
Bruce Lamm	SOS
Virginia Eagles	DOA
Martha Glass	DOA
Melanie Wade	DOA - Council for Women
Robert Pusee	OSBM
George Robison	LLRWMA
Walter Sturgeon	LLRWMA
John Dorman	
Kathie Austin Adgett	OSPL
Jim Howell	OSBM



AGENDA

Senate Appropriations Subcommittee  
on  
General Government

April 10, 1997

Room 425

8:30 a.m.

Chairman: Senator Ed Warren

Additional Discussion of Expansion Budget Requests  
and Special Provisions