

1997

**SENATE
APPROPRIATIONS-
NATURAL & ECONOMIC
RESOURCES
COMMITTEE**

MINUTES

Joint Appropriations Subcommittee on NER Meetings

February 18, 1997

February 20, 1997

February 26, 1997 a.m.

February 26, 1997 p.m.

March 3, 1997

March 5, 1997 a.m.

March 5, 1997 p.m.

March 12, 1997

March 18, 1997 a.m.

March 18, 1997 p.m.

March 24, 1997

Budget Volume 5 found in back of Committee Book

MEMBERSHIP LIST
APPROPRIATIONS COMMITTEE NER

<u>MEMBERSHIP</u>	<u>OFFICE</u>	<u>PHONE</u>
Senator R.L. "Bob" Martin, Chairman	410	5-3040
Senator Tommy Jenkins, Vice-Chair	622	3-6275
Senator Betsy Cochrane	1127	5-2525
Senator Ham Horton	1406	3-3272
Senator Larry Shaw	625	3-4809
Senator David Weinstein	2108	3-5651

Agenda
Senate Appropriations Committee
on Natural and Economic Resources
February 6, 1997
Sen. Bob Martin, Chairman

1. Chairman's comments
2. Member Introductions
3. Staff Introductions
4. Introduction of Others
5. Staff Presentation
6. Closing Remarks

**Senate Appropriations Subcommittee
On
Natural and Economic Resources**

Thursday, February 6, 1997 at 9:00 a.m.

MINUTES

The Senate Appropriations Subcommittee on Natural and Economic Resources met on Thursday, February 6, 1997 at 9:00 a.m. in Room 423 of the Legislative Office Building. Six Senate members attended the meeting, including the Chairman, Senator R.L. "Bob" Martin, who presided.

After opening remarks, Chairman Martin asked the members of the Committee, Staff and Sergeant-at-Arms to introduce themselves. Our page for the meeting was Nadia Stone from Clayton, North Carolina.

Senator Martin introduced Ms. Beth Christensen, staff member, who presented the role of the staff team from the Fiscal Research Department assigned to the Natural and Economic Resources Committee (see Attachment G-1). Staff stated that they are available to Committee members for explanation of the budget process involving Natural and Economic Resources. Ms. Christensen gave a brief overview of the 1997-99 North Carolina State Budget for Natural and Economic Resources. This document will be referred to as Volume 5 or the budget document (see Attachment 2). This document includes the actual spending for the last fiscal year, the authorized spending for the current fiscal year, and the recommended totals for the next two fiscal years.

Senator Martin, Chairman, announced time and dates for future meetings of the NER Committee.

The meeting adjourned at 9:35 a.m.


Carolyn M. Gooden, Committee Clerk


Senator R.L. Martin, Chairman

Natural and Economic Resources (NER)

Departments/Agencies Covered

Department of Agriculture

Department of Commerce

includes Employment Security Commission

includes Non-State Entities

N.C. Biotechnology Center

MCNC

Rural Economic Development Center

Others

✓ Department of Environment, Health, and Natural Resources

includes Wildlife Resources Commission

includes Clean Water Management Trust Fund

Department of Labor

Housing Finance Agency

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Natural and Economic Resources (NER)

Department Legislative Contacts

February 6, 1997

Department of Agriculture

Commissioner	James A. Graham	733-7125
Deputy Commissioner	Maurice Weaver	733-7314
Deputy Commissioner	Weldon Denny	733-7125

Department of Commerce

Secretary	Norris Tolson	733-4962
Assistant Secretary for Administration	Leo Tilley	733-4962
Legislative Liaison	Brad Woodhouse	733-3431

Department of Environment, Health and Natural Resources

Secretary	Jonathan Howes	715-4104
Legislative Liaison	Richard Rogers	715-4152

Department of Labor

Commissioner	Harry Payne	733-7166
Legislative Liaison	Dana Cope	733-0365

Housing Finance Agency

Executive Director	Bob Kucab	781-6115

FISCAL RESEARCH DIVISION
 SUITE 619 LOB
 919 733-4910
 FAX 919 715-3589

Tom L. Covington

DEPARTMENT/ASSIGNMENTS

ANALYSTS

NATURAL AND ECONOMIC RESOURCES

Department of Agriculture

Jennifer Herrera

Administration
 Agricultural Finance Authority
 Agricultural Statistics Division
 Agronomic Services Division
 Aquaculture and Natural Resources
 Food Distribution Division
 Food and Drug Division
 Maritime Museum
 Marketing (Includes Farmers' Markets and Cooperative Grading)
 Meat Industry Division
 Research Stations/State Farms Division
 Standards Division
 Structural Pest Division
 Veterinary Division

Department of Commerce

Alcoholic Beverage Control Commission
 Administrative Services
 Aircraft
 Banking Commission
 Biotechnology Center
 Business/Industry Development
 Cemetery Commission
 Center for Community Self-Help
 Coalition of Farm & Rural Families
 Community Assistance
 Credit Union Commission
 Employment Security Commission
 Employment and Training
 Technology Division

Mark/Beth
 Mark/Jennifer
 Jennifer/Beth
 Jennifer Herrera
 Mark/Beth
 Mark/Beth
 Jennifer/Beth
 Jennifer/Beth
 Jennifer Herrera
 Jennifer/Beth
 Jennifer Herrera
 Mark Trogon
 Mark Trogon
 Jennifer Herrera

G-4

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DEPARTMENT/ASSIGNMENTS

ANALYSTS

NATURAL AND ECONOMIC RESOURCES (Continued)

Film Office	Jennifer/Beth
Finance Center	Mark/Beth
Housing	Jennifer/Beth
Housing Finance Agency	Jennifer/Beth
Industrial Building Renovation Fund	Mark/Beth
Industrial Commission	Mark Trogdon
Institute for Minority Economic Development	Jennifer/Beth
International Trade	Jennifer/Beth
Land Loss Prevention Project	Jennifer Herrera
Mutual Burial Association	Jennifer/Beth
MCNC	Mark Trogdon
NCACTS	Mark Trogdon
Petroleum Overcharge	Jennifer Herrera
Ports	Jennifer
Rural Economic Development Center	Jennifer Herrera
Rural Electrification	Jennifer/Beth
Savings Institutions	Jennifer Herrera
Technological Development Authority	Mark Trogdon
Travel and Tourism	Jennifer/Beth
Utilities Commission	Jennifer/Beth
Wanchese Seafood Industrial Park	Mark/Beth
Worker Training Trust Fund	Mark
World Trade Center	Jennifer Herrera

Department of Environment, Health, and Natural Resources

AIDS	Mona Moon
Air Quality	Mona Moon
Administrative Services	Jennifer/Beth
Adult Health	Mona Moon
Albemarle/Pamlico	Mona Moon
Animal Waste	Mona Moon
Aquariums	Jennifer/Beth
Clean Water Management Trust Fund	Mona Moon

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DEPARTMENT/ASSIGNMENTS

ANALYSTS

NATURAL AND ECONOMIC RESOURCES (Continued)

Coastal Management	Jennifer Herrera
Dental Health	Mona Moon
Environment	Mona Moon/Jennifer
Environmental Education	Mona/Jennifer
Environmental Health	Mona Moon
Environmental Management	Mona Moon
Epidemiology	Mona Moon
Forest Resources	Jennifer/Beth
Governor's Council on Physical Fitness and Health	Mona Moon
Health	Mona Moon
Health Education	Mona Moon
Infant Mortality	Mona Moon
Immunizations	Mona Moon
Laboratory Services	Mona Moon
Land Resources	Mona Moon
Local Health Services	Mona Moon
Marine Fisheries	Mona Moon/Beth
Maternal and Child Health	Mona Moon
Minority Health	Mona Moon
Museum of Natural Sciences	Jennifer/Beth
Natural Heritage Trust Fund	Jennifer Herrera
Natural Resources	Jennifer/Beth/Mona
Parks	Jennifer/Beth
Parks and Recreation Trust Fund	Jennifer Herrera
Post Mortem	Mona Moon
Radiation Protection	Mona Moon
Recreation	Jennifer/Beth
Regional Offices	Jennifer Herrera
Soil and Water Conservation	Mona Moon
Water Quality	Mona Moon
Wetland Resources	Jennifer Herrera
Wetlands	Mona Moon
Wildlife Resources Commission	Jennifer/Beth
Zoo	Jennifer/Beth

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Tom L. Covington

DEPARTMENT/ASSIGNMENTS

ANALYSTS

NATURAL AND ECONOMIC RESOURCES (Continued)

Department of Labor

Mark Trogdon

Administration
Arbitration, Conciliation, and Mediation Services Division
Boiler & Pressure Vessel Inspection Division
Communications Division
Discrimination/Right-to-Know Division
Elevator Division
Migrant Housing Division
Mine & Quarry Division
OSHA Division
Private Personnel Service Division
Research and Statistics Division
Wage and Hour Division
Workplace Retaliatory Discrimination

VISITOR REGISTRATION SHEET

Math. & Econ - - Approp -
Name of Committee

2/6/97
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Joe McClees	TDA
Katy Haynes	General Assembly Clerk
Johnny Gray	OSBM
Jane Smith	EHNR
Becky Brown	Labor
Dana Cope	"
Shirley Williams	OSBM
Jane Brotherton	UNC General Administration/NCSC - Ag Programs
Walt Plater	NCACTs
Phillip R. Wilson	Commerce
R ROGERS	EHNR

Date

NAME _____

[illegible]

**Senate Appropriations Subcommittee
On
Natural and Economic Resources**

Tuesday, March 25, 1997 at 8:30 a.m.

Minutes

The Senate Appropriations Subcommittee on Natural and Economic Resources met on Tuesday, March 25, 1997 at 8:30 a.m. in Room 423 of the Legislative Office Building. Six Senate members attended the meeting, including Senator Bob Martin, who presided.

Senator Martin asked Mr. Mark Trogon, Fiscal Research Division, to review the Governor's Budget reduction recommendations in the Department of Commerce and the Department of Environment Health and Natural Resources. He reported that the total reductions were a little over 5 million. (See Handout A).

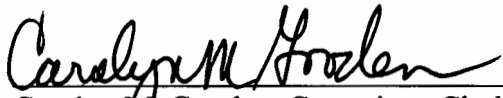
Ms. Jennifer Herrera, Fiscal Research Division, explained the increases in the continuation budget. The three major increases were: 1) Executive Aircraft; 2) Funding for Councils of Government (COGs); and 3) State Aid to Non-State Entities, for a total of \$1, 475,000. Ms. Herrera went on to explain that the Committee had requested staff to provide information related to the number of state owned aircraft. A copy of that report was submitted to the Committee. (See Attachment to Handout A).

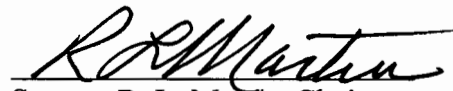
Ms. Jennifer Herrera passed out the Governor's Recommended Continuation Budget Adjustments for the Rural Economic Development Center. There were no recommended adjustments by the Governor. Ms. Herrera stated the 1996 General Assembly allocated grants-in-aid through the Department of Commerce to various non-profits that work on behalf of rural, low-income and minority interests (Land Loss Prevention Project, Institute for Minority Economic Development, Coalition of Farm and Rural Families, N. C. Minority Support Center). Given that the N. C. Community Development Initiative is a private non-profit, the Committee may wish to consider appropriating funds to the

Initiative directly through the Department of Commerce in the same manner as other non-profits. (See Handout B).

Mr. Mark Trogon presented the Governor's Recommended Continuation Budget Adjustments for the Department of Labor. There were no recommended adjustments by the Governor. The Department of Labor has stated that it wanted to use the increase in Federal receipts (\$706,000) to provide additional safety and health consultants to provide on-site compliance assistance to private and public employers. In addition, the Department would increase the Education, Training, and Technical Assistance Program, which provides training seminars on how to comply with OSHA regulations. (See Handout C). The Committee decided to comply with the Departments requests.

The meeting adjourned at 10:08 a.m.


Carolyn M. Gooden, Committee Clerk


Senator R. L. Martin, Chairman

SENATE NER COMMITTEE REVIEW
DEPARTMENT OF COMMERCE

R-1

Governor's Recommended Continuation Budget Adjustments (Summary Volume)

	<u>1997-98</u>	<u>1998-99</u>
1) Economic Development Program – The 1997-99 budgets for computer and data processing services and membership dues and subscriptions were reduced.	(29,000)	(29,000)
2) Executive Aircraft – The 1997-99 budgets were reduced to effectuate savings due to the leasing of new aircraft and thereby the associated warranties should reduce the need for repair funds.	(188,000)	(188,000)
3) Film Office – The budget for board and non-employee transportation were reduced to effectuate savings.	(25,000)	(25,000)
4) Industrial Commission – The Commission is to budget additional cost receipts and reduce General Fund appropriation.		
Requirements	--	--
Receipts	<u>202,000</u>	<u>202,000</u>
Appropriation	(202,000)	(202,000)

R-2

**SENATE NER COMMITTEE REVIEW
DEPARTMENT OF COMMERCE**

1997-98 1998-99

5) Administrative Services -- Additional indirect cost receipts were budgeted and therefore General Fund appropriations were reduced.

Requirements	--	--
Receipts	<u>52,000</u>	<u>52,000</u>
Appropriation	(52,000)	(52,000)

6) Travel and Tourism -- Additional receipts were budgeted for services provided and therefore the General Fund appropriations were reduced.

Requirements	--	--
Receipts	<u>12,000</u>	<u>12,000</u>
Appropriation	(12,000)	(12,000)

7) Transfer Welcome Centers to Highway Fund -- This recommendation is to transfer the eight welcome centers presently located on four interstate highways from the Travel and Tourism Division of the Department of Commerce (General Fund) to the Department of Transportation (Highway Fund).

Requirements	(1,402,203)	(1,403,578)
Receipts	<u>(2,000)</u>	<u>(2,000)</u>
Appropriation	(1,400,203)	(1,401,578)
	-42.0	-42.0

NO

K-3

SENATE NER COMMITTEE REVIEW
DEPARTMENT OF COMMERCE

	<u>1997-98</u>	<u>1998-99</u>
8) Salary Reductions/Span of Control Study – The Department of Commerce's allocated share of this overall reduction.	(672,485)	(672,485)
Total Reductions from Summary Volume	(2,580,688)	(2,582,063)
	-42.0	-42.0

Major Continuation Budget Increases

1) Executive Aircraft – Increase in continuation budget to reflect the lease purchase of 2 new aircraft (Citation Jet and Bell Helicopter)	1,200,000	1,200,000
2) Funding for Councils of Government (COGs) - Transfer from Office of State Planning to the Division of Community Assistance to fund 18 regional COGs/Lead Regional Organizations	864,270	864,270
3) State Aid to Non-State Entities - Increase in continuation budget to reflect recurring appropriations for the following non-profits: Land Loss Prevention Project, Coalition of Farm and Rural Families, NC Institute of Minority Economic Development, and NC Minority Support Center	1,475,000	1,475,000

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SENATE NER COMMITTEE REVIEW
DEPARTMENT OF COMMERCE

Committee Discussion Issues

- 1) The committee had requested staff to provide information related to the number of state owned aircraft. The 1995 General Assembly required the Office of State Budget and Management to study the use of state owned aircraft and report the results of the study to the Joint Legislative Commission on Governmental Operations by April 1, 1996. A copy of that report is attached.
- 2) The committee had a number of questions related to the transfer of funding for COGs from the Office of State Planning to the Division of Community Assistance. Specifically, the committee posed questions pertaining to the types of activities funded through recent appropriations and the rationale for the funding formula that provides equal shares for each region. The Department's response is attached.
- 3) The committee discussed the issue of recurring versus nonrecurring funding for non-profits included in the Governor's Recommended Continuation Budget. Additionally, the committee requested information regarding the number of non-state entities which received recurring appropriations from the General Assembly. Specifically in the Natural and Economic Resources area, the General Assembly funds the following non-profits with recurring funding: MCNC, NC Biotechnology Center, Rural Economic Development Center, Partnership for the Sounds, Opportunities Industrialization Centers, NC Community Development Initiative, Research Triangle International Visitors Center, and the Adolescent Pregnancy Prevention Coalition.

E-5

SENATE NER COMMITTEE REVIEW
DEPARTMENT OF COMMERCE

4) The Committee placed a flag on the following issue in the presentation on the Governor's Commission of Workforce Preparedness:

In October 1996, the State Auditor issued a Performance Audit of the state's Workforce Development programs. In that report the State Auditor recommends that " (t)he General Assembly should consider the consolidation of federal and state funded workforce development programs and activities."¹ He went on to state that "(t)his consolidation should result in a single agency consisting of the **Employment Security Commission** and other workforce development agencies, divisions and programs.² The other programs identified by the State Auditor are as follows: the **Commission on Workforce Preparedness**, the **Division of Employment and Training**, the **Work First program**, the **Food Stamp Employment and Training program**, the **Jobs Corp Outreach and Recruitment program**, and the **Division of Vocational Rehabilitation**.

Options for Discussion

- 1) **Consider the State Auditor's recommendation.** This option will require the NER committee to work jointly with the DHR committee since the Work First program, the Food Stamp Employment and Training program, the Jobs Corp Outreach and Recruitment program, and the Division of Vocational Rehabilitation are budgeted in the Department of Human Resources budget.
- 2) **Consider consolidation of job training programs recommended by the State Auditor within the jurisdiction of the NER committee.** This would include the following programs in the Department of Commerce: the Employment Security Commission, the Division of Employment and Training, and the Governor's Commission on Workforce Preparedness.
- 3) **Consider reauthorizing the Job Training Study Commission.** This Commission, when its authorization expired, was in the process of evaluating all the state's job training programs including those in the Community Colleges and vocational education programs under the Department of Public Instruction.

¹ State of North Carolina, Workforce Development Programs in North Carolina, Office of the State Auditor, October 1996, p. 17.

² Ibid., p. 17.

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North Carolina Department of Commerce

James B. Hunt Jr., Governor

E. Norris Tolson, Secretary

March 21, 1997

TO: Jennifer Herrera

FROM: William A. McNeil, Director
Community Assistance
P. Hughes
Paul Hughes, Executive Director
North Carolina Regional Council Directors Association

SUBJECT: Regional Council Funding Issues

This memorandum responds to your request for information concerning state funding for Regional Councils, addressing two issues: 1) activities funded through recent appropriations and 2) the rationale for the funding formula that provides equal shares for each region.

A summary describing the range of activities which regional councils have undertaken with state funds is enclosed. Activities vary from region to region, locally determined by the local governments which make up the governing boards of each regional council.

On the second question, the simple answer is that previous General Assemblies have directed that the dollars be distributed in equal shares. However, the formula that the Legislature set for the distribution weights the money toward small and rural areas. Cities over 50,000 are deleted from the calculations; the money is allotted to small municipalities and rural areas and then released by resolution from each of the entities, with the counties covering the unincorporated areas. The formula is referenced in the session laws.

The General Assembly considered an allocation based on "need" when it first authorized the money. The committee members explored concepts including a "base-plus" allotments using a number of factors, but could not agree on what factors best represented equity while reaching their target--small and rural areas. They looked at number of units of local government served, the compactness of the area served, the size and relative wealth of the communities, the size of the unincorporated areas, etc. (for example, does a region with 60+ units of local government need more assistance than a region with 20+ units when all units are isolated, small and poor?). The committee, and later the full legislature, decided to express their intent through the formula.

Division of Community Assistance - William A. McNeil, Director
Suite 250, 1307 Glenwood Avenue, P. O. Box 12600, Raleigh, North Carolina 27605
Telephone 919-733-2850 • FAX 919-733-5262 • TDD 1-800-735-2962

6-7

A Report on the Use of State Funds for Community and Economic Development

The Community and Economic Development funds granted to the 18 Regional Councils by the NC General Assembly are used to provide various economic and community development technical services to local governments, particularly smaller units. These are services that these local governments cannot otherwise provide individually. Each Regional Council develops a work program that is approved by the respective Board of Directors. Regional Council Boards are composed of local officials. The Regional Councils cannot and do not receive these funds unless approved by resolution by local governments in the region. Although, the work programs vary somewhat from region to region, activities generally can be summarized in the following broad categories:

A) Grant Preparation Assistance to Local Governments

Many, perhaps most, regions utilize a significant portion of their funds (\$48,015 max) to provide federal and state grant assistance to their local governments. Several regions have no other outside source of funding to provide this service. Primarily, this grant assistance is for infrastructure grants, such as water and sewer, which have a direct economic development impact by creating or retaining jobs.

B) Small Business Development

Several regions utilize a portion of their state funds to help staff business loan programs such as SBA 504 or revolving loan programs. These services lead directly to the establishment or expansion of small businesses leading to jobs creation.

C) Data Services

All Regional Councils are designated by the state as regional data centers. As such, the Councils provide ongoing data collection for local governments, agencies, developers, engineers and others. No other direct funding exists to provide this service.

D) Other Community and Economic Development Services

Some of the Regional Councils use a portion of these funds to underwrite costs associated with other technical services provided to their local governments. This includes, but is not limited to, local planning assistance, foundation applications, solid waste planning assistance, assistance in planning and development industrial parks, strategic planning assistance, river basin planning assistance, and other such services requested by local governments.

E) Management Services and Assistance

Several of the Regional Councils have utilized a portion of their state funding to provide management services to their local governments, particularly smaller units. These services include personnel studies, pay plans and classification studies, financial and accounting assistance, interim staffing assistance, facilitation services, automation services, and other similar assistance.

This report reflects the most common activities. Regional Councils also use funds for projects that are unique to that region inclusive. Each region submits a report each year to the Office of State Planning. Finally, it should be noted that this program is endorsed and supported by the NC Association of County Commissioners and the NC League of Municipalities.



North Carolina
Department of Commerce

James B. Hunt Jr., Governor

E. Norris Tolson, Secretary

March 12, 1997

MEMORANDUM

TO: Mark Trogon

FROM: Leo Tilley



On Monday afternoon, Representative Mitchell asked for the present value of the Wanchese Seafood Industrial Park. I contacted the State Property Office and they gave me a figure of approximately \$12,000,000. This is not a formal appraisal, but actually their educated opinion after reviewing the situation and talking with a couple of realtors in the Wanchese area.

cc: J. W. Reel
Angie Harris
Phil Wilson





North Carolina
Department of Commerce

James B. Hunt Jr., Governor

March 20, 1997

E. Norris Tolson, Secretary

MEMORANDUM

TO: Mark Trogdon

FROM: Leo Tilley

A handwritten signature in cursive script that reads "Leo Tilley".

SUBJECT: Sub-Committee Questions - Hong Kong Office

Representative Baker asked some questions relative to our International Trade Office in Hong Kong, and I indicated I would discuss with the Secretary and respond.

1. What do we anticipate happening July 1, 1997, when Hong Kong will revert to Chinese sovereignty?
 - People we have talked with in the U. S. Department of Commerce, U. S. Trade Administration, Department of State, etc., feel there will be little, if any, change in the relationship between business people in Hong Kong and business people around the world. It has been working too well to make changes.
2. Where would we move our office should political instability take place?
 - In the event the office needs to be moved, we feel the best place to cover that region of the world would be Indonesia. It is agreed that the ASEAN countries are a major part of the growing economic picture, a Big Emerging Market. Should this move be essential, we feel our present trade director in Hong Kong would be willing to relocate with our office.

Attached is testimony given by Jeffrey A. Bader before the House International Relations Committee, Subcommittee on Asia and the Pacific in Washington, D. C., February 13, 1997.

cc: J. W. Reel
Angie Harris
Bill King
Phil Wilson

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2-10

MEMORANDUM

TO: Mark Trodgen, Fiscal Analyst
NC General Assembly

FROM: Rick Webb, Assistant Secretary for Regional Operations
NC Department of Commerce

RE: Response to Budget Review Questions from the Joint House and Senate
Natural and Economic Resources Appropriations Sub-Committee

DATE: March 19, 1997

In follow-up to the request by the Joint House and Senate Natural and Economic Resources Appropriations Sub-Committee, I have outlined below responses to two items not discussed in the recent budget review of Regional Economic Development Commissions.

I. Examples of leveraging private funds.

Six of the seven regional commissions have programs underway to leverage funds from the private sector. Based on a survey I conducted among the seven regional commissions/partnerships, approximately \$2.248 million dollars is being leveraged from the private sector. An additional \$2.125 million dollars is being leveraged from governmental sources. *

The leveraging of private sector funds is most successful in the urban areas with the Carolina's Partnership, Piedmont Triad Partnership, and Research Triangle Partnership raising approximately 67.8% (\$1,542 million dollars). The rural partnerships of AdvantageWest, NC's Southeast and NC's Northeast have raised \$724,000 in private sector funds.

The Global TransPark Region has not raised private sector funds but has generated \$1.205 million dollars from the license tag fee being assessed in their region.

* Includes the license tag fee revenues for the Global TransPark Region.

11-7

II. How the department and the commissions coordinate on a common message in marketing, presentation at trade shows, and in prospect handling.

The seven regional commissions/partnerships meet on a regular basis to discuss ways to better coordinate their overall marketing activities. Through the NC Partnership for Economic Development, the regions and the department are seeking to promote a "seamless environment" for clients looking to locate or expand their business in our state.

Most recently, the department has joined with the seven regions to launch a program called TEAM NC. TEAM NC is bringing together the seven regional commissions with the department at major trade shows and marketing outreach events. A kiosk highlighting the seven regions and the TEAM NC theme will be unveiled May 11 in Indianapolis, Indiana at the International Developers Research Council Annual Conference. This is the premier event for commercial and industrial real estate decision maker in the country.

Using the TEAM NC concept, both the Commerce Department and the seven regional commissions/partnerships plan to create a NC Pavilion at key domestic trade shows and work together in joint trade missions.

In regards to client handling, all seven regions recognize that the Department of Commerce is the lead economic development agency in the state. In three of the regions, (AdvantageWest, NC's Northeast and Research Triangle) Department of Commerce personnel handle all clients generated by their own marketing activities. In the remaining regions, they use their own personnel and regional commerce developers to handle clients.

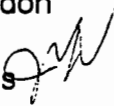
In regards to the Department of Commerce, our developers notify the regional commissions when they bring a client into their region. In many cases, the region will assist with the visit or provide support. On other occasions, the Department of Commerce has sent out client inquiries to the regional commissions/partnership to recommend potential sites. The regions have responded with professional packages which have been of assistance to both the state developer and client. We envision improving this process in the coming year and leverage the resources and expertise of the commissions to better serve our clients.

21-2

March 22, 1997

MEMORANDUM

TO: Mark Trogdon

FROM: Jim Nichols SUBJECT: Business/Industry Development Efforts- Quick Comparison with
Neighboring States

Mark, the Business/Industry Development Division is initiating a study which will benchmark our key economic development attributes and resources with those of our competitor states. This memo reflects the best comparative statistics we have currently gathered from the National Association of State Development Agencies (NASDA), a comparative Southeastern states marketing survey, and our contacts with other state development agencies. Because organizations and budgets are not uniform across states, these numbers reflect our best estimates. We believe that our upcoming benchmark study will provide more detail.

	<u>NC</u>	<u>GA</u>	<u>SC</u>	<u>TN</u>	<u>VA</u>
Personnel	62	85	90	92	85
Budget	\$6,400,000	8,000,000	7,800,000	7,500,000	13,200,000
Secretary/ Director Salaries	\$80-90,000	85-95,000	100-140,000	80-90,000	100-120,000
1996 Marketing Budget	\$529,427	1,800,000	300,000	500,000	2,475,000
1997 Marketing Budget	\$500,000	800,000*	700,000	500,000	3,650,000

0-13

NC

GA

SC

TN

VA

Governor

Comp. Fund \$1million n/a** n/a** \$100million*** \$15million
or equivalent

*Decrease due to high number in 1996 summer olympics

** Per NASDA survey

*** Tennessee's fund is TIIP (Tennessee Industrial Infrastructure Program)

P.14

Global TransPark FY 97-98 Marketing Budget (Proposed)

This budget for marketing continues a reduction of \$100,000 from the funds appropriated in FY 95-96. This reduction reflects a decision by the Authority to focus its attention on selected marketing programs that do not include extensive advertising expenses, until such time as the Environmental Impact Statement is completed and these activities can be reconsidered.

The marketing program will continue its intensive efforts to utilize a variety of cost-efficient media and trade advertisements, trade shows, personal presentations, direct mail, and electronic services in marketing the Global TransPark. The Authority will continue close coordination and interaction with other state, regional and local economic development organizations, such as the N.C. Department of Commerce, Global TransPark Development Commission, and county-based organizations in the region.

The marketing program will seek to build upon the growing relationships in the GTP Network for the purpose of stimulating awareness among prospective users and tenants of the TransPark both domestically and abroad. A concerted initiative is already underway and will be continued during the coming fiscal year to promote greater use of the Kinston Regional JetPort for cargo movement by attracting the firms necessary to provide that service.

12-15

Program	Account	FY 97-98
Salaries and wages	2180	67,500
Temporary labor	2190	2,000
Payroll additives	2200	17,500
Employee in state subsistence	2360	8,000
Employee in state transportation	2370	6,000
Employee out state subsistence	2380	11,000
Employee out state transportation	2390	15,500
Employee other travel expense	2400	500
State aircraft	2500	5,000
Cellular telephone	3218	600
Telephone and telegraph	3220	2,200
Postage	3230	5,000
Rent of Land and Structure	3300	18,000
Repair/service to equipment	3420	1,000
Repair/service to DP equipment	3470	1,500
Dues and Subscriptions	3520	5,000
Advertising and Promotions	3700	74,146
Office supplies	4100	4,500
Printing and binding	4110	16,000
Software data processing	4130	3,500
Data processing equipment	5100	17,500
Office furniture and equipment	5110	2,500
Communications equipment	5180	1,500
Payments to contractors		
Aviation cons/federal programs	3531	2,000
Project development/ research	3532	10,000
Legal and accounting	3533	1,000
Computer expenses/service	3535	18,000
Other agencies	3536	5,000
Total Marketing		321,946

NORTH CAROLINA DEPARTMENT OF COMMERCE
COMMERCE FINANCE CENTER

Enterprise Tier Designations in North Carolina

These designations are prepared and announced each December by the Secretary North Carolina Department of Commerce for the purpose of naming and classifying all 100 counties to participate, and the rate at which they participate, in the following incentives:

A. Tax Credits

1. Jobs Tax Credit
2. Machinery and Equipment Investment Tax Credit
3. Worker Training Tax Credit
4. Research and Development Tax Credit

B. Industrial Development Fund

The procedures for designating counties are spelled out by statute:

G.S. 105-129.3

First Step

The Secretary of Commerce Shall assign to each county in the state a factor that is the sum of 3 rankings:

1. The county's ranking, lowest to highest, in rate of unemployment. (Initially, this comes by dividing the county's unemployment by its civilian labor, then multiply by 100.) Source: ESC
2. The county's ranking, highest to lowest, in percapita income. (The ranking comes from comparing raw income figures derived by US Commerce.) Source: US Department of Commerce, Bureau of Economic Analysis.
3. The county's ranking, highest to lowest, by percentage growth in population. (1995 and 1990 census amounts (change) divided by 1990 amount, times 100, or $1995-1990/1990 \times 100$. Source: US Commerce, Bureau of Census.

Note: The latest available data is used at the time of designation.

Second Step

1. Add the 3 rankings for each county across to get the SUM of rankings.
2. Sort SUM of rankings from highest to lowest, then number these (highest to lowest numbers) from 1 to 100.

Third Step

1. Select the 10 counties having the highest factors (combined ranking sums) and designate as Tier I counties.
2. Select the next 15 counties with highest factors and designate as Tier II counties.
3. Select the next 25 as Tier III counties.
4. Select the next 25 as Tier IV counties.
5. Select the next 25 as Tier V counties.

Final Step

Tier I, II, and III counties (counties with the 50 highest factors) are designated as eligible for the Industrial Development Fund Incentive.

DISTRESSED COUNTIES RANKING FOR DECEMBER, 1996
USING 1990 AND 1995 POPULATION

EXHIBIT I R-17

COUNTY	POPULATION GROWTH 1990-1995	POPULATION GROWTH 1990- 1995 RANK	PER CAPITA INCOME 1994	PER CAPITA INCOME RANK	UNEMPLOY- MENT RATE	UNEMPLOY- MENT RATE RANK	DISTRESSED COUNTY SUM 1995-1996	1997	1997	1997	1995	1995
								DISTRESSED COUNTY RANK 1995-1996	DISTRESSED COUNTY RANK 1994-1995	TIER AREA	AVERAGE WEEKLY WAGE	WAGE STAN. 110%
SWAIN	2.66%	82	\$12,716	97	17.40%	100	279	1	2	1	279.90	307.89
RICHMOND	1.99%	87	\$14,966	90	10.15%	98	275	2	4	1	351.46	386.61
GRAHAM	3.75%	71	\$12,579	99	13.06%	99	269	3	4	1	320.21	352.23
NORTHAMPTON	-0.35%	96	\$15,284	82	7.41%	82	260	4	3	1	356.62	392.28
HALIFAX	3.52%	73	\$15,016	89	9.41%	92	254	5	14	1	363.81	400.19
NARREN	5.05%	60	\$12,591	98	10.03%	96	254	5	10	1	305.88	336.47
EDGECOMBE	0.21%	94	\$16,280	63	9.87%	95	252	7	15	1	404.38	444.82
ALLEGHANY	0.29%	93	\$15,881	72	8.01%	85	250	8	26	1	314.58	346.04
ANSON	1.51%	90	\$15,897	71	8.33%	87	248	9	11	1	377.00	414.70
WERTFORD	-0.24%	95	\$14,098	94	5.64%	59	248	9	9	1	335.92	369.51
LYDE	-3.70%	100	\$16,646	56	9.26%	91	247	11	6	2	240.58	264.64
BERTIE	1.23%	91	\$15,330	81	6.84%	74	246	12	8	2	307.79	338.57
TYRRELL	-1.14%	97	\$16,825	51	10.05%	97	245	13	1	2	248.48	273.33
MITCHELL	2.81%	80	\$15,271	84	6.88%	75	239	14	7	2	367.87	404.66
WASHINGTON	-1.65%	99	\$16,853	50	9.06%	90	239	14	11	2	299.02	328.92
ROBESON	5.53%	54	\$14,644	91	9.49%	93	238	16	17	2	357.75	393.53
MONTGOMERY	2.04%	86	\$16,098	67	7.01%	78	231	17	16	2	347.54	382.29
ASHE	3.53%	72	\$16,258	64	9.64%	94	230	18	31	2	330.54	363.59
BEAUFORT	2.48%	84	\$16,699	54	8.98%	89	227	19	20	2	385.31	423.84
VANCE	2.95%	78	\$16,332	61	8.29%	86	225	20	22	2	366.25	402.88
SCOTLAND	2.83%	79	\$16,158	65	7.02%	79	223	21	22	2	434.40	477.84
MARTIN	3.05%	77	\$16,374	60	7.87%	83	220	22	37	2	460.94	507.03
ONSLOW	-1.29%	98	\$13,548	95	3.75%	25	218	23	18	2	290.46	319.51
BLADEN	3.93%	67	\$15,851	73	6.97%	77	217	24	11	2	344.90	379.39
YANCEY	4.70%	62	\$14,546	92	5.77%	60	214	25	18	2	340.46	374.51
COLUMBUS	3.39%	74	\$16,528	57	7.13%	80	211	26	24	3	404.40	444.84
MCDOWELL	4.38%	65	\$15,615	77	6.24%	68	210	27	28	3	390.87	429.96
CHEROKEE	8.20%	32	\$13,435	96	7.19%	81	209	28	26	3	332.63	365.89
PERQUIMANS	1.94%	88	\$15,827	74	4.76%	39	201	29	20	3	251.50	276.65
RUTHERFORD	3.80%	70	\$16,491	58	6.75%	72	200	30	45	3	402.87	443.16
CLAY	8.06%	33	\$14,248	93	6.72%	71	197	31	35	3	306.15	336.77
MADISON	4.87%	61	\$15,140	86	5.03%	47	194	32	39	3	349.81	384.79
PAMLICO	4.41%	64	\$15,807	75	5.20%	51	190	33	25	3	272.46	299.71
STANLY	3.90%	68	\$16,799	52	6.54%	70	190	33	39	3	392.27	431.50
CASWELL	3.28%	75	\$15,084	88	3.80%	26	189	35	33	3	346.67	381.34
WILSON	2.69%	81	\$19,454	20	8.77%	88	189	35	30	3	419.02	460.92
AVERY	2.15%	85	\$17,490	40	5.92%	62	187	37	28	3	312.85	344.14
JACKSON	7.27%	39	\$15,253	85	6.06%	63	187	37	42	3	324.69	357.16
CHOWAN	3.89%	69	\$16,931	49	6.17%	66	184	39	32	3	363.73	400.10
LENOIR	3.16%	76	\$18,036	30	6.77%	73	179	40	35	3	400.42	440.46

DISTRESSED COUNTIES RANKING FOR DECEMBER, 1996
USING 1990 AND 1995 POPULATION

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COUNTY	POPULATION GROWTH 1990-1995	POPULATION GROWTH 1990- 1995 RANK	PER CAPITA INCOME 1994	PER CAPITA INCOME RANK	UNEMPLOY- MENT RATE	UNEMPLOY- MENT RATE RANK	DISTRESSED COUNTY SUM 1995-1996	1997	DISTRESSED COUNTY RANK 1994-1995	1997	1995	WAGE STAN. 110%
								DISTRESSED COUNTY RANK 1995-1996		TIER AREA	AVERAGE WEEKLY WAGE	
WAYNE	6.07%	53	\$15,777	76	5.19%	50	179	40	43	3	370.79	407.87
CLEVELAND	5.22%	58	\$17,282	43	6.89%	76	177	42	51	3	436.75	480.43
JOKE	19.59%	3	\$11,938	100	6.21%	67	170	43	34	3	355.08	390.59
PASQUOTANK	6.36%	51	\$16,108	66	5.20%	52	169	44	51	3	333.56	366.92
BRUNSWICK	19.13%	4	\$15,516	78	7.89%	84	166	45	38	3	420.90	462.99
MILKES	4.48%	63	\$17,139	44	5.56%	57	164	46	54	3	383.38	421.72
GASTON	1.91%	89	\$18,524	25	5.01%	45	159	47	58	3	446.29	490.92
ROCKINGHAM	2.64%	83	\$17,785	36	4.75%	38	157	48	39	3	427.35	470.09
CAMDEN	6.98%	42	\$15,279	83	4.01%	30	155	49	44	3	298.02	327.82
WAYWOOD	6.40%	50	\$16,973	48	5.54%	56	154	50	46	3	425.23	467.75
PERSON	6.49%	48	\$17,446	41	6.06%	64	153	51	49	4	412.15	453.37
JONES	0.93%	92	\$19,509	19	4.92%	41	152	52	49	4	319.60	351.56
DRAVEN	5.15%	59	\$17,825	35	5.04%	48	142	53	48	4	389.71	428.68
GATES	5.30%	56	\$16,002	69	3.38%	17	142	53	47	4	306.31	336.94
GRANVILLE	7.27%	38	\$15,959	70	4.31%	33	141	55	55	4	415.88	457.47
CALDWELL	4.27%	66	\$17,671	37	4.36%	34	137	56	63	4	379.38	417.32
SURRY	5.46%	55	\$18,241	28	5.48%	54	137	56	66	4	359.21	395.13
CUMBERLAND	7.02%	41	\$16,785	53	4.92%	42	136	58	58	4	393.67	433.04
PENDER	20.16%	2	\$15,497	79	5.49%	55	136	58	53	4	306.23	336.85
DUPLIN	6.94%	43	\$18,299	27	5.57%	58	128	60	56	4	354.42	389.86
SAMPSON	6.82%	44	\$19,977	15	6.25%	69	128	60	64	4	367.04	403.74
HARNETT	13.46%	10	\$15,106	87	3.91%	28	125	62	60	4	361.13	397.24
BURKE	7.53%	36	\$17,338	42	4.99%	44	122	63	70	4	395.17	434.69
GREENE	9.17%	28	\$16,465	59	4.28%	32	119	64	62	4	306.79	337.47
CARTERET	9.63%	24	\$17,128	45	5.05%	49	118	65	57	4	290.31	319.34
FRANKLIN	14.38%	9	\$15,437	80	3.88%	27	116	66	61	4	393.37	432.71
WATAUGA	8.61%	29	\$16,083	68	3.37%	16	113	67	67	4	331.23	364.35
NASH	9.51%	26	\$19,042	22	5.91%	61	109	68	72	4	441.77	485.95
MACON	11.85%	15	\$16,303	62	4.22%	31	108	69	64	4	342.27	376.50
LINCOLN	10.48%	20	\$17,860	34	5.31%	53	107	70	78	4	412.60	453.86
TRANSYLVANIA	6.46%	49	\$18,021	31	3.58%	21	101	71	71	4	470.27	517.30
DARE	13.24%	11	\$18,565	23	6.14%	65	99	72	69	4	298.17	327.99
ROWAN	7.48%	37	\$17,608	38	3.73%	24	99	72	72	4	438.63	482.49
PITT	8.24%	31	\$18,535	24	4.93%	43	98	74	68	4	397.08	436.79
ALEXANDER	9.53%	25	\$17,074	47	3.58%	20	92	75	77	4	379.29	417.22
CATAWBA	6.61%	46	\$21,710	10	4.38%	35	91	76	75	5	435.81	479.39
DAVIE	6.73%	45	\$22,398	9	4.47%	37	91	76	92	5	392.69	431.96
YADKIN	10.44%	21	\$17,507	39	3.99%	29	89	78	80	5	389.44	428.38
ALAMANCE	6.54%	47	\$19,585	18	3.60%	22	87	79	74	5	418.25	460.08
DAVIDSON	7.84%	35	\$17,886	33	3.30%	14	82	80	85	5	419.44	461.38

DISTRESSED COUNTIES RANKING FOR DECEMBER, 1996
USING 1990 AND 1995 POPULATION

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COUNTY	POPULATION GROWTH 1990-1995	POPULATION GROWTH 1990- 1995 RANK	PER CAPITA INCOME 1994	PER CAPITA INCOME RANK	UNEMPLOY- MENT RATE	UNEMPLOY- MENT RATE RANK	DISTRESSED COUNTY SUM 1995-1996	1997	DISTRESSED COUNTY RANK 1994-1995	TIER AREA	1995	WAGE STAN. 110%
								DISTRESSED COUNTY RANK 1995-1996			AVERAGE WEEKLY WAGE	
LEE	11.23%	18	\$20,704	12	5.02%	46	76	81	83	5	422.04	464.24
STOKES	10.34%	22	\$17,085	46	2.98%	8	76	81	81	5	368.48	405.33
CURRITUCK	15.16%	8	\$16,672	55	3.27%	12	75	83	81	5	293.94	323.33
RANDOLPH	8.45%	30	\$18,210	29	3.33%	15	74	84	86	5	388.17	426.99
FORSYTH	5.28%	57	\$24,567	3	3.27%	11	71	85	79	5	533.21	586.53
BUNCOMBE	7.99%	34	\$20,202	14	3.47%	19	67	86	84	5	432.33	475.56
DURHAM	6.08%	52	\$22,419	8	2.88%	7	67	86	87	5	658.98	724.88
NEW HANOVER	16.04%	7	\$19,887	16	4.88%	40	63	88	76	5	428.83	471.71
GUILFORD	7.10%	40	\$23,717	4	3.41%	18	62	89	88	5	504.12	554.53
IREDELL	11.33%	17	\$19,245	21	3.70%	23	61	90	89	5	437.58	481.34
MOORE	12.98%	12	\$22,719	7	4.46%	36	55	91	93	5	399.42	439.36
CABARRUS	11.53%	16	\$19,868	17	3.28%	13	46	92	89	5	445.65	490.22
HENDERSON	9.99%	23	\$20,332	13	3.12%	10	46	92	91	5	444.42	488.86
UNION	16.60%	6	\$17,951	32	2.50%	3	41	94	94	5	432.79	476.07
JOHNSTON	17.35%	5	\$18,415	26	2.84%	6	37	95	94	5	375.23	412.75
POLK	9.21%	27	\$23,265	5	2.74%	5	37	95	96	5	343.23	377.55
CHATHAM	10.72%	19	\$20,721	11	2.64%	4	34	97	97	5	404.19	444.61
MECKLENBURG	12.90%	13	\$25,993	1	2.98%	9	23	98	98	5	595.02	654.52
ORANGE	12.75%	14	\$23,108	6	1.79%	1	21	99	99	5	421.69	463.86
WAKE	21.57%	1	\$24,841	2	2.24%	2	5	100	100	5	494.63	544.09

NOTES:

1. Population growth was determined using years 1990 and 1995 as reported on LINC.
2. Per Capita Income is 1994 as reported on LINC.
3. The Unemployment Rate is the average rate from July 1995 to June 1996, not seasonally adjusted, provided by the Labor Market Information Division of the Employment Security Commission.

GOVERNOR'S RECOMMENDED REDUCTIONS

1997-98

1998-99

Department of Commerce

1) Economic Development Program – The 1997-99 budgets for computer and data processing services and membership dues and subscriptions were reduced.

(29,000)

(29,000)

2) Executive Aircraft – The 1997-99 budgets were reduced to effectuate savings due to the leasing of new aircraft and thereby the associated warranties should reduce the need for repair funds.

(188,000)

(188,000)

3) Film Office – The budget for board and non-employee transportation were reduced to effectuate savings.

(25,000)

(25,000)

4) Industrial Commission – The Commission is to budget additional cost receipts and reduce General Fund appropriation.

Requirements

--

--

Receipts

202,000

202,000

Appropriation

(202,000)

(202,000)

5) Administrative Services -- Additional indirect cost receipts were budgeted and therefore General Fund appropriations were reduced.

Requirements

--

-

Receipts

52,000

52,000

Appropriation

(52,000)

(52,000)

	<u>1997-98</u>	<u>1998-99</u>
6) Travel and Tourism – Additional receipts were budgeted for services provided and therefore the General Fund appropriations were reduced.		
Requirements	--	--
Receipts	<u>12,000</u>	<u>12,000</u>
Appropriation	(12,000)	(12,000)
 7) Transfer Welcome Centers to Highway Fund – This recommendation is to transfer the eight welcome centers presently located on four interstate highways from the Travel and Tourism Division of the Department of Commerce (General Fund) to the Department of Transportation (Highway Fund).		
Requirements	(1,402,203)	(1,403,578)
Receipts	<u>(2,000)</u>	<u>(2,000)</u>
Appropriation	(1,400,203)	(1,401,578)
	-42.0	-42.0
 8) Salary Reductions/Span of Control Study – The Department of Commerce's allocated share of this overall reduction.		
	(672,485)	(672,485)
 Total Reductions from Summary Volume	 (2,580,688)	 (2,582,063)
	-42.0	-42.0

Department of Environment, Health, and Natural Resources

1997-98

1998-99

- 1) Increase Forestry Receipts - Reduce Appropriations** - A reduction in appropriations is recommended by making an adjustment to receipts from counties. The counties share in the cost of the forestry operations with a match of 25% to 40% based on the tax base of the county.

Requirements
Receipts
Appropriation

--	--
<u>120,000</u>	<u>120,000</u>
(120,000)	(120,000)

- 2) Reductions in Forestry Field Operations** – A reduction in appropriations is recommended due to an adjustment in the schedule for completion of the statewide radio system.

(200,000)	(200,000)

- 3) Multi-County Water Conservation and Infrastructure District --**
Includes nonrecurring funds appropriated in each year of the 1995-97 biennium to the Multi-County Water Conservation and Infrastructure District by the 1995 General Assembly. These funds were not reduced in the 1997-99 continuation budget by error.

(500,000)	(500,000)

- 4) Salary reductions/Span of Control** – The Department of Environment, Health and Natural Resources' allocated share of this reduction.

(2,335,425)	(2,335,425)

Total Reductions from Summary Volume

(3,155,425)	(3,155,425)

*Attachment to
Handout A*

FINAL REPORT

Study of State-Owned Aircraft

As Directed by 1995 Session Laws

Section 10.4 of Chapter 324

**STATE OF NORTH CAROLINA
Office of State Budget and Management
Management and Productivity Section
Raleigh, North Carolina 27603-8005**

April 1996

MANAGEMENT PERSPECTIVE

The Office of State Budget and Management is dedicated to the principles of efficiency and effectiveness in State Government. Its management role is oriented toward promoting and facilitating the implementation of sound management concepts and practices throughout State Government by assisting and/or conducting management analysis and providing consulting services to the Governor, the State Budget Officer and Department and Agency Heads. This report has been prepared in keeping with this management perspective.

**STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT
Management and Productivity Section
116 West Jones Street
Raleigh, North Carolina 27603-8005
(919) 733-7061**

Project No. 95-0704

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EXECUTIVE SUMMARY

The General Assembly directed the Office of State Budget and Management to conduct a study of state-owned aircraft. Specifically, State Budget was requested to determine:

- Number and type of aircraft
- Number of pilots, as well as the number and type of staff who support aircraft operations
- Associated and ancillary equipment such as aerial photographic cameras and related instrumentation
- Budget for each Department's aircraft and their source(s) of funding
- Number of hours the aircraft is available and used
- Compilation and review of Departments' policies regarding authorized passengers on the aircraft and who is responsible for determining which passengers are authorized

and answer whether there was potential for consolidation and/or contracting for aircraft services in general.

Based on a review of the uses being made of the state's aircraft, State Budget recommends that the following occur:

- The General Assembly should clarify the purposes for all air operations, following review of State Budget's recommendations
- Improve oversight and planning for the overall aircraft operation for the state, from acquisition to maintenance to training and actual usage
- Improve the organization of air operations, including but not limited to elimination of duplicate functions and possible consolidation of others
- Strengthen approval mechanisms for acquisition of all aircraft, donated or purchased
- Improve budgeting and accounting for all aircraft-related operations
- Improve information and standard definitions about air operations
- Sell or transfer certain aircraft/assets to reduce the fleet size

In summary, State Budget believes there is a need for certain state-run air operations, especially where it involves the enforcement of laws and the safety of the public; and there is a need for other types of operations; however, it is imperative that the resources fit the needs as defined by the leadership, and that the management of the resources be improved through improved reporting, consistent oversight, and standardization.

I. INTRODUCTION

A. Background To The Study

The General Assembly directed the Office of State Budget and Management to conduct a study of state-owned aircraft. A copy of the special provision is included as Appendix A. There were six data-gathering elements to the study that the General Assembly directed, including:

1. Number and type of aircraft
2. Number of pilots, as well as the number and type of staff who support aircraft operations
3. Associated and ancillary equipment such as aerial photographic cameras and related instrumentation
4. Budget for each Department's aircraft and their source(s) of funding
5. Number of hours the aircraft is available and used
6. Compilation and review of Departments' policies regarding authorized passengers on the aircraft and who is responsible for determining which passengers are authorized

These data-gathering elements were to answer two questions in the legislation, to which State Budget added a third. They are:

- Feasibility and desirability of consolidating any or all state-owned aircraft operations (specified in special provision from the General Assembly)
- Feasibility and desirability of departments' contracting for aircraft services rather than owning their own aircraft (specified in special provision from the General Assembly)
- How should the state's air operations be organized, financed, and structured? This includes such things as Information Management, Automation, Accounting and Budgeting, and Acquisitions (added based on State Budget's findings during course of study)

In order to carry out the requirements of the legislation, State Budget surveyed all agencies with aircraft either owned by them or supported by state funds. The reason for including federally-owned aircraft in this study is that the state has a significant number which are on long-term loan to it and on which the state spends General Funds and state employees' time. However, these aircraft fulfill a very important mission for the state in providing fire prevention and control.

A summary of all the aircraft and agencies included in the study are shown in Appendix C following the report. It identifies the primary missions of the aircraft, the types of aircraft, where they are based, whether the state purchased them or they were donated, their estimated current values, estimated replacement costs, quality of their hangar space, and key missions. But in summary, the following are the key facts:

SUMMARY OF THE STATE'S AIRCRAFT AS OF 7/1/95

	TOTAL IN FLEET fy94-95	AVERAGE AGE IN 1995:	EST'D TOTAL CURRENT VALUE:	EST'D AVG. CURR. VALUE	EST'D TOTAL REPLACE- MENT	EST'D AVG. REPLACE- MENT
Single Engine Fixed Wing	38	26	\$3,998,646	\$99,966	\$5,977,853	\$153,278
Multi Engine Fixed Wing	10	19	\$5,384,000	\$538,400	\$28,171,000	\$2,308,875*
Helicopters	20	26	\$9,886,224	\$494,311	\$55,525,000	\$2,776,250
ALL AIRCRAFT:	68	25	\$19,268,870	\$271,393	\$89,673,853	\$1,299,621
STATE-OWNED	43					
FEDERAL- OWNED	25					

*Not including DC-3

B. Methodologies

The methodologies of the study included conducting a survey of all agencies to obtain five years of cost, staff and operating information; interviews with aircraft operations managers; site visits to a sample of the home bases of each agency's aircraft; and many follow up discussions with agency staff. It was decided to gather five years of data in order to present the General Assembly with a more complete picture of the state's aircraft operations, and also because certain maintenance activities occur over longer cycles, and are very costly and would distort the view if only one year's data were shown. Also, there has been a significant growth in the state's aircraft fleet in the past five years, and it was deemed more useful to show where the growth has occurred and how. Copies of the surveys are included as Appendix B to this report. Agency data were compiled onto spreadsheets that were reviewed by each agency for use in this report.

C. Summary of Findings and Recommendations

The key findings related to this study include:

- There is little or no coordination across agency lines
- There is no central oversight of the state's aircraft operations, nor are there any standard guidelines concerning purchase, acquisition, replacement, models, rates, usage expectations, etc. (note: the General Assembly has recently required the Department of Transportation to report to Joint Committee on Governmental Operations concerning capital and operating costs related to acquisition of aircraft, which is an informational report only)
- There are no standard guidelines to decide what aircraft would be best suited to the specific missions

- There is duplication of certain functions in the state's air operations among agencies
- The aircraft are an effective but costly resource
- There is a wide variety of aircraft types, models, and funding sources which limits the potential for consolidation of operations, purchasing opportunities, training and repairs
- The budgeting and accounting for aircraft are inadequate at best, with some minor exceptions

The recommendations, in brief, call for:

- Clarified purposes for all air operations
- Greater oversight and planning for the overall aircraft operation for the state, from acquisition to maintenance to training and actual usage
- Improved organization of air operations, including but not limited to elimination of duplicate functions and possible consolidation of others
- Strengthened approval for acquisition of all aircraft, donated or purchased
- Improved budgeting and accounting for all aircraft-related operations
- Improved information and standard definitions about air operations
- Sale or transfer of assets to reduce the fleet size

The State Budget analysts wish to thank the aircraft operations staff who spent much time outlining their operations, showing them their facilities, and researching the data on the past five years of costs and usage. Without their patience and assistance, this study could not have been completed.

II. FINDINGS

A. SUMMARY

The General Assembly identified six key data gathering components as part of its special provision. To ensure we responded to each of their concerns, the following sections address each of the six items that were included in the legislation.

B.

“FOR EACH DEPARTMENT THE NUMBER AND TYPE OF AIRCRAFT”

In fiscal year 94-95 (the last year of the data gathering period), the state had a total of 68 aircraft for which it was responsible for some portion of the year. Of these 68 aircraft, there were 43 state-owned (some of which were given by the federal government to the state) and 25 federally owned which are on long-term loan to the state by the U.S. Forest Service for use in fire control and prevention. Since the completion of the study, the state has acquired one fixed wing on long-term loan from the federal government (for Forestry), and an additional 13 helicopters (at no acquisition cost) from the federal government: 4 are for the Highway Patrol; 2 are for Marine Fisheries; and 7 are on long-term loan to the Forestry Division (and are currently under review for flyability, engines, etc.) Four aircraft are no longer in service now or are in the process of being surplused (1 federal craft in Forestry, 1 in Marine Fisheries, and 1 in Wildlife). By comparison, in 1990, the state's total fleet was 49. The growth in the number of aircraft has occurred in two agencies, who have as primary missions law enforcement and fire prevention and control (Highway Patrol and the Forestry Division of EHNR). Forestry explains its growth as being needed both for fire control and forest protection as well as to have spare aircraft available for parts and to replace others taken out of service for maintenance during critical fire situations. Chart B-1 below summarizes agency aircraft:

Chart B-1 The State's Aircraft from FY90-91 through FY95-96 Year to Date

FISCAL YEAR AGENCY	FY90-91	FY91-92	FY92-93	FY93-94	FY94-95	FY95-96 thru 12/95
COMMERCE	4	4	4	4	4	4
CCPS/Highway Patrol (note 1)	1	1	1	3	11	15
EHNR/Forestry - Total (note 2)	30	31	33	37	37	43
EHNR/Marine Fisheries (note 3)	3	3	3	3	3	5
EHNR/Wildlife (note 4)	4	4	4	4	5	5
JUSTICE/SBI	4	4	4	4	4	4
TRANSPORTATION	3	3	4	4	4	4
TOTAL:	49	50	53	59	68	80

NOTES:

1. Highway Patrol borrowed Commerce helicopter in FY91-91 thru FY92-93 for total of 536 flight hours (in addition to its own helicopter, shown on chart)
2. Forestry has 7 new helicopters now under review for flyability, & took 1 fixed wing out of service; one is still not in service. The new helicopters are not being put into the air but rather are being held for parts or when another aircraft is taken out of service for maintenance and a replacement is needed in critical fire situations.
3. Marine Fisheries sold one fixed wing, and purchased another in 4/95, then added two helicopters after 7/95, and is in process of surplusizing another fixed wing
4. Wildlife is surplusizing one aircraft, has replaced it with another

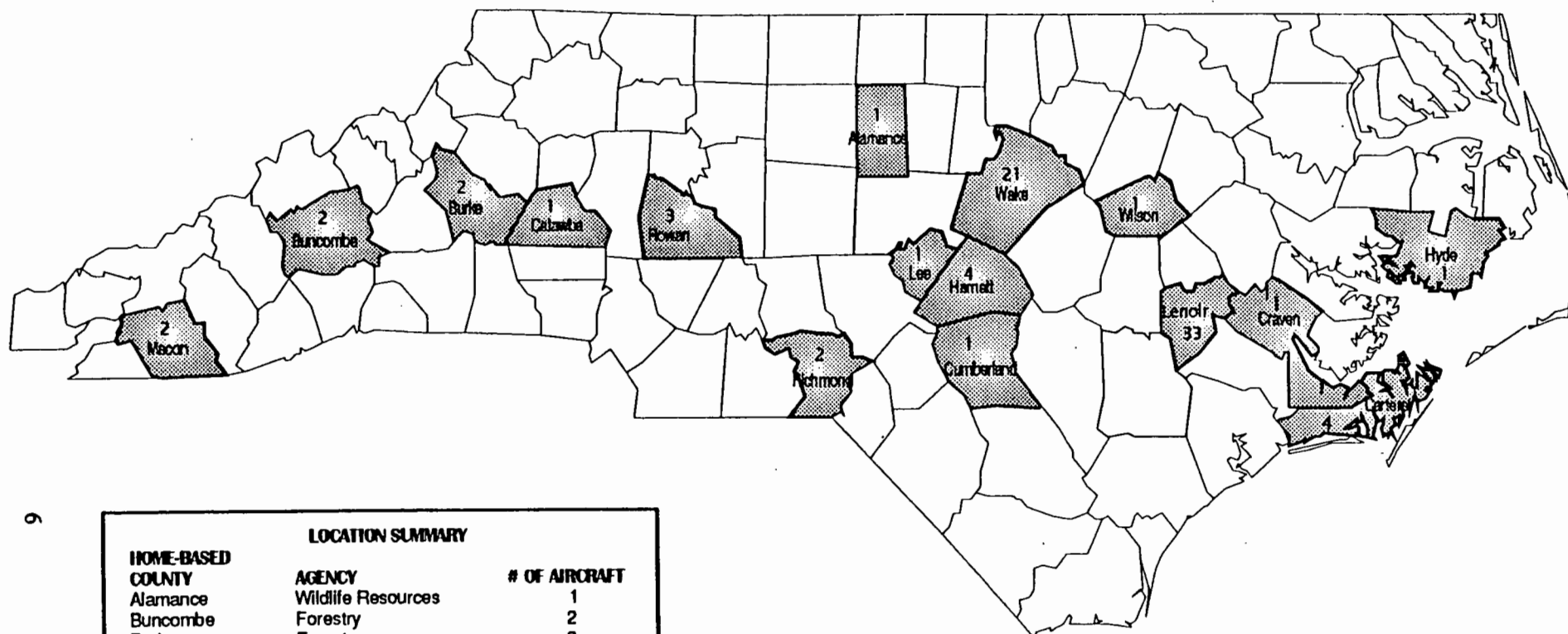
Appendix C shows the state's fleet and provides some basic descriptive information. Chart B-2 is a map of the state indicating where agency aircraft are based, their numbers, agencies, and their primary uses.

Some conclusions can be drawn from the summary charts in Appendix C at the end of the report as well as in Charts B-1 and 2 in this section:

- The estimated current value of the total aircraft fleet (both state and federal owned) is over \$19,000,000 -- a sizeable figure in any discussion (see page 2 and Appendix C)
- The average age of all the aircraft that were included in the study data is 25 years. This can be a factor both in maintenance down-time as well as the availability of parts for aircraft that are no longer made or in large supply. It is indicative that the state needs to look closely at replacing some of its aircraft soon (see Appendix C). The average ages by agency are as follows:

- Commerce	14 Years
- CCPS/Highway Patrol	26 Years
- EHNR/Forestry	30 Years
- EHNR/Marine Fisheries	10 Years
- EHNR/Wildlife	19 Years
- Justice/SBI	15 Years
- Transportation	12 Years
- The average replacement cost (using the agencies' estimated replacement costs) is high (over \$1.3 million average, although the individual replacement estimates range from \$100,000 to over \$9,000,000), and perhaps of greater significance is the average cost of replacement for helicopters (\$2.7 million) and the multi-engine fixed wing (\$2.3 million not including the DC-3) (see Appendix C).
- Duplication of facilities and/or missions exist (see map in Chart B-2 and Appendix C). In some cases, functional duplication exists because of the donor of the aircraft or its funding (as in the case of drug interdiction). In others, it exists because there has been no central coordination of facilities and aircraft support operations (such as in passenger travel).
- With over eleven different manufacturers of the state's fleet, interchangeability of parts can be limited. The source of the aircraft also limits the transferability of parts. This variety of makers and of donors limits the state's ability to obtain quantity discounts; it can increase training costs for pilots needing to be trained on different aircraft types; and it can force some agencies to spend money when parts are actually available in the other agencies' inventory (see Appendix C for manufacturer names).
- The growth in numbers of aircraft has occurred almost solely due to the availability of federal aircraft (see Appendix C) and the competition with other states for these aircraft, rather than a conscious statewide policy to expand in a coordinated planned effort, based on stated priorities, established needs, and careful cost-benefit analyses.

Home Base and Uses of the State's Aircraft



9

LOCATION SUMMARY

HOME-BASED COUNTY	AGENCY	# OF AIRCRAFT
Alamance	Wildlife Resources	1
Buncombe	Forestry	2
Burke	Forestry	2
Carteret	Marine Fisheries	5
Catawba	Wildlife Resources	1
Craven	Forestry	1
Cumberland	Forestry	1
Harnett	SBI	4
Hyde	Forestry	1
Lee	Forestry	1
Lenoir	Wildlife Resources	2
	Forestry	34
Macon	Forestry	2
Richmond	Forestry	2
Rowan	Highway Patrol	3
Wake	Highway Patrol	12
	Commerce	4
	Transportation	4
Wilson	Wildlife Resources	1

MISSION SUMMARY

AGENCY	PRIMARY USES	# AS OF 12/95
Forestry	Fire Control & Prevention	36 + 7 under review
Highway Patrol	Drug Interdiction, Traffic, Emergency Resp.	15
Transportation	Photogrammetry & Passenger Travel	4
Commerce	Economic Dev. & Passenger Travel	4
Marine Fisheries	Law Enforcement/Fish Mgmt.	5
Wildlife	Law Enforcement/Game & Fish Mgmt.	5
SBI	Law Enforcement & Drug Interdiction	4

C.

"FOR EACH DEPARTMENT, THE NUMBER OF PILOTS, AND THE NUMBER AND TYPE OF SUPPORT PERSONNEL FOR AIRCRAFT"

Chart C-1 details staffing for each agency including pilots, mechanics, scheduling staff, clerical and management staff from FY90-91 through FY94-95 for all agencies in the study. As can be seen in the chart, in FY94-95, there were a total of 66 people working as pilots in the state; of these 66, the estimated full-time equivalent (FTE) is 43. This compares with 60 pilots in FY90-91 with an estimated FTE of 42. The growth in numbers of pilots has been with Highway Patrol and DOT's use of non-primary pilots (Transportation has a number of pilots whose primary duties are in other areas of the Aviation Division, but who are occasionally asked to fly for reasons other than their primary duties.) However, because there are so many pilots not in fulltime capacity, the more meaningful statistic may be the FTE figures, rather than the actual number of people available as pilots.

To develop the full time equivalency (FTE) staffing levels for pilots, agencies were asked to indicate each pilot in their operations, their salary grade and title, their actual salary and fringes, their flight hours (by assigned aircraft for those agencies that make such assignments), and the pilots' available time to fly (see appendix B, for survey copy). Unless the agency specifically stated otherwise, pilots were assumed to be full-time and therefore their salaries were allocated at 100% in preparing the pilot costs. Exceptions were for pilots who had dual functions as managers of the aircraft unit as well as pilot duties, and those pilots who reported significant mechanics' duties. The columns on Chart C-1 labeled "Actual #" indicates how many people (state and contract) were available to fly. The columns labeled "FTE" are the estimated amount if pilots were available as pilots. It must be noted however that "full time" can be something of a misnomer when talking about pilots. For example, in all the enforcement agencies (Highway Patrol, SBI, Wildlife, and Marine Fisheries), the pilots are also sworn officers with case responsibilities in addition to their pilot duties. Forestry and Marine Fisheries pilots are also heavily involved in much of the routine maintenance, and all agencies' pilots seem to be involved to a greater or lesser degree in supporting the mechanics (by removing panels, providing general assistance and oversight, etc.). Adjustments were made in the calculations concerning aircraft availability in Section F of this report. It is noted here because it is key to understanding the aircraft operations, where the aircraft are very much "tools" with which these people do their jobs, and their skills as pilots are an additional job skill.

The same process was followed in developing staffing levels for mechanics as was used with pilot staffing levels, namely by asking for number of staff, salaries, fringes, and hours spent on aircraft.

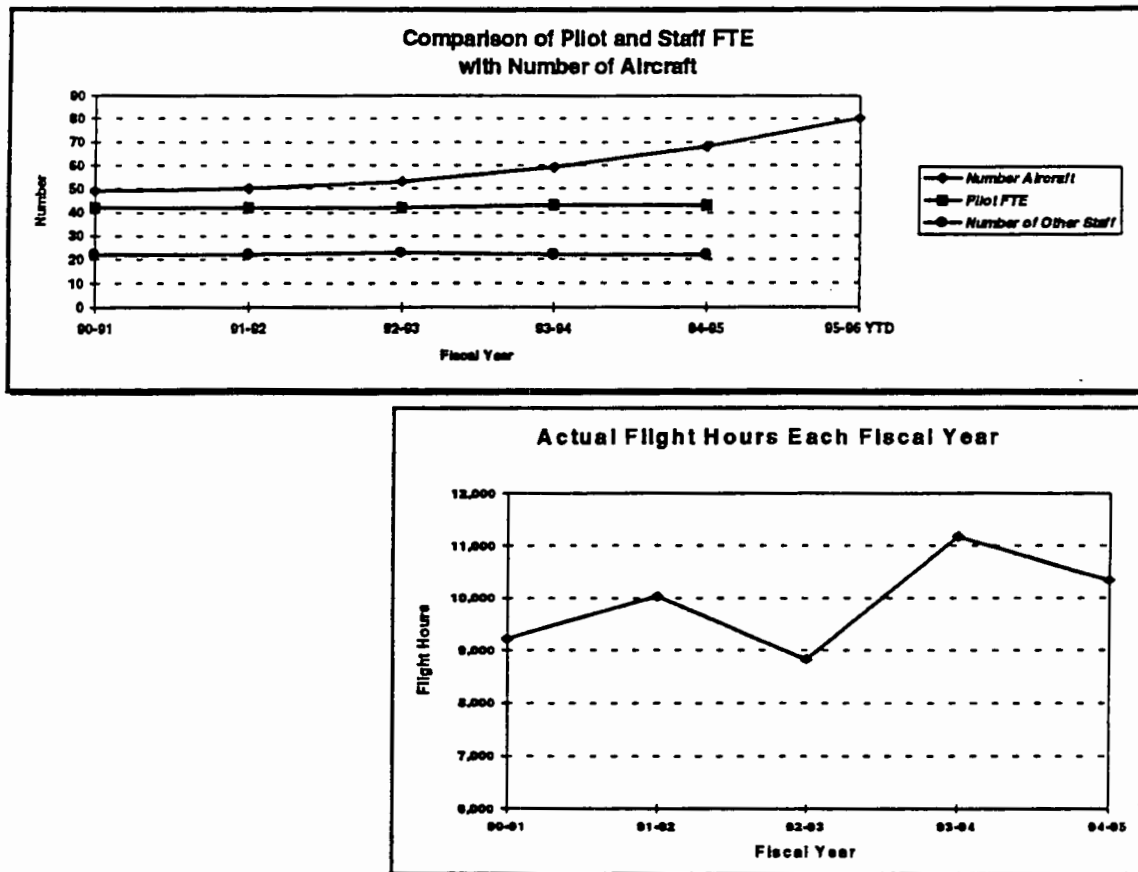
To calculate staffing levels for managers, scheduling staff and clerical/support staff, agencies were asked to estimate staff time spent with air operations. This percentage was multiplied by salaries and fringes for those staff providing such services, and were used for the cost component of the study (Section E of this report) and in developing staff estimates shown in Chart C-1, on the following page.

In looking at Chart C-2 which follows C-1, of perhaps greatest note is that the growth in FTE pilots and staff to support air operations has remained relatively flat when compared with the growth in aircraft numbers.

CHART C-1: AIRCRAFT OPERATIONS STAFFING

FISCAL YEAR	note	FY90-91		FY91-92		FY92-93		FY93-94		FY94-95	
PILOTS		actual #	FTE	actual #	FTE	actual #	FTE	actual #	FTE	actual #	FTE
Commerce	1	4	4.21	4	4.26	4	4.33	4	4.47	4	4.34
Commerce/Contractor	6	3	0.01	1	0.00	5	0.02	10	0.07	6	0.04
CCPS/Highway Patrol		2	2.00	1.5	1.50	1	1.00	2.5	2.50	4	4.00
EHNR/Forestry		19	19.00	19	19.00	19	19.00	19	19.00	19	19.00
EHNR/Forestry/contractor	2	12	5.30	12	5.30	12	5.30	12	5.30	12	5.30
EHNR/Marine Fisheries	3	3	1.50	3	1.50	2.25	1.25	2	1.00	2	1.00
EHNR/Wildlife	4	4	3.25	4	4.00	4	4.00	5	4.00	3	2.65
Justice/SBI	5	3	2.40	3	2.60	3	2.30	3	2.60	3	2.50
DOT/Primary		4	4.00	4	4.00	4	4.00	4	4.00	4	4.00
DOT/Non-Primary	6	6	0.33	7	0.24	6	0.35	7	0.38	9	0.35
TOTAL		60.0	42.0	58.5	42.4	60.3	41.6	68.5	43.3	66.0	43.2
MECHANICS											
Commerce	7	2	2.00	2	2.00	2	2.00	2	2.00	2	2.00
CCPS/Highway Patrol	7	0	0.00	0	0.00	0	0.00	0	0.00		
EHNR/Forestry		9	9.00	9	9.00	9	9.00	9	9.00	9	9.00
EHNR/Marine Fisheries	8		1.58		1.63		1.34		1.26		1.14
EHNR/Wildlife	9	0		0		0		0		0	
Justice/SBI	9	0		0		0		0		0	
Transportation		2	2.00	2	2.00	2	2.00	2	2.00	2	2.00
TOTAL		13	14.58	13	14.63	13	14.34	13	14.26	13	14.14
CLERICAL & SCHEDULING											
Commerce			0.50		0.50		0.90		0.90		0.90
CCPS/Highway Patrol			0.05		0.05		0.05		0.05		0.05
EHNR/Forestry			0.00		0.00		0.00		0.00		0.00
EHNR/Marine Fisheries			0.06		0.06		0.06		0.06		0.06
EHNR/Wildlife			0.00		0.00		0.00		0.00		0.00
Justice/SBI			0.00		0.00		0.00		0.00		0.00
Transportation			1.00		1.00		1.00		1.00		1.00
TOTAL			1.61		1.61		2.01		2.01		2.01
MANAGEMENT/SUPERVISION											
Commerce	1		0.80		0.75		0.68		0.54		0.67
CCPS/Highway Patrol			0.05		0.05		0.05		0.05		0.05
EHNR/Forestry	10		4.00		4.00		4.00		4.00		4.00
EHNR/Marine Fisheries			0.05		0.05		0.05		0.05		0.05
EHNR/Wildlife			0.10		0.06		0.06		0.03		0.06
Justice/SBI	5		0.60		0.40		0.70		0.40		0.50
Transportation			0.60		0.70		0.70		0.70		0.70
TOTAL			6.20		6.01		6.24		5.77		6.08
TOTAL FTE: PILOT STAFF			41.99		42.40		41.55		43.32		43.18
TOTAL FTE: OTHER STAFF			22.39		22.25		22.59		22.04		22.23
TOTAL FTE: ALL AIR OPERATIONS			64.38		64.65		64.14		65.36		65.41
NOTES: 1 Commerce: Executive Air Ops. Supvr. It's pilot time shown here, balance shown in Mgmt/Supv. category Contract pilots' FTE and numbers also included. 2 EHNR/Forestry: pilots are 19 state and 12 seasonal contract (10 work 4 mos. ea., 2 work 11 mos.) 3 EHNR/Marine Fisheries: pilots allocate max. of one-half time for flying, balance for maint., weather, training 4 EHNR/Wildlife: fy94-95 time includes limited time of contract pilot 5 Justice/SBI: Unit supervisor's pilot time shown here, balance shown in Mgmt/Superv. category 6 DOT Non-Primary Pilots: based on hours flown 7 Approx. 20% of Commerce mechanic time was spent in support of Highway Patrol aircraft during first 2 fiscal years 8 EHNR/Marine Fisheries: balance of pilot FTE shown here, since agency indicated they do much of own work. Agency also indicated use of contract mechanic, and hours included here too 9 EHNR/Wildlife, Justice/SBI: Contract mechanic only. Time not shown 10 EHNR/Forestry: some managers are pilots available to fly in addition to their management duties. No FTE estimate made in pilot category											

Chart C-2: Comparison of Growth in Pilots, Aircraft Support Staff, Aircraft, and Flight Hours



Another issue related to staffing is the issue of training for pilots and mechanics. There are three factors here: one is the increasing cost of training; second is the variety of ways agencies are providing it; and third is the issue of the number of manufacturers of aircraft (over 11 manufacturers for the state's fleet) which can increase training costs for pilots who need to be trained on several different aircraft types.

Agencies are handling training in a variety of ways. Some agencies have people on their staff who are qualified to provide the necessary training. Some agencies have contracts with a company or send their pilots to an aircraft manufacturer's training facilities. And some are doing a combination. Obviously, there are other issues related to training which affect cost, such as instrument ratings of the pilots that are required based on the aircraft they fly, as well as whether they fly one type aircraft or several.

CHART C-3: Agency Pilot Training Sources and Costs

FISCAL YEAR	FY90-91	FY91-92	FY92-93	FY93-94	FY94-95
AGENCY					
DIRECT TRAINING COSTS:					
Commerce	\$32,125	\$28,493	\$28,606	\$28,800	\$29,300
CCPS/Highway Patrol	\$9,195	\$6,422	\$11,000	\$14,800	\$44
EHNR/Forestry	\$0	\$0	\$0	\$0	\$0
EHNR/Marine Fisheries	\$0	\$0	\$0	\$0	\$0
EHNR/Wildlife	\$0	\$0	\$0	\$0	\$0
JUSTICE/SBI	\$9,950	\$4,025	\$4,025	\$11,000	\$0
Transportation	\$20,250	\$35,265	\$43,375	\$55,450	\$57,000
TOTAL:	\$71,520	\$74,205	\$87,006	\$110,050	\$86,344
TRAINING-RELATED TRAVEL COSTS:					
Commerce	Included in Training Cost				
CCPS/Highway Patrol	\$261	\$398	\$0	\$1,437	\$4,543
EHNR/Forestry	\$0	\$0	\$0	\$0	\$0
EHNR/Marine Fisheries	\$0	\$0	\$0	\$0	\$0
EHNR/Wildlife	\$0	\$0	\$0	\$0	\$0
JUSTICE/SBI	\$0	\$628	\$665	\$0	\$407
Transportation	Included in Training Cost				
TOTAL:	\$261	\$1,026	\$665	\$1,437	\$4,950
TOTAL Training & Travel:	\$71,781	\$75,231	\$87,671	\$111,487	\$91,294

In summary, the issues of concern with respect to staffing are:

- Staffing to fly aircraft has not kept pace with the increase in the numbers of aircraft,
- The costs for external training are high and increasing
- The ways of providing training vary widely
- Staffing patterns vary. Where DOT is using non-primary pilots from within agency staff to meet the bulk of their extra demand, Commerce uses contract pilots, and Forestry uses part time temporary pilots (some of whom work almost eleven months of the year)
- The number of state mechanics has not increased at the rate of the aircraft increases, implying that the difference is being made up somewhere, most likely by pilots
- Contract mechanics cost roughly \$35 per hour for those agencies who use this service; state mechanics, at a grade 68-midpoint, earn \$15.93 per hour plus fringes which increases the hourly rate to nearly \$20; however, it must be remembered that pilots are also doing some mechanic work.

D.

"STUDY USE OF ASSOCIATED AND ANCILLARY EQUIPMENT"

Agencies were asked to indicate what special equipment their aircraft had that enabled them to meet their primary missions. In general, much of the law enforcement related equipment has been provided by the federal government; either, the cost was borne by the federal government, or the equipment donated. In the case of Transportation, their photogrammetry equipment was purchased through Highway Funds. Chart D-1 shows the costs and types of the equipment acquired during the study period.

Chart D-1: Cost and Type of Ancillary Equipment

MISSION-SPECIFIC EQUIPMENT COSTS	FY90-91	FY91-92	FY92-93	FY93-94	FY94-95	Types of Equipment
Commerce	\$0	\$0	\$0	\$0	\$0	
CCPS/Highway Patrol	\$0	\$0	\$0	\$0	\$198,954	Flir, night sun
EHNR/Forestry	\$18,585	\$0	\$17,585	\$24,031	\$0	Aerial ignition, buckets, ropes, etc.
EHNR/Marine Fisheries	\$0	\$0	\$0	\$0	\$0	
EHNR/Wildlife	\$0	\$0	\$0	\$39,336	\$0	Night vision equipment
JUSTICE/SBI	\$0	\$3,629	\$177,461	\$38,000	\$0	Laser illum, flir, flir upgrade, tow tractor
Transportation	\$24,940	\$24,940	\$27,531	\$33,259	\$95,216	Photogrammetry film and GPS Guidance System
TOTAL MISSION-SPECIFIC:	\$43,525	\$28,569	\$222,577	\$134,626	\$294,170	

Note: The insured value of DOT's cameras is \$420,491

Note: Much of the law enforcement equipment was funded by federal or grant funds

E.

“FOR EACH DEPARTMENT, THE BUDGET FOR AIRCRAFT, THE SOURCE OF FUNDING FOR AIRCRAFT”

It was found early in the study that few agencies actually budgeted for aircraft operations separately. As such, in order to respond to the General Assembly's request concerning costs of the operations, State Budget requested each agency to develop detailed five-year costs, as shown in the survey in Appendix B. Along with this, agencies were asked to identify funding sources for the various items, in order that we might show where the support for these operations derived. Gathering these costs and identifying funding sources proved to be the most challenging aspect for the agencies.

Chart E-1, sections a-d on the following page detail the operating costs for the five years of the study period. These were developed from the survey referenced above in which the agencies were asked to supply costs of hangar fees, landing and ramp fees, routine and major maintenance costs, mission-specific equipment costs, fuel costs, insurance fees, staff training and travel costs, pilot salaries, scheduling and clerical staff salaries, and mechanics salaries and fees. Where it was not possible to assign specific costs to a specific aircraft, allocations were made following discussions with staff as to the most reliable way to make such allocations. This was mostly the case where pilots weren't assigned to just one aircraft but could fly several or all of the agency's craft.

To analyse the information, the costs are shown in four categories as follows:

- Fixed costs: includes two cost groups:
 - All staff (state and contracted; pilots, schedulers, and management and clerical) salaries and fringe benefits
 - All non-staff fixed costs, such as hangar fees, training and training-related costs, and any shared administrative costs, such as technical maintenance journals, automation, etc.
- Variable costs: includes routine and minor maintenance, fuel, and insurance costs
- Major (non-routine) maintenance costs -- includes major items such as engine replacement and other similar major, non-annual types of expenditures
- Mission-specific costs -- this was included in response to the General Assembly's request for information about “ancillary equipment”, which the analysts determined to be those items that did not relate to the flyability of the aircraft, but enabled aircraft to perform its mission

It is important to note here that in subsequent analyses of cost, certain of the above items are not included unless otherwise noted, specifically:

- The Major Maintenance and Mission-Specific cost items were excluded in subsequent analyses because there was not sufficient detail to depreciate the costs based on the variety of expenditures
- The Major Maintenance and Mission-Specific cost items were excluded in subsequent analyses also because of yearly variations (from a low of \$160,000 to a high of \$576,000) for the major maintenance and some are non-recurring costs
- The Major Maintenance and Mission-Specific cost items were excluded in subsequent analyses also because some were not funded from state funds but rather through grants or federal funds and their inclusion might skew the actual cost to the state.

- The original purchase price of the aircraft is also not included.

Although the above are not included in subsequent analyses, these costs are listed (in sections c. and d.) on the chart following this page in order to show all the elements that comprise an air operation. However, as can be seen from the funding source discussion below, the importance of outside sources in supporting the state's air operations has been significant, as will be the impact when such support is no longer there.

The sources of funding for the state's aircraft operations in FY94-95 are as follows.

- Commerce: receives approximately 65% of its funding from state appropriations and 35% from receipts from agencies who use it, including its own divisions
- Highway Patrol: receives much of its funding from the Highway Fund. It has also received extensive federal grant support and reimbursement for marijuana eradication, as well as donation of aircraft and inventory from the Department of Defense
- EHNR/Forestry: receives approximately 82% from state appropriations, 11% from federal funds and 7% from receipts
- EHNR/Marine Fisheries: receives 99.02% from state appropriations and .98% from receipts
- EHNR/Wildlife: receives 100% of its funding from Special Funds (license and use fees)
- Justice/SBI: approximately 85% of the aircraft costs are borne by state appropriations and 15% by the federal Drug Enforcement Administration (DEA) in support of three of its aircraft. However, it should be noted that any funds received from DEA for the marijuana eradication program for the use of aircraft and personnel-related costs reverts to the state, in excess of those expenses agreed to by State Budget and DEA for SBI use in maintaining aircraft.
- Transportation: receives approximately 85% of its budget from the Highway Fund, and the remaining 15% is from receipts which are charged to work orders (also Highway Fund money)

CHART E-1: AIRCRAFT OPERATION COSTS FOR 5 FISCAL YEARS

FISCAL YEAR AGENCY	FY90-91	FY91-92	FY92-93	FY93-94	FY94-95
A. FIXED COSTS (see note 1)					
Commerce	\$683,873	\$654,744	\$693,144	\$790,274	\$802,971
CCPS/Highway Patrol	\$130,734	\$101,788	\$63,432	\$140,609	\$268,919
EHNR/Forestry	\$1,407,989	\$1,442,066	\$1,471,459	\$1,535,304	\$1,560,971
EHNR/Marine Fisheries	\$160,547	\$157,716	\$130,761	\$125,352	\$111,060
EHNR/Wildlife	\$222,238	\$219,620	\$224,056	\$226,939	\$218,449
JUSTICE/SBI	\$177,583	\$184,693	\$170,139	\$190,411	\$185,960
Transportation	\$365,990	\$403,521	\$403,513	\$453,029	\$628,923
TOTAL FIXED STAFF COSTS:	\$3,148,954	\$3,164,148	\$3,156,504	\$3,461,918	\$3,777,253

B. VARIABLE COSTS (see note 2)	FY90-91	FY91-92	FY92-93	FY93-94	FY94-95
Commerce	\$46,413	\$44,156	\$53,398	\$50,911	\$49,049
CCPS/Highway Patrol	\$45,549	\$54,257	\$134,121	\$31,115	\$117,568
EHNR/Forestry	\$180,627	\$161,359	\$184,429	\$340,522	\$344,722
EHNR/Marine Fisheries	\$13,226	\$20,560	\$20,612	\$21,011	\$29,203
EHNR/Wildlife	\$43,692	\$48,883	\$42,329	\$51,764	\$37,163
JUSTICE/SBI	\$80,822	\$95,976	\$79,938	\$82,722	\$81,479
Transportation	\$143,033	\$192,093	\$318,697	\$385,458	\$458,820
TOTAL VARIABLE COSTS:	\$553,362	\$617,284	\$833,524	\$963,503	\$1,118,004

C. MAJOR MAINTENANCE COSTS (see note 3)	FY90-91	FY91-92	FY92-93	FY93-94	FY94-95	Types of Equipment
Commerce	\$108,315	\$137,512	\$73,670	\$308,580	\$76,847	
CCPS/Highway Patrol	\$53,481	\$65,808	\$26,313	\$7,308	\$292,910	Radios, gps
EHNR/Forestry	\$18,250	\$51,100	\$113,100	\$47,923	\$40,600	Engine changes, o'hauls, avionics, paint, spar x-ray
EHNR/Marine Fisheries	\$18,607	\$1,706	\$0	\$0	\$1,445	Prop. o'haul, engine replacement, dolly
EHNR/Wildlife	\$0	\$0	\$0	\$4,965	\$6,500	Replace struts, engine overhaul
JUSTICE/SBI	\$18,825	\$81,804	\$11,847	\$31,150	\$24,759	Engine repl., windows, deice boots
Transportation	\$0	\$0	\$0	\$144,654	\$132,443	
TOTAL MAJOR MAINT. COSTS:	\$217,478	\$337,930	\$224,930	\$544,580	\$575,504	

d. MISSION-SPECIFIC EQUIPMENT COSTS (see note 4)	FY90-91	FY91-92	FY92-93	FY93-94	FY94-95	Types of Equipment
Commerce	\$0	\$0	\$0	\$0	\$0	
CCPS/Highway Patrol	\$0	\$0	\$0	\$0	\$198,954	Flir, night sun
EHNR/Forestry	\$18,585	\$0	\$17,585	\$24,031	\$0	Aerial ignition, buckets, ropes, etc.
EHNR/Marine Fisheries	\$0	\$0	\$0	\$0	\$0	
EHNR/Wildlife	\$0	\$0	\$0	\$39,336	\$0	Night vision equipment
JUSTICE/SBI	\$0	\$3,629	\$177,461	\$38,000	\$0	Laser illum, flir, flir upgrade, tow tractor
Transportation	\$24,940	\$24,940	\$27,531	\$33,259	\$95,216	Photogrammetry film and GPS Guidance System (see note 5)
TOTAL MISSION-SPECIFIC:	\$43,525	\$28,569	\$222,577	\$134,626	\$294,170	

- NOTES: 1. Fixed Costs: Hangar fees, training, training-rel. travel, Salaries, Administrative Costs, inc. contractors
2. Variable Costs: Landing, ramp fees, Fuel, Routine Maintenance, Insurance
3. Major Maintenance: Engine changes, replacements, major overhauls, avionics
4. Mission Specific: Items that enable aircraft to better carry out mission
5. The camera systems have a total insured value of \$620,691.

Again, Major Maintenance and Mission-Specific Equipment are provided for information only, as noted on page 12 of this report and were not used in other cost analyses unless otherwise noted.

F.

**"FOR EACH DEPARTMENT THE NUMBER OF HOURS THE AIRCRAFT IS AVAILABLE
AND THE NUMBER OF HOURS THE AIRCRAFT IS USED"**

As noted earlier, because the state has fewer pilots than it has aircraft, the aircraft availability was determined based on pilot availability, using 1400 annual flying hours as an absolute upper limit. It is important, in looking at the usage figures to understand the basis for them, since these are a *derived* set of numbers. Specifically, for reasons of safety, pilots will not fly the full 2,080 hours which are normally considered a full working year. Thus, for purposes of this study, a person who was expected to be available to fly "full time" was assumed to have up to 1400 hours flight availability, and is the figure used in this report for all full-time pilots, when discussing availability. This allows the remainder of the year's hours for time spent doing pre and post flight checks; filing flight plans; time spent actually doing case work in the case of law enforcement; and in the case of non-law enforcement work, it assumes waiting time at destinations and/or waiting for passengers to return.

In discussing availability and percent of use, it is also important to note the different purposes for which the aircraft are intended. In some agencies, there is a higher degree of control over flight times and usage. Agencies which use their aircraft for scheduled flights for purposes of aerial patrol and surveillance, as well as responding to requests presumably have a greater opportunity to optimize use. Such is the case with the SBI, Wildlife and Marine Fisheries, who should be able to exert greater influence over their flight hours since they fly both assigned routes and provide support upon request. Their percent usage shown in Chart F-3 would be expected to be higher, and in fact, this is borne out.

For other agencies, such as Forestry, which responds to emergencies such as forest fires, there is less control of schedules and therefore less expectation of high usage rates; the key with Forestry's aircraft is that they are maintained so as to be available for use on a moment's notice. Because they have so many aircraft, their average is somewhat distorted and required additional analyses by type craft in order to understand what was happening. In analyzing their data in more detail, it was seen that they have some planes (their Scouts, Leads and General Purpose) which fly assigned routes to spot fires, in addition to their "reactive" firefighting duties; these type craft would be expected to be significantly higher flight hours than tankers, for example, and this is borne out. Thus, even with agencies that are primarily reactive, there is mixed usage that affects flight hours.

The charts on the following page show the basis for determining usage rates and availability. And Chart F-4 which follows shows usage by purpose by agency (for those agencies who were able to separate this) for the same time period.

Three additional points need to be made regarding availability: first, an alternative method to presenting availability would be to deduct actual maintenance hours from the total available; however, it was decided to work with pilot availability only, since maintenance times are just estimates. A second point regarding availability is how an agency chooses to staff its flights. In the case of the Department of Commerce, two pilots are on a flight; in Department of Transportation, all their passenger flights are staffed with two pilots. In looking at Chart F-1 on the following page, Commerce's actual available pilot flight hours could be considered as half of what is shown, which would double the percentages of use in F-3, when taking this staffing pattern into consideration. The same would hold true for those flights of Transportation's which were considered passenger flights. However, for purposes of comparison, the actual flight hours, based on the minimal required staffing was used, but this alternative operating method is noted here for reference. And the third point is to reemphasize that the 1400 hours that represent maximum availability are a derived number; some agencies say the upper limit is closer to 500 hours a year. For purposes of this report, it is simply used to provide a common basis for looking at use of aircraft and availability, based on the legislation's charge.

Chart F-1: Available Pilot Flight Hours, Based on FTE (X 1400 hrs.)

FISCAL YEAR AGENCY	FY90-91	FY91-92	FY92-93	FY93-94	FY94-95
Commerce	5,905	5,965	6,093	6,350	6,135
CCPS/Highway Patrol	2,800	2,100	1,400	3,500	5,600
EHNR/Forestry *	34,020	34,020	34,020	34,020	34,020
EHNR/Marine Fisheries	2,100	2,100	1,750	1,400	1,400
EHNR/Wildlife	4,550	5,600	5,600	5,600	3,710
JUSTICE/SBI	3,360	3,640	3,220	3,640	3,500
Transportation	6,278	6,096	6,330	6,408	6,366
Total All Agencies' Hours	59,013	59,521	58,413	60,918	60,730

*Note: Forestry managers' time for those who are pilots was not included in this calculation.

Chart F-2: Agency Actual Flight Hours

AGENCY & FISCAL YEAR	FY90-91	FY91-92	FY92-93	FY93-94	FY94-95
Commerce	527	737	809	890	829
CCPS/Highway Patrol	850	848	620	330	811
EHNR/Forestry	3,526	3,372	3,173	5,736	5,067
EHNR/Marine Fisheries	694	721	416	414	483
EHNR/Wildlife	1,306	1,641	1,252	1,331	1,028
JUSTICE/SBI	1,430	1,646	1,346	1,222	931
Transportation	884	1,064	1,211	1,244	1,177
TOTAL	9,217	10,029	8,827	11,167	10,336

Chart F-3: Percent Used Based on Pilot FTE Availability

	FY90-91	FY91-92	FY92-93	FY93-94	FY94-95
COMMERCE (note 1)	8.9%	12.4%	13.2%	13.9%	13.4%
CCPS/Highway Patrol	30.4%	40.4%	44.3%	9.4%	14.5%
EHNR/Forestry (note 2)	10.4%	9.9%	9.3%	16.9%	14.9%
EHNR/Marine Fisheries (note 3)	33.0%	34.3%	23.8%	29.6%	35.2%
EHNR/Wildlife	28.7%	29.3%	22.4%	23.8%	27.7%
JUSTICE/SBI	42.6%	45.2%	41.8%	33.6%	26.6%
TRANSPORTATION (note 4)	14.1%	17.5%	19.1%	19.4%	18.5%
TOTAL ALL	15.7%	17.0%	15.2%	18.5%	17.2%

NOTES: 1. Commerce prefers to use a reduced availability closer to 500 hours; they also use two pilots on all flights. However, this chart is using one pilot and the 1400 hour basis for comparability.
2. Mission difference, diff. of aircraft types and statewide array affects use rates, presumably. More useful analysis by class of aircraft
3. Marine Fisheries prefers to use a reduced availability of 1040 hrs. which raises its percentages 9-12% a year; however, this chart is using the 1400 basis as all other agencies are for comparability.
4. Transportation uses two pilots on passenger flights. However, this chart assumes one pilot, since it is not a requirement to use 2 pilots

CHART F-4- AGENCY FLIGHT HOURS BY PURPOSE OF FLIGHTS

CHART F-4-a - FLIGHT HOURS PASSENGER TRAVEL & PERCENT OF TOTAL

FISCAL YEAR AGENCY	1 2	FY90-91			FY91-92			FY92-93			FY93-94			FY94-95		
		Annual Flt. hours	% ofTotal Agency's Use	% Use among all state A/C	Annual Flt. hours	% ofTotal Agency's Use	% Use among all state A/C	Annual Flt. hours	% ofTotal Agency's Use	% Use among all state A/C	Annual Flt. hours	% ofTotal Agency's Use	% Use among all state A/C	Annual Flt. hours	% ofTotal Agency's Use	% Use among all state A/C
Commerce*		527	100.0%	53.2%	737	70.0%	53.1%	809	55.0%	49.0%	890	45.0%	53.6%	829	50.0%	53.0%
CCPS/Highway Patrol		0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0.0%
EHNRR/Marine Fisheries		72	10.4%	7.3%	14	1.9%	1.0%	29	7.0%	1.8%	0	0.0%	0.0%	16	3.2%	1.0%
JUSTICE/SBI	2	28	2.0%	2.8%	65	3.3%	4.0%	96	7.1%	5.8%	103	8.4%	6.0%	83	8.9%	5.3%
Transportation**	1	363	41.0%	36.6%	591	54.6%	41.0%	718	50.3%	43.5%	722	56.0%	42.1%	637	54.1%	40.7%
Management Support		143	26.9%	14.0%	196	23.0%	13.0%	184	26.0%	11.0%	248	14.0%	14.0%	213	24.0%	13.0%
DOT Support		213	39.9%	20.0%	279	34.8%	25.0%	324	73.0%	31.0%	448	62.0%	25.0%	399	62.0%	24.0%
Government Support			2.5%	1.3%	18	2.0%	1.0%	8	1.2%	0.2%	27	4.0%	2.0%	28	4.0%	2.0%
STATEWIDE TOTAL		990		100.0%	1387		100.0%	1652		100.0%	1718		100.0%	1565		100.0%
1 Figures represent Management, DOT, and Government Support together																
2 DOJ/SBI time in this category includes law enforcement related hrs., not investigative, incl. SBI admin., agent and AG transport, training and maintenance hours																

CHART F-4-b - FLIGHT HOURS ECONOMIC DEVELOPMENT & PERCENT OF TOTAL

FISCAL YEAR AGENCY	1 2	FY90-91			FY91-92			FY92-93			FY93-94			FY94-95		
		Annual Flt. hours	% ofTotal Agency's Use	% Use among all state A/C	Annual Flt. hours	% ofTotal Agency's Use	% Use among all state A/C	Annual Flt. hours	% ofTotal Agency's Use	% Use among all state A/C	Annual Flt. hours	% ofTotal Agency's Use	% Use among all state A/C	Annual Flt. hours	% ofTotal Agency's Use	% Use among all state A/C
Commerce*		Not Avail	Not Avail	Not Avail	223	30.0%		364	45.0%		493	55.0%		415	50.0%	
STATEWIDE TOTAL		Not Avail	Not Avail	Not Avail	223		100.0%	364		100.0%	493		100.0%	415		100.0%

CHART F-4-c - FLIGHT HOURS PHOTOGRAMMETRY & PERCENT OF TOTAL

FISCAL YEAR AGENCY	1 2	FY90-91			FY91-92			FY92-93			FY93-94			FY94-95		
		Annual Flt. hours	% ofTotal Agency's Use	% Use among all state A/C	Annual Flt. hours	% ofTotal Agency's Use	% Use among all state A/C	Annual Flt. hours	% ofTotal Agency's Use	% Use among all state A/C	Annual Flt. hours	% ofTotal Agency's Use	% Use among all state A/C	Annual Flt. hours	% ofTotal Agency's Use	% Use among all state A/C
Transportation**		445	50.4%		420	36.5%		424	35.0%		481	37.1%		462	39.3%	
STATEWIDE TOTAL		445		100.0%	420		100.0%	424		100.0%	481		100.0%	462		100.0%

CHART F-4-d - FLIGHT HOURS LAW ENFORCEMENT/INVESTIGATIVE & PERCENT OF TOTAL

FISCAL YEAR AGENCY	1 2	FY90-91			FY91-92			FY92-93			FY93-94			FY94-95		
		Annual Flt. hours	% ofTotal Agency's Use	% Use among all state A/C	Annual Flt. hours	% ofTotal Agency's Use	% Use among all state A/C	Annual Flt. hours	% ofTotal Agency's Use	% Use among all state A/C	Annual Flt. hours	% ofTotal Agency's Use	% Use among all state A/C	Annual Flt. hours	% ofTotal Agency's Use	% Use among all state A/C
CCPS/Highway Patrol		850	100.0%	20.4%	848	100.0%	17.9%	620	100.0%	17.9%	330	100.0%	10.6%	811	100.0%	25.8%
EHNRR/Marine Fisheries		621	89.5%	14.0%	706	97.9%	14.0%	387	93.0%	11.2%	414	100.0%	13.2%	478	97.0%	15.2%
EHNRR/Wildlife		1297	99.3%	31.1%	1805	97.8%	33.8%	1200	95.8%	34.7%	1272	95.6%	40.6%	1004	97.7%	32.0%
JUSTICE/SBI		1402	98.0%	33.6%	1591	96.7%	33.5%	1250	92.9%	36.2%	1119	91.6%	35.7%	848	81.1%	27.0%
STATEWIDE TOTAL		4170		100.0%	4760		100.0%	3457		100.0%	3135		100.0%	3161		100.0%

CHART F-4-e - FLIGHT HOURS FIRE CONTROL AND PREVENTION & PERCENT OF TOTAL

FISCAL YEAR AGENCY	1 2	FY90-91			FY91-92			FY92-93			FY93-94			FY94-95		
		Annual Flt. hours	% ofTotal Agency's Use	% Use among all state A/C	Annual Flt. hours	% ofTotal Agency's Use	% Use among all state A/C	Annual Flt. hours	% ofTotal Agency's Use	% Use among all state A/C	Annual Flt. hours	% ofTotal Agency's Use	% Use among all state A/C	Annual Flt. hours	% ofTotal Agency's Use	% Use among all state A/C
EHNRR/Forestry		3526	100.0%	100.0%	3372	100.0%	100.0%	3173	100.0%	100.0%	5736	100.0%	100.0%	5067	100.0%	100.0%
STATEWIDE TOTAL		3526		100.0%	3372		100.0%	3173		100.0%	5736		100.0%	5067		100.0%

CHART F-4-f - FLIGHT HOURS FISH & GAME MGMT

FISCAL YEAR AGENCY	1 2	FY90-91			FY91-92			FY92-93			FY93-94			FY94-95		
		Annual Flt. hours	% ofTotal Agency's Use	% Use among all state A/C	Annual Flt. hours	% ofTotal Agency's Use	% Use among all state A/C	Annual Flt. hours	% ofTotal Agency's Use	% Use among all state A/C	Annual Flt. hours	% ofTotal Agency's Use	% Use among all state A/C	Annual Flt. hours	% ofTotal Agency's Use	% Use among all state A/C
EHNRR/Wildlife		10	0.8%	100.0%	36	2.2%	100.0%	62	4.2%	100.0%	59	4.4%	100.0%	24	2.3%	100.0%
STATEWIDE TOTAL		10		100.0%	36		100.0%	62		100.0%	59		100.0%	24		100.0%

SUMMARY:	FY90-91		FY91-92		FY92-93		FY93-94		FY94-95	
Passenger Travel	990	10.8%	1387	13.9%	1652	18.0%	1715	15.4%	1565	15.3%
Economic Development*	Not Avail	Not Avail	223		364		493		415	
Photogrammetry	445	4.9%	420	4.2%	424	4.8%	481	4.2%	462	4.5%
Law Enforcement	4170	45.6%	4760	47.7%	3457	39.5%	3135	28.2%	3161	30.6%
Fire Prevention/Control	3526	38.6%	3372	33.6%	3173	36.2%	5736	51.6%	5067	49.4%
Fish & Game Management	10	0.1%	36	0.4%	62	0.6%	59	0.5%	24	0.2%
TOTAL ALL PURPOSES	9,141		9,985		8,758		11,106		10,259	

NOTES: *All Commerce flight hours are considered passenger travel. Economic Dev. times reported as block to block (are included in passenger)
Commerce's percentage of use within agency is based on block-to-block flight hours
**DOT hours do not include training, maintenance, emergency, and safety flight hours

G.
OTHER ASPECTS RELATED TO AIRCRAFT ORGANIZATION AND OPERATIONS

1. MAINTENANCE

Aircraft maintenance is a significant factor in their operations. Agencies must perform certain required maintenance activities after 50 and 100 flight hours, in addition to annual inspections. These are key safety requirements. It was estimated by some agencies that the 50 and 100-hour inspections take at least three days, if all is in good working order. The age of the state's fleet and the wide variety of uses made of these craft imposes other demands as well on their maintenance. Aircraft maintenance is performed one of four ways among state government agencies:

- By contracting with area mechanics
- In-house with state employees as mechanics
- In House with pilots and mechanics having joint responsibility
- A combination of the above

Chart G-1 shows the routine maintenance costs each agency reported for the five year study period, in total, and as a percentage of "standard costs" (i.e., staff, fixed and variable costs only, and excluding major maintenance and mission-specific equipment). Chart E-1 on page 13 lists the "major" maintenance costs and what they consist of for each agency. Note: In some agencies, these costs were not separated and are therefore estimates only, based on what the agency reported.

CHART G-1: ROUTINE MAINTENANCE COSTS OF THE STATE'S FLEET OF AIRCRAFT

AGENCY	FISCAL YEAR	FY90-91	% of Std. Costs	FY91-92	% of Std. Costs	FY92-93	% of Std. Costs	FY93-94	% of Std. Costs	FY94-95	% of Std. Costs
Commerce		\$127,710	17.5%	\$97,473	13.9%	\$80,936	10.8%	\$115,858	13.8%	\$124,665	14.6%
CCPS/Highway Patrol		\$20,451	11.6%	\$29,233	18.7%	\$112,233	56.8%	\$21,373	12.4%	\$35,727	9.2%
EHNR/Forestry		\$37,172	2.3%	\$32,284	2.0%	\$33,837	2.0%	\$41,718	2.2%	\$63,001	3.3%
EHNR/Marine Fisheries		\$324	0.2%	\$243	0.1%	\$162	0.1%	\$216	0.1%	\$716	0.5%
EHNR/Wildlife		\$17,432	6.6%	\$17,780	6.6%	\$17,774	6.7%	\$25,349	9.1%	\$15,928	6.2%
JUSTICE/SBI		\$11,186	4.3%	\$11,603	4.1%	\$11,175	4.5%	\$8,918	3.3%	\$16,813	6.3%
Transportation		\$53,946	10.6%	\$63,042	10.6%	\$157,727	21.8%	\$154,907	18.5%	\$210,385	19.3%

The chart below shows that for every hour of flight, maintenance is a key element in its overall availability. In some years for agencies, they experienced little maintenance down time, where in others the average maintenance time exceeded the flight time. The agencies can explain these issues, such as major engine problems; or in the case of Forestry where older aircraft are being serviced or parts must first be pulled from non-flyable craft; or in the case of Marine Fisheries which reports additional maintenance time due to saltwater operations. Nonetheless it points out one of the constraints of an air operation in terms of both availability of the aircraft and cost to maintain these resources, even if the state did not pay to acquire the aircraft.

CHART G-2: Maintenance Hours to Actual Flight Hours

(note: these are estimates only from the agencies)

AGENCY	FISCAL YEAR	FY91-92	FY92-93	FY93-94	FY94-95
Commerce	960 to 527	880 to 737	1224 to 809	808 to 890	712 to 829
CCPS/Highway Patrol	256 to 850	182 to 848	160 to 620	160 to 330	352 to 811
EHNR/Forestry	4824 to 3526	6000 to 3372	4576 to 3173	5968 to 5736	7456 to 5067
EHNR/Marine Fisheries	128 to 694	256 to 720	256 to 416	256 to 414	256 to 494
EHNR/Wildlife	120 to 1306	0 to 1641	200 to 1252	480 to 1331	673 to 1028
JUSTICE/SBI	0 to 1430	0 to 1646	120 to 1346	2520 to 1222	2040 to 931
Transportation	632 to 884	182 to 1064	1505 to 1211	992 to 1244	2176 to 1177

2. INFORMATION MANAGEMENT AND AUTOMATION

One of the biggest challenges of this study was to obtain the necessary cost data on aircraft operations. Few agencies budget for their aircraft as a separate cost area. The new state accounting system is too new for costs to have been coded that would identify expenditures associated with aircraft. Further, much of the state's aircraft is on loan and therefore does not show up on a central fixed asset system. In short, agencies had to gather the data by going back to old files, invoices, as well as budget information, and prepare a composite report in order to respond to the questions asked concerning their aircraft operations for this study.

A related issue, discussed earlier, is the stringent maintenance requirement imposed on aircraft, based on flight hours of different components. The state's mechanics and pilots and other staff keep up with much of this manually because it is so critical to safety of all who fly and are flown on the state's aircraft.

The analysts were informed by some agencies that they are in the process of developing automated systems to help track costs, maintenance information, and flight usage. However, none of the agencies is considering using the same system nor was development occurring as a joint effort. Yet, all must maintain certain common cost elements and maintenance information. Some agencies were adapting existing software while others were developing or using menu-driven software that was developed specifically for their operation.

3. OPERATIONAL CERTIFICATION

State agencies' aircraft presently operate under a section of FAA regulations commonly known as "Part 91". This level of certification allows an agency to operate without many of the restrictions such as limited pilot duty hours and administrative requirements allowing agencies greater flexibility. One of the restrictions of a Part 91 operation is that an operation must be "common treasury", i.e. state agencies can only be reimbursed for passenger travel by other state agencies. This means that the state aircraft cannot fly federal or local officials and be reimbursed by them, nor can the state be reimbursed by private concerns if they were to be flown on state aircraft, because federal, local, and private non-profit enterprises are of a "different treasury". Currently all agencies are operating as Part 91 now.

There is a "higher" level of certification, known as Part 135, which essentially allows an operator to function as a charter aircraft company by allowing the operator to be reimbursed by anyone for the use of the aircraft. However, it was reported that Part 135 imposes numerous restrictions such as limited pilot duty hours, additional administrative and recordkeeping requirements, restrictions on which airports can be used in "bad weather" conditions, and additional staffing requirements such as a Chief Pilot and Dispatcher in any agency that qualifies. The Department of Transportation is in the process of becoming Part 135-certified.

4. BUDGETING AND ACCOUNTING AND OVERSIGHT FOR AIRCRAFT RESOURCES

As noted in the introduction to this report, the state is administering over \$19 million of aircraft at the present time, based on current estimated value. Thus aircraft are a significant resource to the state, one that is consuming approximately \$5 million annually in operations. The benefits the state derives from these resources is equally significant: in the past five years alone, there were over 20,000 fires on which Forestry had to be available to provide air support (although obviously it was not flying at all of them, but it shows the extent of the problem they must be ready for); millions of dollars of marijuana were reportedly eradicated with the assistance of air surveillance; numerous industry executives were able to visit prospective business and industry sites in short time frames to assess their potential; and 11,982 sq. km. of land were surveyed in the past year in support of transportation development.

Notwithstanding the above key roles that aircraft play for the state, the fact that the numbers of aircraft are increasing without similar increases in flight hours or in pilots indicates that the overall air operation for the state is growing and operating in a haphazard manner. The duplication of missions and coverage areas further supports this conclusion. Part of this is due to the federal government's reduction of its inventory, which enables the state to benefit substantially by acquiring aircraft and parts; part of this, however, is due to the fact that the state has not organized its air operation in such a way as to ensure that these costly resources are acquired, maintained, and used according to the state's overall priorities and that resources are coordinated optimally and used most cost-effectively.

Related to this are the following facts:

- Few agencies budget and account for their aircraft separately, and therefore, have difficulty identifying costs and activities related to air operations
- Few agencies update their rates regularly, based on actual costs, or using consistent methods
- No standard reporting requirements exist that use consistent definitions or cost and operating categories

- There is no standard process for determining when it would be cost-effective to replace aircraft
- Although repairs can be generally very expensive on aircraft (and don't necessarily occur on a planned basis), no mechanism exists for centrally funding them; rather, (for a non-Special Fund agency) it depends on an agency putting the request into its expansion budget for the year in which it thinks it will have a major overhaul, replacement or other significant expenditure and then hoping to be funded in the expansion. The alternative is pulling parts from non-flyable aircraft if an agency has such in their inventory. Businesses would put the money into escrow to ensure it was available as needed
- Likewise, although replacement of aircraft is expensive, no funding mechanism exists (except through Special Fund agencies) for ensuring this happens on a planned basis; rather, it depends on either the expansion budget process or the largesse of the federal government
- There is no independent review process to confirm the cost projections of aircraft operating decisions, including such things as acquiring donated or purchased aircraft, with standard criteria of what would be reasonable operating costs; applying for Part 135 Certification; or ensuring the type of aircraft selected for use by an agency is appropriate and most cost-effective for its intended use (the one exception is where DOT must report to Governmental Operations but this is reporting only, not a review and approval process)
- No standard system exists for depreciating the aircraft, or the major equipment items, in order to account for all costs each year in a meaningful way. Reportedly, different aircraft components are depreciated on different schedules.

H.

"COMPILATION AND REVIEW OF DEPARTMENTS' POLICIES REGARDING AUTHORIZED PASSENGERS ON THE AIRCRAFT AND WHICH DEPARTMENTAL PERSONNEL IS RESPONSIBLE FOR DETERMINING WHICH PASSENGERS ARE AUTHORIZED"

As part of this study, State Budget was asked to collect and review copies of the policies and procedures regarding authorization of passengers of all the agencies operating aircraft.

Use of the aircraft for passenger travel in agencies seems to vary. Commerce's process is that they have internal controls in place such as lists of individuals who have been designated as authorized. When a request is made for use of an aircraft, verification is made at that time to ensure the person is authorized (from the list that is kept) and a standard form is required to be completed to approve flights. DOT accepts a phone call to schedule a flight and the requestor must provide trip information and have received the necessary authorizations from their units to make the flight arrangements. Copies of the applicable policies for DOT and Commerce are in Appendix D.

In agencies where passenger travel is not a primary function it is senior management who decides on the use of the aircraft, and the processes are as follows:

- EHNH/Marine Fisheries--request comes via phone to the Air Unit, from one of three sources (EHNH Secretary's Office, the Division Director, or the Section Head) to schedule a flight. No forms are completed. Policies are not written.
- Justice/SBI--request for flights is made through Airwing Supervisor/Chief Pilot or an SBI Assistant Director, one of whom must approve them. Out of state flights are made only with the approval of the Director or his designee. All transportation flights are performed only after determining the cost efficiency or the existence of extenuating circumstances and the approval of the SBI Director or an Assistant Director.
- EHNH/Wildlife--all requests come through the normal dispatch process used for enforcement. Pilot completes an Aircraft Report that details the purpose of flight, including passenger information, if appropriate.
- CCPS/Highway Patrol--all flights are approved by Zone Operations during normal working hours and by the State Duty Officer after hours

III. RECOMMENDATIONS

The previous sections presented the findings regarding the number and types of aircraft, the staff who support them, and their usage rates by purpose. What follows are the recommendations, based on State Budget's interpretations of the data. It is intended to address the two questions posed by the General Assembly, as well as the broader issues that State Budget believes are key to the state's aircraft operations. Those questions are:

- The feasibility and desirability of sharing of aircraft by departments -- State Budget believes that it would be better if duplicative missions were eliminated and that certain support functions be consolidated wherever possible and one agency designated as the responsible entity
- The feasibility and desirability of departments contracting for aircraft services rather than owning their own aircraft -- State Budget believes that by eliminating duplication of mission, and limiting uses of the aircraft that it can reduce the size of the fleet and will only need to contract to handle excess needs. However, it concurs that the state may wish to consider leasing aircraft instead of purchasing, as it moves to update the fleet
- Recommendations regarding organizational and administrative matters to strengthen operations -- State Budget does not think that all aircraft should be housed within one agency, but that it is imperative to have a centrally coordinated, funded, and managed air fleet for the air operations to be most cost effective

The following are the three specific recommendations that explain the above.

RECOMMENDATION 1. CLARIFY THE PURPOSES OF AIRCRAFT

The General Assembly should immediately clarify the purposes for the state's aircraft so that each agency with aircraft understands what kind(s) of flights and/or passengers are the state's responsibility. It is recommended that the General Assembly consider the following missions to be the ones the state should have:

- State Official Travel (Governor, Lt. Governor, Council of State, Legislators, Cabinet Heads, and immediate staff only)
- Economic Development
- Photogrammetry in support of transportation systems (unless further study indicates there is sufficient capacity in the private sector to meet the state's needs at the same or lower cost)
- Forest Fire Prevention and Control
- Forest Protection (including Pest Control, Natural Disaster Damage Assessment, and Aerial Photography)
- Search & Rescue on State Lands
- Traffic and Vehicular Enforcement
- Fish and Game Management and Enforcement
- Coastal Management and Enforcement
- General Law Enforcement Support statewide
- State Investigations Case Support
- Marijuana Eradication
- Law enforcement personnel and other emergency personnel transport
- Prisoner transport (limited basis)
- Environmental Enforcement Overflights (new mission, not noted in the study, but one where aircraft are well-suited to assist agencies)

RECOMMENDATION 2. THE GENERAL ASSEMBLY SHOULD DESIGNATE THE AGENCIES TO CARRY OUT THE SPECIFIC MISSIONS FOR WHICH AIRCRAFT WILL BE USED

To clarify which agencies are responsible for the missions, State Budget suggests that the following functions be provided as noted:

- State Official Transportation -- provided by only one agency (either Department of Commerce or Transportation, depending on the General Assembly's preference), with the method of operations to be approved by the Director of the Budget
- Economic Development -- provided by the agency selected to provide State Official Transportation (see above)
- Photogrammetry -- provided by Department of Transportation (with further study on private sector capacity)
- Forest Fire Prevention and Control and Forest Protection (which includes pest control, natural disaster damage assessment, and forest aerial photography) -- provided by EHNR/Forestry
- Traffic and Vehicular Enforcement -- provided by State Highway Patrol, per G.S. 20-196.2
- Investigative, General Law Enforcement, Prisoner Transport and Other Aerial Law Enforcement Support Statewide -- State Bureau of Investigation. [NOTE: if the General Assembly wishes for the Highway Patrol to also provide such aerial law enforcement support to local law enforcement agencies, it needs to amend G.S. 20-196.2. An alternative proposal is offered in Recommendation 3 below, fourth dot point]
- Marijuana Eradication -- by State Bureau of Investigation. [NOTE: if the General Assembly wishes to expand the role of the State Highway Patrol to also do this, it should amend G.S. 20-196.2]
- Fish & Game Management and Enforcement -- Wildlife and Marine Fisheries each retains its statutory responsibility for enforcement efforts but the Secretary of the Department of Environment, Health and Natural Resources, with input from Wildlife, Marine Fisheries, and Forestry should develop a proposal for submission to the 1997 General Assembly on how to consolidate all EHNR aircraft support functions (and where possible actual aircraft and staff resources) to reduce the costs and optimize use
- Search & Rescue on State Lands -- this function should be included in the proposal to be developed by the Secretary of EHNR for the 1997 Session noted above
- Environmental Law Enforcement -- this function should be included in the proposal to be developed by the Secretary of EHNR for the 1997 Session noted above

RECOMMENDATION 3. CREATE A CENTRAL OVERSIGHT RESPONSIBILITY

In order to effect the proposed changes, establish uniform methods and achieve economies in the state's air operations, a two-phased approach is proposed that oversees this:

A. Assess Need and Establish Necessary Mechanisms During Time Limited Start Up Phase:

For a time-limited period (two years, estimated), transfer the pilot/supervisor of a mature aircraft operations unit in state government to a central office independent of all agencies owning aircraft, in order to make the needed changes in the Aircraft Operations of the State. Related to all the above, it is recommended that the General Assembly create a central Aircraft Operations Oversight Function, to do the following:

- Assess the actual numbers of aircraft needed by each agency to carry out the missions specified by the General Assembly (per Recommendations 1 and 2, above) during the next six to twelve months, and based on the prior 5 years' usage data, contained in this report.
- Establish criteria for which types of aircraft are best suited to the different missions, and the numbers of aircraft that would be required to adequately meet each need, based on location of need, usage rates, flight distances, costs per flight hour, etc.
- Reduce the number of aircraft according to the findings of need, and based on the condition of the various craft during the next six-twelve months. Coordinate the sale and/or transfer of all aircraft not needed; further, coordinate the sale of aircraft deemed in need of replacement due to age or maintenance history. Use the funds generated from this sale for several purposes:
 - Fund the function/position for this interim assessment phase
 - Fund replacement aircraft that can better carry out the missions more cost-effectively
 - Purchase an automated aircraft management system for all agencies to use
 - Fund improvements of any maintenance hangar space in Kinston (possibly at the Global Transpark) to serve as a maintenance facility for all eastern-based aircraft, based on an assessment of need
- For federal aircraft that are deemed unneeded, determine which can be sold, which can be returned, and which can be transferred to other agencies. Explore the possibility of transferring federally donated aircraft to individual law enforcement agencies or ideally, to consortia of local law enforcement agencies who would share the operating costs and staffing for the air operations, and provide regional aerial law enforcement support that they control and that would be closer to their jurisdictions. The state could retain its extensive inventory and distribute it as repairs and parts are needed by the consortia of law enforcement
- Establish usage and cost rate goals for every agency's aircraft based on its mission and monitor regularly
- Determine which of the state's aircraft should be serviced where, once the decisions are made about agencies' missions and numbers of aircraft
- Determine the necessary mechanic positions needed that will reduce the time spent by pilots doing maintenance, thereby enabling pilots to spend more time in the air. Explore the possibility of reducing pilot mechanic work through contracting with mechanics to meet peak load demands.

- Confirm whether it is cost justified to designate Forestry as the agency to operate the mechanic facilities for all EHNH air operations (and/or for other agencies) in addition to itself in the eastern part of the state, since they must keep their own aircraft ready for emergencies, they have the majority of aircraft, the widest variety of aircraft, etc. Certain departmental organizational structures might have to be changed to accommodate this
- Determine where and how to coordinate maintenance for the central and western parts of the state, be it through contract or an equivalent shared facility to what is being proposed in the East
- Develop a training program/plan for all state pilots and mechanics to ensure all certifications are maintained. Negotiate to have manufacturers come to the state to save on costs of training; coordinate with those in state government who are certified trainers to provide the needed training
- Approve all acquisitions for major repairs, ancillary equipment, donated aircraft (both flyable and non-flyable), donated parts, and new aircraft. Explore purchasing alternatives, such as leasing aircraft, if it is deemed to be in the state's best interest
- Develop/issue a Request for Bids for private aircraft companies to supply additional non-emergency and non-law enforcement aircraft, when the state's aircraft are at capacity. Establish strict performance requirements in terms of response time, and other criteria deemed important by the agencies. This will enable the state to operate with fewer aircraft for executive travel and photogrammetry. Likewise, develop contracts with pilots should the need arise.
- Develop an internal inventory of available parts and supplies (modeled after the Department of Defense's "Defense Reutilization and Marketing Service", the DRMS, which is on the Internet) for all state agencies to share inventory, as allowed by donor agencies
- Approve all decisions about agency aircraft operations that will affect cost and usage, such as DOT's decision to seek Part 135 certification
- Consolidate the DOT and Commerce space at Raleigh-Durham Airport
- Oversee all staffing for aircraft operations to ensure certifications are maintained
- Work with Office of State Controller and State Budget to develop a uniform way to budget for and account for all aircraft-related assets and expenditures, that encompasses both federal and state-owned
- Develop standard cost and operating reporting requirements for all agencies, using the automated system, and establish standard definitions to be used.
- From the sale of unneeded aircraft and with a special appropriation, create a fund similar to the Capital Improvement Fund to aid agencies with aircraft to cover the costs of unanticipated expenditures for major repairs, etc. Provide an annual appropriation to this fund for repair and replacement of critical aircraft.
- Approve all departmental operating policies and procedures regarding aircraft use, in compliance with the General Assembly's determination

B. Establish Mechanism for the Long-Term Organization:

Following the initial two year period, reassess the need for a full-time central oversight person or whether the ongoing functions can be absorbed as part of the capital process in State Budget, with existing staff. For future biennial budgets:

- A single budget package for aircraft should be submitted that combines all agencies' requests for replacement aircraft, major repairs, and any related costs as submitted by the agencies that operate the aircraft and as reviewed and approved by State Budget. This would be cross-referenced in each agency's budget documents.

APPENDICES

- A. Copy of Special Provision**
- B. Survey Sent to Agencies with Aircraft**
- C. Summary of Aircraft fy94-95**
- D. Passenger Use Policies for DOT and Commerce**

APPENDIX A

Copy of Special Provision Directing Study of Aircraft

- b. A method of updating property values over time; and
c. The recognition of fire protection funding requirements for new facilities.

Requested by: Senators Perdue, Martin of Pitt, Plyler, Odom, Rand

OSBM STUDY STATE-OWNED AIRCRAFT MODIFIED

Sec. 10.1. Section 10.4 of Chapter 324 of the 1995 Session Laws reads as rewritten:

"Sec. 10.4. The Office of State Budget and Management shall study the use of State-owned ~~aircraft~~ aircraft, including associated and ancillary equipment such as aerial photographic cameras and related instrumentation, and shall report the results of its study to the Joint Legislative Commission on Governmental Operations on or before April 1, 1996. The study shall include consideration of the following:

- (1) For each Department, the number and type of aircraft, the number of pilots, and the number and type of support personnel for aircraft.
- (2) For each Department, the budget for aircraft, the source of funding for aircraft, the number of hours the aircraft is available, and the number of hours the aircraft is used.
- (3) The feasibility and desirability of consolidating any or all State-owned aircraft operations.
- (4) The feasibility and desirability of sharing of aircraft between Departments.
- (5) The feasibility and desirability of Departments' contracting for aircraft services rather than owning their own aircraft.
- (6) Compilation and review of Departments' policies regarding authorized passengers on the aircraft and which Department's personnel is responsible for determining which passengers are authorized."

PART 11. DEPARTMENT OF ADMINISTRATION

Requested by: Senator Warren

COST SHARING OF THE PERSONNEL MANAGEMENT INFORMATION SYSTEM

Sec. 11. The Office of State Personnel shall develop a proposed schedule of fees or charges to be paid by each department and university to cover data processing costs that exceed the appropriation made by the General Assembly for maintenance of the system. The Office of State Personnel shall present the recommendation for the fee schedule to the Joint Appropriations Subcommittee on General Government and to the Fiscal Research Division during the 1996 Regular Session of the 1995 General Assembly. Departments and universities shall have on-line access to all data on their employees and positions, as well as access to public information on all State employees.

Requested by: Senator Warren

WORKERS' COMPENSATION COST CONTAINMENT PROGRAM/STUDY

Sec. 11.1. The Office of State Budget and Management shall develop a plan for a workers' compensation cost containment program designed to reduce the cost to State government of workers' compensation claims filed by State employees. The Office of State Budget and Management shall consult with the Office of State Personnel in developing the plan. The plan shall include recommendations regarding all of the following: an appropriate process of competitive bidding, the feasibility of having a third-party administrator to manage claims processing, the

APPENDIX B

Copy of Surveys Sent to All Agencies That Own Aircraft

STATE-OWNED AIRCRAFT

PERSONNEL COSTS ASSOCIATED WITH AIRCRAFT

There is one sheet per fiscal year for five fiscal years. The questions are to capture all the personnel costs associated with operating all aircraft managed by each division within an agency, as follows:

Pilots: all pilot names, titles, salary grades, and specific aircraft to which they are assigned should be listed, along with their salary and fringe benefits in each of the five fiscal years. If they are assigned 100% to flight operations, their total available hours would be the 2080, which is equivalent to one full-time equivalent (FTE). If they have other responsibilities in addition to flying, please indicate what portion of 2080 hours they are supposed to be available for flying. The final data asks for how many actual flight-related hours each pilot logged in a fiscal year (this should include both actual flying time and time waiting on the ground for a return flight to occur)

Mechanics: as with pilots, all mechanics' names, titles, and salary information should be noted, as well as the actual hours performing aircraft maintenance activities (as opposed to maintenance on other types of vehicles or performing other duties)

Clerical and Scheduling Staff: list all employees' names and salary grades who provide staff support to aircraft operations, including scheduling trips, billing, maintaining logs, etc. Also, indicate the percent of time they spend on these aircraft related tasks.

Managerial and Supervisory Staff: list all employees' names and salary grades who provide oversight to aircraft operations. Also, indicate the percent of time they spend on these aircraft related tasks.

Contractors: If pilots or mechanics are hired on contract to provide services, please complete the information requested. If a pool of contract people from a single company are used, you may enter the name of the company and the total hours that all flew by specific aircraft, if that is easier.

TOTAL PERSONNEL COSTS BY FUNDING SOURCE: At the bottom of the table, please indicate the total personnel costs that are provided from General Fund, Federal Funds, and from any receipts (such as fees) or other sources (such as grants).

PILOTS				FY90-91		
Staff Name	Title	Grade	Aircraft To Which Assigned	Salary/Fringe	Total Hours Avail. To Fly	Total Actual Flight Hours
SUBTOTAL/PILOTS:				\$0	0	0
AIRCRAFT MECHANICS						
Staff Name	Title	Grade	Aircraft To Which Assigned	Salary/Fringe	Total Avail Hours	Total Actual Maint. Hours
SUBTOTAL MECHANICS:				\$0		0
CLERICAL AND SCHEDULING STAFF						
Staff Name	Title	Grade		Salary/Fringe		% Time Flight-Rel. Actlvs.
SUBTOTAL CLERICAL & SCHEDULING:				\$0		
MANAGERIAL/SUPERVISORY STAFF						
Staff Name	Title	Grade		Salary/Fringe		% Time Flight-Rel. Actlvs.
SUBTOTAL SUPERVISORY:				\$0		
CONTRACT PERSONNEL						
Contractor Name	Nature of Contract (Pilot, Mechanic, etc.)	Grade	Aircraft To Which Assigned, if applicable	Total Fee Paid	Hourly Rate	Total Hrs. Flying Time, if applicable
		N/A				
		N/A				
		N/A				
		N/A				
Subtotal Contract Personnel				\$0		
TOTAL PERSONNEL COSTS				\$0		
TOTAL PERSONNEL COSTS BY FUNDING SOURCE:				General Fund	Federal Funds	Receipts/Fees
Agency Pilots						
Agency Mechanics						
Agency Cler./Scheduling						
Agency Admin/Superv						
Contract Personnel						
Total/All Personnel				\$0	\$0	\$0

**PERSONNEL COSTS
ASSOCIATED WITH AIRCRAFT**

AGENCY NAME _____

DIVISION NAME: _____

PILOTS				FY91-92		
Staff Name	Title	Grade	Aircraft To Which Assigned	Salary/Fringe	Total Avail Hours	Total Actual Flight Hours
SUBTOTAL/PILOTS:				\$0	0	0
AIRCRAFT MECHANICS						
Staff Name	Title	Grade	Aircraft To Which Assigned	Salary/Fringe	Total Avail Hours	Total Actual Maint. Hours
SUBTOTAL MECHANICS:				\$0		0
CLERICAL AND SCHEDULING STAFF						
Staff Name	Title	Grade		Salary/Fringe		% Time Flight-Rel. Activs.
SUBTOTAL CLERICAL & SCHEDULING:				\$0		
MANAGERIAL/SUPERVISORY STAFF						
Staff Name	Title	Grade		Salary/Fringe		% Time Flight-Rel. Activs.
SUBTOTAL SUPERVISORY:				\$0		
CONTRACT PERSONNEL						
Contractor Name	Nature of Contract (Pilot, Mechanic, etc.)	Grade	Aircraft To Which Assigned, if applicable	Fees	Hourly Rate	Total Hrs. Flying Time, if applicable
		N/A				
		N/A				
		N/A				
		N/A				
Subtotal Contract Personnel				\$0		
TOTAL PERSONNEL COSTS:				\$0		
TOTAL PERSONNEL COSTS BY FUNDING SOURCE:				General Fund	Federal Funds	Receipts, Fees
Agency Pilots						
Agency Mechanics						
Agency Cler./Scheduling						
Agency Admin/Superv						
Contract Personnel						
Total/All Personnel				\$0	\$0	\$0

**PERSONNEL COSTS
ASSOCIATED WITH AIRCRAFT**

AGENCY NAME: _____

DIVISION NAME: _____

PILOTS				FY92-93		
Staff Name	Title	Grade	Aircraft To Which Assigned	Salary/Fringe	Total Avail Hours	Total Actual Flight Hours
SUBTOTAL/PILOTS:				\$0	0	0
AIRCRAFT MECHANICS						
Staff Name	Title	Grade	Aircraft To Which Assigned	Salary/Fringe	Total Avail Hours	Total Actual Maint. Hours
SUBTOTAL MECHANICS:				\$0		0
CLERICAL AND SCHEDULING STAFF						
Staff Name	Title	Grade		Salary/Fringe		% Time Flight-Rel. Actv.
SUBTOTAL CLERICAL & SCHEDULING:				\$0		
MANAGERIAL/SUPERVISORY STAFF						
Staff Name	Title	Grade		Salary/Fringe		% Time Flight-Rel. Actv.
SUBTOTAL SUPERVISORY:				\$0		
CONTRACT PERSONNEL						
Contractor Name	Nature of Contract (Pilot, Mechanic, etc.)	Grade	Aircraft To Which Assigned, if applicable	Fees	Hourly Rate	Total Hrs. Flying Time, if applicable
		N/A				
		N/A				
		N/A				
		N/A				
Subtotal Contract Personnel				\$0		
TOTAL PERSONNEL COSTS				\$0		
TOTAL PERSONNEL COSTS BY FUNDING SOURCE:				General Fund	Federal Funds	Receipts, Fees
Agency Pilots						
Agency Mechanics						
Agency Cler./Scheduling						
Agency Admin/Superv						
Contract Personnel						
Total/All Personnel				\$0	\$0	\$0

**PERSONNEL COSTS
ASSOCIATED WITH AIRCRAFT**

AGENCY NAME _____

DIVISION NAME: _____

PILOTS				FY93-94		
Staff Name	Title	Grade	Aircraft To Which Assigned	Salary/Fringe	Total Avail Hours	Total Actual Flight Hours
SUBTOTAL/PILOTS:				\$0	0	0
AIRCRAFT MECHANICS						
Staff Name	Title	Grade	Aircraft To Which Assigned	Salary/Fringe	Total Avail Hours	Total Actual Maint. Hours
SUBTOTAL MECHANICS:				\$0		\$0
CLERICAL AND SCHEDULING STAFF						
Staff Name	Title	Grade		Salary/Fringe		% Time Flight-Rel. Activs.
SUBTOTAL CLERICAL & SCHEDULING:				\$0		
MANAGERIAL/SUPERVISORY STAFF						
Staff Name	Title	Grade		Salary/Fringe		% Time Flight-Rel. Activs.
SUBTOTAL SUPERVISORY:				\$0		
CONTRACT PERSONNEL						
Contractor Name	Nature of Contract (Pilot, Mechanic, etc.)	Grade	Aircraft To Which Assigned, if applicable	Fees	Hourly Rate	Total Hrs. Flying Time, if applicable
		N/A				
		N/A				
		N/A				
		N/A				
Subtotal Contract Personnel				\$0		
TOTAL PERSONNEL COSTS				\$0		
TOTAL PERSONNEL COSTS BY FUNDING SOURCE:				General Fund	Federal Funds	Receipts, Fees
Agency Pilots						
Agency Mechanics						
Agency Cler./Scheduling						
Agency Admin/Superv						
Contract Personnel						
Total/All Personnel				\$0	\$0	\$0

**PERSONNEL COSTS
ASSOCIATED WITH AIRCRAFT**

AGENCY NAME: _____

DIVISION NAME: _____

PILOTS				FY94-95		
Staff Name	Title	Grade	Aircraft To Which Assigned	Salary/Fringe	Total Avail Hours	Total Actual Flight Hours
SUBTOTAL/PILOTS:				\$0	0	0
AIRCRAFT MECHANICS						
Staff Name	Title	Grade	Aircraft To Which Assigned	Salary/Fringe	Total Avail Hours	Total Actual Maint. Hours
SUBTOTAL MECHANICS:				\$0		0
CLERICAL AND SCHEDULING STAFF						
Staff Name	Title	Grade		Salary/Fringe		% Time Flight-Rel. Active.
SUBTOTAL CLERICAL & SCHEDULING:				\$0		
MANAGERIAL/SUPERVISORY STAFF						
Staff Name	Title	Grade		Salary/Fringe		% Time Flight-Rel. Active.
SUBTOTAL SUPERVISORY:				\$0		
CONTRACT PERSONNEL						
Contractor Name	Nature of Contract (Pilot, Mechanic, etc.)	Grade	Aircraft To Which Assigned, if applicable	Fees	Hourly Rate	Total Hrs. Flying Time, if applicable
		N/A				
		N/A				
		N/A				
		N/A				
Subtotal Contract Personnel				\$0		
TOTAL PERSONNEL COSTS				\$0		
TOTAL PERSONNEL COSTS BY FUNDING SOURCE:				General Fund	Federal Funds	Receipts, Fees
Agency Pilots						
Agency Mechanics						
Agency Cler./Scheduling						
Agency Admin/Superv						
Contract Personnel						
Total/All Personnel				\$0	\$0	\$0

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STATE-OWNED AIRCRAFT

AIRCRAFT BASIC DESCRIPTIVE AND OPERATING COST DATA

Where the other data sheet asks for agency and division-wide information, this set is aircraft-specific.

Complete one set of the attached for *EACH AIRCRAFT* which the division manages (regardless of whether it is state-owned or on long term loan). The following pages are designed to capture data about the aircraft's age, its use restrictions, its availability for passenger use, the costs of use, and related equipment (such as photographic, special instruments related to its use, etc.)

The cost data cover a five fiscal year period and include not only the direct operating costs, such as fuel, but also all related non personnel costs such as hangar fees, landing fees, routine and special maintenance fees, etc.

Information is also requested concerning the number of actual flying hours, passengers, and the various rates charged by the agencies for the use of the aircraft.

In addition, the sources of funding to operate this aircraft are asked for.

And finally, the acquisition cost and a listing of all special ancillary equipment that is on the plane is asked for.

DESCRIPTIVE AND COST DATA FOR EACH AIRCRAFT OWNED OR OPERATED BY AN AGENCY

AIRCRAFT BASIC DESCRIPTIVE DATA		
1. AIRCRAFT NAME:	2. MODEL #	3. MFG. SERIAL #
4. YEAR AIRCRAFT WAS MADE:	5. N.C. FIXED ASSET #	6. OTHER ASSET #
7. OWNED BY (Please indicate name of federal, state, or non-profit agency and division that actually owns the aircraft)	8. YEAR ACQUIRED	9. # PASSENGER SEATS
10. ORIGINAL ACQUISITION COST:	11. WAS IT PURCHASED NEW OR USED?	
12. CURRENT ESTIMATED VALUE please include value of improvements)		
13. ESTIMATED REPLACEMENT COST (for an equivalent aircraft). Please note any issues regarding replacement.		
14. WHERE IS AIRCRAFT HANGARED?	15. HANGAR LEASED OR OWNED?	16. CONDITION OF FACILITY?
17. LIST CURRENT ACTUAL USES OF YOUR AIRCRAFT (e.g., fire control, gen'l or executive/management travel, etc.)		
a.	d.	
b.	e.	
c.	f.	

Person Completing this Form: _____

Phone: _____

DESCRIPTIVE AND COST DATA FOR EACH AIRCRAFT OWNED OR OPERATED BY AN AGENCY

18. IF AIRCRAFT IS PERMITTED FOR OTHER PURPOSES THAN ARE CURRENTLY BEING DONE, PLEASE LIST BELOW	
a.	
b.	
c.	
19. IN ORDER TO USE THE AIRCRAFT AS INDICATED IN #18, WHAT WOULD BE REQUIRED (e.g. new equipment)?	
20. LIST RESTRICTIONS ON PASSENGER USE OF THIS AIRCRAFT (e.g., only agency staff, etc.)	
a.	
b.	
c.	
21. LIST LAWS/POLICIES THAT GOVERN THESE RESTRICTIONS (and attach copies)	
a.	c.
b.	d.
22. IS THERE OTHER INFORMATION ABOUT THIS AIRCRAFT THAT SHOULD BE NOTED? PLEASE NOTE HERE	

Person Completing this Form: _____

**ACTUAL OPERATING COSTS
FOR THIS AIRCRAFT
FIVE FISCAL YEARS**

AIRCRAFT NAME AND MODEL: _____

	FY90-91	FY91-92	FY92-93	FY93-94	FY94-95
23. HANGAR COSTS ALLOCATED FOR THIS AIRCRAFT					
24. LANDING AND RAMP FEES FOR THIS AIRCRAFT					
25. IN-HOUSE ROUTINE MAINTENANCE PARTS AND SUPPLIES COSTS (excl. labor)					
26. IN-HOUSE MAJOR MAINTENANCE: EQUIPMENT, PARTS, UPFITTING, ETC.(excl. labor) (please itemize on reverse)					
27. CONTRACTED ROUTINE MAINTENANCE PARTS AND SUPPLIES COSTS (excluding labor)					
28. CONTRACTED MAJOR MAINTENANCE: EQUIPMENT, PARTS, UPFITTING, ETC.(excl. labor) (please itemize on reverse)					
29. FUEL COSTS					
30. MAJOR EQUIPMENT USED TO MAINTAIN AIRCRAFT (please itemize on reverse)					
31. EQUIPMENT USED ONLY ON THIS AIRCRAFT FOR ITS "MISSION" (e.g., cameras, infrared, etc.) (please itemize on reverse)					
32. INSURANCE FOR THIS AIRCRAFT					
33. PILOT TRAVEL COSTS ASSOCIATED WITH THE AIRCRAFT (for overnight stays)					
34. PILOT TRAINING ASSOCIATED WITH THIS AIRCRAFT					
35. ANY OTHER OPERATING COSTS ASSOCIATED WITH THIS AIRCRAFT NOT SPECIFIED ABOVE. PLEASE LIST:					
a.					
b.					
c.					
d.					
TOTAL - ALL DIRECT OPERATING COSTS FOR THIS AIRCRAFT	\$0	\$0	\$0	\$0	\$0
36. WHAT WAS THE VALUE OF THE PARTS INVENTORY FOR THIS AIRCRAFT AT THE END OF EACH FISCAL YEARS?					

PERSON COMPLETING FORM: _____

**ACTUAL OPERATING COSTS
FOR THIS AIRCRAFT
FIVE FISCAL YEARS**

AIRCRAFT NAME AND MODEL: _____

LIST ALL SPECIAL EQUIPMENT ASSOCIATED WITH THIS AIRCRAFT. PUT THE COST IN THE FISCAL YEAR IN WHICH ACQUIRED

DETAIL FROM #26: IN-HOUSE MAJOR MAINTENANCE-- PLEASE LIST ALL MAJOR EQUIPMENT, PARTS, REFURBISHMENT ADDED TO THIS AIRCRAFT AND THE COST (e.g., engine, upholstery, avionics, etc.)	FY90-91	FY91-92	FY92-93	FY93-94	FY94-95
a.					
b.					
c.					
d.					
e.					
f.					
DETAIL FROM #28: CONTRACTED MAJOR MAINTENANCE-- PLEASE LIST ALL MAJOR EQUIPMENT, PARTS, REFURBISHMENT ADDED TO THIS AIRCRAFT AND THE COST (e.g., engine, upholstery, avionics, etc.)	FY90-91	FY91-92	FY92-93	FY93-94	FY94-95
a.					
b.					
c.					
d.					
e.					
DETAIL FROM #30: PLEASE LIST MAJOR PIECES OF EQUIPMENT USED TO MAINTAIN THIS AIRCRAFT AND THE COST (e.g., tow motors, specialty maintenance). If allocating the cost to multiple aircraft, please note this.	FY90-91	FY91-92	FY92-93	FY93-94	FY94-95
a.					
b.					
c.					
d.					
f.					
DETAIL FROM #31: PLEASE LIST EQUIPMENT USED ONLY ON THIS AIRCRAFT FOR ITS "MISSION" AND ITS COST (e.g., cameras, infrared, etc.). IF USED ON MULTIPLE CRAFT, DO NOT LIST HERE.	FY90-91	FY91-92	FY92-93	FY93-94	FY94-95
a.					
b.					
d.					
e.					

PERSON COMPLETING FORM: _____

PHONE NUMBER: _____

AIRCRAFT NAME AND MODEL: _____

FUNDING FOR THIS AIRCRAFT BY SOURCE FOR 5 FISCAL YEARS	FY90-91	FY91-92	FY92-93	FY93-94	FY94-95
37. GENERAL FUND APPROPRIATION FOR THIS AIRCRAFT					
38. FEDERAL FUND APPROPRIATION FOR THIS AIRCRAFT					
39. SPECIAL FUND APPROPRIATION FOR THIS AIRCRAFT					
40. RECEIPTS RECEIVED FOR THIS AIRCRAFT – TOTAL (Please provide detailed breakout below, as noted)					
TOTAL – ALL SOURCES OF FUNDING:	\$0	\$0	\$0	\$0	\$0

DETAILED BREAKOUT OF SOURCES OF RECEIPTS TOTALLED IN #40, ABOVE:	FY90-91	FY91-92	FY92-93	FY93-94	FY94-95
RECEIPTS FROM OWN AGENCY FOR USE OF THIS AIRCRAFT IF CHARGING OTHER DIVISIONS					
RECEIPTS FROM OTHER STATE AGENCIES FOR USE OF THIS					
a.					
b.					
c.					
d.					
e.					
RECEIPTS FROM FEDERAL AGENCIES FOR USE OF THIS AIRCRAFT, BY AGENCY:					
a.					
b.					
c.					
d.					
e.					
RECEIPTS FROM ALL OTHER ENTITIES FOR USE OF THIS AIRCRAFT. PLEASE SPECIFY:					
a.					
b.					
c.					
d.					
e.					

AIRCRAFT NAME AND MODEL: _____

ACTUAL OPERATING AND PASSENGER DATA	FY90-91	FY91-92	FY92-93	FY93-94	FY94-95
41. TOTAL ACTUAL FLYING HOURS					
42. TOTAL HOURS "BLOCK TO BLOCK", THAT AIRCRAFT WAS IN USE					
43. TOTAL DAYS AIRCRAFT WAS OUT OF SERVICE FOR MAINTENANCE					
44. TOTAL NUMBER OF PASSENGER MILES FLOWN					
45. TOTAL NUMBER AIRCRAFT MILES FLOWN, IF AVAILABLE					
46. TOTAL NUMBER OF PASSENGERS FLOWN					
47. PASSENGERS FLOWN BY PURPOSE: Referring to Question 17, for each use of this aircraft, please enter the hours of flying time by purpose.					
a.					
b.					
c.					
d.					
e.					
f.					
48. WHAT IS THE HOURLY RATE CHARGED TO YOUR OWN AGENCY FOR USE OF THIS AIRCRAFT?					
49. WHAT IS THE HOURLY RATE CHARGED TO OTHER STATE AGENCIES FOR USE OF THIS AIRCRAFT?					
50. WHAT IS THE HOURLY RATE CHARGED TO FEDERAL OR OTHER AGENCIES FOR USE OF THIS AIRCRAFT?					
51. WHAT, IF ANY, IS THE HOURLY RATE CHARGED FOR "WAITING" TIME (e.g., for return flight, etc.)					

APPENDIX C

Summary of All Aircraft Included in Study, with Basic Descriptive Information

APPENDIX C
NORTH CAROLINA'S FLEET BY TYPE OF AIRCRAFT AND AGENCY

SUMMARY

	TOTAL IN FLEET fy94-95	AVERAGE AGE IN 1995:	EST'D TOTAL CURRENT VALUE:	EST'D AVG. CURR. VALUE	TOTAL REPLACE- MENT	AVG. REPLACE- MENT
Single Engine Fixed Wing	38	26	\$3,998,646	\$99,968	\$5,977,853	\$153,278
Multi Engine Fixed Wing	10	19	\$5,384,000	\$538,400	\$28,171,000	\$3,130,111
Helicopters	20	26	\$9,886,224	\$494,311	\$55,525,000	\$2,776,250
ALL AIRCRAFT:	68	25	\$19,268,870	\$271,393	\$89,673,853	\$1,299,621
STATE-OWNED	43					
FEDERAL-OWNED	25					

APPENDIX C
NORTH CAROLINA'S FLEET BY TYPE OF AIRCRAFT AND AGENCY

AGENCY	Aircraft Name	Aircraft Model	Aircraft Type	ID Number	Age of Craft as of 12/95	Source of Craft	Year Acquired	Original Acquis. Cost	Estimated 1995 Value	Estimated Replacement Cost	# Seats Including Pilot	Home Base	Primary Use	Other Uses and/or Additional Information	Owned By	other id
SINGLE ENGINE FIXED WING																
EHNR/FORESTRY	Beechcraft Lead Plane	T-34B	Single Engine Fixed Wing	Plane 4	39	Long Term Loan - USDA/USFS	1972	N/A	\$169,000	\$180,000	2	Kinston	Fire Control/Coordination	Coordinate retardant drops on wildfire; coordinate suppression	F	N800Z
EHNR/FORESTRY	Beechcraft Lead Plane	T-34B	Single Engine Fixed Wing	Plane 6	39	Long Term Loan - USDA/USFS	1964	N/A	\$169,000	\$180,000	2	Kinston	Fire Control/Coordination	Coordinate retardant drops on wildfire; coordinate w/ground	F	N4738Z
EHNR/FORESTRY	Beechcraft Lead Plane	T-34B	Single Engine Fixed Wing	Plane 23	38	Long Term Loan - USDA/USFS	1971	N/A	\$169,000	\$180,000	2	Kinston	Fire Control/Coordination	Coordinate retardant drops on wildfire; coordinate suppression	F	N8457
EHNR/FORESTRY	Beechcraft Lead Plane	T-34B	Single Engine Fixed Wing	Plane 24	40	Long Term Loan - USDA/USFS	1980	N/A	\$169,000	\$180,000	2	Kinston	Fire Control/Coordination	Coordinate retardant drops on wildfire; coordinate w/ground	F	N83013
EHNR/FORESTRY	Beechcraft Lead Plane	T-34B	Single Engine Fixed Wing	Plane 19	39	Long Term Loan - USDA/USFS	1969	N/A	\$169,000	\$180,000	2	Kinston	Fire Control/Coordination	Coordinate retardant drops on wildfire; coordinate w/ground	F	N14515
EHNR/FORESTRY	Cessna Scout Plane	L-19/O1A	Single Engine Fixed Wing	Plane 13	44	Long Term Loan - USDA/USFS	1972	N/A	\$62,216	\$99,160	2	Franklin	Fire Control/Scout and Military Assistance Program	Fly assigned routes to spot wildfire. Aerial photog./forest mapping	F	N4FS
EHNR/FORESTRY	Cessna General Purpose	A185F airworth. certif.	Single Engine Fixed Wing	Plane 8	10	Purchased New	1985	\$96,059	\$123,000	\$314,200	4	Asheville	Fire Control/Scout & Fire Control/Crew transport	Pest Control surveys, Mapping, Misc. Personnel Transport	S	00115383 00-FAS N735AX
EHNR/FORESTRY	Cessna General Purpose	A185F airworth. certif.	Single Engine Fixed Wing	Plane 16	10	Purchased New	1985	\$96,059	\$123,000	\$314,200	4	Sanford	Fire Control	Pest Control surveys, Mapping, Misc. Personnel Transport	S	00115382 0-FAS N735EK
EHNR/FORESTRY	Cessna General Purpose	A185F airworth. certif.	Single Engine Fixed Wing	Plane 25	10	Purchased New	1985	\$96,059	\$123,000	\$314,200	4	Kinston	Fire Control	Pest Control, Coastal Mgmt, Personnel Transport, Misc.	S	00115350 0-FAS N735DN
EHNR/FORESTRY	Cessna Scout Plane	L-19/O1A	Single Engine Fixed Wing	Plane 2	44	Long Term Loan - USDA/USFS	1971	N/A	\$62,216	\$99,160	2	Kinston	Fire Control/Scout	Fly assigned routes to spot wildfire. Aerial photog./forest mapping	F	N3FS
EHNR/FORESTRY	Cessna Scout Plane	L-19/O1A	Single Engine Fixed Wing	Plane 5	44	Long Term Loan - USDA/USFS	1981	N/A	\$62,216	\$99,160	2	New Bern	Fire Control/Scout Search&Rescue	Fly assigned routes to spot wildfire. Aerial photog./forest mapping	F	N10714
EHNR/FORESTRY	Cessna Scout Plane	L-19/O1A	Single Engine Fixed Wing	Plane 9	44	Long Term Loan - USDA/USFS	1971	N/A	\$62,216	\$99,160	2	Fairfield	Fire Control/Scout	Fly assigned routes to spot wildfire. Aerial photog./forest mapping	F	N2FS
EHNR/FORESTRY	Cessna Scout Plane	L-19/O1A	Single Engine Fixed Wing	Plane 11	44	Long Term Loan - USDA/USFS	1978	N/A	\$62,216	\$99,160	2	Kinston	Fire Control/Scout	Fly assigned routes to spot wildfire. Aerial photog./forest mapping	F	N85392
EHNR/FORESTRY	Cessna Scout Plane	L-19/O1A	Single Engine Fixed Wing	Plane 12	44	Long Term Loan - USDA/USFS	1975	N/A	\$62,216	\$99,160	2	Kinston	Fire Control/Scout	Fly assigned routes to spot wildfire. Aerial photog./forest mapping	F	N64835
EHNR/FORESTRY	Cessna Scout Plane	L-19/O1A	Single Engine Fixed Wing	Plane 18	44	Long Term Loan - USDA/USFS	1983	N/A	\$62,216	\$99,160	2	Kinston	RELIEF: Fire Control/Scout Photography & Pest	Fly assigned routes to spot wildfire. Aerial photog./forest mapping	F	N90835
EHNR/FORESTRY	Cessna Scout Plane	L-19/O1A	Single Engine Fixed Wing	Plane 1	44	Long Term Loan - USDA/USFS	1971	N/A	\$62,216	\$99,160	2	Rockingham	Fire Control/Scout	Fly assigned routes to spot wildfire. Aerial photog./forest mapping	F	N1FS
EHNR/FORESTRY	Cessna Scout Plane	L-19/O1A	Single Engine Fixed Wing	Plane 7	38	Long Term Loan - USDA/USFS	1987	N/A	\$62,216	\$99,160	2	Fayetteville	Fire Control/Scout	Fly assigned routes to spot wildfire. Aerial photog./forest mapping	F	N9623Q
EHNR/FORESTRY	DeHavilland Beaver Utility Plane	DHC-2 U-6	Single Engine Fixed Wing	Plane 22	42	Long Term Loan - USDA/USFS	1994	N/A	\$200,000	\$314,000	6	Kinston	Fire control/training Fire Control/cargo Military Assistance Bomber Pilot Training	[DC-3 Backup] DeHavilland no longer made, would have to replace with Cessna or new Piper	F	N80721

APPENDIX C
NORTH CAROLINA'S FLEET BY TYPE OF AIRCRAFT AND AGENCY

AGENCY	Aircraft Name	Aircraft Model	Aircraft Type	ID Number	Age of Craft as of 12/95	Source of Craft	Year Acquired	Original Acquis. Cost	Estimated 1995 Value	Estimated Replacement Cost	# Seats Including Pilot	Home Base	Primary Use	Other Uses and/or Additional Information	Owned By	other Id
EHNR/FORESTRY	Ector	C-305A (L-19)	Single Engine Fixed Wing	Plane 15	30	Assembled from surplus parts	1965	\$8,450	\$82,218	\$99,180	2	Kinston	Fire Control/Relief	Pest Control, Misc., Personnel Transport	S	00115379 00-FAS N1833
EHNR/FORESTRY	Ector Scout	C-305A (L-19)	Single Engine Fixed Wing	Plane 3	27	Assembled from surplus parts	1970	\$11,450	\$82,218	\$99,180	2	Morganton	Fire Control	Aerial Photography, Search/Rescue	S	00115707- FAS N16574
EHNR/FORESTRY	Lead Plane	T-34B	Single Engine Fixed Wing	Plane 21 (no longer in service but in study)		Long Term Loan - USDA/USFS			\$189,000	\$180,000	2	Kinston	Fire Control/Coordination Relief	Coordinate retardant drops on wildfire; coordinate w/ground crew; can use as scout	F	N8458- GSA
EHNR/FORESTRY	Piper Super Cub Scout Plane	PA-18-150	Single Engine Fixed Wing	Plane 17	30	Purchased New	1965	\$8,885	\$45,000	\$99,180	2	Kinston	Fire Control/Relief	Pest Control, Misc., Personnel Transport	S	00115280 0-FAS N4138Z
EHNR/FORESTRY	PZL Dromader M18A Small Air Tanker	M-18A	Single Engine Fixed Wing	Bomber 4	1	Purchased New	1994	\$159,000	\$173,929	\$189,000	1	Kinston	Fire Control	Tanker carries 550 gals. fire retardant	S	01268850 0-FAS N2065K
EHNR/FORESTRY	PZL Dromader M18A Small Air Tanker	M-18A	Single Engine Fixed Wing	Bomber 5	1	Purchased New	1994	\$159,000	\$173,004	\$189,000	1	Kinston	Fire Control	Tanker carries 550 gals. fire retardant	S	00126893 00-FAS N2152X
EHNR/FORESTRY	PZL Dromader M18A Small Air Tanker	M-18A	Single Engine Fixed Wing	Bomber 6	1	Purchased New	1994	\$159,000	\$173,004	\$189,000	1	Kinston	Fire Control	Tanker carries 550 gals. fire retardant	S	01268920 0-FAS N2152S
EHNR/FORESTRY	Snow Small Air Tanker	S2-R	Single Engine Fixed Wing	Bomber 2	19	Purchased New	1978	\$82,484	\$35,000	\$189,000	1	Kinston	Fire Control	Tanker	S	00115210 00-FAS N8431V
EHNR/FORESTRY	Snow Small Air Tanker	S2C	Single Engine Fixed Wing	Bomber 3	32	Purchased New	1983	\$15,425	\$30,000	\$189,000	1	Kinston	Fire Control	Tanker carries 225 gals. fire retardant	S	00115217 00-FAS N1623S
EHNR/FORESTRY	Snow Small Tanker	S2C	Single Engine Fixed Wing	Bomber 1	30	Purchased New	1965	\$18,856	\$30,000	\$189,000	1	Kinston	Fire Control	Tanker carries 225 gals. fire retardant	S	11520800- FAS N1667S
EHNR/Marine Fisheries	Cessna 185	185F	Single Engine Fixed Wing	1250500-fas	10	Purchased new	1985	\$127,850	\$150,000	\$150,000	4	Beaufort Airport	Law Enforcement	[Operated as a seaplane]	S	
EHNR/Marine Fisheries	Cessna-210	210N	Single Engine Fixed Wing	0012506700-fas	12	Purchased used	1990	\$100,000	\$147,333	\$147,333	4	Beaufort Airport	Law Enforcement, Marine Patrol	[Instrument rated for night patrol]	S	
EHNR/Marine Fisheries	Aviat Husky with Bauman floats (purchased 4/95)	A1 Husky	Single Engine Fixed Wing	127157	0	Purchased new	1995	\$130,000	\$130,000	\$130,000	2	Morehead City	Law Enforcement		S	
EHNR/Marine Fisheries	Cessna 180 with Edo 2960 floats (sold 4/95)	180K	Single Engine Fixed Wing	0012505600-fas	16	Purchased new	1979	\$39,954	\$59,000	SOLD IN 95	4	Morehead City	Law Enforcement		S	

**APPENDIX C
NORTH CAROLINA'S FLEET BY TYPE OF AIRCRAFT AND AGENCY**

AGENCY	Aircraft Name	Aircraft Model	Aircraft Type	ID Number	Age of Craft as of 12/95	Source of Craft	Year Acquired	Original Acquis. Cost	Estimated 1995 Value	Estimated Replacement Cost	# Seats Including Pilot	Home Base	Primary Use	Other Uses and/or Additional Information	Owned By	other Id
EHNR/WILDLIFE	Maule N9232P	MXT-7-180	Single Engine Fixed Wing	12972-FAS	4	Buy - New	1991	\$73,000	\$35,000	\$105,000	4	Kinston	Law Enforcement (Wildlife & Boating)	Game and Fish Mgmt; Search Rescue	S	
EHNR/WILDLIFE	Maule N3118K	MXT-7-180	Single Engine Fixed Wing	15508-FAS	1	Buy - New	1995	\$105,000	\$100,000	\$105,000	4	Kinston	Law Enforcement (Wildlife & Boating)	Game and Fish Mgmt; Search Rescue	S	
EHNR/WILDLIFE	Piper Super Cub N-4185-Z	PA-18	Single Engine Fixed Wing	01807-FAS	30	Buy - Used	1966	\$20,000	\$20,000	\$95,000	2	Hickory	Law Enforcement (Wildlife & Boating)	Game and Fish Mgmt; Search Rescue	S	
EHNR/WILDLIFE	Piper Super Cub N4181-Z	PA-18	Single Engine Fixed Wing	01835-FAS	29	Buy Used	1966	\$23,308	\$20,000	\$95,000	2	Wilson	Law Enforcement (Wildlife & Boating)	Game and Fish Mgmt; Search Rescue	S	
EHNR/WILDLIFE (surplus)	Piper Super Cub N4180Z	PA-18	Single Engine Fixed Wing	01582-FAS	29	Buy - Used	1966	\$20,308	\$20,000	\$95,000	2	Burlington	Law Enforcement (Wildlife & Boating)	Game and Fish Mgmt; Search Rescue	S	
JUSTICE/SBI	Cessna N5458C	Cessna C-210	Single Engine Fixed Wing	211818-FAS	15	Forfeiture funds	1980	\$95,071	\$115,000	\$200,000	5	Hamett County	Law Enforcement, surveillance	Contraband Searches, Suspect Searches; Agent Transport; Aerial	S	
JUSTICE/SBI	Cessna N8305Q	Cessna C-208	Single Engine Fixed Wing	213200-FAS	19	LEAA funded	1978	\$53,147	\$75,000	\$115,000	5	Hamett County	Law Enforcement, surveillance	Contraband Searches, Suspect Searches; Agent Transport; Aerial	S	
JUSTICE/SBI	Cessna N9057S	Cessna C-210	Single Engine Fixed Wing	213627-FAS	9	Forfeiture funds	1986	\$229,670	\$200,000	\$200,000	5	Hamett County	Law Enforcement, surveillance	Contraband Searches, Suspect Searches; Agent Transport; Aerial	S	
SUMMARY OF SINGLE ENGINE FIXED WING CRAFT								TOTAL CURRENT VALUE	AVERAGE CURRENT VALUE	AVERAGE REPLACEMENT						
								\$3,098,846	\$99,966	\$183,278						

APPENDIX C
NORTH CAROLINA'S FLEET BY TYPE OF AIRCRAFT AND AGENCY

AGENCY	Aircraft Name	Aircraft Model	Aircraft Type	ID Number	Age of Craft as of 12/95	Source of Craft	Year Acquired	Original Acquis. Cost	Estimated 1995 Value	Estimated Replacement Cost	# Seats Including Pilot	Home Base	Primary Use	Other Uses and/or Additional Information	Owned By	other Id
MULTI ENGINE FIXED WING																
COMMERCE	Beechcraft B200	B200	Multi Engine Fixed Wing	1184	13	Buy-Used	1986	\$1,222,992	\$1,000,000	\$3,700,000	12	Raleigh - RDU	Economic Development	Trans for Gov, LtGov, Cabinet, Council of State, State Officials	S	
COMMERCE	Beechcraft King Air	E-90	Multi Engine Fixed Wing	1181	21	Buy-New	1974	\$750,000	\$450,000	\$2,400,000	8	Raleigh - RDU	Economic Development	Trans for Gov, LtGov, Cabinet, Council of State, State Officials	S	
EHNR/FORESTRY	Douglas Cargo	DC-3 R4D-8Q	Multi Engine Fixed Wing	Plane 10	61	Long Term Loan - USDA/USFS	1974	N/A	\$138,000	\$9,700,000	20	Kinston	Fire Control/Support and Military Assistance	Carry equipment, crew to keep airtankers operational; set up tanker reload facility	F	N48211
EHNR/FORESTRY	Piper Utility Plane	PA-31	Multi Engine Fixed Wing	Plane 14	25	Long Term Loan - USDA/USFS	1982	N/A	\$110,000	\$750,000	6	Kinston	Personnel Transport		F	N14FS
JUSTICE/SBI	Cessna N404CP	Cessna C 404	Multi Engine Fixed Wing	213883-FAS	17	seized, donated to SBI	1987	N/A	\$200,000	\$300,000	6-7	Harnett County	Law Enforcement/Special Agent transport	DOJ Admin. Transportation, Ocean Surveillance, Prisoner	S	
TRANSPORTATION	Cessna Conquest 27	441	Multi Engine Fixed Wing	222-2127	13	Buy Used	1989	\$940,000	\$950,000	\$3,578,300	8	Raleigh - RDU	Photogrammetry	Management Support, Transportation Support, Governmental Support, Emergency & Safety Operations, Maintenance/Training	S	
TRANSPORTATION	Cessna Conquest 28	441	Multi Engine Fixed Wing	222-2128	12	Buy Used	1992	\$1,248,092	\$1,030,000	\$3,578,300	8	Raleigh - RDU	Management Support, Photogrammetry	Transportation Support, Governmental Support, Emergency & Safety	S	
TRANSPORTATION	Cessna Conquest 29	441	Multi Engine Fixed Wing	222-2129	12	Buy Used	1994	\$1,582,300	\$1,030,000	\$3,578,300	9	Raleigh - RDU	Management Support, Transportation Support	Transportation Support, Governmental Support, Emergency & Safety Operations, Maintenance/Training, Photogrammetry	S	
TRANSPORTATION	Cessna Crusader 25	T-303	Multi Engine Fixed Wing	222-2125	12	Buy New	1994	\$224,815	\$159,000	\$588,100	3 (or 4 w/o camera)	Raleigh - RDU	Transportation Support	Governmental Support, Photogrammetry, Emergency & Safety Operations, Maintenance/Training	S	
TRANSPORTATION	Cessna Titan 26	404	Multi Engine Fixed Wing	222-2126	15	Buy Used	1984	\$314,898	\$317,000	No Equivalent	7 (or 8 w/o camera)	Raleigh - RDU	Management Support, Photogrammetry	Transportation Support, Governmental Support, Emergency & Safety	S	
SUMMARY OF MULTI-ENGINE AIRCRAFT								TOTAL CURRENT VALUE	AVERAGE CURRENT VALUE	AVERAGE REPLACEMENT W/ DC3	AVERAGE REPLACEMENT W/O DC3					
								\$5,384,000	\$539,400	\$3,130,111	\$2,308,875					

**APPENDIX C
NORTH CAROLINA'S FLEET BY TYPE OF AIRCRAFT AND AGENCY**

AGENCY	Aircraft Name	Aircraft Model	Aircraft Type	ID Number	Age of Craft as of 12/95	Source of Craft	Year Acquired	Original Acquis. Cost	Estimated 1995 Value	Estimated Replacement Cost	# Seats Including Pilot	Home Base	Primary Use	Other Uses and/or Additional Information	Owned By	other Id
HELICOPTERS																
CCPS/HIGHWAY PATROL	Bell 123NC	Jet Ranger 208 A/B	Helicopter, single engine	738381-FAS	24	donated Commerce (Used)	1988	\$135,000	\$250,000	\$1,300,000	4	Raleigh - Heliport	Law Enforcement		S	
CCPS/HIGHWAY PATROL	Bell N301HP	UH-1H	Helicopter, single engine	738301-FAS	30	donated DoD (Used)	1983	\$922,704	\$500,000	\$4,300,000	13	Raleigh - Heliport	Law Enforcement/Drug Interdiction	14 CFR/95 & 135 and GS 1208 of PL 101-189	S	
CCPS/HIGHWAY PATROL	Bell N302HP	UH-1H	Helicopter, single engine	738302-FAS	31	donated DoD (Used)	1983	\$922,704	\$500,000	\$4,300,000	13	Salisbury	Law Enforcement/Drug Interdiction	15 CFR/95 & 135 and GS 1208 of PL 101-189	S	
CCPS/HIGHWAY PATROL	Bell N303HP	OH-58A+	Helicopter, single engine	738303-FAS	25	donated DoD (Used)	1995	\$92,290	\$250,000	\$1,000,000	4	Raleigh - Heliport	Law Enforcement/Drug Interdiction	16 CFR/95 & 135 and GS 1208 of PL 101-189	S	
CCPS/HIGHWAY PATROL	Bell N304HP	OH-58A+	Helicopter, single engine	738304-FAS	25	donated DoD (Used)	1995	\$92,290	\$250,000	\$1,000,000	4	Salisbury	Law Enforcement/Drug Interdiction	17 CFR/95 & 135 and GS 1208 of PL 101-189	S	
CCPS/HIGHWAY PATROL	Bell N305HP	OH-58A+	Helicopter, single engine	738305-FAS	24	donated DoD (Used)	1994	\$92,290	\$250,000	\$1,000,000	4	Raleigh - Heliport	Law Enforcement/Drug Interdiction	18 CFR/95 & 135 and GS 1208 of PL 101-189	S	
CCPS/HIGHWAY PATROL	Bell N306HP	OH-58A+	Helicopter, single engine	738306-FAS	24	donated DoD (Used)	1994	\$92,290	\$250,000	\$1,000,000	4	Raleigh - Heliport	Law Enforcement/Drug Interdiction	19 CFR/95 & 135 and GS 1208 of PL 101-189	S	
CCPS/HIGHWAY PATROL	Bell N307HP	OH-58A+	Helicopter, single engine	738307-FAS	24	donated DoD (Used)	1994	\$92,290	\$250,000	\$1,000,000	4	Salisbury	Law Enforcement/Drug Interdiction	20 CFR/95 & 135 and GS 1208 of PL 101-189	S	
CCPS/HIGHWAY PATROL	Bell N308HP	OH-58A+	Helicopter, single engine	738308-FAS	24	donated DoD (Used)	1995	\$92,290	\$250,000	\$1,000,000	4	Raleigh - Heliport	Law Enforcement/Drug Interdiction	21 CFR/95 & 135 and GS 1208 of PL 101-189	S	
CCPS/HIGHWAY PATROL	Bell N309HP	OH-58A+	Helicopter, single engine	738309-FAS	25	donated DoD (Used)	1995	\$92,290	\$250,000	\$1,000,000	4	Raleigh - Heliport	Law Enforcement/Drug Interdiction	22 CFR/95 & 135 and GS 1208 of PL 101-189	S	
CCPS/HIGHWAY PATROL	Bell N312HP	OH-58A+	Helicopter, single engine	738312-FAS	27	donated DoD (Used)	1995	\$92,290	\$250,000	\$1,000,000	4	Raleigh - Heliport	Law Enforcement/Drug Interdiction	23 CFR/95 & 135 and GS 1208 of PL 101-189	S	
COMMERCE	Bell 206L3	206L3	Helicopter, single engine	1182	8	Buy-New	1988	\$858,991	\$700,000	\$1,100,000	6	Raleigh - Heliport	Economic Development	Trans for Gov, LiGov, Cabinet, Council of State, State Officials	S	
COMMERCE	Bell 222	222	Helicopter, single engine	1183	15	Buy-New	1980	\$1,323,748	\$400,000	\$5,200,000	8	Raleigh - Heliport	Economic Development	Trans for Gov, LiGov, Cabinet, Council of State, State Officials	S	
EHN/FORESTRY	Bell Helicopter Textron Utility Helicopter	EH-1H	Helicopter, single engine	Helicopter 8	26	Long Term Loan - USDA/USFS	1992	N/A	\$922,704	\$4,475,000	12	Kinston	Fire Control/Multi Use Military Assistance	Rapid water drops; aerial ignition; aerial recon platform/extended fire; sling load equipment; evacuation of fire crews	F	N318LD
EHN/FORESTRY	Bell Helicopter Textron Utility Helicopter	UH-1H	Helicopter, single engine	Helicopter 1	31	Long Term Loan - USDA/USFS	1992	N/A	\$922,704	\$4,475,000	12	Rockingham	Fire Control/multi use Photography & Search & Rescue (see next column for details)	Rapid water drops; aerial ignition; aerial recon platform/extended fire; sling load equipment; evacuation of fire crews	F	N382CJ
EHN/FORESTRY	Bell Helicopter Textron Utility Helicopter	UH-1H	Helicopter, single engine	Helicopter 8	32	Long Term Loan - USDA/USFS	1992	N/A	\$922,704	\$4,475,000	12	Morganton	Fire Control/multi use Military Assistance (see next column for details)	Rapid water drops; aerial ignition; aerial recon platform/extended fire; sling load equipment; evacuation of fire crews	F	N81785

APPENDIX C
NORTH CAROLINA'S FLEET OF AIRCRAFT AND AGENCY

AGENCY	Aircraft Name	Aircraft Model	Aircraft Type	ID Number	Age of Craft as of 12/95	Source of Craft	Year Acquired	Original Acquis. Cost	Estimated 1995 Value	Estimated Replacement Cost	# Seats Including Pilot	Home Base	Primary Use	Other Uses and/or Additional Information	Owned By	other Id
EHNR/FORESTRY	Bell Helicopter Textron Utility Helicopter	UH-1H	Helicopter, single engine	Helicopter 4	31	Long Term Loan - USDA/USFS	1990	N/A	\$922,704	\$4,475,000	12	Asheville	Fire Control/multi use Military Assistance (see next column for details)	Rapid water drops; aerial ignition; aerial recon platform/extended fire; sling load equipment; evacuation of fire crews	F	N8158Q
EHNR/FORESTRY	Bell Helicopter Textron Utility Helicopter	UH-1H	Helicopter, single engine	Helicopter 9	29	Long Term Loan - USDA/USFS	1993	N/A	\$922,704	\$4,475,000	12	Franklin	Fire Control/multi use Military Assistance (see next column for details)	Rapid water drops; aerial ignition; aerial recon platform/extended fire; sling load equipment; evacuation of fire crews	F	N525BM
EHNR/FORESTRY	Bell Helicopter Textron Utility Helicopter	UH-1B	Helicopter, single engine	Helicopter 5	34	Long Term Loan - USDA/USFS	1977	N/A	\$481,352	\$4,475,000	7	Kinston	RELIEF: Fire Control/multi use (see next column for details)	Rapid water drops; aerial ignition; aerial recon platform/extended fire; sling load equipment; evacuation of fire crews	F	N98126
EHNR/FORESTRY	Bell Helicopter Textron Utility Helicopter	UH-1B	Helicopter, single engine	Helicopter 7	32	Long Term Loan - USDA/USFS	1983	N/A	\$481,352	\$4,475,000	7	Kinston	RELIEF: Fire Control/multi use (see next column for details)	Rapid water drops; aerial ignition; aerial recon platform/extended fire; sling load equipment; evacuation of fire crews	F	N2189K
SUMMARY OF HELICOPTERS								TOTAL CURRENT	AVERAGE CURRENT	AVERAGE REPLACEMENT						
								\$9,896,224	\$494,311	\$2,776,250						

APPENDIX C
NORTH CAROLINA'S FLEET BY TYPE OF AIRCRAFT AND AGENCY

AGENCY	Aircraft Name	Aircraft Model	Aircraft Type	ID Number	Age of Craft as of 12/95	Source of Craft	Year Acquired	Original Acquis. Cost	Estimated 1995 Value	Estimated Replacement Cost	# Seats Including Pilot	Home Base	Primary Use	Other Uses and/or Additional Information	Owned By	other Id
AIRCRAFT RECEIVED AFTER STUDY PERIOD ENDED:																
CCPS/SHP new since 7/95	Bell Helicopter	OH-58A	Helicopter, single engine	Mil.Ser.# 71-20518	24	donated DoD (Used)	1995	N/A	\$250,000	\$1,000,000	4	Raleigh - Heliport	Law Enforcement/Drug Interdiction	21 CFR/95 & 135 and GS 1208 of PL 101-189	S	
CCPS/SHP new since 7/95	Bell Helicopter	OH-58A	Helicopter, single engine	Mil.Ser.# 71-20700	24	donated DoD (Used)	1995	N/A	\$250,000	\$1,000,000	4	Raleigh - Heliport	Law Enforcement/Drug Interdiction	21 CFR/95 & 135 and GS 1208 of PL 101-189	S	
CCPS/SHP new since 7/95	Bell Helicopter	OH-58A	Helicopter, single engine	Mil.Ser.# 71-15599	24	donated DoD (Used)	1995	N/A	\$250,000	\$1,000,000	4	Raleigh - Heliport	Law Enforcement/Drug Interdiction	21 CFR/95 & 135 and GS 1208 of PL 101-189	S	
CCPS/SHP new since 7/95	Bell Helicopter	OH-58A	Helicopter, single engine	Mil.Ser.# 71-20459	24	donated DoD (Used)	1995	N/A	\$250,000	\$1,000,000	4	Raleigh - Heliport	Law Enforcement/Drug Interdiction	21 CFR/95 & 135 and GS 1208 of PL 101-189	S	
EHNRF/FORESTRY new, under review for engine, flyability	Bell Helicopter - 21J		Helicopter, single engine	Helicopter		Long Term Loan - USDA/USFS	1995	N/A		\$772,000		Kinston	Fire Control		S	1407562
EHNRF/FORESTRY new, under review for engine, flyability	Bell Helicopter - N56RF		Helicopter, single engine	same		Long Term Loan - USDA/USFS	1995	N/A		\$772,000		Kinston	Fire Control		F	1407188
EHNRF/FORESTRY new, under review for engine, flyability	Bell Helicopter - 31E		Helicopter, single engine	same		Long Term Loan - USDA/USFS	1995	N/A		\$772,000		Kinston	Fire Control		F	1407567
EHNRF/FORESTRY new, under review for engine, flyability	Bell Helicopter - 40H		Helicopter, single engine	same		Long Term Loan - USDA/USFS	1995	N/A		\$772,000		Kinston	Fire Control		F	1407563
EHNRF/FORESTRY new, under review for engine, flyability	Bell Helicopter - 68B		Helicopter, single engine	same		Long Term Loan - USDA/USFS	1995	N/A		\$772,000		Kinston	Fire Control		F	1407568
EHNRF/FORESTRY new, under review for engine, flyability	Bell Helicopter - 76C		Helicopter, single engine	same		Long Term Loan - USDA/USFS	1995	N/A		\$772,000		Kinston	Fire Control		F	1407565
EHNRF/FORESTRY new, under review for engine, flyability	Bell Helicopter - 68L		Helicopter, single engine	same		Long Term Loan - USDA/USFS	1995	N/A		\$772,000		Kinston	Fire Control		F	1407566
EHNRF/MARINE new since 7/95	Bell OH 58A		Helicopter, single engine			Donated from DoD	1995	N/A		\$1,000,000		Morehead City	Law Enforcement		S	
EHNRF/MARINE new since 7/95	Bell OH 58A		Helicopter, single engine			Donated from DoD	1995	N/A		\$1,000,000		Morehead City	Law Enforcement		S	
EHNRF/FORESTRY	Piper	PA-31	Single Engine Fixed Wing	Received 11/95 - Still not in service								Kinston	Fire Control		F	N7854Q

Appendix D

**Passenger Use Policies for
Department of Transportation
and
Department of Commerce**



North Carolina Department of Commerce

James B. Hunt Jr., Governor

S. Davis Phillips, Secretary

EXECUTIVE AIRCRAFT OPERATION STATEMENT OF POLICY

WHEREAS, the North Carolina Department of Commerce is responsible for the Economic Development Program for the State; and

WHEREAS, the Executive Aircraft Operation was placed in the Department of Commerce in order to be able to quickly and efficiently respond to the Economic Development needs;

WHEREAS, these needs can be anytime, including weekend nights, and holidays and many times on very short notice;

NOW, THEREFORE, BE IT RESOLVED, the following policy for assignment and usage of the State Executive Aircraft will be established:

FIRST priority shall be to meet the requirements of the North Carolina Department of Commerce as determined by the Secretary of Commerce.

SECOND priority shall be to provide air transportation for the Governor.

THIRD priority shall be to provide air transportation for the Lieutenant Governor and the Speaker of the House in the performance of their official duties.

FOURTH priority shall be to provide use of aircraft for drug interdiction duties.

FIFTH priority shall be to provide air transportation to Cabinet Members and Council of State Members not involved with economic development functions.

SIXTH priority shall be to provide air transportation to other State Officials on a first-come first-serve basis as may be deemed appropriate and/or necessary with the express approval of the Cabinet Secretary or Council of State Member from whose Department the request originates.

EXECUTIVE AIRCRAFT OPERATION STATEMENT OF POLICY

June 7, 1994

Page 2

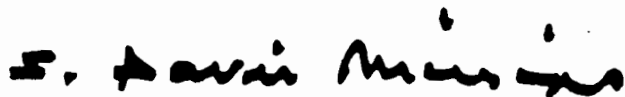
It is understood that emergency and disaster assistance will take precedence over all other uses when there is eminent danger to life or property. Such judgements will be made by the Secretary of Commerce or his representative. The Secretary of Commerce, the Deputy Secretary of Commerce, or their designees, may schedule and reschedule all flights in accordance with the above priority listing.

All flights scheduled must be for official state business.

Effective June 7, 1994, rates to be charged for all users outside the North Carolina Department of Commerce are as follows:

King Air	B-200	\$400.00 per hour
King Air	E-90	\$400.00 per hour
Bell 206L	Helicopter	\$400.00 per hour
Bell 222	Helicopter	\$400.00 per hour

\$200.00 per night charge for all flights requiring an overnight stay by pilots.



S. Davis Phillips
Secretary

Revised:
June 7, 1994

Signatures that are accepted for use of State Aircraft

Secretary of Commerce
(Sports Development, Eco. Dev. Board, Personnel, Purchasing, Support Services, Commerce Finance, Fiscal Management, Computer Services, Energy, Film, Employment & Training, Travel & Tourism, Community Assistance)

Secretary S. Dave Phillips

Industrial Commission

Howard Bunn

ABC

Marvin Spelght

NC Dept of Agri

Joe Sanderson

Banking

Hal Lingerfelt

**Business & Industry
(International Trade)**

Gary Carlton or Bill Teague

Credit Union

Ted Mann

NC College or Textile

Dean Robert Barnhardt

State Construction

Speras Fleggas

Administrative Office of Courts

Michael Crowell

DEHNR

Anne Maker

EHNR

Secretary Jonathan Howes

Employment Security Commission

Ann Duncan

Facility Services

John Syria

Office of Governor

Teresa Givens

NC General Assembly

Senator or Representative

NC Global TransPark

William Powell

Dept of Human Res.

Jim Holl

Insurance Dept

Jim Long

Dept of Labor

Harry Payne

Justice Dept

Michael Easley

Lieutenant Governor

Key Gattis

OSC Administration

Edward Renfrow

FROM

01.25.1996 11:34

Page 2

NC State Ports

NC Dept of Prisons

Sips

Utilities

JJ Scott

T. S. Ryon

Bill Anderson

Robert Gruber

END

SCHEDULING

1. The Flight Operations Assistant (FOA) receives request for trip.
2. FOA completes Mission Request Form and files hard copy in three ring binder marked Mission Request.
3. FOA enters mission in Schedule Book
4. FOA contacts Director with initial information and confirms aircraft availability, flight times, airports, passengers baggage and or cargo and any special request.
5. Director assigns aircraft, crewmembers and designates P.I.C. and enters mission on the Mission Planning Calendar at the Airport.
6. Director informs FOA of aircraft and crewmembers assigned to the mission.
7. FOA sends Mission Information Form via CEO (E-Mail) to Air Staff.
8. Director of Maintenance enters Mission on the Mission Planning Calendar at the Heliport.
9. P.I.C. arranges all details of the mission i.e, arrival and departure slots, required permissions, crew hotel and car reservations, etc. P.I.C. contacts Host Passenger for additional details and/or instructions if necessary. P.I.C. sends crew hotel phone numbers to FOA and Director by CEO or telephone.
10. FOA reconfirms mission with Requestor 48 hours prior to departure.
11. Director files hard copy of Mission Information Form.
12. Prior to take off on each leg of the flight each passenger shall enter his/her name on the Passenger Manifest Form, the S.I.C. will then enter each name on the Flight Log. Upon landing at each destination the P.I.C will telephone the FOA or Director and report the aircraft's present location, estimated departure time, next destination and any other pertinent details.
13. After completion of mission P.I.C. will insure that the Flight

Logbook is filled out completely and will indicate on the Flight Log any charges for parking, hangar, landing fees, catering or any charges beyond fuel, oil or maintenance that were incurred on the mission. These charges will also be highlighted on the fuel receipts. Two copies of the Flight Log are then placed in the Flight Log inbox or notebook. Flight Logs are printed in sequential order and all Flight Logs must be accounted for.

14. At the end of each month the Director will send the original and one copy of each Flight Log along with the fuel receipts to the FOA.

BILLING

1. The Flight Operations Assistant (FOA) receives the completed Flight Logs from the Director and fills out the Monthly Recap Sheet.
2. The original Flight Logs and a duplicate are maintained in the FOA's file and are never to leave that office. Anyone requesting the Flight Logs will be given a copy only.
3. The FOA completes a Flight Invoice Form for each revenue flight. Non revenue flights, i.e. maintenance, training, Crime Control, are not Invoiced.
4. A Billing Package for each revenue user will be prepared and sent to that user. The Billing Package will consist of the following:
 - a. Copy of the Mission Request Form(s)
 - b. Flight Invoice Form
 - c. Copy of the Flight Log(s)
 - c. Copy of receipts for any additional fees incurred
5. A copy of each Billing Package will be placed in a "tickler" file in the FOA's office. Any invoice not paid within 30 days will be noted and the FOA will telephone the user to request immediate payment. Invoices not paid within 45 days will warrant a call from the Assistant Secretary for Operations. Any user 60 days delinquent will not be permitted use of the aircraft until the outstanding invoices are paid.
6. A recap of the Billing Packages will be sent to the Director who will compare it with the copy of the Flight Logs that are held at the Airport and Heliport. This will insure that all revenue flights have been billed.
7. When payment is received from the user a copy of the check, noting the date it was received, will be placed with the copy of the Billing Package in the file.

8. The FOA will complete the Daily Collection Form attach the checks to it and send them to Fiscal Management. Fiscal Management will date stamp the Daily Collection Form and return a copy to the FOA for filing.



STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

JAMES B. HUNT JR.
GOVERNOR

P.O. BOX 25201, RALEIGH, N.C. 27611-5201

GARLAND B. GARRETT JR.
SECRETARY

NORTH CAROLINA DEPARTMENT OF TRANSPORTATION

STATE AIRCRAFT

AIR TRANSPORTATION PROCEDURES

NOVEMBER 1, 1995

I. Aircraft

The North Carolina Department of Transportation (NOT) currently operates four aircraft consisting of three Cessna 441 Conquests and a Cessna 303 Crusader. The Cessna 441 is pressurized, turbine powered twin engine aircraft capable of carrying a maximum of six (6) to seven (7) passengers. The Cessna 303 is a light, unpressurized, twin engine, piston powered aircraft capable of carrying a maximum of three (3) passengers. All aircraft, with the exception of one Cessna 441, are modified for camera operations and can be used in support of the Department of Photogrammetry missions.

Additional twin and single engine rental aircraft will be procured by the Aviation Division as necessary to meet authorized demand. The use of chartered aircraft by DOT personnel, when NCDOT aircraft are available, must be approved by the Office of the Secretary.

II. Missions

The Cessna 441s are used for air transportation services, aerial photography, and management transportation for NCDOT and other state agencies.

The Cessna 303 primarily supports the Aviation Division, including transportation of personnel and materials, and is used as back up for Division of Highways aerial photography requirements.

Additional missions for all aircraft include aviation support during state or regional disasters, aviation emergencies and transportation for medical emergencies.

III. Scheduling and Priorities

Aircraft are operated by the Aviation Division of the NCDOT under the Operations and Safety Section. Scheduling of the NCDOT aircraft and outside aircraft is performed by the Aviation Division on a priority basis. Each requesting user should obtain authorization for the use of aircraft from the appropriate division head. The authorizations may be general in nature or trip specific depending upon the individual's situation or role. When authorizing use of aircraft, management should consider productivity, mission impact, workloads, cost avoidance, public interests, resource allocation, and true management time values, as well as direct costs.

Authorized users can request scheduling of the aircraft by calling the Division of Aviation at 840-0112 (Fax: 840-9267 or 840-0645). The purpose of each trip must be provided when scheduling aircraft. Aviation may review trip purposes and make trip adjustments as necessary. Aircraft and crew assignments are based upon factors such as schedules, trip flight time, passenger load factors, maintenance, pilot availability, training needs, and costs, as well as other operational considerations. Bumping of scheduled flights by higher priority users within 48 hours of the scheduled departure time will not generally be permitted unless authorized by the appropriate authority.

The telephone number of Flight Operations is 840-0112 and a map showing the location of the facilities is attached. The main Administration Office number is 919-571-4904 or Fax number 919-571-4908.

During non-duty hours the aircraft may be scheduled through the following individuals in sequential order.

Sandra Wilkins.....919-266-0476 - Pager 800-490-2163
Aircraft Operations Scheduler

Hope Morton.....919-847-1253 - Pager 919-505-0899
Office Assistant IV

Jay Pate.....919-881-0744 - Pager 800-901-3578
Manager, Operations and Safety

Will Plentl.....919-847-4699 - Pager 800-901-3570
Director, Division of Aviation

The above personnel are accessible through pagers at all times.

General priority of use and authorization levels are as follows:

Cessna 441 Conquest

1. Photogrammetry support as authorized by the Head of Photogrammetry.

2. Management transportation for the Office of the Secretary or their designees including:

Secretary
Deputy Secretaries
State Highway Administrator
Commissioner of Motor Vehicles

3. Transportation support for NCDOT as authorized by Division Heads or their designees. Divisions include Highways, Motor Vehicles, Aviation, Public Transportation, Rail, Ferries and Administration. The Division may review requests and confirm approvals as they deem necessary.
4. Outside users (Non-NCDOT) based on chronological order of requests.

Cessna 303 Crusader

1. The priority use of the Cessna 303 is in support of the Aviation Division's program and operations. The Cessna 303 will not generally be used for photography and management support transportation unless other aircraft are not available or a secondary camera is required for photogrammetry missions.
2. Other uses may be approved following the same general priorities established for the use of the other aircraft.

The Secretary or the Aviation Division Head may revise priorities on a case by case basis as needed.

Search and rescue, emergency flight support and medical-air transportation needs for humanitarian reasons, or transportation in the best interest of the state or department, may be authorized by the Office of the Secretary or Aviation Director.

IV. Billing

The use of the NCDOT-owned aircraft for management support transportation by NCDOT staff is generally funded through the Aviation Division. The Aviation Director may waive outside funding requirements if in the best interest of the state or department or may delete pilot time charges if appropriate.

All project chargeable travel and photogrammetry support billings will be based on standard hourly rate plus associated pilot time. As part of the normal aircraft charges, flight costs will include the following items:

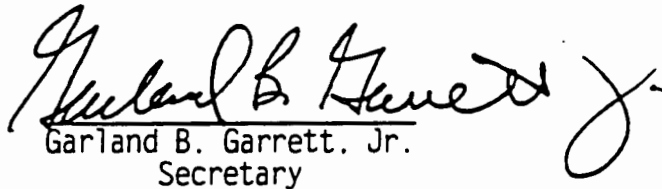
1. Crew time for preflight and post flight preparations.

2. Actual flight and crew time from take off to landing.
3. Aircraft and crew costs for "deadheading" (drop offs, pick ups and aircraft positioning).
4. Travel and per diem expenses.

In the event that deadheading or aircraft positioning is necessary for other scheduling purposes, item #3 may be reduced or distributed as appropriate by the Aviation Division. The cost of using the aircraft for aviation programs or for authorized emergencies will be absorbed by the Aviation Division or may be charged to Aviation Safety.

The cost of use of rental or charter aircraft will be absorbed by the user except as authorized by the Secretary or unless funds are available for that purpose within the Aviation Division. The Aviation Division will bill outside users and set up an appropriate account receivable with Fiscal. Appropriate job or work order numbers for charges shall be provided to the Aviation Division by NCDOT users at the time of scheduling.

For current aircraft standard hourly charges, please contact the aircraft operations scheduler at 840-0112 or refer to the equipment rental rate schedules.


Garland B. Garrett, Jr.
Secretary

Handout B
R-20

**SENATE NER COMMITTEE REVIEW
RURAL ECONOMIC DEVELOPMENT CENTER**

Governor's Recommended Continuation Budget Adjustments (Summary Volume)

1997-98 1998-99

- 1) There were no recommended adjustments by the Governor.

Committee Discussion Issues

- 1) The Committee may wish to discuss the benefits of recurring versus nonrecurring funding for the economic development programs administered by the Rural Center (a copy of grant programs proposed in the Continuation Budget is attached).
- 2) Both the Rural Center and The North Carolina Community Development Initiative, Inc. ("the Initiative") operate grant programs for community development corporations (CDCs) to develop and improve neighborhoods and communities in minority, rural and low-income areas. The Initiative currently receives \$1.8 million in recurring funds for this purpose.

Given the fact that the Governor's Recommended Continuation Budget for the 1997-99 biennium now includes recurring funding for the Rural Center's activities on behalf of CDCs, the Committee may wish to consider the merits of recurring funding for both the Initiative and the Rural Center for their work with CDCs.

SENATE NER COMMITTEE REVIEW
RURAL ECONOMIC DEVELOPMENT CENTER

R-21

- 3) The 1996 General Assembly allocated grants-in-aid through the Department of Commerce to various non-profits that work on behalf of rural, low-income and minority interests (Land Loss Prevention Project, Institute for Minority Economic Development, Coalition of Farm and Rural Families, N.C. Minority Support Center). Given that the N.C. Community Development Initiative is a private non-profit, the Committee may wish to consider appropriating funds to the Initiative directly through the Department of Commerce in the same manner as other non-profits.

RURAL ECONOMIC DEVELOPMENT CENTER GRANT PROGRAMS

22

Activity	1995-96	1996-97	Recommended 1997-99
1. Research and Demonstration Grants	\$475,864 R	\$475,864 R	\$475,864 R
2. Grants to CDCs that have previously received state funds	\$900,000 NR	\$900,000 NR	\$900,000 R
3. Grants to new and emerging CDCs	\$250,000 NR	\$250,000 NR	\$250,000 R
4. North Carolina Association of CDCs	\$150,000 NR	\$150,000 NR	\$150,000 R
5. Rural Center administration for CDC grants	\$ 50,000 NR	\$ 50,000 NR	\$ 50,000 R
6. Microenterprise Loan Program	\$250,000 NR	\$250,000 NR	\$250,000 R
7. Supplemental Grants Program	\$400,000 NR	\$950,000 NR	\$950,000 R
8. Opportunities Industrialization Centers	\$100,000 NR \$100,000 R	\$150,000 NR \$100,000 R	\$250,000 R
1. North Carolina Community Development Initiative, Inc.	\$1,800,000 R	\$1,800,000 R	\$1,800,000 R
2. North Carolina Minority Support Center	\$275,000 NR	*	*
3. Land Loss Prevention Project	\$275,000 NR	*	*
4. Coalition of Farm and Rural Families	\$245,000 NR	*	*
5. North Carolina Institute for Minority Economic Development	\$780,000 NR	*	*
6. Lake Gaston Economic Development Corporation	\$100,000 NR		
7. Sheltered Workshop at Roanoke/Chowan Community College	\$ 25,000 NR		
TOTAL	\$6,175,864	\$5,075,864	\$5,075,864

* denotes items funded through the Department of Commerce and included in the Department's Recommended Continuation Budget

Hordant C

1-23

SENATE NER COMMITTEE REVIEW
DEPARTMENT OF LABOR

Governor's Recommended Continuation Budget Adjustments (Summary Volume)

1997-98

1998-99

1) There were no recommended adjustments by the Governor.

Committee Discussion Issues

1) The Committee placed a flag on the Department's Private Personnel Services Bureau and requested follow-up information on the activities, performance, and purpose of this function.

Private Personnel Service Bureau							
	1994-95	1995-96	Current Fiscal Year	Governor's Continuation Request			
	Actual	Actual	1996-97 Authorized December 1996	1997-98 Recommended	%Δ	1998-99 Recommended	%Δ
Expenditures	131,636	129,970	136,544	132,483	-3.0%	132,701	-2.8%
Less Receipts	-	-	-	-	-	-	-
State Appropriations	131,636	129,970	136,544	132,483	-3.0%	132,701	-2.8%
Positions	3.00	3.00	3.00	3.00		3.00	

Fact Sheet

- Purpose of Regulating the Private Employment Service Industry
 - protect a citizen who may be vulnerable because out of work
 - work to ensure all N.C. employment businesses have a level playing field
- Regulation of private employment services presumes
 - all private employment services must be licensed
UNLESS
 - the company registers certifying that it does not have the right to collect a fee from a job seeker under any circumstance, either directly or indirectly
- Private Personnel Service laws require that
 - any fee that is due from a job seeker may be collected only after the service is provided
UNLESS
 - the company is a licensed job listing service (which may only sell a narrow range of services)
- History of Private Personnel Service regulation in N.C.
 - law first enacted in 1929
 - > one type of licensure, required of all private employment services in operation
 - > to prevent unscrupulous placement companies from doing business here
 - > in 1979, there were 236 private employment services licensed
 - > 1978 survey results
 - >> number of agencies responding 163
 - >> number of placements made 9411
 - law rewritten in 1979
 - > a private employment service must get regulatory license from the PPS Bureau if they want to be able to accept fees from job seekers
 - > any business that doesn't want to be able to charge a fee to a job seeker must register with the PPS Bureau, i.e., temporary, temp-to-hire, and employer-fee-paid services
 - > allows job listing services (if licensed)
 - > trend in the private employment service business sector has been toward not wanting to be able to charge a job seeker a fee
- 1996 Numbers of Private Employment Services

	# of services	approx. # of citizens affected
– have regulatory License		
>> Private Personnel Services	75	15,000
>> Job Listing Services	2	2,000
– must register (do not have regulatory license)	575	172,500*
>> Employer-fee-paid, Temporary-to-hire, and Temporary Services		
>> PPS Bureau's responsibility to these citizens is to ensure they are not charged a fee for help in finding work		

* (estimate 300 people per service)



JOHN C. BROOKS
COMMISSIONER

State of North Carolina
Department of Labor
1 M. Edenton Street
Raleigh 27601

January 24, 1979

PRIVATE EMPLOYMENT AGENCY 1978 DATA FORM RESULTS

DATA FORMS RECEIVED TO DATE-- 162

Agencies out of business or having no placements in 1978: 10

GENERAL AGENCIES

2/23/79:

Total Number of Placements Made in 1978:	<u>6160</u>	Responses	<u>82</u>	6612 - 85
Total Number of Fee Paid Placements :	<u>2701</u>	Responses	<u>82</u>	2969 - 85
Total Number of Applicant Paid Placements:	<u>3909</u>	Responses	<u>82</u>	4087 - 85
Total Number of Contracts Signed:	<u>60492</u>	Responses	<u>81</u>	62140 - 84
Average Employer Paid Placement Fee:	<u>\$1217</u>	Responses	<u>73</u>	
Average Applicant Paid Placement Fee:	<u>\$ 562</u>	Responses	<u>68</u>	
Total Salaries of People Placed Through Employer Paid Placements:	<u>\$27,517,915</u>	Responses	<u>68</u>	
Total Salaries of People Placed Through Applicant Paid Placements:	<u>\$25,294,761</u>	Responses	<u>68</u>	
Average APF salary \$7,243 (based on 3492 placements)				
Average EPF salary \$10,976 (based on 2507 placements)				

Employer Paid Agencies (Separate data from above) Only

Total Number of Placements:	<u>3251</u>	Responses	<u>68</u>	3449 - 70
Average Employer Paid Fee:	<u>\$ 3,197</u>	Responses	<u>61</u>	
Total Salaries of People Placed:	<u>\$ 40,690,817</u>	Responses	<u>64</u>	
Average salary \$14,378 (based on 2830 placements by agencies that listed salaries)				
Split Fee Placements -Information received although no question concerning this was asked				
Total Number of Split Fee Placements:	<u>33</u>	Responses	<u>7</u>	
Average fee:	<u>\$763</u>	Responses	<u>3</u>	
Total Salaries:	<u>\$ 206,212</u>	Responses	<u>5</u>	

1-25

L-26

SENATE NER COMMITTEE REVIEW
DEPARTMENT OF LABOR

2) The Committee placed a flag on the following issue concerning the inclusion of the "OSHA POSITIONS" special provision for the 1997-99 biennial budget.

Section 27.1 of Chapter 324 of the 1995 Session Laws (i.e. the 1995 Continuation Budget Bill) reads as follows:

OSHA POSITIONS

Sec. 27.1 (a) The Department of Labor may use funds appropriated to the Department of Labor for the Occupational Safety and Health Act of North Carolina (OSHANC) program to fully fund enforcement personnel in the Compliance Bureau of the OSHANC program, provided the Department of Labor certifies to the Office of State Budget and Management that no federal match is available for the 1995-96 fiscal year and for the 1996-97 fiscal year.

(b) If federal Occupational Safety and Health Administration funds are granted to match all or part of the funds for enforcement positions and support that are one hundred (100%) State-funded, then State funds equivalent to the federal match shall revert to the General Fund at the end of the fiscal year for which the federal match was received.

Since FY 1989-90, the budget has contained the "OSHA Positions"¹ special provision (shown above). The provision allows the Department of Labor to fund OSHA enforcement positions with 100% state appropriated funds if the Department certifies to the Office of State Budget and Management that no federal receipts are available to offset the State's cost of funding enforcement positions. However, the provision also requires that if federal receipts are available for funding enforcement positions, then the Department must revert to the General Fund the amount federal receipts used to supplant state funds.

The state currently provides funding for state OSHA safety and health inspectors by two methods²: first, 57 enforcement positions are funded with 50% state appropriated funds and 50% federal funds. For example, a position whose salary and benefits total \$40,000 per year would be funded with \$20,000 in state funds and \$20,000 in federal funds. The second method funds 77 additional enforcement positions with 100% state funds. That is, all salary and benefits costs are borne by the state.

¹ Subsection (b) was added to the special provision beginning with the FY 1994-94 budget.

² Position counts exclude legal, consultative, education related, and administrative personnel. Source: Personnel Schedule, Office of State Budget and Management, dated 11/13/96, as submitted to the Fiscal Research Division.

R-27

SENATE NER COMMITTEE REVIEW DEPARTMENT OF LABOR

The Department of Labor has disclosed that the OSHNC Division expects an increase of \$790,600 in federal receipts for FY 1997-98. This increase is a discretionary grant that can be utilized for OSHA related activities including enforcement, consultative services, education, legislative increases, etc. The Department has noted that \$84,600 of this grant will be needed for cost of living adjustments to annualize the FY 1996-97 legislative increase. The remaining balance, \$706,000 will be available for other OSHNC Division programs.

If the General Assembly chooses to continue the existing "OSHA Positions" special provision in the next budget cycle, then the expected increase in federal receipts will be used to reduce the amount of state appropriations funding enforcement personnel. The result would shift approximately 22 enforcement officers from 100% state funding to 50% state funding and 50% federal receipt support.

The Department of Labor has stated that it wants to use the increase in federal receipts (\$706,000) to provide additional safety and health consultants (Consultative Services program) to provide on-site compliance assistance to private and public employers. In addition, the Department would increase the Education, Training, and Technical Assistance program which provides training seminars on how to comply with OSHA regulations.

Therefore, the Committee may wish to discuss the following option(s):

Option 1

Include the "OSHA Positions" Special Provision.

Fiscal Impact: Revert \$706,000 in state appropriations to the General Fund by supplanting an equal amount of federal receipts.

Issue: Increase amount and percentage of federal receipts used to support enforcement of federal and state workplace safety and health laws.

Option 2

Do not include the "OSHA Positions" Special Provision.

Fiscal Impact: Expand the OSH Division budget by \$706,000 in federal receipts to provide additional OSH consultants and trainers to the regulated community.

Issue: Expand existing services that provide on-site technical assistance and education seminars to employers, especially small private and public employers, who seek or may be identified as needing assistance to comply with workplace safety and health laws.

Proposed distribution of additional funds for FY 97 granted pursuant to 23(g) grant

(Note: total is \$790,600 less the cost of living amount of \$84,600)

Positions (figures include salary and fringe benefits):

Consultative Services Bureau:

6	Safety consultants, grade 73	\$ 258,000
1	Safety consultant supervisor, grade 74	45,000

Education, Training, and Technical Assistance Bureau:

4	Education and Training specialists, grade 72	160,000
1	Safety standards officer, grade 73	43,000
1	Standards supervisor, grade 75	48,000

Management Information and Evaluation Bureau:

1	Computer training specialist, grade 70	37,000

Total salaries	591,000

Operating costs

travel	57,000
telephone	12,000
postage	7,000
supplies	14,000
equipment	11,000
furniture	14,000

Total operating	113,000

(Note: This budget does not include computer purchases, which we would intend to acquire through a one-time federal grant.)

11-28

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Natural and Economic Resources

Name of Committee

3/25/97
Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

<u>NAME</u>	<u>FIRM OR AGENCY AND ADDRESS</u>
Rick Webb	NCDOC
Angie Harris	Commerce
Leo Tilley	"
Linda Gunn	REDC
Billy Ray Hall	NC RURAL CTR.
Paula Smith	NC DOC
Doug Culbreth	NCDOC
BUCK LATTIMORE	NC INDUSTRIAL COMMISSION
David Clegg	ESC
T.S. Whitaker	ESC
Parker Chesson	ESC
Glenn Smyre	ESC
Becky Brown	Labor
Charles Jeffress	"
Dana Cope	"
Johnny Gray	OSBM
J.W. Reel	OSBM
Spence Warrick	OSBM
Peter Daniel	NCDA
Stewart Dickinson	Commerce Finance
WAYNE DAVES	COMMISSION ON WORKFORCE PREPARATION
Dan. Fitzgerald	OSPL
Brynn Reed	NCDA
Jim Nichols	NC Dept. of Commerce
R. ROGERS	ENR
Jane Smith	ENR

**Joint Appropriations Committee on
Natural and Economic Resources**

**March 26, 1997
(Morning)**

Room 423, Legislative Office Building

1. Chairman's Remarks
2. Committee Review of Reductions, Increases, Issues and Flags

Department of Environment, Health and Natural Resources

Jennifer Herrera
Mona Moon

3. Committee Discussion
4. Instructions to Staff

**SENATE APPROPRIATIONS SUBCOMMITTEE ON
NATURAL AND ECONOMIC RESOURCES**

WEDNESDAY, MARCH 26, 1997 at 8:30 a.m.

MINUTES

The Senate Appropriations Subcommittee on Natural and Economic Resources met on Wednesday, March 26, 1997 in Room 423 of the Legislative Office Building at 8:30 a.m. Four Senate members were present including Senator R.L. "Bob" Martin, Chairman.

Senator Martin, Chairman, called the meeting to order. He recognized Ms. Jennifer Herrera, Fiscal Research Division, to review the reductions, increases, issues and flagged items of the Budget. Ms. Herrera referred to handout R-29, Senate NER Committee Review of Environment, Health and Natural Resources. This is Attachment A of these minutes. Ms. Mona Moon, Fiscal Research Division, was recognized to discuss the reconciliation of the position count for Administration which the Committee had requested. This information is found on handout R-53 of Attachment B.

Ms. Herrera continued with the Natural Resources Division reductions found on R-34, Attachment A. She highlighted the Governor's recommended continuation reductions in the Summary Volume. Ms. Herrera began with the Forest Resources. After her explanation, the Committee accepted both items.

Ms. Herrera continued on page R-35. This begins with major continuation budget increases for the Natural Resources Division. The first was within the Division of Forest Resources. There was an increase for equipment replacement in the first year of the biennium of over \$2 million and the second year of the biennium at \$1.7 million.

In the Division of Parks and Recreation, there was another major increase which deals with the reserve for Park Operation at \$3.5 million of the first year of the biennium and \$2.5 million the second year of the biennium.

The Museum of Natural Science also contained an increase in the continuation budget. The reserve for the new museum scheduled to open in 1999 had an increase the first year of \$926,431 and an increase in the second year of \$1.9 million. Senator Martin asked if the Committee discussed all of these at the overview meeting. Ms. Herrera responded that the Committee had heard these figures and had some discussion about these items. Senator Martin asked if the Committee had any objections to any of these items. They had none.

Ms. Mona Moon, Fiscal Research Division, continued with the Division of Marine Fisheries. (see Attachment A) This item was postponed until someone from the Division could speak to the Committee.

Ms. Moon continued on page R-36 with item number 2 which related to the request for additional information on the Marine Fisheries Law Enforcement Officer positions and operating support funded during the 1995 Session. On page R-37, there was a reference to a memo from the Department to Fiscal Research dated May 22, 1995, found on R-54 of Attachment B. This memo indicated that a portion of the request was dedicated to existing staff in addition to the salary and operating expenses associated with the seven new positions that were funded. Page R-57 contains a line item detail for the request.

The next item discussed was the Division of Soil and Water, page R-41, for additional money related items from the Soil and Water handout. This is associated with technical assistance positions for animal waste operations and certification requirements. Senator Jenkins said he would like to hear from the Department. Senator Martin requested funding these positions in this fiscal year with nonrecurring money and review this again in the Short Session. This was approved by the Committee.

Ms. Herrera, Fiscal Resources Division, continued with the replacement of vehicles within the Division of Forestry Resources, page R-42, item 5. The Committee requested a priority list from the Forestry Division. Senator Martin said the Committee would temporarily deduct \$1 million for the first year.

Ms. Herrera continued with item 6, page R-42, which goes back to the discussion earlier on the reserve for Parks Operations. Dr. Phil McNally, Director of the Division Parks and Recreation, requested funds for new facilities. Senator Martin requested a list of new parks where the money would be needed. Senator Martin asked the Committee to temporarily reduce \$1 million for this year.

The next item for discussion was the Museum of Natural Sciences, number 7, page R-43, budget relating to operating reserves. The request for 36 new positions was discussed by the Committee. Senator Martin asked why this request? Ms. Betsy Buford, Director, said they were opening a facility that is four times as large as the one they are operating now. These positions would be coming on in the next two years and are critical to getting the Museum opened on time and preparing for the programs that will serve over four times the program needs that they are dealing with now. The Committee said they would come back to this request.

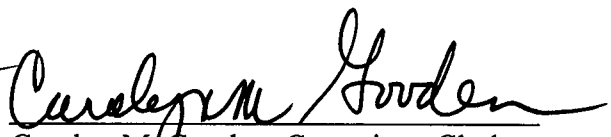
Ms. Moon continued with the review items for the Environmental Protection Division. The Governor did not recommend any continuation budget adjustments in the Summary Volume for this Division. Mr. Steve Tedder, was asked to speak to this request for equipment. Senator Martin said the Committee approved this request.

The meeting adjourned at 10:00 a.m.





Senator R.L. "Bob" Martin, Chairman



Carolyn M. Gooden, Committee Clerk

SENATE NER COMMITTEE REVIEW
ENVIRONMENT, HEALTH AND NATURAL RESOURCES

Administration, Reserves and Special Funds, Department-Wide Reductions

Governor's Recommended Continuation Budget Adjustments (Summary Volume)

	<u>FY 1997-98</u>	<u>FY 1998-99</u>
1) Multi-County Water Conservation and Infrastructure District – Nonrecurring funds appropriated for the district by the 1995 General Assembly were not eliminated from the 1997-99 continuation budget by error.	(500,000)	(500,000)
2) Salary Reductions/Span of Control – The Department's allocated share of this reduction.	(2,335,425)	(2,335,425)

R-30

SENATE NER COMMITTEE REVIEW
ENVIRONMENT, HEALTH AND NATURAL RESOURCES

Committee Discussion Issues

- 1) The committee requested additional information on the following issue, including organizational charts for the administrative divisions, a reconciliation of the 281 positions in the Governor's recommended continuation budget vs. 330 administrative positions referenced by the department, list of current vacant positions, and a status report of program positions established and operating support appropriated by the General Assembly since the 1993-94 fiscal year

Departmental Administrative Staffing

Executive Office/Regional Offices/Administrative Services					
Summary of Position Changes	FY 93-94	FY 94-95	FY 95-96	FY 96-97	Total
New Positions	10	1	7	0	18
Abolished Positions	0	1	5	0	6
Positions Transfers					
To Administration From Programs	1	6	1	8	16
From Administration To Programs	7	1	3	0	11

31

SENATE NER COMMITTEE REVIEW

ENVIRONMENT, HEALTH AND NATURAL RESOURCES

Positions Transferred to Administration

Year	Position Title	Transferred From
FY 93-94	Applications Development Analyst	Epidemiology
FY 94-95	Community Development Specialist I	Forestry
FY 94-95	Office Assistant II	Environmental Health
FY 94-95	Public Health Program Manager	Maternal and Child Health
FY 94-95	Office Assistant IV	Health Promotion
FY 94-95	Office Assistant IV	Land Resources
FY 94-95	Radiation Emergency Coordinator	Radiation Protection
FY 95-96	Dentist I	Dental Health
FY 96-97	Zookeeper II	NC Zoo
FY 96-97	Marine Fisheries Technician II	Marine Fisheries
FY 96-97	Hydrogeological Technician II	Water Quality
FY 96-97	Public Health Regional Dentist Supervisor	Dental Health
FY 96-97	Speech and Language Pathologist I	Maternal and Child Health
FY 96-97	Processing Assistant	Water Quality
FY 96-97	Processing Assistant	Museum of Natural Sciences
FY 96-97	Forestry Technician IV	Forestry

Changed position from zoo

Net increase of 12 positions

SENATE NER COMMITTEE REVIEW

ENVIRONMENT, HEALTH AND NATURAL RESOURCES

R-32

Positions Transferred from Administration		
Year	Position Title	Transferred To
FY 93-94	Accountant I	Epidemiology
FY 93-94	Consulting Engineer	Environmental Management
FY 93-94	Program Development Specialist	Environmental Management
FY 93-94	Administrative Assistant	Environmental Management
FY 93-94	Applications Developer	State Center for Health Statistics
FY 93-94	Public Health Program Consultant	State Center for Health Statistics
FY 93-94	Office Assistant II	State Center for Health Statistics
FY 94-95	Program Assistant I	Epidemiology
FY 95-96	Applications Developer	State Center for Health Statistics
FY 95-96	Applications Programmer	State Center for Health Statistics
FY 95-96	Applications Analyst	State Center for Health Statistics

The committee may wish to have the department:

1. comment on these changes
2. explain the rationale for transferring positions from programs responsible for service delivery to departmental administration
3. discuss the impact of such changes over time on program efforts and service delivery

12-33

SENATE NER COMMITTEE REVIEW
ENVIRONMENT, HEALTH AND NATURAL RESOURCES

- 2) The committee requested additional information on the following issue, including the department's current salary reserve balance, the number of requests to waive management reserve set aside policy, the number of waivers granted and amounts.

Departmental Policy on Salary Reserve

State agencies generate salary reserve when a position is filled at a salary below the actual amount budgeted for the position. The department changed its policy governing the use of salary reserve funds effective October 1, 1996. The new policy requires 30% of all salary reserve generated within the department to be set aside in a management reserve account. The management reserve may be used to fill critical positions and to implement position reclassifications and in-range salary adjustments for divisions that do not typically generate salary reserve necessary to fund such personnel transactions.

The committee may wish to have the department:

1. comment on the need for this policy change
2. explain how the funds in the management reserve have been allocated
3. discuss the impact on divisions and programs that lose a portion of their salary reserve as a result of this new policy

SENATE NER COMMITTEE REVIEW
ENVIRONMENT, HEALTH AND NATURAL RESOURCES

R-34

Natural Resources Divisions

accept **Governor's Recommended Continuation Budget Adjustments (Summary Volume)**

Division of Forest Resources

FY 1997-98 FY 1998-99

- 1) **Increase Forestry Receipts - Reduce Appropriations** - A reduction in appropriations is recommended by making an adjustment to receipts from counties. The counties share in the cost of the forestry operations with a match of 25% to 40% based on the tax base of the county.

Requirements	-----	-----
<u>Receipts</u>	<u>120,000</u>	<u>120,000</u>
Appropriation	(120,000)	(120,000)

- 2) **Reductions in Forestry Field Operations Equipment** – A reduction in appropriations is recommended due to an adjustment in the schedule for completion of the statewide radio system.

(200,000) (200,000)

SENATE NER COMMITTEE REVIEW
ENVIRONMENT, HEALTH AND NATURAL RESOURCES

R-35

accept

Major Continuation Budget Increases

FY 1997-98

FY 1998-99

Division of Forest Resources

- 1) Increase for equipment replacement *planes*
#200,000? No

\$2,029,960

\$1,705,537

Division of Parks and Recreation

- 2) Reserve for Park Operations

\$3,566,231

\$2,595,989

Museum of Natural Sciences

- 3) Reserve for Operations of New Museum

\$926,431

\$1,943,480

Division of Marine Fisheries

- ? 4) Increase for 2 positions, operating and maintenance costs for patrol vessel capital improvement appropriation for the 1996-97 fiscal year. (In 1995 the General Assembly appropriated \$300,000 for the replacement of a vessel used for enforcement activities). *bigger boat, more technical needs — positions*

\$97,436

- 5) Increase for equipment replacement
radar, radio

\$25,000 per yr / 35,000 w fringes \$30,000 for maintenance

\$298,000

\$124,000

CL 215 searipper plane

15 to 25 yrs.

\$460,000 for 60 days

SENATE NER COMMITTEE REVIEW
ENVIRONMENT, HEALTH AND NATURAL RESOURCES

R-36

Committee Discussion Issues

Division of Marine Fisheries

- 1) In 1995 the General Assembly appropriated \$25,000 for travel and related expenses of the Fisheries Moratorium Steering Committee. Given that the Steering Committee submitted its final report to the Joint Legislative Commission on Seafood and Aquaculture in October 1996, the committee may wish to consider eliminating this funding from the Division's continuation budget.

	<u>FY 1997-98</u>	<u>FY 1998-99</u>
<i>accept</i> Eliminate funding for Fisheries Moratorium Steering Committee	(\$25,000)	(\$25,000)

- 2) The committee requested additional information on the Marine Fisheries Law Enforcement Officer positions and operating support funded in the 1995 session.

	<u>FY 1995-96</u>	<u>FY 1996-97</u>
Additional Marine Fisheries Law Enforcement Positions	\$763,892	\$763,892
	\$500,000 NR	
	7.0	7.0

2-37

SENATE NER COMMITTEE REVIEW
ENVIRONMENT, HEALTH AND NATURAL RESOURCES

A memo from the department to Fiscal Research dated May 22, 1995 indicates that a portion of the request was dedicated to existing staff, in addition to the salary and operating expenses associated with the new positions requested.

The Worksheet II Expansion Budget Request submitted by the department provides line-item detail for this request. The worksheet indicates a \$187,321 reduction in total requirements for this request beginning with the 1997-98 fiscal year, necessitating a general fund appropriation in the continuation budget of \$576,571 to maintain support of the additional enforcement officers.

The committee may wish to consider reducing the division's general fund appropriation to reflect reduced equipment needs associated with this request in accordance with the five year fiscal estimate submitted by the department.

	<u>FY 1997-98</u>	<u>FY 1998-99</u>
Reduce equipment budget	(\$187,321)	(\$187,321)

SENATE NER COMMITTEE REVIEW
ENVIRONMENT, HEALTH AND NATURAL RESOURCES

12-38

Division of Soil and Water Conservation

3) Agriculture Cost Share Program

The Nonpoint Source Pollution Control Program (i.e. the Agriculture Cost Share Program) provides financial incentives and technical assistance to farmers to encourage the installation of best management practices (BMPs) to protect water quality by controlling agricultural nonpoint source pollution. Under the program, the state cost shares with landowners up to 75% of the installation costs for BMPs, up to a maximum of \$75,000 per year. The continuation budget includes a total of \$8.2 million for this program (\$6.9 million for BMPs and \$1.3 million for technical assistance).

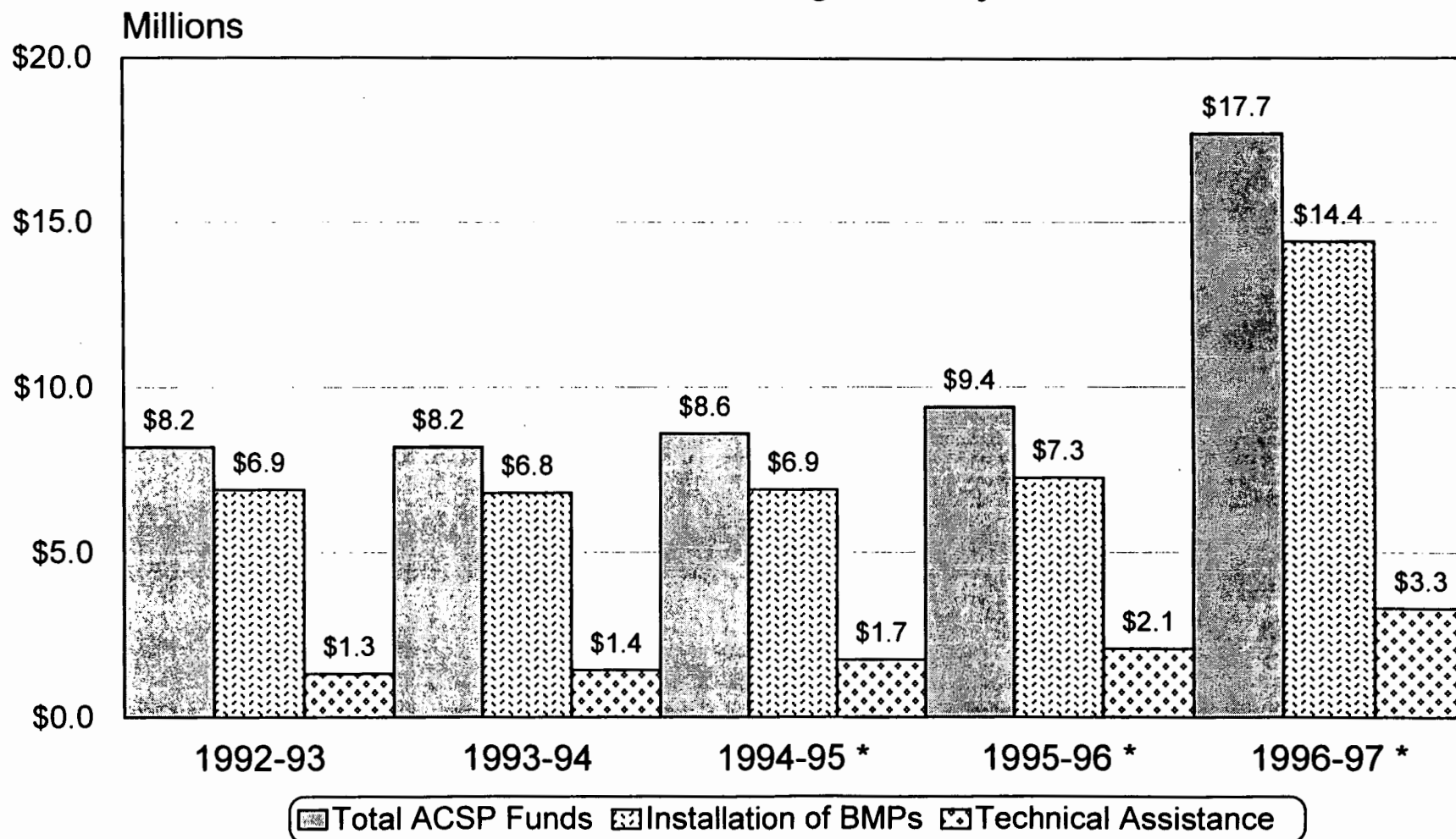
In accordance with G.S. 143-215.74(6)(d) funds appropriated for the Agriculture Cost Share Program do not revert, but remain available for the purposes of the program until expended. As a result of this requirement, the ending cash balances of the Agriculture Cost Share special funds are growing. The committee may wish to have the division explain the allocation of funds and timing of actual expenditures, as well as discuss how the level of continuing appropriations might be adjusted to more accurately reflect required annual expenditures.

Division of Soil and Water Conservation

Agriculture Cost Share Program

5-Year Funding History

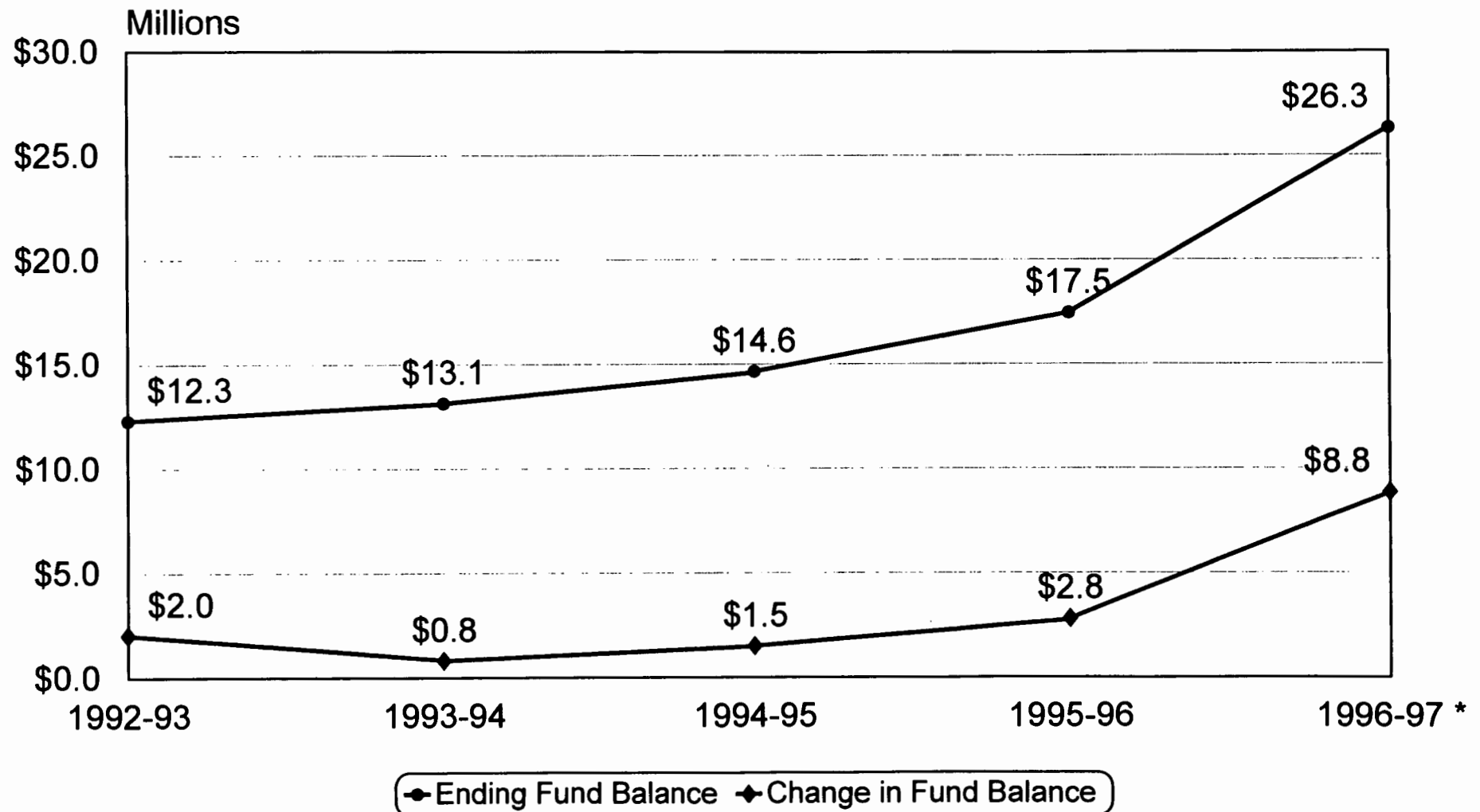
R-39



* Includes positions and support to assist animal operators.

Division of Soil and Water Conservation Agriculture Cost Share Program Cash Balances

R-40



SENATE NER COMMITTEE REVIEW
ENVIRONMENT, HEALTH AND NATURAL RESOURCES

R-41

4) Funds to Assist Operators with Animal Waste Management Certification Requirements

11 positions

The General Assembly appropriated \$180,000 for the 1994-95 fiscal year to establish 3 positions and \$427,510 for the 1995-96 fiscal year to establish an additional 8 positions to assist agriculture operations in obtaining approved animal waste management plans. The state's "0.200" non-discharge regulations for animal operations require operations to have certified plans by December 1997. Given that the deadline for compliance with these regulations will pass during the upcoming 1997-98 fiscal year, the committee may wish to consider reducing or eliminating the funding for this assistance.

The division does not expect all operations to be in compliance by December 1997. Further the division has disclosed a desire to retain these positions and realign the job duties as the need for assistance with animal waste management systems is reduced. The committee may wish to have the division comment on the anticipated duties and job functions of these positions after December 1997.

PEP Board

Non-recurring

R-42

SENATE NER COMMITTEE REVIEW
ENVIRONMENT, HEALTH AND NATURAL RESOURCES

Division of Forest Resources

5) Forestry Field Operations *non-recurring money?*

\$1 mil less first year

The Governor's recommended continuation budget for forestry field operations includes a net increase of \$2,029,960 in FY 1997-98 and \$1,705,537 in FY 1998-99 for property, plant and equipment items. The committee reviewed equipment replacement schedules during budget hearings that covered trucks, tractors, airplanes and trailers, ranging in model year from 1963 (airplanes) to 1993. Given that the Division's current authorized budget includes \$2,355,538 for property, plant and equipment items, the committee may wish to consider delaying the replacement of vehicles to effectuate a general fund savings this biennium. *list of priorities for \$1 mil 1997-98*

Division of Parks and Recreation

6) State Parks System

\$1 mil. less

Since 1993, the General Assembly has authorized a number of capital improvements, new acquisitions and facilities to be added to the State Parks System. The Governor's recommended continuation budget for state parks field operations includes an increase of \$3,556,231 in FY 1997-98 and \$2,595,989 in FY 1998-99 for a reserve to fund the operations of these projects. The committee may wish to consider reducing the appropriation for the reserve, thereby delaying the schedule for bringing new projects on line. *(list for priorities)*

*\$35 mil bond in 1993 / created new facilities
This money operates new facilities & sites*

SENATE NER COMMITTEE REVIEW
ENVIRONMENT, HEALTH AND NATURAL RESOURCES

R-43

Museum of Natural Sciences

7) Museum of Natural Sciences Operating Reserve

? The Governor's recommended continuation budget includes reserves of \$926,431 in FY 1997-98 and \$1,943,480 in FY 1998-99. It is anticipated that over the course of the 1997-99 biennium, an additional 36 positions will be added to the Museum's current staff of 67. The Committee may wish to ask the Department to discuss (1) the anticipated total staffing needs for the new museum, (2) the duties and activities of the 27 positions hired over the 1995-97 biennium in anticipation of the opening of the new museum in 1999, and (3) activity profiles of the new positions expected over the upcoming biennium.

$$\begin{array}{r} 27 \\ 36 \\ \hline 63 \end{array}$$

$$\begin{array}{r} 67 \\ 36 \\ \hline 103 \end{array}$$

$$\begin{array}{r} \$2,000 \text{ --- } 23 \\ 200,000 \text{ --- } 103 \end{array}$$

SENATE NER COMMITTEE REVIEW
ENVIRONMENT, HEALTH AND NATURAL RESOURCES

12-44

Environmental Protection Divisions

Governor's Recommended Continuation Budget Adjustments (Summary Volume)

None

Major Continuation Budget Increases

FY 1997-98

FY 1998-99

Division of Radiation Protection

1) Increase for equipment replacement	\$173,500

Division of Water Quality

2) Increase to replace vehicles, boats and scientific equipment	\$382,700

Committee Discussion Issues

1) Division of Pollution Prevention and Environmental Assistance

The committee placed a flag on the Division of Pollution Prevention and Environmental Assistance and requested follow-up information on the division's programs, activities and functions, as well as a list of grant recipients for the current biennium and an analysis of the feasibility of privatizing the division's technical assistance programs.

R-45

SENATE NER COMMITTEE REVIEW ENVIRONMENT, HEALTH AND NATURAL RESOURCES

Department of Environment, Health, and Natural Resources

Division of Pollution Prevention and Environmental Assistance *							
	1994-95 Actual	1995-96 Actual	Current Fiscal Year 1996-97 Authorized January	Governor's Continuation Request 1997-98 Recommended	%Δ	1998-99 Recommended	%Δ
Expenditures	1,685,482	1,901,007	2,271,702	2,215,584	-2.5%	2,219,172	-2.3%
Less Receipts	(168,635)	(457,515)	(586,638)	(572,445)	-2.4%	(572,879)	-2.3%
State Appropriations	1,516,847	1,443,492	1,685,064	1,643,139	-2.5%	1,646,293	-2.3%
Positions	30.00	28.00	36.00	36.00		36.00	

%Δ = Percentage change in budget over/under Current Fiscal Year 1996-97 Authorized budget.

* formerly the Office of Waste Reduction

DIVISION PROGRAMS AND ACTIVITIES

- ◆ Recycling Business Assistance Center
- ◆ Technical Assistance to Communities and Businesses
- ◆ Waste Reduction Resource Center
- ◆ Administers Solid Waste Management Trust Fund
- ◆ Outreach, Education and Training
- ◆ Environmental Assistance

R-46

SENATE NER COMMITTEE REVIEW
ENVIRONMENT, HEALTH AND NATURAL RESOURCES

2. **Division of Air Quality**

2) Permit Fees and Fuel Tax Receipts

The division's programs and activities are supported primarily with permit fees and fuel tax receipts. For the 1994-95 fiscal year, permit fees and fuel tax receipts accounted for \$3,556,526 of the \$4,024,732 increase in the cash balance of the Air Quality Division's special funds. For the 1995-96 fiscal year, these receipts accounted for \$4,873,454 of the \$5,054,046 increase in the cash balance. The committee may wish to have the division explain the current and planned use of these receipts, and comment on the growing cash balance.

The committee requested follow-up information on the division's cash balances and the use of receipts, as well as documentation of any state matching requirements and a list of new positions created since 1995.

R-47

SENATE NER COMMITTEE REVIEW

ENVIRONMENT, HEALTH AND NATURAL RESOURCES

Department of Environment, Health, and Natural Resources

Division of Air Quality *							
	1994-95 Actual	1995-96 Actual	Current Fiscal Year	Governor's Continuation Request			
			1996-97 Authorized January	1997-98 Recommended	%Δ	1998-99 Recommended	%Δ
Expenditures	12,056,010	15,583,613	19,249,276	19,088,407	-0.8%	19,092,640	-0.8%
Less Receipts	(14,165,239)	(19,057,882)	(17,783,052)	(17,876,491)	0.5%	(17,880,097)	0.5%
Cash Balance +/-	4,024,732	5,054,046	-	-		-	
State Appropriations	1,915,503	1,579,777	1,466,224	1,211,916	-17.3%	1,212,543	-17.3%
Positions	284.00	285.75	278.75	278.75		278.75	

SENATE NER COMMITTEE REVIEW
ENVIRONMENT, HEALTH AND NATURAL RESOURCES

R-48

Division of Water Quality

3) The committee placed a flag on the following issue:

Maintenance of Existing Water Quality Programs

The Governor's recommended expansion budget includes a nonrecurring appropriation for the division to maintain existing staff to continue water quality programs and activities at their current level. The division cites a reduction in program receipts from streamlining the permitting process and reductions in federal funds as contributing factors to this operational problem. Although this request is part of the Governor's expansion budget, the committee may wish to have the division comment on the need for these funds since the request is to continue the current level of operations rather than expand activities.

FY 1997-98 FY 1998-99

Nonrecurring funds to allow the Division of Water Quality continue to carry out current programs and provide current levels of service.

\$2,022,887

45 positions (28 are held vacant)
Sustaining Staff at current level of service

R-49

SENATE NER COMMITTEE REVIEW
ENVIRONMENT, HEALTH AND NATURAL RESOURCES

Health Divisions

Governor's Recommended Continuation Budget Adjustments (Summary Volume)

None

Major Continuation Budget Increases

Division of Laboratory Services

FY 1997-98

FY 1998-99

- 1) Allowed inflationary increase for scientific supplies.
15% 1.7 mil in supplies

\$225,650

\$513,203

Division of Medicolegal Examination

- 2) Increase to replace outdated medical and laboratory equipment used to provide medical examination services, particularly in assisting law enforcement and criminal justice agencies.

\$199,900 NR

Division of Health Promotion

- 3) Allowed inflationary adjustment for pharmaceuticals, physician services and inpatient hospitalization.

\$325,728

\$332,128

SENATE NER COMMITTEE REVIEW

ENVIRONMENT, HEALTH AND NATURAL RESOURCES

R-50

Committee Discussion Issues

State Center for Health Statistics

- 1) The committee placed a flag on the State Center for Health Statistics and requested a breakdown of positions by program and follow-up information on program activities and performance.

Department of Environment, Health, and Natural Resources

State Center for Health Statistics *							
	1994-95 Actual	1995-96 Actual	Current Fiscal Year 1996-97 Authorized January	Governor's Continuation Request 1997-98 Recommended	%Δ	1998-99 Recommended	%Δ
Expenditures	5,056,273	5,967,859	6,669,216	6,375,854	-4.4%	6,378,103	-4.4%
Less Receipts	(2,154,167)	(2,848,019)	(3,194,537)	(3,027,552)	-5.2%	(3,027,552)	-5.2%
Cash Balance +/-	(26,395)	60,058	-	-		-	
State Appropriations	2,875,711	3,179,898	3,474,679	3,348,302	-3.6%	3,350,551	-3.6%
Positions	135.80	137.80	134.80	134.80		134.80	

%Δ = Percentage change in budget over/under Current Fiscal Year 1996-97 Authorized budget.

* formerly the State Center for Health and Environmental Statistics

R-51

SENATE NER COMMITTEE REVIEW
ENVIRONMENT, HEALTH AND NATURAL RESOURCES

CENTER ACTIVITIES

The State Center for Health Statistics is responsible for developing, maintaining and disseminating information and statistics on the health status of North Carolinians; evaluating and reporting on the impact of health-related programs and services; assisting state and local agencies in assessing and monitoring health, and administering the state's vital records functions.

Maternal and Child Health

- 2) The committee placed a flag on the Non-Medicaid Maternity Care Coordination reduction taken in the 1996 Session.

FY 1996-97

Reduce funds for case management services for women who do not meet Medicaid eligibility requirements.

(\$170,900)

Division of Laboratory Services

- 3) The committee requested additional information to justify the inflationary increase in the division's continuation budget for scientific supplies.

FY 1997-98

FY 1998-99

Allowed inflationary increase for scientific supplies.

\$225,650

\$513,203

12-52

SENATE NER COMMITTEE REVIEW
ENVIRONMENT, HEALTH AND NATURAL RESOURCES

Wildlife Resources Commission

Committee Discussion Issues

- 1) Operating support for the Wildlife Resources Commission comes principally from receipts generated by the sale of hunting and fishing licenses. With regards to legislative salary increases, other state agencies are required to provide this salary increase for federal and receipt supported positions with receipts/other funds collected within the agency. The Wildlife Commission is an example of an exception where legislative salary increases for receipt supported positions (i.e. Wildlife Fund) have, in the past, been supported with general fund sales and use tax revenues. (In accordance with G.S. 105-164.44B, a portion of the proceeds from the sales and use tax on fishing and hunting supplies and equipment is already transferred to the Wildlife Fund quarterly). The Committee may wish to have the Commission explain how this transfer works, and comment on the rationale behind continuing this practice.

4 mil - Wildlife got # 2 mil.

Increased sales tax transfer for salaries - 1993?

Law enforcement - paid by license fees

B-

R-53

RECONCILIATION OF POSITION COUNT

The position count for Administration used by Mrs. Lois Artis-Murray during the afternoon session of the NER Subcommittee on Appropriations was 330. The Continuation Budget for Funds 1110 - Executive Staff, 1130 - Regional Offices, and 1140 - Administrative Services, contains a total of 281 positions.

The number used by Mrs. Artis-Murray included positions that are numbered in the administrative series of the personnel numbering system for the Department, but are not a part of Funds 1110, 1130, 1140. The positions that should have been excluded are:

Beginning position count:		330
Fund 1160	1	
Fund 1410	15	
Fund 1430	3	
Fund 1555	1	
Fund 1425	10	
Fund 1120	10	
Fund 1460	.5	
Fund 1450	.5	
Subtotal - Inappropriately counted		41
Position Count in Funds 1110, 1130, & 1140		289

The Continuation budget reflects a position count of 281. Eight positions have been transferred to Administrative Services to improve the financial management of the Controller's office and to improve the ability of the Department to provide technical support to the information systems of the various programs since the development of the Continuation budget.

State of North Carolina
Department of Environment,
Health and Natural Resources
Division of Budget, Planning & Analysis

James B. Hunt, Jr., Governor
Jonathan B. Howes, Secretary
Jane Q. Smith, Director



R-54

May 22, 1995

MEMORANDUM

TO: Beth Christensen
Fiscal Analyst

THROUGH: Steve Levitas 

FROM: Jane Smith 

SUBJECT: Additional Detail - Marine Fisheries Expansion Request

Attached is the detailed breakdown of the expansion request from the Division of Marine Fisheries. The budget for each year of the biennium is divided to reflect the portion of the request dedicated to the new positions requested and that portion of the request dedicated to existing staff.

Also attached is the listing of items to be covered in object 5500 - other equipment. Please call if additional information is requested.

JQS/tmc

Attachment

cc: Lois Artis
Joan Weld
Henry Lancaster
Anita Brockington

MAY 23, 1995

MARINE FISHERIES EXPANSION REQUEST

OBJECT NO.	OBJECT TITLE	1995/96		1996/97	
		AMOUNT TO COVER EXISTING STAFF	AMOUNT TO COVER NEW STAFF	AMOUNT TO COVER EXISTING STAFF	AMOUNT TO COVER NEW STAFF
1211	SALARIES-APP	-	173,593	-	173,593
1811	SOCIAL SECURITY-APP	-	13,280	-	13,280
1881	LEO RETIREMENT CONT-APP	-	27,706	-	27,706
1831	HOSPITAL INS-APP	-	12,152	-	12,152
2130	CLOTHING AND UNIFORMS	621	24,379	20,800	4,200
3112	TRAVEL-IN-SUBS-APP	-	7,000	-	7,000
3115	DOA TRAVEL	150,000	42,840	150,000	42,840
3951	EMPLOYEE TRAINING EXP	68,000	7,000	21,500	3,500
5430	BOATS, MOTORS AND TRAILERS	-	150,000	-	-
5500	OTHER EQUIPMENT	490,121	172,200	287,321 *	-
TOTAL		708,742	630,150 7.0	479,621	284,271 7.0

*THIS COINCIDES WITH THE REPLACEMENT SCHEDULE FOR EQUIPMENT.

R-55

R-56

NORTH CAROLINA MARINE PATROL
EXPANSION BUDGET REQUEST
EXPLANATION OF OBJECT 5500

ITEM #1	PROVIDE FUNDING TO UPGRADE THE EXISTING COMMUNICATION SYSTEM AT THE DIVISION OF MARINE FISHERIES.	\$225,000.00
ITEM #2	PROVIDE FUNDING FOR THE INITIAL EQUIPMENT ISSUANCE TO (7) NEW OFFICERS (\$24,600.00 EACH) .	\$172,200.00
ITEM #3	PROVIDE FUNDING TO MAKE NECESSARY REPAIRS AND REPLACE EQUIPMENT ON RECENTLY ACQUIRED (FEDERAL GOVERNMENT) CREW BOAT. THESE MONIES WILL BE UTILIZED TO PURCHASE NEW ENGINE AND GEAR TO REPOWER THIS VESSEL. IN ADDITION, MONIES WILL BE UTILIZED TO CONVERT THIS VESSEL FOR LAW ENFORCEMENT PURPOSES.	\$ 80,000.00
1 #4	PROVIDE FUNDING TO REPLACE EXISTING LORAN SYSTEMS ON MARINE PATROL VESSELS TO UPGRADE TO THE GLOBAL POSITIONING SYSTEM (4 BOATS, 3 AIRCRAFT) .	\$ 31,500.00
ITEM #5	PROVIDE FUNDING TO REPLACE EXISTING 1982 AND 1984 MODEL 25' PATROL VESSELS THAT ARE NO LONGER SERVICEABLE. IN ADDITION, THIS REQUEST WILL PROVIDE FOR TRAILERS AND ELECTRONICS.	\$153,621.00
	TOTAL	\$662,321.00

1 WORKSHEET II. EXPANSION BUDGET REQUEST

BUDGET CODE: 14300	DEPARTMENT: EHNH	Priority No.	of
FUND NUMBER: 1325	FUND TITLE: MARINE PATROL	DIVISION/ INSTITUTION:	
PROGRAM NUMBER: 5310	PROGRAM TITLE: PROTECT AND MANAGE MARINE RESOURCES		
5 TITLE OF REQUEST: MARINE PATROL INCREASE IN PERSONNEL AND EQUIPMENT REPLACEMENT		1995-96	1996-97
6a STATUTORY CHANGES/SPECIAL PROVISIONS REQUIRED TO IMPLEMENT?	6b TOTAL REQUIREMENTS	1,338,892	763,892
7a YES NO XX	7b TOTAL RECEIPTS		
8a IF YES, ATTACH A COPY OF THE DRAFT.	8b APPROPRIATION	1,338,892	763,892
9a	9b TOTAL POSITIONS	7.0	7.0

10
NEED: Presently there are a number of areas that require funding to bring the N.C. Marine Patrol up to an acceptable level of operation. These areas include up-grading the present communications system (which is utilized by all sections of the DMF), boats, motors, and trailers assigned to the Marine Patrol, uniforms utilized by officers of the Marine Patrol, existing budgetary short falls experienced since the reorganization in August of 1993, and additional personnel, equipment, and training.

CHANGE TO PRESENT STRATEGY: This request provides the funding necessary to upgrade the existing communications system of the DMF. In addition, this request provides for up-grading the status of the existing small boat fleet of the Marine Patrol. Provisions have been incorporated in this request to rectify problems associated with the reorganization in August of 1993 (DOA Travel). Requests have been made to increase staffing of the Marine Patrol by five officers over a four-year period (1994-98). This request allows for expending the staffing of the Marine Patrol over a period of two years (1995-97). In addition, this request provides for the necessary equipment associated with the expansion and training of all Marine Patrol personnel.

ANTICIPATED OUTCOME: The anticipated outcome of this request is to provide a staffing level for the Marine Patrol that is consistent with the job task mandate. In addition, the communication, equipment, uniform, and budgetary needs of the Marine Patrol would be brought to a level providing for the continuation and expansion of services provided to the citizens of North Carolina and protection of our valuable fisheries resource.

MEASURES: G.S. 143-3.5

		Priority No.						
Description:		New/ Existing	Actual 1993-94	Authorized 1994-95	1995-96	1996-97	1997-98	1998-99
11 Increase the number of 12 patrol hours by boat. 13	Continuation		65,392	73,922	73,922	83,503	93,084	93,084
	Expansion				9,581	9,581	0	0
	Revised				83,503	93,084	93,084	93,084
Increase the number of training hours per officer.	Continuation		12	56	56	72	88	88
	Expansion				16	16	0	0
	Revised				72	88	88	88
Upgrade efficiency of communications center.	Continuation		0.75	0.75	0.75	1	1	1
	Expansion				0.25	0	0	0
	Revised				1	1	1	1
Providing officers with 100% of necessary uniforms.	Continuation		0.5	0.6	0.6	0.6	0.6	0.6
	Expansion				0.4	0.4	0.4	0.4
	Revised				1	1	1	1
Replacement of boats, motors and trailers.	Continuation		48	52	52	59	66	66
	Expansion				13	13	6	6
	Revised				59	66	66	66
Arrest/conviction ratio.	Continuation		0.9	0.9	0.9	0.9	0.9	0.9
	Expansion				0	0	0	0
	Revised				0.9	0.9	0.9	0.9
License checks.	Continuation		48,119	54,396	54,396	61,719	69,042	69,042
	Expansion				7,323	7,323	0	0
	Revised				61,719	69,042	69,042	69,042

Note: Attach a graphic if necessary to explain the change in measures.
* Indicate if this is a New (N) or Existing Measure (E).

R-53

Priority No.

of

BUDGET: G.S. 143-3.5 Detail of budget is to be provided at the SAS Agency Management Report detail level.

REQUIREMENTS:

OBJECT NO.	OBJECT TITLE	1995-96	1996-97	1997-98	1998-99	1999-00
14 1211	SALARIES-APP	173,593	173,593	173,593	173,593	173,593
1811	SOCIAL SECURITY-APP	13,280	13,280	13,280	13,280	13,280
1821	LEO RETIREMENT CONT-APP	27,706	27,706	27,706	27,706	27,706
1831	HOSPITAL INS-APP	12,152	12,152	12,152	12,152	12,152
2130	CLOTHING AND UNIFORMS	25,000	25,000	25,000	25,000	25,000
3112	TRAVEL-IN-SUBS-APP	7,000	7,000	7,000	7,000	7,000
3115	DOA TRAVEL	192,840	192,840	192,840	192,840	192,840
3951	EMPLOYEE TRAINING EXP	75,000	25,000	25,000	25,000	25,000
5430	BOATS, MOTORS AND TRAILERS	150,000				
5500	OTHER EQUIPMENT	662,321	287,321	100,000	100,000	100,000

	Actual 1993-94	Authorized 1994-95					
15 Requirements			1,338,892	763,892	576,571	576,571	576,571
16 Number of F.T.E.*	0.0	0.0	7.0	7.0	7.0	7.0	7.0

RECEIPTS:

	Receipts					
18 APPROPRIATION	0	0	0	0	0	0
19 CASH BALANCE	1,338,892	763,892	576,571	576,571	576,571	576,571
20						

* Complete Detail information for total positions requested on the following page.

POSITIONS REQUESTED:		Detail of the positions included in this expansion request.		Priority No.	of	
GRADE	CLASSIFICATION/EFFECTIVE DATE:	1995-96 F.T.E	1996-97 F.T.E	Annual Salary**	1995-96 Budgeted Salary	1996-97 Budgeted Salary
21	67 MARINE FISHERIES ENFORCEMENT OFFICER 11/7/95	7.000	7.000	\$173,593	\$173,593	\$173,593

22 ** 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.

Total#	7.0	7.0	\$173,593	\$173,593

23 DOES THIS EXPANSION REQUEST RELATE TO A CAPITAL IMPROVEMENT PROJECT? YES NO
 24 IF YES, TITLE OF C.I. PROJECT:
 25 C.I. BUDGET CODE: ITEM NUMBER: PROJECTED COMPLETION DATE:

SPACE REQUIREMENTS: G.S. 120-36.7 (c)
 26 DOES THIS REQUEST REQUIRE ADDITIONAL SPACE? YES NO
 IF YES, COMPLETE THE FOLLOWING:
 27 Type of Space: Office Storage Other 1995-96 1996-97 1997-98 1998-99 1999-00
 28 Additional Square Footage Required
 29 Estimated Cost of Space Requirements.

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

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LICENSED MOTOR VEHICLE PURCHASE SCHEDULE
(For continuation requests only)

Section 5
Attachment 8

(Due 9/30/96)
14300

Department

DEINR

Division or Institution Forest Resources

Budget Code

FUND	ACCOUNT	MAKE, TYPE, AND YEAR MODEL	DATE PURCHASED (MONTH AND YEAR)	ESTIMATED MILEAGE AS OF 6-30-97	1997-98		1998-99	
					TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)	TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)
12102201	534541	1986 GMC MECHANIC TRUCK 3/4 TON, 2WD	Dec-86	85,000	20,900	1,600		
12102201	534541	1990 DODGE MECHANIC TRUCK 3/4 TON, 2WD	Nov-90	73,500			20,900	1,600
12102201	534541	1990 DODGE MECHANIC TRUCK 3/4 TON, 2WD	Nov-90	69,000			20,900	1,600
12102201	534541	1989 DODGE VAN 1/2 TON	Oct-89	105,000	18,664	1,000		
12102201	534541	1988 CHEVROLET COMPACT 2WD	Sep-88	49,000			15,046	1,200
12102201	534541	1991 CHEVROLET COMPACT 2WD	Apr-90	71,000			15,046	1,200
12102201	534541	1991 CHEVROLET COMPACT 2WD	Apr-90	69,000			15,046	1,200
12102202	534541	1989 CHEVROLET TRUCK 1/2 TON	Apr-89	52,000			18,568	1,200
12102202	534541	1987 CHEVROLET TRUCK 3/4 TON	Feb-87	105,000	24,570	1,200		
12102202	534541	1992 DODGE VAN 3/4 TON	Mar-92	77,000			20,280	1,200
12102203	534541	1985 DODGE 4X4 3/4 TON	May-85	102,000	24,570	1,400		
12102203	534541	1986 FORD 4X4 3/4 TON	Apr-86	110,000	24,570	1,400		
12102203	534541	1990 FORD 4X4 CAB 1 TON	Jun-90	155,500	26,950	1,400		
12102203	534541	1990 CHEVROLET S-10 4X2	Apr-90	89,500			15,046	1,200
12102203	534541	1990 FORD 4X4 3/4 TON	May-90	87,000			24,570	1,400
12102203	534541	1990 CHEVROLET S-10 4X2	Apr-90	75,000			15,246	1,200
12102203	534541	1992 CHEVROLET VAN 1 TON 4X2 RADIO VAN	Apr-92	75,000			16,302	1,400
12102204	534541	1976 GMC TANDEM TRUCK TRACTOR	Jun-76	**	60,000			
12102204	534541	1976 GMC TANDEM TRUCK TRACTOR	Jun-76	**	60,000			
12102204	534541	1979 BUIIN TANDEM TRUCK TRACTOR	Jun-79	**	60,000			
12102204	534541	1980 FORD 9000 TANDEM TRUCK TRACTOR	Jun-80	**	60,000			
12102204	534541	1982 BRIGADIER TEN WHEELER	Jul-82	**	80,000			
12102204	534541	1979 TANDEM TRUCK	Jun-79	**	60,000			
12102204	534541	1980 TANDEM TRUCK	Jun-80	**	60,000			
12102204	534541	1979 BUIIN TANDEM TRUCK	Jun-79	**	60,000			
12102204	534541	1979 BUIIN TANDEM TRUCK	Jun-79	**			60,000	
12102204	534541	1980 IHC TANDEM TRUCK	Jun-80	**			60,000	
12102204	534541	1980 IHC TANDEM TRUCK	Jun-80	**			60,000	
12102204	534541	1981 IHC TANDEM TRUCK	Jun-81	**			60,000	
12102013*	534541	1990 FORD 4X4 3/4 TON	Oct-90	92,000	24,570	1,400		
12102017*	534541	1990 CHEVROLET 4X4 3/4 TON	Oct-90	92,000	24,570	1,400		

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LICENSED MOTOR VEHICLE PURCHASE SCHEDULE
(For continuation requests only)

Section 5
Attachment 8

(Due 9/30/96)
14300

Department

DEHNR

Division or Institution Forest Resources

Budget Code

FUND	ACCOUNT	MAKE, TYPE, AND YEAR MODEL	DATE PURCHASED (MONTH AND YEAR)	ESTIMATED MILEAGE AS OF 6-30-97	1997-98		1998-99	
					TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)	TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)
12102201	534541	1986 GMC MECHANIC TRUCK 3/4 TON, 2WD	Dec-86	85,000	20,900	1,600		
12102010	534541	1988 CHEVROLET 4X4 3/4 TON	Aug-88	105,000	24,570	1,400		
12102018*	534541	1989 FORD 4X4 3/4 TON	Apr-89	70,000			24,570	1,400
12102016*	534541	1991 FORD 4X4 3/4 TON	Sep-91	55,000			24,570	1,400
12102011*	534541	1993 FORD 4X4 3/4 TON	Oct-93	85,000			24,570	1,400
12102010	534541	1990 CHEVROLET 4X4 1/2 TON	Oct-90	80,000			18,568	1,200
12102010	534541	1989 FORD 4X4 3/4 TON	May-89	75,000			24,570	1,400
12102010	534541	1989 CHEVROLET 4X4 1/2 TON	Dec-89	75,000			19,800	1,200
12102010	534541	1989 CHEVROLET 4X4 1 TON	Jun-89	70,000			26,950	1,400
12102223*	534541	1984 FORD BRONCO 4X4	Jul-84	142,000	26,280	1,400		
12102013*	534541	1984 FORD BRONCO 4X4	Jul-84	140,000	26,280	1,400		
12102025*	534541	1989 CHEVROLET 4X4 1 TON	Mar-89	100,000	26,950	1,400		
12102026*	534541	1989 CHEVROLET 4X4 1 TON	Mar-89	100,000	26,950	1,400		
12102028*	534541	1989 CHEVROLET 4X4 1 TON	Mar-89	100,000	26,950	1,400		
12102022*	534541	1990 FORD 4X4 3/4 TON	Mar-90	100,000			24,570	1,400
12102026*	534541	1990 FORD 4X4 3/4 TON	Mar-90	100,000			24,570	1,400
12102025*	534541	1991 FORD 4X4 3/4 TON	Mar-91	95,000			24,570	1,400
12102027*	534541	1991 FORD 4X4 3/4 TON	Mar-91	95,000			24,570	1,400
12102020	534541	1990 FORD 4X4 3/4 TON	Mar-90	100,000			24,570	1,400
12102034*	534541	1990 CHEVROLET 4X4 3/4 TON	May-90	131,700	24,570	1,400		
12102032*	534541	1988 CHEVROLET 4X4 3/4 TON	Apr-88	127,616	24,570	1,400		
12102037*	534541	1990 CHEVROLET 4X4 3/4 TON	May-90	123,058	24,570	1,400		
12102031*	534541	1988 CHEVROLET 4X4 3/4 TON	Apr-88	122,222	24,570	1,400		
12102030	534541	1990 CHEVROLET 4X4 3/4 TON	May-90	118,192	24,570	1,400		
12102034*	534541	1989 CHEVROLET 4X4 3/4 TON	Apr-89	117,346	24,570	1,400		
12102036*	534541	1991 FORD 4X4 3/4 TON	Apr-91	115,440	24,570	1,400		
12102033*	534541	1988 CHEVROLET 4X4 3/4 TON	Apr-88	115,218	24,570	1,400		
12102030	534541	1989 CHEVROLET 4X4 3/4 TON	Apr-89	111,750	24,570	1,400		
12102035*	534541	1989 CHEVROLET 4X4 3/4 TON	Apr-89	110,385	24,570	1,400		
12102037*	534541	1991 FORD 4X4 3/4 TON	Apr-91	108,385	24,570	1,400		
12102034*	534541	1991 FORD 4X4 3/4 TON	Apr-91	107,500	24,570	1,400		

LICENSED MOTOR VEHICLE PURCHASE SCHEDULE
(For continuation requests only)

Section 5
Attachment 8

(Due 9/30/96)

Department

DEINR

Division or Institution Forest Resources

Budget Code

14300

FUND	ACCOUNT	MAKE, TYPE, AND YEAR MODEL	DATE PURCHASED (MONTH AND YEAR)	ESTIMATED MILEAGE AS OF 6-30-97	1997-98		1998-99	
					TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)	TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)
12102201	534541	1986 GMC MECHANIC TRUCK 3/4 TON, 2WD	Dec-86	85,000	20,900	1,600		
12102030	534541	1988 CHEVROLET 4X4 3/4 TON	Apr-88	107,389	24,570	1,400		
12102030	534541	1990 CHEVROLET 4X4 3/4 TON	May-90	105,997	24,570	1,400		
12102030	534541	1989 CHEVROLET 4X4 3/4 TON	Apr-89	101,343	24,570	1,400		
12102038*	534541	1992 CHEVROLET 4X4 3/4 TON	Apr-92	97,000	24,570	1,400		
12102033*	534541	1989 CHEVROLET 4X4 3/4 TON	Apr-89	116,437			24,570	1,400
12102031*	534541	1989 CHEVROLET 4X4 3/4 TON	Apr-89	116,081			24,570	1,400
12102035*	534541	1992 CHEVROLET 4X4 3/4 TON	Apr-92	108,532			24,570	1,400
12102032*	534541	1992 FORD 4X4 3/4 TON	Apr-92	104,489			24,570	1,400
12102038*	534541	1993 CHEVROLET 4X4 3/4 TON	May-93	103,750			24,570	1,400
12102043	534541	1989 CHEVROLET 4X4 3/4 TON	Oct-89	113,000	24,570	1,400		
12102047*	534541	1989 CHEVROLET 4X4 3/4 TON	Oct-89	103,000	24,570	1,400		
12102041*	534541	1992 CHEVROLET 4X4 3/4 TON	Sep-92	100,000	24,570	1,400		
12102044*	534541	1991 FORD 4X4 3/4 TON	Sep-91	69,000			24,570	1,400
12102042*	534541	1993 CHEVROLET 4X4 3/4 TON	Oct-93	68,000			24,570	1,400
12102043*	534541	1993 CHEVROLET 4X4 3/4 TON	Oct-93	64,000			24,570	1,400
12102046*	534541	1991 FORD 4X4 3/4 TON	Sep-91	105,000	24,570	1,400		
12102047*	534541	1991 FORD 4X4 3/4 TON	Sep-91	83,000			24,570	1,400
12102040	534541	1989 CHEVROLET 4X4 3/4 TON	Dec-89	100,000	24,570	1,400		
12102040	534541	1991 CHEVROLET 1/2 TON 2WD	Oct-90	75,000			15,046	1,200
12102040	534541	1992 FORD 3/4 TON 2WD	Sep-92	74,000			20,900	1,200
12102051*	534541	1988 CHEVROLET 4X2 3/4 TON	Apr-88	117,000	20,902	1,200		
12102054*	534541	1990 FORD 4X4 1 TON	Apr-90	120,000	26,950	1,400		
12102055*	534541	1988 CHEVROLET 4X2 3/4 TON	Apr-88	115,000	20,900	1,200		
12102056*	534541	1987 CHEVROLET 4X2 3/4 TON	Apr-87	155,000	20,900	1,200		
12102057*	534541	1987 CHEVROLET 4X2 3/4 TON	Apr-87	123,000	20,900	1,200		
12102058*	534541	1988 CHEVROLET 4X2 3/4 TON	Apr-88	138,500	20,900	1,200		
12102057*	534541	1988 CHEVROLET 4X4 3/4 TON	Apr-88	125,000			24,570	1,200
12102058*	534541	1988 CHEVROLET 4X2 3/4 TON	Apr-88	150,000	20,900	1,200		
12102060	534541	1988 CHEVROLET 4X2 MECHANIC	May-88	115,000	26,950	1,600		
12102221	534541	1989 CHEVROLET 4X2	Apr-89	130,000	20,900	1,200		
12102065*	534541	1990 CHEVROLET 4X4	Apr-90	130,000	24,570	1,200		

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CHN-2A

LICENSED MOTOR VEHICLE PURCHASE SCHEDULE
(For continuation requests only)

Section 5
Attachment 8

(Due 9/30/96)
14300

Department

DEHNR

Division or Institution Forest Resources

Budget Code

14300

FUND	ACCOUNT	MAKE, TYPE, AND YEAR MODEL	DATE PURCHASED (MONTH AND YEAR)	ESTIMATED MILEAGE AS OF 6-30-97	1997-98		1998-99	
					TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)	TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)
12102201	534541	1986 GMC MECHANIC TRUCK 3/4 TON, 2WD	Dec-86	85,000	20,900	1,600		
12102062*	534541	1991 FORD 4X4	Apr-91	130,000	24,570	1,200		
12102066*	534541	1991 FORD 4X4	Apr-91	135,000	24,570	1,200		
12102061*	534541	1991 FORD 4X4	Jul-91	115,000	24,570	1,200		
12102060	534541	1988 CHEVROLET 4X2 MECHANIC	May-88	130,000	26,950	1,600		
12102062*	534541	1990 CHEVROLET 4X4	Apr-90	120,000	24,570	1,200		
12102063*	534541	1990 CHEVROLET 4X4	May-90	95,000			24,570	1,200
12102064*	534541	1990 CHEVROLET 4X4	Apr-89	110,000	24,570	1,200		
12102065*	534541	1991 FORD 4X4	Apr-91	115,000	24,570	1,200		
12102066*	534541	1990 DODGE 4X4	Jun-90	100,000	24,570	1,200		
12102221	534541	1987 CHEVROLET 4X4	Apr-87	100,000			24,570	1,200
12102063*	534541	1992 CHEVROLET 4X4	Mar-92	95,000			24,570	1,200
12102072*	534541	1991 FORD 2X4 3/4 TON	Apr-91	66,000			24,570	1,200
12102074*	534541	1992 CHEVROLET 4X4 3/4 TON	Feb-92	71,000			24,570	1,400
12102070	534541	1992 FORD RANGER 1/2 TON	Jun-92	70,000			15,046	1,200
12102085*	534541	1988 CHEVROLET 4X4 3/4 TON	Feb-88	165,000	24,570	1,400		
12102080	534541	1988 CHEVROLET 4X4 1 TON	Feb-88	150,000	26,950	1,400		
12102080	534541	1988 CHEVROLET MECHANIC 3/4 TON	Feb-88	115,000	24,570	1,600		
12102080	534541	1987 CHEVROLET 4X4 3/4 TON	Feb-88	125,000	24,570	1,400		
12102222	534541	1988 DODGE 1/2 TON	Feb-88	85,000			26,950	1,200
12102222	534541	1988 DODGE 1/2 TON	Feb-88	85,000			26,950	1,200
12102086*	534541	1989 CHEVROLET 4X4 1 TON	Feb-89	80,000			26,950	1,400
12102080	534541	1989 CHEVROLET 3/4 TON	Feb-89	140,000	20,900	1,200		
12102081*	534541	1990 FORD 4X4 3/4 TON	Feb-90	130,000	24,570	1,400		
12102084*	534541	1990 FORD 4X4 3/4 TON	Feb-90	110,000	24,570	1,400		
12102080	534541	1990 DODGE MECHANIC 3/4 TON	Feb-90	82,000			26,950	1,600
12102080	534541	1990 CHEVROLET 3/4 TON	Feb-90	150,000	20,900	1,200		
12102080	534541	1990 CHEVROLET 4X4 3/4 TON	Feb-90	135,000	24,570	1,400		
12102081*	534541	1991 FORD 4X4 3/4 TON	Feb-91	100,000	24,570	1,400		
12102084*	534541	1991 FORD 4X4 3/4 TON	Feb-91	90,000			24,570	1,400
12102085	534541	1991 FORD 4X4 3/4 TON	Feb-91	150,000	24,570	1,400		
12102083	534541	1992 CHEVROLET 4X4 3/4 TON	Feb-92	115,000	24,570	1,400		
12102080	534541	1992 FORD MECHANIC 3/4 TON	Feb-92	70,000			26,950	1,600

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LICENSED MOTOR VEHICLE PURCHASE SCHEDULE
(For continuation requests only)

Section 5
Attachment 8

(Due 9/30/96)

Department

DEINR

Division or Institution Forest Resources

Budget Code

14300

FUND	ACCOUNT	MAKE, TYPE, AND YEAR MODEL	DATE PURCHASED (MONTH AND YEAR)	ESTIMATED MILEAGE AS OF 6-30-97	1997-98		1998-99	
					TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)	TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)
12102201	534541	1986 GMC MECHANIC TRUCK 3/4 TON, 2WD	Dec-86	85,000	20,900	1,600		
12102082*	534541	1993 CHEVROLET 4X4 3/4 TON	Feb-93	77,000			24,570	1,400
12102083*	534541	1994 CHEVROLET 4X4 3/4 TON	Feb-94	75,000			24,570	1,400
12102095*	534541	1986 FORD 4X4 3/4 TON	Dec-86	100,000	24,570	1,400		
12102093*	534541	1988 CHEVROLET 4X4 3/4 TON	Nov-88	100,000	24,570	1,400		
12102097*	534541	1987 CHEVROLET 4X4 3/4 TON	Sep-87	100,000			24,570	1,400
12102090	534541	1989 FORD 4X4 3/4 TON	Jan-90	100,000			24,570	1,400
12102107*	534541	1992 CHEVROLET 4X4 3/4 TON	May-92	102,000	24,570	1,400		
12102109*	534541	1992 FORD 4X4 3/4 TON	May-92	92,000	24,570	1,400		
12102202	534541	1992 DODGE VAN 3/4 TON	Apr-92	77,000			20,900	1,200
12102100	534541	1989 CHEVROLET 3/4 TON	Apr-89	131,000	20,900	1,200		
12102100	534541	1988 CHEVROLET 4X4 3/4 TON	May-88	81,000			24,570	1,400
12102101*	534541	1993 FORD 4X4 3/4 TON	Apr-93	68,000			24,570	1,400
12102103*	534541	1993 FORD 4X4 3/4 TON	Apr-93	77,000			24,570	1,400
12102104*	534541	1993 FORD 4X4 3/4 TON	Apr-93	69,000			24,570	1,400
12102106*	534541	1993 CHEVROLET 4X4 3/4 TON	May-93	90,000	24,570	1,400		
12102155*	534541	1993 CHEVROLET 4X4 3/4 TON	May-93	74,000			24,570	1,400
12102110	534541	1990 CHEVROLET 2X4 1/2 TON	May-90	125,000	18,568	1,200		
12102110	534541	1990 CHEVROLET 2X4 1/2 TON	May-90	125,000	19,800	1,200		
12102110	534541	1988 CHEVROLET 2X4 3/4 TON	Mar-88	115,000	20,900	1,200		
12102113*	534541	1992 CHEVROLET 4X4 3/4 TON	Apr-92	80,000			24,570	1,400
12102116*	534541	1992 CHEVROLET 4X4 3/4 TON	Apr-92	85,000			24,570	1,400
12102112*	534541	1993 CHEVROLET 4X4 3/4 TON	May-93	70,000			24,570	1,400
12102114*	534541	1993 CHEVROLET 4X4 3/4 TON	May-93	75,000			24,570	1,400
12102115*	534541	1993 CHEVROLET 4X4 3/4 TON	May-93	70,000			24,570	1,400
12102126*	534541	1990 FORD 4X4 3/4 TON	Apr-90	90,000	24,570	1,400		
12102122*	534541	1992 FORD 4X4 3/4 TON	Apr-92	91,000	24,570	1,400		
12102121*	534541	1992 FORD 4X4 3/4 TON	Apr-92	85,000			24,570	1,400
12102122*	534541	1993 FORD 4X4 3/4 TON	Apr-93	80,000	24,570	1,400		
12102120	534541	1989 CHEVROLET 4X4 1 TON	May-90	121,000	26,950	1,400		
12102130	534541	1992 FORD RANGER 2X4	May-92	75,000			15,046	1,200

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LICENSED MOTOR VEHICLE PURCHASE SCHEDULE
(For continuation requests only)

Section 5
Attachment 8

(Due 9/30/96)

Department DEHNR Division or Institution Forest Resources Budget Code 14300

FUND	ACCOUNT	MAKE, TYPE, AND YEAR MODEL	DATE PURCHASED (MONTH AND YEAR)	ESTIMATED MILEAGE AS OF 6-30-97	1997-98		1998-99	
					TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)	TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)
12102201	534541	1986 GMC MECHANIC TRUCK 3/4 TON, 2WD	Dec-86	85,000	20,900	1,600		
12102132*	534541	1988 CHEVROLET 4X4 3/4 TON	May-88	175,000	24,570	1,400		
12102132*	534541	1989 CHEVROLET 4X4 3/4 TON	Jun-89	130,000	24,570	1,400		
12102132*	534541	1989 CHEVROLET 4X4 3/4 TON	Jun-89	137,000	24,570	1,400		
12102131*	534541	1993 CHEVROLET 4X4 3/4 TON	Jun-93	130,000	24,570	1,400		
12102133*	534541	1988 CHEVROLET 4X4 3/4 TON	May-88	95,000	24,570	1,400		
12102134*	534541	1987 CHEVROLET 2X4 1/2 TON	Jun-87	155,000	18,568	1,200		
12102134*	534541	1991 CHEVROLET 4X4 3/4 TON	Jun-91	110,000	24,570	1,400		
Total by Fund/Account					\$2,546,572	\$114,800	\$1,706,756	\$86,200
Less: Motor vehicles included in 1996-97 Authorized Year					\$568,578	76,800	\$568,578	76,800
Less: County Receipts*					\$518,134		\$342,741	
Net Amount to Worksheet I					\$1,459,860	\$38,000	\$795,437	\$9,400

*Represents County Vehicles
** Trade-in value will be shown as estimated receipts - "Sale of Surplus Property."

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

12-6-96

OTHER VEHICLE PURCHASE SCHEDULE
(For continuation requests only)

Section 5
Attachment 9
(Due 9/30/96)

Department		DEIINR		Division or Institution		FOREST RESOURCES		Budget Code	
FUND	ACCOUNT	DESCRIPTION (MAKE, TYPE, AND YEAR MODEL)	DATE PURCHASED (MONTH & YEAR) NUMBER	CONDITION*	1997-98		1998-99		
					TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)	TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)	
12102204	534542	1953 CESSNA AIRCRAFT L19A N10714	1963	POOR-SEE ATTACHED	200,000				
12102204	534542	1953 CESSNA AIRCRAFT L19 N2FS	1963	POOR-SEE ATTACHED			200,000		
Total by Fund/Account					\$200,000		\$200,000		

- * Provide information from maintenance records, frequency of repairs, and other pertinent information such as mileage or hours of operation to assist in determining condition.
- ** Trade-in value will be shown as estimated receipts - "Sale of Surplus Property."

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

OTHER VEHICLE PURCHASE SCHEDULE

(For continuation requests only)

DEPARTMENT DEHNR

Division or Institution

FOREST RESOURCES

Budget Code _____

FUND	ACCOUNT	DESCRIPTION (MAKE, TYPE, AND YEAR MODEL)	DATE PURCHASED (MONTH & YEAR) NUMBER	CONDITION*	1997-98		1998-99	
					TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)	TOTAL COST	(IF
12102204	534544	FARM TRAILER-UTILITY SHOP MADE	1978	POOR-SEE ATTACHED			12,000	
12102204	534544	1973 LOWBOY TRAILER 35 TON 28' DECK	1973	POOR-SEE ATTACHED	18,000			
12102204	534544	1970 LOWBOY TRAILER 25 TON 26' DECK	1970	POOR-SEE ATTACHED	16,000			
12102204	534544	1974 LOWBOY TRAILER 35 TON 28' DECK	1974	POOR-SEE ATTACHED	18,000			
12102204	534544	1970 LOWBOY TRAILER 25 TON 26' DECK	1970	POOR-SEE ATTACHED	16,000			
12102204	534544	1974 LOWBOY TRAILER 35 TON 28' DECK	1974	POOR-SEE ATTACHED			18,000	
12102204	534544	1973 REID LOWBOY TRAILER 25 TON 26' DECK	1973	POOR-SEE ATTACHED			16,000	
12102204	534544	1975 LOWBOY TRAILER 35 TON 28' DECK	1975	POOR-SEE ATTACHED			18,000	
12102204	534544	1970 LOWBOY TRAILER 35 TON 28' DECK	1970	POOR-SEE ATTACHED			18,000	
12102204	534544	1968 REID LOWBOY TRAILER 35 TON 26' DECK	1968	POOR-SEE ATTACHED			16,000	
Total by Fund/Account					\$68,000		\$98,000	

- * Provide information from maintenance records, frequency of repairs, and other pertinent information such as mileage or hours of operation to assist in determining condition.

** Trade-in value will be shown as estimated receipts - "Sale of Surplus Property."

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

OTHER VEHICLE PURCHASE SCHEDULE

(For continuation requests only)

Section 5

Attachment 9

(Due 9/30/96)

DEPARTMENT DEINRDivision or Institution FOREST RESOURCESBudget Code 14300

FUND	ACCOUNT	DESCRIPTION (MAKE, TYPE, AND YEAR MODEL)	DATE PURCHASED (MONTH & YEAR) NUMBER	CONDITION*	1997-98		1998-99	
					TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)	TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)
12102204	534549	1978 FIAT 8 TRACTOR 1.GP MED 100HP	1978	POOR-SEE ATTACHED	105,000			
12102204	534549	1978 FIAT 8 TRACTOR 90 HP STANDARD	1978	POOR-SEE ATTACHED	80,000			
12102204	534549	1978 FIAT 8 TRACTOR 1.GP MED 100HP	1978	POOR-SEE ATTACHED	105,000			
12102204	534549	1978 FIAT 8 TRACTOR 90 HP STANDARD	1978	POOR-SEE ATTACHED	80,000			
12102204	534549	1978 CASE 1150B 120HP HEAVY LPG	1978	POOR-SEE ATTACHED			130,000	
12102204	534549	1979 CASE 1150B 120 HP HEAVY LPG	1979	POOR-SEE ATTACHED			130,000	
12102204	534549	1980 FIAT 8 TRACTOR 90 HP STANDARD	1980	POOR-SEE ATTACHED			80,000	
12102204	534549	1978 CASE 1150B 120HP HEAVY LPG	1978	POOR-SEE ATTACHED			130,000	
12102204	534549	1973 TRACTOR TD15C 120HP HEAVY LPG	1973	POOR-SEE ATTACHED			130,000	
12102204	534549	1972 FORD TRACTOR 3000	1972	POOR-SEE ATTACHED			25,000	
12102204	534549	1974 FORD TRACTOR 5000	1974	POOR-SEE ATTACHED			55,000	
Total by Fund/Account					370,000		680,000	

* Provide information from maintenance records, frequency of repairs, and other pertinent information such as mileage or hours of operation to assist in determining condition.

** Trade-in value will be shown as estimated receipts - "Sale of Surplus Property."

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

OPERATING RESERVE

R-70

Department of EHNH
1997-99 Operating Reserve
Continuation Budget

Division of Parks and Recreation

JUSTIFICATION FOR FUNDING

Since 1993, numerous new acquisitions and facilities have been authorized by the NC General Assembly to be added to the State Parks System. These projects have been funded by the 1993 State Parks Bond Referendum, and by a 1995 capital appropriation of \$10,000,000. In addition, two new parks have been added to the system. These new parks were authorized by the General Assembly, and the acquisitions were funded by the Natural Heritage Trust Fund. Most of these new facilities and acquisitions are expected to be completed within the next biennial budget cycle. Therefore, funding for the operation of these previously authorized projects is requested from the 1997-99 Operating Reserves.

STATE PARKS BOND PROJECTS

Funding is requested for operation of the following projects which were funded by the 1993 State Parks Bond:

Bushy Lake State Natural Area - 1050 acres
Carolina Beach State Park - Visitor center
Cliffs of the Neuse State Park - Office, bathhouse, campground
Crowders Mountain State Park - Visitor center
Crowders Mountain State Park - 292 acres
Duke Power State Park - Community building
Eno River State Park - Picnic area
Fort Fisher State Recreation Area - Visitor contact station
Fort Macon State Park - Fort restoration
Goose Creek State Park - Visitor center/Phase I Environmental education center
Hanging Rock State Park - Visitor center
Hanging Rock State Park - 350 acres
Jockey's Ridge State Park - Visitor center/Concession building
Kerr Lake State Recreation Area - Visitor center/Development
Lake James State Park - Maintenance building
Lake Waccamaw State Park - Visitor center
Lumber River State Park - Office, picnic area, campground at Princess Ann Access
Lumber River State Park - 1500 acres
Merchants Millpond State Park - Picnic area
Medoc Mountain State Park - Office, campground, maintenance buildings
Morrow Mountain State Park - Campground, maintenance area

Division of Parks and Recreation
1997-99 Operating Reserves
Page 2

Mount Jefferson State Natural Area - Picnic area, trail development
Mount Mitchell State Park³ - Museum renovations, handicap access, utilities
Mount Mitchell State Park - 350 acres
New River State Park - Site #3 development
Pettigrew State Park - West End Access development
Raven Rock State Park - Maintenance area
South Mountains State Park - Horse camp/Picnic area
Stone Mountain State Park - Picnic area
Stone Mountain State Park - 426 acres
William B. Umstead State Park - Visitor center

OTHER

Funding is also requested for the operation of the following projects, with funding sources as indicated:

Falls Lake State Recreation Area - 1050 acres, trail	(Transfer from WRC)
Occoneechee Mountain State Natural Area - 150 acres	(New park, authorized 1994)
Run Hill State Natural Area - 130 acres	(New park, authorized 1995)
Singletary Lake State Park - Group camp	(1995 Capital Appropriation)
Weymouth Woods State Natural Area - 97 acres	(Natural Heritage Trust Fund)

R-72

Why DPPEA Should Not Be Privatized

Privatization of the Division of Pollution Prevention and Environmental Assistance (DPPEA) would severely impact the goal of the state to promote a healthy environment and a sound economy. To attain this goal, state government needs a balanced approach between technical assistance and regulatory enforcement. The services of DPPEA embody this goal by providing a pollution prevention approach designed to encourage a shift from using costly traditional pollution control technologies to a cost-avoiding prevention approach (i.e. eliminating, reducing or recycling wastes before they become pollutants).

The services of DPPEA are not available anywhere else in the state and would be difficult for the private sector to develop. As a part of state government, the Division is able to leverage a broad range of state, federal and private resources to meet the needs of industries, businesses and local governments. This coordinated effort provides access to affordable training courses, technical materials and expertise that would not otherwise be available. This effort by DPPEA allows the State to provide timely information to affected entities on changing regulations, policies and statutes.

Since NC's pollution prevention effort was first established in FY1984, it has developed the resources and expertise needed to address the types of waste generated by NC's business, industries and local governments. DPPEA is recognized across the nation as the leader in the development of information resources, publications, training and outreach efforts, and technical assistance on pollution prevention. DPPEA's technical assistance provides a starting point and tools for the development of a cost effective waste management program based on pollution prevention. DPPEA resources enable private and public sector clients to make more informed and timely decisions on cost-effective waste management programs. These resources are used by businesses, industries, local governments, consultants, state agencies, universities and private citizens.

Very few consultants in the nation provide comprehensive pollution prevention services. An environmental consultant stated at a recent professional conference, "The scant number of pollution control consultants offering private sector pollution prevention services is ample proof of the difficult nature of this business." There are many reasons for this. For example, pollution prevention projects result in significantly fewer billable hours compared to capital-intensive pollution control projects. Also pollution prevention projects require extensive customization for individual clients based on their production process and management structure. The services DPPEA provides are complementary to those provided by consultants. In fact, consultants use DPPEA's resources to identify solutions for their clients.

While DPPEA does work with individual clients it maintains a larger statewide perspective. DPPEA develops proactive services to address whole industrial sectors, specific waste streams, types of government agencies, or impacted geographic regions. The statewide perspective sets DPPEA apart from the approach taken by other public and private sectors assistance groups.

R-73

FY-97 GRANTS

Recipient	Area Affected	Purpose/Outcome	Amount	Grantee Match
Miller Control and Manuf. Co., Inc.	Clinton/Sampson	Demonstrate alternative fiberglass lay-up procedures incorporating the use of scrap fiberglass as filler to reduce styrene resin requirements and associated emissions by up to 20%. Significant reduction potential for air emissions and solid waste. Project has large transfer potential to other fiberglass fabricators.	\$5,800	\$9,550
Converse, Inc.	Lumberton/Robeson	Demonstrate use of water-based adhesives and infrared curing in place of solvent-based adhesives in athletic shoe manufacturing. Huge potential reduction in hexane emissions and energy consumption. Potential application for other large adhesive users.	\$15,000	\$202,000
Eaton Corporation	Fletcher/Buncombe	Demonstrate the process for developing an Environmental Management System following the guidelines for ISO 14001. Supply documentation of the steps and procedures followed in developing and implementing the system. Many companies are interested in guidance materials on developing an environmental management system.	\$10,000	\$140,000
One Hour Koretizing	Rocky Mount/Nash	Demonstrate efficacy of wet cleaning of garments previously considered dry-clean only. Opportunity to significantly lower air emissions and hazardous waste generation and liability from dry cleaning industry.	\$9,875	\$30,000
NCSU College of Textiles	Raleigh/Wake	Fund a project to evaluate and demonstrate a system to provide real-time monitoring and process control of a textile dyeing process. This project has great potential for transfer to textile wet processing plants and great potential for reducing water pollutants, water and energy consumption, and cost in the textile industry.	\$22,200	N/A
Carolina Power & Light Co., Inc.	Roxboro/Person	Demonstrate a system to separate flyash into carbon-rich and carbon-depleted streams. The carbon-rich stream will be returned to the power plant boiler and re-burned to utilize the residual energy source, and commercial recycling opportunities for the carbon-depleted stream will be examined. If successful, the project can be potentially duplicated on a smaller scale by other non-utilities that operate coal-fired boilers to lower coal costs and ash management costs.	\$7,500	\$1,550,000
County School Bus Garages in 10 counties	Numerous cities and counties	Project will demonstrate and evaluate the effectiveness of by-pass oil filters on school buses. This technology is reported to eliminate the need for oil changes while reducing engine wear and enhancing fuel economy. Participating counties are currently being identified.	\$20,000	N/A
UNC Water Resources Research Inst.	Raleigh/Wake	Fund a pollution prevention internship program to provide valuable work experience to interested students at North Carolina's public and private institutions of higher learning.	\$40,000	N/A
Land-of-Sky Council	Asheville/Buncombe	Fund development of technical information resources on water conservation and pollution prevention by retired engineers and scientists participating in the NC Waste-Reduction and Technology Transfer program.	\$4,000	N/A
UNC Water Resources Res. Inst.	Raleigh/Wake	Fund a pollution prevention internship program to provide valuable work experience to interested students at North Carolina's public and private institutions of higher learning.	\$40,000	N/A

R-74

Randolph County	Randolph	Randolph County will install processing equipment to expand its recycling program for mixed paper, corrugated cardboard, and textile cones and tubes.	\$25,000	\$2,500
Union County	Union	Union County will purchase equipment to expand its school and business paper collection program.	\$25,000	\$2,500
Pitt County	Pitt	Pitt County and the Eastern Carolina Vocational Center will expand their collection and processing systems to accept regular and junk mail, brown paper bags, and additional newspaper and cardboard.	\$25,000	\$2,500
Caldwell County	Caldwell	Caldwell County will implement a paper waste reduction program throughout its school system and at county businesses and industries.	\$25,000	\$2,500
Conwed Fibers	Western NC	Conwed Fibers will expand its production of "Enviroblend" hydro-mulch, which will increase its consumption of recycled newsprint by 3500 tons annually.	\$25,000	\$2,500
NC Chapter, SW Assoc. of North America	Statewide impact	DPPEA, US EPA Region IV, and NC SWANA have cosponsored a workshop to train local officials and their contracted haulers to capture greater efficiencies in their recycling collection programs.	\$5,000	\$5,000
Wake County	Wake County and statewide impact	Wake County will implement a pilot recycling and waste reduction program in a local hotel. The project will yield information that can be used for similar efforts statewide.	\$5,000	\$2,000
NC Recyc. Assoc.	Statewide impact	NCRA conducted registration and other logistics for the 1996 Recycling Coordinators Training Course in Raleigh and Charlotte.	\$15,275	N/A
UNC Public Policy Prog.	N/A	The UNC-CH Public Policy administered the contract to provide two interns to DPPEA over the course of FY97.	\$25,479	N/A
Woodbin2	Wake County and statewide impact	Woodbin2 is conducting a "Home Builder's Recycling Initiative," testing source separation recycling collection techniques for construction materials on new home sites.	\$29,000	\$10,000

FY-96 GRANTS

Recipient	Area Affected	Purpose	Amount	Grantee Match
ABB Power T&D Company	Greensboro/Guilford	Demonstrate powder coatings on non-conductive fiberglass tubes as an alternative to solvent-based spray coating. This demonstration opens the door for other uses of this cost-saving, emission-reducing coating technology for coating non-conductive materials such as plastic and wood.	\$15,000	\$145,000
Athol Corporation	Bumer/Granville	Demonstrate a process to cryogenically separate PVC coating from fabric and to reuse the recovered PVC in the process. Work still ongoing.	\$15,000	\$117,000
Burlington Chemical Company.	Burlington/Alamance	Demonstrate the use of a stress gene assay to develop less-toxic products for the textile industry. The technique will enable textile wet processors and other chemical users to determine specific raw materials that contribute to aquatic toxicity so that they can find substitutes or minimize their use. Effluent toxicity is a significant concern for textile mills and towns with large textile mills.	\$15,000	\$28,620
ECU Dept. of Indust. Tech.	Greenville/Pitt	Determine and document best manufacturing practices for open-mold fiberglass fabrication operations. The demonstration site that implemented these practices realized a 62% reduction in waste and an improvement in product quality.	\$17,600	N/A

12-75

Hankison International	Newport/Carteret	Demonstrate a system to recycle wastewater from its metal cleaning and pretreatment operation and to switch to a powder coating system from the current solvent based painting operation. This innovative system has been duplicated at several other locations (e.g., Hogslat, Inc. in Newton Grove) enabling companies to attain compliance with wastewater permit requirements.	\$15,000	\$785,000
Kiel, Woodward & Assoc.	Chapel Hill/Orange	Study and document management approaches of 13 companies who are recognized as leaders in environmental management. Information gathered and contacts made will be highlighted in a conference on environmental management systems in FY 98. This study was a follow up to an EPA-funded study that resulted in case studies of 6 North Carolina companies.	\$11,600	N/A
Maple Springs Laundry	Hickory/Catawba	Demonstrate the use of tunnel washing equipment and hydrogen peroxide in place of hypochlorite in a commercial laundry operation. The project resulted in large savings on water, energy, and chemical usage, plus a dramatic increase in plant throughput. The results have significant transfer potential.	\$20,000	\$330,000
Randolph County	Randolph	Provide funds for the county to implement a coordinated multi-media waste reduction outreach program. The project has resulted in several sector-specific workshops (e.g., textiles, auto repair, restaurants, industrial wastewater management). The project will culminate in a report documenting reduction in waste generation, improvement in regulatory compliance, and increased awareness of pollution prevention opportunities.	\$15,000	N/A
Soletron Technology Inc.	Charlotte/Mecklenburg	Demonstrate a no-clean, VOC-free process for its printed circuit board manufacturing operation. Project successfully demonstrated. Large transfer potential.	\$10,000	\$240,000
B & B Top Soil Mine, Inc.	Durham, Granville, Vance	B & B Top Soil Mines will expand operations that divert stumps, brush and yard waste.	\$40,000	\$8,000
Buncombe County	Buncombe	Buncombe County purchased office recycling containers, conducted program promotion and education, and expanded in-house recyclables collection to reduce waste disposal costs.	\$20,000	\$5,000
Cornerstone Christian Center	Gaston	Cornerstone Christian Center purchased a utility vehicle to increase recycling collections from businesses and multi-family units.	\$20,000	\$5,000
Town of Kill Devil Hills	Dare/Kill Devil Hills	Kill Devil Hills purchased six 40-yard roll-off containers to increase recycling collections and decrease recycling transportation and processing costs.	\$18,504	\$4,625
Burke County	Burke	Burke County developed Consumer Source Reduction Education Centers at convenience centers providing information on backyard composting, bulk mail reduction, toxicity reduction, and enviro-shopping.	\$11,604	\$3,000
Town of Farmville	Farmville/Pitt Co.	Farmville purchased a horizontal baler to reduce labor costs and increase materials handling efficiency.	\$20,000	\$5,000
Keep Iredell Clean	Iredell	Keep Iredell Clean established a program offering recycling collections from small businesses, hosting a Recycling Expo, and linking recycling companies with generators.	\$14,520	\$3,630
The Scrap Exchange	Durham, Wake, Orange	The Scrap Exchange expanded collection service to industrial generators through purchase of a new collection vehicle.	\$18,600	\$4,650

R-76

NCSU, Animal Waste Mgt. Center	Statewide impact	NC State will conduct tests on a scrap gypsum based product to determine whether it is a viable alternative to treating swine waste odor.	\$22,799	N/A
Stanly County	Stanly	Stanly County purchased a computer and software to track recyclables tonnages, manage a database of commercial and industrial generators, and produce educational materials for county residents.	\$2,758	\$700
Martin Co./Martin Enterprises	Martin	Martin County and Martin Enterprises purchased a horizontal baler to expand cardboard collection and initiate white office paper recycling.	\$20,000	\$5,000
Alleghany County	Alleghany	Alleghany County constructed a larger recyclables processing center and purchased a baler and fork lift to increase the number of materials accepted and allow for more collection sites.	\$20,000	\$5,000
New Hanover	New Hanover	New Hanover County expanded its household battery collection program to include 2 additional retail outlets, 2 school sites, and offering information to 5 commercial generators.	\$7,811	\$2,000
Polymer Reclaim & Exchange	Statewide impact	Polymer Reclaim & Exchange will expand its small-scale vinyl siding program statewide, increasing collections from 110,000 to 300,000 pounds per month.	\$60,000	\$12,000
Albemarle Regional SWMA	Hyde, Dare, Tyrell, Gates, Perquiman, Currituck, Chowan	Albemarle Solid Waste Authority purchased equipment to interface with existing main frame computer and electronic scales to record and track waste from point of generation to marketing.	\$4,000	\$1,000
North Carolina Recycling Assoc	Statewide impact	NCRA's Collegiate Recycling Council created a directory of model campus waste reduction programs and published it on the world-wide web.	\$5,450	\$1,000
Madison County	Madison	Madison County expanded and improved recycling programs for office paper, mixed paper, and corrugated cardboard at county schools, businesses, and staffed convenience centers.	\$20,480	\$4,000
North Carolina Harvest, Inc.	Mecklenburg and surrounding counties	North Carolina Harvest, Inc. purchased a truck to expand produce recovery effort from the Charlotte Regional Farmer's Market and area food brokers.	\$10,000	\$2,000
Inter-Faith Food Shuttle	Wake and surrounding counties	Inter-Faith Food Shuttle purchased a truck to expand its food collection from NC State Farmer's Market and local donors.	\$10,000	\$2,000
Good Shepherd House	New Hanover and surrounding counties	Good Shepherd House purchased and installed a commercial, walk-in cooler for donated food from area restaurants, grocery stores, and institutions.	\$10,000	\$2,000
Univ. Honors Prog./UNC-Charl.	Charlotte	The University Honors Program at UNCC added refrigeration and upgraded a van for food collections from campus cafeterias.	\$5,130	\$1,000
Craven County	Craven	Craven County purchased computer equipment and software to facilitate solid waste sticker distribution and redemption program.	\$2,800	\$700

R-77

Grants prior to FY95-96

McKay's Dry Cleaners - Raleigh/ Wake County - \$15,000

Demonstrate multi-process garment cleaning, a combination of wet and dry cleaning. The project will assess the applicability to multi-process cleaning to various fabrics.

Sara Lee Knit Products - Morganton/ Burke County - \$9,422

Demonstrate reusing spent brine solutions from dyeing process. Reusing spent dyebaths will help eliminate the need for expensive color and salt removal equipment.

Sno White Cleaners - Greensboro/ Guilford - \$10,000

Install condensation system to recover petroleum solvents currently being vented to the atmosphere. The recovered solvents would be distilled and reused, reducing virgin solvent purchases.

Nomaco, Inc - Zebulon/ Guilford - \$15,000

Construct a facility to grind, melt, redensify, and repelletize plastic foam scrap generated from production operations. The recovered plastic will be returned to the manufacturing process or sold to other users. This would reduce solid waste by 80%.

ChemEnco, Inc - Charlotte/ Mecklenburg - \$15,000

Demonstrate production of sulfuric acid using spent wastewater from the textile dye industry as a feedstock. This wastewater contains large quantities of dilute sulfuric acid which can be potentially be reclaimed and marketed.

Spectrum Recycling, Corp. - Charlotte/ Mecklenburg - \$15,000

Expand a pelletizing line for recycling nylon and polyester scrap from the textile industry. This project will convert 8 million pounds of scrap fiber into usable product.

NCSU Furniture Manufacturing and Management Center - \$15,000

Survey wood furniture manufacturers to assess recordkeeping practices for material usage. Develop recordkeeping and reporting software program to aid small furniture manufacturers. Develop educational materials.

UNC Water Resources Research Institute - \$30,000

Contract for student internship program.

ECU School of Industrial Technologies - \$21,100

Update and expand pollution prevention manual for boat-building and composite reinforced plastic manufacturers

Kenan-Flagler Business School (UNC) - \$3,000

Conduct a business survey of furniture industry executives to assess their attitudes toward environmental management issues and pollution prevention.

NCSU College of Textiles - Statewide Impact - \$50,000

Expand database of environmental parameters of textile chemicals. Test expert system to predict effluent parameters with a given set of chemical inputs and operating conditions.

Albemarle Regional Solid Waste Management Authority - \$13,750

Implementation of a household hazardous waste education, paint swap, and antifreeze recycling.

R-78

Cleveland County/Towns of Shelby and Kings Mountain - \$30,000
Construction of Recycling/Waste Reduction Centers

McDowell County - \$8,270
Construction of staffed convenience centers

City of King/Stokes County - \$30,000
Construction of a staffed convenience center

Brunswick County/Town of Long Beach - \$10,900
Implementation and assessment of a blue bag recycling program targeting permanent residents and tourists

Alexander County - \$10,905
Upgrade of Recyclables Collection at Drop Off Centers

Caswell County - \$15,000
Purchase of truck for transporting recyclables and materials recovery facility upgrade

New Hanover County - \$8,330
Construction of glass storage bunkers

Davie County - \$15,000
Materials Recovery Facility Upgrade

Craven County - \$5,000
Implementation of a paint exchange program

Woodbin 2 Project - \$4,000
Development of self-build kits for children's playhouses from discarded building materials

The Scrap Exchange - \$5,000
Purchase of a van for collecting donated materials from industrial generators

Town of Windsor - \$1,750
Establishment of backyard composting program

North Carolina Recycling Assoc./ NC Composting and Organics Recycling Council - \$5,000
Conduct a statewide backyard composting training workshop

Martin County/Martin Enterprises - \$25,000
Purchase of a truck and skidder loader for a business corrugated cardboard collection route

Craftsman Fabrics Industries - Concord/ Cabarrus - \$15,000 (\$22,112 company match)
Reduce water and chemical consumption through improved dye bath equipment process control

Hatteras Yachts - High Point/ Guilford - \$15,000 (\$20,295 company match)
Evaluate HVLP spray guns for polyester gel and direct application roller equipment of polyester resin in large boat manufacturing.

R-79

Hatteras Yachts - New Bern/ Craven - \$15,000 (\$19,346 company match)

Evaluate new multi-component HVLP spray equipment for applying linear polyurethane exterior paint for fiberglass yachts.

C&R Electroless Nickel Services - Gastonia/Gaston - \$10,000 (\$30,445 company match)

Implement closed loop electroless nickel plating line, record before/after savings and reduction in pollutant releases

Trinity America Corp. - Glenola/ Randolph - \$15,000 (\$15,000 company match)

Pilot test equipment for manufacturing flexible polyurethane foam without use of auxiliary blowing agents.

T.S. Designs, Inc. - Burlington/ Alamance - \$2,573 (\$2,573 company match)

Design and install recovery system for water and chemicals used in cleaning ink printing screens.

Henredon Furniture Industries - Spruce Pine/ McDowell - \$12,900 (\$15,080 company match)

Retrofit spray booth with reusable metal filters, evaluate hybrid water-borne coating conversion for high-end wood furniture manufacturing.

Kemet Electronics Corp. - Shelby/ Cleveland - \$15,000 (\$80,285 company match)

Develop process to reclaim latex/ceramic film for reuse in capacitor manufacturing.

Mannington Ceramic Tile - Lexington/ Davidson - \$1,950 (\$1,950 company match)

Reduce water consumption by 85% to 90% with low-cost wastewater reuse project.

Tillet Chemical, Inc. - Charlotte/ Mecklenburg - \$14,000 (\$36,300 company match)

Substitute methyl chloroform with isopropyl alcohol in manufacture of carboxymethyl starch.

Randolph County - \$10,000

Initiation of a waste reduction program targeting the county's textile industry

Burke County - \$3,000

Development of a waste reduction information and referral service for businesses

Ashe County - \$15,000

Establish five permanent recycling drop-off centers

Town of Andrews - \$15,000

Construct three trailers and purchase a truck to activate a voluntary/partially mandatory curbside recycling program.

Town of Butner - \$11,900

Expanded plastics collection program, establish a baling and processing center, and conduct an educational program for area schools.

Burke County - \$15,000

Construct a permanent recycling center for processing and recycling chlorofluorocarbons (CFC's) extracted from white goods prior to recycling.

Camden County - \$7,467

Complete the improvement of three staffed recycling centers, including addition of more recycling containers.

R-80

Caldwell County - \$15,000

Construct a staffed convenience center in a remote area, establish a mobile recycling drop-off program and conduct intensive recycling education in Caldwell elementary schools.

Cape Fear (Region O) Council of Governments - \$31,798

Implement a region-wide waste reduction and recycling program with emphasis on commercial and industrial recycling, regional marketing, and education.

Edgecombe County - \$15,000

Construct and implement a recycling center in a rural area of the county.

Town of Faison - \$2,410

Construct an unloading ramp to process recyclables (particularly plastics) more efficiently.

Northampton County - \$5,000

Collect, process, and market plastic pesticide containers and implement an educational program for area farmers.

Mecklenburg County - \$ 7,825

Produce a waste reduction video for distribution to elementary schools across the state featuring the Charlotte Hornet's star "Muggsy" Bogues.

Town of Princeville - \$15,000

Establish a curbside recycling program and sorting center to process the materials collected.

Stanly County - \$15,000

Purchase recycling containers to begin collection of PETE and HDPE plastic and steel cans

Town of Wallace - \$15,000

Cardboard collection service was provided to business and industry within the Town of Wallace

Pasquotank and Camden Counties - \$30,500

Establish a collection program for glass, newspaper, aluminum cans, and HDPE and PETE plastics for commercial, institutional, and industrial establishments in both counties

Burke County - \$8,000

Develop an educational campaign targeting the elimination of contaminants in the recycling stream.

Durham, Durham County, and SunShares - \$50,000

Production of "Bull Durr," a compost utilizing mixed paper waste and sludge.

Perquimans-Chowan-Gates Solid Waste Management- \$45,000

Expand existing cardboard and pilot waste paper programs by constructing a 40' x 60' in-door storage/processing center and loading ramp, and purchasing a one-ton truck for collections.

Madison County and Mars Hill - \$42,110

Develop a joint composting project utilizing wet food waste and mixed paper waste

Martin County and Martin Enterprises - \$50,000

R-81

Establish a corrugated cardboard collection and processing site at Martin Enterprises, giving businesses in Martin County a financial incentive to recycle corrugated

Gaston County - \$23,655

Expand the physical facilities of the Cornerstone Christian Center recycling site to create a multi-material residential/commercial drop-off center

Minorities in Recycling and Environmental Management - \$50,000

Develop a public housing recycling project for the cities of Durham and Greensboro modeled after the successful pilot program in Durham's Fayetteville Street Housing community.

Pamlico County and Pamlico County Towns- \$50,000

Begin a composting project utilizing shredded mixed paper and fish waste produced in four local counties.

Farmville - \$15,000

Promote source reduction by supplying 60 households with composting bins and training in backyard composting and provide area offices, schools, and businesses with recycling bins and service for office paper.

The Scrap Exchange - \$8,500

Expand its collection of clean industrial discards for its innovative reuse program.

Town of Windsor - \$2,500

Purchase a recycling trailer to encourage greater participation and collection efficiencies.

Triangle J Council of Governments - \$49,520

Design, construct, and equip four permanent household hazardous waste collection facilities in Chatham, Durham, Orange, and Wake counties

Tri-County Solid Waste Management Authority - \$25,900

Buy two Bobcat loaders to increase efficiency of processing of recyclables in Cherokee and Clay counties and buy two drop-off recycling trailer sfor Graham County.

City of Wilmington - \$3500

Establish a pilot drop-off program in one of its eight federally supported housing projects

Rowan County - \$15,000

Purchase a used/refurbished horizontal baler to increase efficiency.

New Hanover County - \$4,667

Expand and integrate its existing backyard composting programs, including the development of comprehensive curriculum for schools and assistance for school composting.

Coastal Regional Solid Waste Management Authority - \$50,000

Construct a co-composting facility for a leaf and yardwaste composting project and begin a pilot leaf and yardwaste/sludge composting project.

City of Rocky Mount - \$14,500

Install a mobile plastics compactor on each of its four curbside recycling vehicles.

DIVISION OF AIR QUALITY

R-82

- Attached is a table summarizing new positions added to DAQ since 1993. Also attached is a listing of the fund shifts from appropriations to receipts that occurred in July 1, 1995 in response to the fifteen position cutback imposed by the General Assembly (fourteen positions were fund shifted and one position was permanently abolished).
- The FY 1995-96 year end cash balances and projected FY 1996-97 year end cash balances are summarized below:

	<u>2331</u>	<u>2333</u>	<u>2334</u>	<u>2338</u>
FY 96	\$681,819.01	\$4,542,079.94	\$5,626,529.90	\$527,888.18
FY 97 (projected)	\$351,572.00	\$3,271,754.00	\$2,167,228.00	\$293,288.00

The receipts are utilized as follows:

- 2331 (non Title V permit fees) - to implement a portion of the permitting and compliance activities for non-Title V permits (not to exceed 30% of total program costs)
- 2333 (Title V)- to implement 100% of the permitting and compliance activities for Title V permits
- 2334 (fuel tax) - to supplement the non-Title V permit activities and to perform mobile source pollution reduction activities
- 2338 (inspection/maintenance) - for implementing mobile source activities including oversight of the I/M program, conformity determinations (ensuring new highway construction does not adversely impact air quality) and vapor recovery programs at gasoline stations.

- A state match is required for federal receipts. The federal Clean Air Act (excerpt attached) requires that the EPA Air Grant cannot exceed three-fifths of the cost of implementing programs for the prevention and control of air pollution or implementation of national primary and secondary ambient air quality standards, i.e., the state match must be at least 40% of the program cost.

Of even more importance for the Air Quality Program is another requirement in the federal Clean Air Act - the Maintenance of Effort (MOE) Requirement. The MOE requirement is that the state's non-federal funds for recurrent expenditures for air pollution control programs in a federal fiscal year will be equal to or exceed these expenditures for the preceding federal fiscal year. This Air Grant MOE ratchet mechanism is distinct from some other federal grant programs where an MOE requirement simply refers to a fixed base year.

DAQ Position History

Numbers from BRS

Initials	Date
Prepared By <i>CLC</i>	3-20-77
Approved By	

D WILSON JONES COMPANY

G7505 ColumnWrite ®

MADE IN U.S.A.

R-83

		1	2	3	4	5
		Current				
		3-97	6-30-96	1-30-95	6-30-94	6-30-93
1	STATE - 1770	23	23	39	41 ✓	41 ✓
2						
3						
4	F/P - 1770	33	33	34	37 ✓	37 ✓
5	1775	160	144	202	139 ✓	89 ✓
6	1780	11	7	9	9 ✓	9 ✓
7	1785	49.75	23.75	-	-	- ✓
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10	TOTAL	276.75	278.75	284	226	176
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DEHNR-GENERAL

EFFECTIVE DATE 10/31/95

BD 606 NO. 11 0191

R-84

SUBJECT FUND 1645, 1700 - FUND SHIFTS

CODE 14300

SUBMITTED 12/29/95

APPROVED 02/19/96

FISCAL YEAR 1995-97

STATUS FILED

ATTACHMENT YES

CODES B

ACCOUNT CENTER

REQUIREMENTS

**** 1995-96 ****

**** 1996-97 ****

INCREASE DECREASE

INCREASE DECREASE

AIR QUALITY-PERMIT FEES

1212	16456451	SPA-REG SALARIES		18,236		24,314
1212	16456455	SPA-REG SALARIES		903,223		1,204,298
1212	16456458	SPA-REG SALARIES		26,884		35,845
1512	16456451	SOCIAL SEC CONTR		1,395		1,860
1512	16456455	SOCIAL SEC CONTR		69,097		92,129
1512	16456458	SOCIAL SEC CONTR		2,057		2,742
1522	16456451	REG RET CONTRIB-		1,975		2,633
1522	16456455	REG RET CONTRIB-		97,819		130,425
1522	16456458	REG RET CONTRIB-		2,912		3,882
1562	16456455	MED INS CONTRIB-		49,476		65,968
1562	16456458	MED INS CONTRIB-		1,302		1,736

AQ FUEL TAX

1212	1700	SPA-REG SALARIES	948,343		1,264,457	
1512	1700	SOCIAL SEC CONTR	72,549		96,731	
1522	1700	REG RET CONTRIB-	102,706		136,940	
1562	1700	MED INS CONTRIB-	50,778		67,704	
*** TOTAL REQUIREMENTS			0	0	0	0

RECEIPTS

AIR QUALITY-PERMIT FEES

8176	16456455	TFR FRM FUND 243		1,119,615		1,492,820
8176	16456458	TFR FRM FUND 243		33,155		44,205
8193	16456451	TFR FRM CODE 243		21,606		28,807

AQ FUEL TAX

8134	1700	TRANS FROM 24301	1,174,376		1,565,832	
*** TOTAL RECEIPTS			0	0	0	0

REMARKS (JUSTIFICATION) :

ATTACHED IS A LIST OF POSITIONS WHICH WE REQUEST TO FUND SHIFT EFFECTIVE 10-1-95. THESE FUNDS SHIFTS ARE REQUESTED IN ORDER TO SHIFT PEOPLE INTO THE FUND FOR WHICH THEY ARE DOING WORK. THE INITIAL FUNDS FOR THE EXPANSION OF THE AIR QUALITY SECTION WERE GENERATED FROM THE CLEAN AIR ASSESSMENT FEES (OR RAMP UP FEES) CHARGED TO APPROXIMATELY 300 MAJOR INDUSTRIES IN THE STATE. WE RECEIVED APPROXIMATELY \$1 MILLION, \$4 MILLION AND \$4 MILLION IN FISCAL YEARS 1992, 1993 AND 1994 RESPECTIVELY. ALL OF THE POSITIONS THAT WERE ADDED DURING THIS PERIOD WERE FUNDED BY THESE FEES WHICH EVENTUALLY BECAME THE TITLE V FUND. IT WAS KNOWN AT THAT TIME THAT

DEHNR-GENERAL

EFFECTIVE DATE 10/31/95

R-85

BD 606 NO. 11 0191

SUBJECT FUND 1645, 1700 - FUND SHIFTS

CODE 14300

SUBMITTED 12/29/95

APPROVED 02/19/96

FISCAL YEAR 1995-97

STATUS FILED

ATTACHMENT YES

CODES B

SOME OF THE NEW POSITIONS WOULD NOT END UP DOING TITLE V WORK AND THAT SOME EXISTING POSITIONS THAT WERE NOT CURRENTLY FUNDED BY TITLE V FEES WERE ACTUALLY DOING TITLE V WORK. THE INTENT WAS TO REQUEST A MAJOR FUND SHIFT ONCE THE SECTION WAS CLOSE TO THE END OF THEIR EXPANSION, AND AFTER THERE WAS A BETTER UNDERSTANDING OF ACTUAL TITLE V NEEDS, INSTEAD OF REQUESTING NUMEROUS SMALLER FUND SHIFTS AS CONDITIONS KEPT CHANGING. IT IS IMPERATIVE THAT ALL TITLE V WORK BE PAID FOR WITH TITLE V FEES. THE FUEL TAX FUNDS HAVE ONLY BECOME AVAILABLE AS OF 1-1-95, AND OUR MOST RECENT EXPANSION HAS UTILIZED THESE FUNDS. YOUR APPROVAL IS REQUESTED.

PREPARED BY CATHEY S COTTLE	ON 10 31 95
PASSED BY CATHEY S COTTLE	ON 10 31 95
TO SHERRILL L. HARRIS	
PASSED BY SHERRILL L. HARRIS	ON 11 2 95
TO JANE Q SMITH	
AGENCY APPROVAL ENTERED BY TERAH M COUNCILMAN	ON 11 28 95
AS AUTHORIZED BY JANE Q SMITH	
SUBMITTED BY TERAH M COUNCILMAN	ON 11 28 95
AS AUTHORIZED BY JANE Q SMITH	
RETURNED WITHOUT ACTION BY CECILIA EDGAR	ON 12 8 95
AS AUTHORIZED BY J.W. REEL	
REVISED BY CATHEY S COTTLE	ON 12 14 95
REVISED BY CATHEY S COTTLE	ON 12 14 95
PASSED BY CATHEY S COTTLE	ON 12 14 95
TO SHERRILL L. HARRIS	
AGENCY APPROVAL ENTERED BY SHERRILL L. HARRIS	ON 12 29 95
AS AUTHORIZED BY JANE Q SMITH	
SUBMITTED BY SHERRILL L. HARRIS	ON 12 29 95
AS AUTHORIZED BY JANE Q SMITH	
APPROVAL ENTERED BY CECILIA EDGAR	ON 2 19 96
AS AUTHORIZED BY J.W. REEL	
FORMATTED FOR NCAS BY TERAH M COUNCILMAN	ON 3 14 96

DEHNR-GENERAL

EFFECTIVE DATE 07/01/95

R-86

BD 606 NO. 11 0087

SUBJECT FUND 1645, 1700 - ESTABLISH POSITIONS

CODE 14300

SUBMITTED 07/24/95

APPROVED 08/25/95

FISCAL YEAR 1995-97

STATUS FILED

ATTACHMENT NO

CODES B

ACCOUNT CENTER

REQUIREMENTS

**** 1995-96 ****

**** 1996-97 ****

INCREASE DECREASE

INCREASE DECREASE

AIR QUALITY-PERMIT FEES

1212	16456455	SPA-REG SALARIES	79,408		79,408
1512	16456455	SOCIAL SEC CONTR	6,075		6,075
1522	16456455	REG RET CONTRIB-	8,704		8,704
1562	16456455	MED INS CONTRIB-	3,472		3,472

AQ FUEL TAX

1212	1700	SPA-REG SALARIES	336,245		336,245
1512	1700	SOCIAL SEC CONTR	25,723		25,723
1522	1700	REG RET CONTRIB-	36,853		36,853
1562	1700	MED INS CONTRIB-	20,832		20,832

*** TOTAL REQUIREMENTS			517,312		517,312

RECEIPTS

AIR QUALITY-PERMIT FEES

8176	16456455	TFR FRM FUND 243	97,659		97,659

AQ FUEL TAX

8134	1700	TRANS FROM 24301	419,653		419,653

*** TOTAL RECEIPTS			517,312		517,312

POSITIONS	CLASSIFICATION	POSITION NUMBER	SALARY	GRD	SCHEM	FTE
1700 1212	OFFICE ASST. III	4330 0000 0030 512	18,487	57	00403	1.00
1700 1212	ENVIR. SUPERVISOR II	4330 0000 0030 519	36,098	75	08674	1.00
1645 1212	ENVIR. ENGINEER II	4330 0000 0030 545	43,388	75	08612	1.00
1645 1212	ENVIR. ENGINEER II	4330 0000 0030 546	36,020	75	08612	1.00
1700 1212	ENVIR. ENGINEER I	4330 0000 0030 560	32,896	73	08611	1.00
1700 1212	ENVIR. ENGINEER I	4330 0000 0030 598	41,164	73	08611	1.00
1700 1212	ENVIR. TECHNICIAN V	4330 0000 0030 655	37,584	69	08652	1.00
1700 1212	ENVIR. TECHNICIAN II	4330 0000 0030 656	21,683	63	08658	1.00
1700 1212	ENVIR. TECHNICIAN II	4330 0000 0030 673	21,683	63	08658	1.00
1700 1212	ENVIR. TECHNICIAN II	4330 0000 0030 720	22,320	63	08658	1.00
1700 1212	ENVIR. TECHNICIAN V	4330 0000 0030 733	37,849	69	08652	1.00
1700 1212	ENVIR. TECHNICIAN II	4330 0000 0030 736	22,688	63	08658	1.00
1700 1212	ENVIR. TECHNICIAN II	4330 0000 0030 737	21,683	63	08658	1.00
1700 1212	ENVIR. TECHNICIAN II	4330 0000 0030 774	22,110	63	08658	1.00

REMARKS (JUSTIFICATION):

THE 1995 GENERAL ASSEMBLY MANDATED CUTS WHICH REQUIRED THAT POSITION NUMBERS

DEHNR-GENERAL

EFFECTIVE DATE 07/01/95

R-87

BD 606 NO. 11 0087

SUBJECT FUND 1645, 1700 - ESTABLISH POSITIONS

CODE 14300

SUBMITTED 07/24/95

APPROVED 08/25/95

FISCAL YEAR 1995-97

STATUS FILED

ATTACHMENT NO

CODES B

5245, 5216, 5037, 5241, 5233, 5227, 5228, 5232, 5276, 5231, 5207, 5220, 5238, AND 5246 BE FUND SHIFTED TO RECEIPTED FUNDS AND THE APPROPRIATED POSITIONS ABOLISHED. THIS REVISION WILL ESTABLISH NEW POSITIONS TO BE EFFECTIVE 7-1-95. POSITION NUMBERS 30545 AND 30546 AND BEING FUNDED FROM TITLE V MONEY WHICH IS COLLECTED IN FUND 2333 AND THE OTHER POSITIONS ARE BEING FUNDED FROM AIR QUALITY FUEL TAXES WHICH ARE COLLECTED IN FUND 2334 (CODE 24301). THESE FUNDS ARE TRANSFERRED TO THE GENERAL OPERATING FUND ON A MONTHLY BASIS TO COVER ACTUAL EXPENDITURES. YOUR APPROVAL IS REQUESTED.

PREPARED BY CATHEY S COTTLE

ON 7 17 95

PASSED BY CATHEY S COTTLE

ON 7 17 95

TO SHERRILL L. HARRIS

PASSED BY SHERRILL L. HARRIS

ON 7 18 95

TO CATHEY S COTTLE

PASSED BY CATHEY S COTTLE

ON 7 20 95

TO JANE Q SMITH

AGENCY APPROVAL ENTERED BY TERAH M COUNCILMAN

ON 7 24 95

AS AUTHORIZED BY JANE Q SMITH

SUBMITTED BY TERAH M COUNCILMAN

ON 7 24 95

AS AUTHORIZED BY JANE Q SMITH

APPROVAL ENTERED BY CECILIA EDGAR

ON 8 25 95

AS AUTHORIZED BY J.W. REEL

FORMATTED FOR NCAS BY TERAH M COUNCILMAN

ON 10 19 95

FORMATTED FOR NCAS BY TERAH M COUNCILMAN

ON 10 24 95

DEHNR-GENERAL

EFFECTIVE DATE 08/19/94

12-88

BD 606 NO. 11 0622

SUBJECT FUND 1645 - ESTABLISH POSITIONS

CODE 14300

SUBMITTED 08/23/94

APPROVED 09/08/94

FISCAL YEAR 1994-95

STATUS FILED

ATTACHMENT NO

CODES R O

ACCOUNT CENTER

REQUIREMENTS

**** 1993-94 ****

**** 1994-95 ****

INCREASE DECREASE

INCREASE DECREASE

AIR QUALITY-PERMIT FEES

1645	1212	6452	SALARIES-STAFF-RECEI	48,114
1645	1212	6455	SALARIES-STAFF-RECEI	747,681
1645	1812	6452	SOC SEC CONT-RECEIPT	3,681
1645	1812	6455	SOC SEC CONT-RECEIPT	57,198
1645	1822	6452	RETIREMENT CONTR-REC	5,274
1645	1822	6455	RETIREMENT CONTR-REC	81,946
1645	1832	6452	HOSPITAL INS CONT-RE	2,604
1645	1832	6455	HOSPITAL INS CONT-RE	44,268
***	TOTAL REQUIREMENTS			990,766

RECEIPTS

AIR QUALITY-PERMIT FEES

1645	0752	6452	TITLE V FEES	59,673
1645	0752	6455	TITLE V FEES	931,093
***	TOTAL RECEIPTS			990,766

POSITIONS	CLASSIFICATION	POSITION NUMBER	SALARY	GRD	SCHEM	FTE
1645	1212	OFF. ASST. III	4305 0000 0005 050	16,622	57 00403	1.00
1645	1212	ENV. ENGINEER II	4305 0000 0005 051	34,981	75 08612	1.00
1645	1212	ENV. ENGINEER I	4305 0000 0005 064	31,947	73 08611	1.00
1645	1212	ENV. ENGINEER I	4305 0000 0005 065	31,947	73 08611	1.00
1645	1212	ENV. ENGINEER I	4305 0000 0005 066	31,947	73 08611	1.00
1645	1212	ENV. TECH. V	4305 0000 0005 067	26,946	69 08652	1.00
1645	1212	ENV. TECH. V	4305 0000 0005 068	26,946	69 08652	1.00
1645	1212	ENV. TECH. V	4305 0000 0005 069	26,946	69 08652	1.00
1645	1212	ENV. ENGINEER II	4305 0000 0005 070	34,981	75 08612	1.00
1645	1212	ENV. ENGINEER II	4305 0000 0005 071	34,981	75 08612	1.00
1645	1212	ENV. ENGINEER I	4305 0000 0005 072	31,947	73 08611	1.00
1645	1212	ENV. TECH. III	4305 0000 0005 073	22,794	65 08651	1.00
1645	1212	ENV. TECH. III	4305 0000 0005 084	22,794	65 08651	1.00
1645	1212	ENV. SPEC. II	4305 0000 0005 119	28,168	70 08839	1.00
1645	1212	ENV. ENGINEER I	4305 0000 0005 148	31,947	73 08611	1.00
1645	1212	ENV. ENGINEER II	4305 0000 0005 153	34,981	75 08612	1.00
1645	1212	ENV. ENGINEER I	4305 0000 0005 155	31,947	73 08611	1.00
1645	1212	ENV. TECH. II	4305 0000 0005 161	21,057	63 08658	1.00
1645	1212	ENV. ENGINEER II	4305 0000 0005 164	34,981	75 08612	1.00
1645	1212	ENV. ENGINEER I	4305 0000 0005 167	31,947	73 08611	1.00

FEDERAL CLEAN AIR ACT

[¶ 2105]

Sec. 105. GRANTS FOR SUPPORT OF AIR POLLUTION PLANNING AND CONTROL PROGRAMS

(a)(1)(A) The Administrator may make grants to air pollution control agencies, within the meaning of paragraph (1), (2), (3), (4), or (5) of section 302, in an amount up to three-fifths of the cost of implementing programs for the prevention and control of air pollution or implementation of national primary and secondary ambient air quality standards. For the purpose of this

¶ 2105 Sec. 105

section, "implementing" means any activity related to the planning, developing, establishing, carrying-out, improving, or maintaining of such programs.

(B) Subject to subsections (b) and (c) of this section, an air pollution control agency which receives a grant under subparagraph (A) and which contributes less than the required two-fifths minimum shall have 3 years following the date of the enactment of the Clean Air Act Amendments of 1990 in which to contribute such amount. If such an agency fails to meet and maintain this required level, the Administrator shall reduce the amount of the Federal contribution accordingly.

(C) With respect to any air quality control region or portion thereof for which there is an applicable implementation plan under section 110, grants under subparagraph (A) may be made only to air pollution control agencies which have substantial responsibilities for carrying out such applicable implementation plan.

(2) Before approving any grant under this subsection to any air pollution control agency within the meaning of sections 302(b)(2) and 302(b)(4), the Administrator shall receive assurances that such agency provides for adequate representation of appropriate State, interstate, local, and (when appropriate) international, interests in the air quality control region.

(3) Before approving any planning grant under this subsection to any air pollution control agency within the meaning of sections 302(b)(2) and 302(b)(4), the Administrator shall receive assurances that such agency has the capability of developing a comprehensive air quality plan for the air quality control region, which plan shall include (when appropriate) a recommended system of alerts to avert and reduce the risk of situations in which there may be imminent and serious danger to the public health or welfare from air pollutants and the various aspects relevant to the establishment of air quality standards for such air quality control region, including the concentration of industries, other commercial establishments, population and naturally occurring factors which shall affect such standards.

(b)(1) From the sums available for the purposes of subsection (a) of this section for any fiscal year, the Administrator shall from time to time make grants to air pollution control agencies upon such terms and conditions as the Administrator may find necessary to carry out the purpose of this section. In establishing regulations for the granting of such funds the Administrator shall, so far as practicable, give due consideration to (A) the population, (B) the extent of the actual or potential air pollution problem, and (C) the financial need of the respective agencies.

(2) Not more than 10 per centum of the total of funds appropriated or allocated for the purposes of subsection (a) of this section shall be granted for air pollution control programs in any one State. In the case of a grant for a program in an area crossing State boundaries, the Administrator shall determine the portion of such grant that is chargeable to the percentage limitation under this subsection for each State into which such

Sec. 105 ¶ 2105

P.S.

no State shall have made available to it for application less than one-half of 1 per centum of the annual appropriation for grants under this section for grants to agencies within such State.

(c) MAINTENANCE OF EFFORT.—(1) No agency shall receive any grant under this section during any fiscal year when its expenditures of non-Federal funds for recurrent expenditures for air pollution control programs will be less than its expenditures were for such programs during the preceding fiscal year. In order for the Administrator to award grants under this section in a timely manner each fiscal year, the Administrator shall compare an agency's prospective expenditure level to that of its second preceding fiscal year. The Administrator shall revise the current regulations which define applicable nonrecurrent and recurrent expenditures, and in so doing, give due consideration to exempting an agency from the limitations of this paragraph and subsection (a) due to periodic increases experienced by that agency from time to time in its annual expenditures for purposes acceptable to the Administrator for that fiscal year.

(2) The Administrator may still award a grant to an agency not meeting the requirements of paragraph (1) of this subsection if the Administrator, after notice and opportunity for public hearing, determines that a reduction in expenditures is attributable to a non-selective reduction in the expenditures in the programs of all Executive branch agencies of the applicable unit of Government. No agency shall receive any grant under this section with respect to the maintenance of a program for the prevention and control of air pollution unless the Administrator is satisfied that such a grant will be so used to supplement and, to the extent practicable, increase the level of State, local, or other non-Federal funds. No grants shall be made under this section until the Administrator has consulted with the appropriate official as designated by the Governor or Governors of the State or States affected.

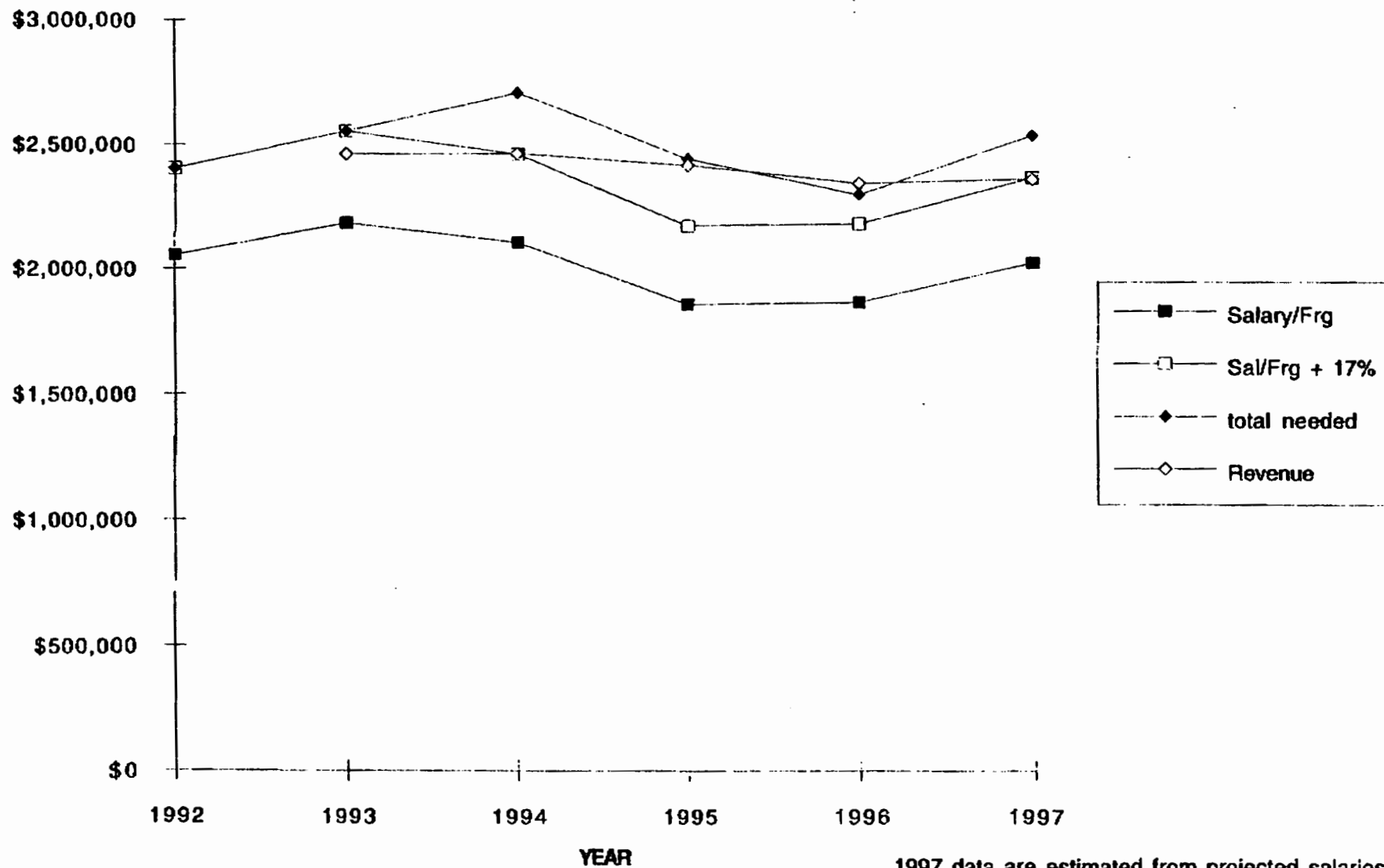
(d) The Administrator, with the concurrence of any recipient of a grant under this section, may reduce the payments to such recipient by the amount of the pay, allowances, traveling expenses, and any other costs in connection with the detail of any officer or employee to the recipient under section 301 of this Act, when such detail is for the convenience of, and at the request of, such recipient and for the purpose of carrying out the provisions of this Act. The amount by which such payments have been reduced shall be available for payment of such costs by the Administrator, but shall, for the purpose of determining the amount of any grant to a recipient under subsection (a) of this section, be deemed to have been paid to such agency.

(e) No application by a State for a grant under this section may be disapproved by the Administrator without prior notice and opportunity for a public hearing in the affected State, and no commitment or obligation of any funds under any such grant may be revoked or reduced without prior notice and opportunity for a public hearing in the affected State (or in one of the affected States if more than one State is affected).

Summary Program Needs

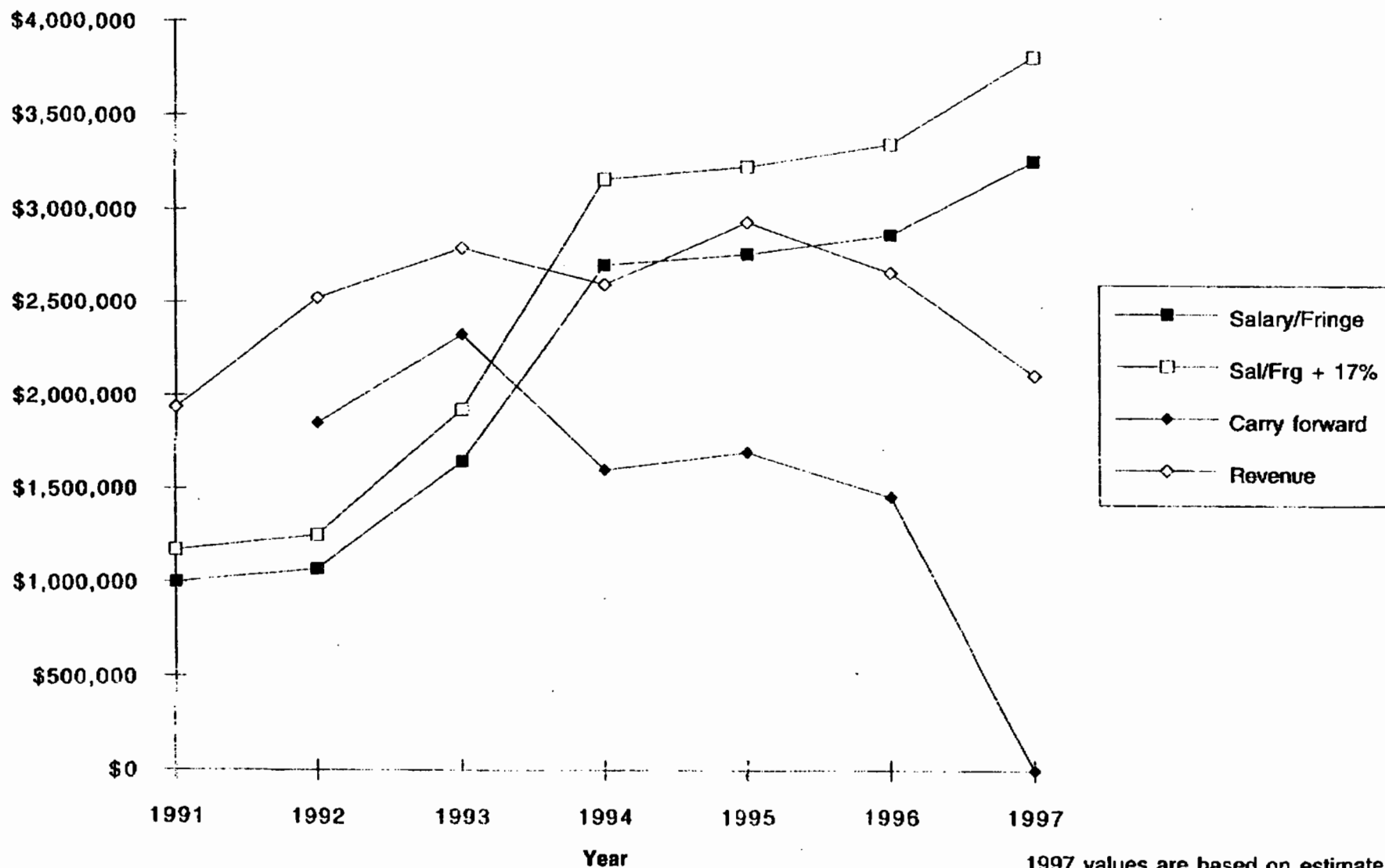
EPA 106 Grant						
Year	Salary/Frg	Sal/Frg + 17%	indirect	total needed	Revenue	Over/under
1997	\$2,015,693	\$2,358,361	\$169,594	\$2,527,955	\$2,352,252	(\$175,703)
1996	\$1,857,937	\$2,173,786	\$118,267	\$2,292,053	\$2,337,768	\$45,715
1995	\$1,851,465	\$2,166,214	\$269,452	\$2,435,666	\$2,410,794	(\$24,872)
1994	\$2,098,797	\$2,455,592	\$246,699	\$2,702,291	\$2,458,489	(\$243,802)
1993	\$2,178,762	\$2,549,152		\$2,549,152	\$2,458,489	(\$90,663)
1992	\$2,055,662	\$2,405,125		\$2,405,125		
1991						
Const. Grants Positions						
Year	Salary Fringe	Sal/Frg+ operating		Total needed	Revenue	over/under
	\$131,453	\$150,000		\$150,000	\$0*	(\$150,000)
			*Funding for three positions was from expired Construction Grants grant.			
			No funds available after this year.			
Permit Fees						
Year	Salary/Fringe	Sal/Frg + 17%		Carry forward	Revenue	over/under
1997	\$3,245,456	\$3,797,184		0	\$2,100,000	(\$1,697,184)
1996	\$2,852,822	\$3,337,802		\$1,451,570	\$2,649,751	(\$688,051)
1995	\$2,749,492	\$3,216,906		\$1,688,377	\$2,921,365	(\$295,541)
1994	\$2,894,574	\$3,152,652		\$1,598,177	\$2,586,514	(\$566,138)
1993	\$1,640,974	\$1,919,940		\$2,320,559	\$2,786,205	\$866,265
1992	\$1,067,384	\$1,248,839		\$1,848,102	\$2,517,182	\$1,268,343
1991	\$1,001,340	\$1,171,568			\$1,936,782	\$765,214
					Total needed	\$2,022,887
Funding Shortfalls are based on projected operating cost of 17% of salary and fringe.						

EPA 106 Grant compared to Salary/Fringe and Need



12-92

Permit Fee Revenue compared to Program Need



1997 values are based on estimates of projected salaries and fees

12.4.4
R-93

State of North Carolina
Department of Environment,
Health and Natural Resources
State Center for Health Statistics

James B. Hunt, Jr., Governor
Jonathan B. Howes, Secretary
Delton Atkinson, Director



MEMORANDUM

DATE: March 19, 1997

TO: Jane Q. Smith
Director, BP&A

FROM: Delton Atkinson *DA*
Director, SCHS

RE: Health Flags and
Questions

CC: Dr. Ron Levine, State Health Director

In accordance with the directions contained in Shirley Bullard's e-mail of 19 March 1997, same subject, the following information is provided:

Breakdown of SCHS positions by program with the number of temporary/part-time limited positions vs. full-time permanent positions. (Enclosure 1)

Description of activities by program. (Enclosure 2)

Workload Statistics to better illustrate activities rather than the number of requests for information. (Enclosure 3)

**STATE CENTER FOR HEALTH STATISTICS
PERSONNEL BY MAJOR FUNCTIONS
AND FUNDING SOURCE
AS OF APRIL 1, 1997**

STATISTICAL SERVICES AND ANALYSES

Number of Positions	Funding Source
12 (Full-time)	State Appropriation
10 (Time-limited)	Receipts/Grants/Contracts

CENTRAL CANCER REGISTRY

Number of Positions	Funding Source
14 (Full-time)	State Appropriation
5 (Time-limited)	Receipts/Grants/Contracts

GEOGRAPHIC ANALYSIS

Number of Positions	Funding Source
3 (Full-time)	State Appropriation
0 (Time-limited)	Receipts/Grant/Contracts

LOCAL HEALTH DEPT. MGMT. INFORMATION SECTION & STATISTICAL PROCESSING

Number of Positions	Funding Source
23 (Full-time)	State Appropriation/Contracts
7 (Time-limited)	Receipts/Grants/Contracts

VITAL RECORDS REGISTRATION AND ISSUANCE

Number of Positions	Funding Source
52 (Full time)	State Appropriation
8 (Full time)	Automation (Receipts)

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DIRECTOR'S OFFICE

Number of Positions	Funding Source
4 (Full-time)	State Appropriation
1 (Full-time)	(Receipts)

PROGRAM DESCRIPTION

1. Local Health Department Management Information & Statistical Processing

The primary purposes of this section are to provide the overall administrative and technical leadership in the design, development and management of key public health information systems; to provide data processing and statistical computing support to the statistical staff and to the public health divisions of DEHNR; and to design and maintain key hardware and software infrastructure and networks with the SCHS. Among the key information systems maintained by the section are the Health Services Information System, the WIC Certification System, Restaurant Management, and the Immunization Registry. The section is divided into four branches: the Applications Development Branch, the Applications Support Branch, the Information Resources Branch and the Infrastructure Support Branch.

The section:

- a. Provides project management services, including system analyses of user requirements and the assessment of these requirements against the functional capabilities of existing systems.
- b. Develops the logical data models and the data flow diagrams to prototype new systems or requested modifications.
- c. Designs, develops, enhances, and maintains the specialized and highly complex immunization registry system across multiple platforms.
- d. Manages the inter-related networks, both the centralized IBM mainframe-based system/network for local health departments, and the client/server network for private physicians and other health providers.
- e. Educates the multitude of users (both state and local) about all system changes and how best to use the enhanced system.
- f. Analyzes, codes, and debugs key public health information systems, including the integration of those systems with others within and outside of public health.

2. Geographic Analysis Section

The Geographical Analysis Section uses Geographical Information Systems (GIS) computer technology to put health and environmental events in a geographic context in order to better analyze multiple variables and understand the interaction of different

factors, such as disease, population density, economic conditions, and environmental conditions. This section also is developing Desktop GIS applications to help other DEHNR divisions, local health departments and policy makers to use this powerful technology in their own planning.

3. Vital Records Section

The Vital Records Section is responsible for registering and maintaining official records of all births, deaths, fetal deaths, marriages and divorces in the state and for providing certified and uncertified copies of vital records and vital records information to individuals and organizations as appropriate. Organized into four major program areas, the Vital Records Section is working to achieve prompt and accurate registration of vital events (births, deaths, marriages, divorces, etc.), effective maintenance of original vital records, effective customer service, and reduced fraudulent use of vital records. Additionally, the section is attempting to implement statewide automation of vital records registration, issuance, preservation and retrieval processes. The section's major program areas are:

Administration and Accounting Program: This program processes all receipts and provides administrative support for all section operations and activities.

Fraud Detection Program: This program cooperates with local, state and federal officials to reduce the fraudulent use of vital records and to identify criminal use of vital records.

Registration, Maintenance and Customer Service Program: This program registers vital records; corrects, amends or replaces certificates when appropriate; prepares copies of vital records for customers; and secures original vital records in proper storage locations.

Field Services Program: This program trains and assists local registration personnel and resolves registration problems throughout the state.

4. Statistical Services Section

This section is responsible for the production, analysis, and dissemination of information on the health status, needs and problems of North Carolinians and the impact of services and programs on them. Statistical Services responds to over 6000 requests per year from all segments of North Carolina's population, produces about 10 regular publications, publishes 10 to 12 special research and evaluation studies annually, presents educational and training sessions, provides extensive data analyses and reports for DEHNR divisions and local health departments. Within this section are four branches. They are:

Health Statistics Branch: This branch manages major statistical computer files, answers many data requests requiring special computer runs, links various data files to

produce new analyses, conducts special analyses of the utilization and impact of health services on health status, and provides technical support to both data providers and users. Staff in this branch do many special analyses of the Health Services Information System (HSIS) and Medicaid paid claims data files. The branch is organized into several work teams: vital statistics, maternal and child health surveillance, health policy statistics, and breast and cervical cancer screening data management and reporting.

Health Surveillance Branch: This branch provides training and consultations and helps local health departments carry out a comprehensive biennial Community Diagnosis, assessing each county's health problems and resources. Staff also manage the Healthy People 2000 grant activities, including tracking North Carolina's progress toward meeting the Year 2000 objectives.

Survey Coordination Branch: This branch provides consultation and technical assistance to state and local public health staff on issues related to designing, carrying out, and analyzing data from special sample surveys. Staff also manage survey efforts within the SCHS. A current project putting on a series of teleconferenced presentations about survey design and data analysis, oriented to state and local public health program staff.

Information Services Branch: This branch answers the majority of statistical requests to the SCHS that do not involve special computer runs and coordinates the dissemination of the SCHS's publications. Responsibility for typesetting all SCHS publications and for providing typesetting assistance to other public health divisions also resides within this branch.

5. Cancer Registry Section

This section is responsible for the collection, analysis and dissemination of information on cancer diagnoses North Carolina residents. The staff of the Cancer Registry Section works closely with staff members of hospitals and out-patient medical facilities to obtain reports of cancer incidence and treatment. Much of the activity in this section is influenced by the work of researchers from the universities and research institutes in the state, as well as cancer control program staff. The section enjoys a national reputation for its research activities, notably its work involving the evaluation of cancer cluster reports.

The section produces two statistical reports and three newsletters to disperse information to its principal clients. The section is organized in a regional staffing configuration to better meet the needs of private citizens, members of the General Assembly, health department staff, hospital staff, voluntary agencies, DEHNR cancer control program staff, and researchers. In this regard, the section responds to over 2,000 requests for cancer related information each year. The section also evaluates approximately 40 cancer clusters annually, and provides some 60 educational lectures and 15-20 training sessions. The section is organized into four branches. They are:

Field Staff: These staff hold the credential Certified Tumor Registrar (CTR). Their principal role is the training and support of medical staff to provide electronic reporting of cancer incidence and treatment data. These staff also perform extensive evaluation of the timeliness and completeness of cancer reporting as two of the critical characteristics of the National Program of Cancer Registries.

Quality Management: These staff hold the CTR credential. They are the principal trainers for cancer registry professionals in the 45 state hospitals that operate cancer programs following the American College of Surgeons guidelines. They conduct assessments of the quality of data submitted to the Cancer Registry Section, as well as studies of the cancer care within the state.

Data Management: As cancer incidence and treatment data is received, this group edits these data. This is necessary because some patients receive care at more than one facility and this results in duplicate reporting. They prepare the two principal statistical reports from the section, as well as provide statistical support to clients in reporting hospitals, to county health department staff, and to local staff of the American Cancer Society.

Data Analysis: This group serves as the lead section contact for cancer control programs and researchers. These staff perform studies in the cancer database, serve on committees, and give the majority of the educational presentations. Cancer cluster evaluations are also performed by these staff and they are the lead group for the section's linkage for Geographic Information System analyses and innovative statistical methods.

The Cancer Registry Section is also quite active with many programs within DEHNR. These cross-program ties include the Advisory Committee for Cancer Coordination and Control, the Comprehensive Breast and Cervical Cancer Control Program, the Office of Epidemiology, the Super Fund Branch of Solid and Hazardous Waste, and the Section of Occupational and Environmental Epidemiology.

7. Director's Office

This entity is responsible for the personnel, budget, travel, procurement, and secretarial functions in support of the SCHS. It provides day to day management and oversight of the SCHS. It is also responsible for the administration of the State's Health Policy Program under a grant from the Robert Wood Johnson Foundation.

Performance Statistics

Some performance measures for the State Center for Health Statistics follow. These measures cover major functions of each section of the State Center. Measures are for state fiscal year 1995-96, unless otherwise stated.

Statistical and other requests answered by the SCHS	6,169
Number of major publications produced	10
Number of special studies completed, FY 96-97	20
Number of geographic information system projects	94
Number of cancer records processed	43,100
Number of cancer-related educational presentations	80
Number of cancer cluster reports responded to	34
Number of HSIS visit records processed	1,774,206
Amount of Medicaid dollars paid through HSIS	\$ 63.5 million
Number of telephone consultations for technical assistance for users of the Health Services Information System of county health departments	3,467
Number of Health Services Information System workshops and training sessions	314
Number of copies of vital certificates provided to citizens	75,516
Number of vital certificates processed (births, deaths, marriages, divorces, and fetal deaths)	270,398
Number of data entry keystrokes	71,702,932
Total number of local health department services captured (one visit record contains 1 or more services)	4.0 million

State of North Carolina
Department of Environment,
Health and Natural Resources
Division of Maternal and Child Health

James B. Hunt, Jr., Governor
Jonathan B. Howes, Secretary
Ann F. Wolfe, M.D., M.P.H., Director



March 20, 1997

MEMORANDUM

TO: Mona Moon, Fiscal Agent
Division of Fiscal Research

THROUGH: Jane Smith, Director
Division of Budget Planning and Analysis

FROM: Kevin Ryan, MD, MPH *lc Ryan*
Chief, Women's Health Section

SUBJECT: **Information Request Concerning 1996 Reduction in Non-Medicaid
Maternity Care Coordination Grant Funding**

Description of Program: Maternity Care Coordination (MCC) is an "enhancement" of traditional prenatal care which aims to ensure that all needs that could affect a pregnant woman's health, whether medical, social, educational or family support, are met. The funding in this program supports the provision of MCC to pregnant and postpartum women ineligible for Medicaid (primarily persons whose family income is greater than 185% of poverty, incarcerated women and undocumented women). MCC remains available to all Medicaid-enrolled women.

Rationale for Reduction: Some agencies that received state funding for MCC were much more efficient providers of this service than others. Although the funding cut approved by the General Assembly reduced funding in the program by 68%, the three projects which retained funding (albeit reduced) served 72% of all the women who received services through this program.

In addition, this reduction in funding was proposed at the same time that the Division of Maternal and Child Health implemented a plan to give local health departments greater flexibility (through its block grant process) in utilizing Medicaid receipts and federal funds. It was felt that if local agencies determined that provision of MCC services to women ineligible for Medicaid was a high priority item, they would have the flexibility to budget funds to support this activity, and, in fact, in many instances this did occur. Preliminary data indicate that the agencies which received grant funding in FY 1995-96 provided MCC services to more women ineligible for Medicaid in 1996 than they did in 1995.

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Page Two
March 20, 1997

Agencies Receiving Funding Prior to Reduction, Funding Level, Numbers Served: see attached table.

Agencies Currently Receiving Funding Prior to Reduction, Funding Level, Numbers Served: see attached table.

Impact of the Reduction: To date there has been no reduction in service levels since local agencies have reallocated state or local funds from other program areas.

JS/KR:tlb

Attachment

NON-MEDICAID MATERNITY CARE COORDINATION

RECIPIENTS	FY 96 GRANT	Number Served CY 95 (initial)	FY 97 Grant	Number Served CY 96 (initial) *
Chatham County Health Department	\$7,500	43	0	62
Cleveland County Health Department	\$30,000	20	0	42
Forsyth County Health Department	\$24,000	76	0	309
Hertford-Gates District Health Department	\$ 4,000	9	0	8
Montgomery County Health Department	\$12,000	41	0	55
Orange-Chatham Comprehensive Health Services	\$15,000	83	0	N/A
Pitt County Health Department	\$30,000	285	\$22,600	135
Richmond County Health Department	\$30,000	49	0	54
Tri-County Community Health Center	\$30,000	245	\$22,600	N/A
Wake County Health Department	\$45,000	445	\$33,900	437
Wilkes County Health Department	\$15,000	38	0	37
Toe River District Health Department	\$ 7,500	12	0	25
TOTAL FUNDING	\$250,000	N/A	\$79,100	N/A

*: Grant funding reduced or eliminated for last six months of CY 1996.

March 20, 1997

To: Jane Smith, Director
DEHNR Budget, Planning and Analysis

THROUGH: Ronald H. Levine, MD, MPH
State Health Director

FROM: Lou F. Turner, DrPH, Director
State Laboratory of Public Health

SUBJECT: Response to NER flags on Health Divisions: STATE LABORATORY

Listed below are some of the reasons for justifying the increases in the supply budget for the State Laboratory. If you need more specific information, please contact me at (919) 733-7834.

INFLATION:

Inflation alone accounts for at least a ten percent increase each year based on historical data. The other indicators noted are in addition to general inflation costs.

GENERAL:

- Six percent tax added to all purchases
- Shipping costs from vendors
- Handling fees from some vendors
- Increased prices for: reagents, stains, chemicals, paper, mailing containers, general supplies - tubes, gloves, pipettes, pipette tips, etc. (this can be a very extensive list). We use over 400 different vendors.
- State Contracts - some vendors may be added or substituted on contract list. These vendors sometimes have higher prices than previously used vendors.

FEDERAL MANDATES:

Since the mid-1980's, a number of federal regulations have been implemented which have impacted the Laboratory's daily operation and added dramatically to the cost of performing tests. Listed are the major regulations and some of the resulting impacts.

- Clinical Laboratory Improvement Amendments of 1988 (CLIA): this regulation deals with the implementation of enhanced quality assurance activities within clinical laboratories. Increased costs can be attributed to running more quality control samples, enhanced record keeping, increased quality checks of equipment and instrumentation, costs for proficiency testing materials, and costs for competency training of our employees, etc. We also assist 48 Local Health Departments in meeting these requirements and incur those costs.
- Occupational Exposure to Bloodborne Pathogens/Universal Precautions: this regulation indicates that employers must reduce, by specified requirements, an employee's exposure to bloodborne pathogens from bodily fluids. Since the majority of our specimens fit this category, some of the items we must provide include: personal protective "equipment" such as masks, gloves, coats, gowns; Hepatitis B vaccine to employees at risk; expensive pipetting devices; proper level of biological safety cabinets; special containers for disposal of waste; special warning labels; and routine safety training. One hundred of the 183 employees are classified as "at risk" under this regulation..

Jane Smith - Memo

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March 20, 1997

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FEDERAL MANDATES (continued):

- Hazard Communication Standard/Chemical Hygiene Plan: this regulation specifies that employers must define a plan which minimizes personnel and environmental exposures to hazardous chemicals in the laboratory. This includes providing training, personal protective equipment, chemical spill kits, warning labels, hazardous waste disposal containers and removal, etc.

Recently the US Postal Service had regulations passed regarding the shipment of dried blood spots for Newborn Screening tests. The new law will require laboratories to provide an impervious, waterproof container for specimens being sent via US Postal service. The most reasonable solution proposed is for laboratories to provide Tyvek envelopes for their users (hospitals and physicians) to ensure uniform compliance. This regulation goes into effect this summer. This cost will be approximately \$10-12,000 per year for our current workload. These are considered specimen shipping containers (supplies).

WORKLOAD INCREASES:

- Continued growth in testing volumes (examples: rabies, syphilis, HIV, Pap smears, TB, environmental lead)
- Unpredictable increases due to outbreaks (examples: rabies, rubella, foodborne or daycare outbreaks of shigella or E. coli, pertussis)
- Additions of new tests (example: blood lead, expansion to universal sickle cell screening)
- Changes in the marketplace (examples: increased testing of wells near intensive livestock operations, early discharge of newborns resulting in repeat testing)

TECHNOLOGY CHANGES:

In order to provide the best services to our clients, it is imperative that we consider newer technologies. Using new technologies usually means we can automate some of our tests which improves our service by providing quicker turn-around time for results, better test results and the ability to process more specimens with current workforce. Automation often requires the use of proprietary equipment and reagents which may be more expensive to use. Examples include: new test for coliform detection in water samples, use of molecular biology technology for infectious disease detection, newer procedure for enhanced isolation of mycobacteria (TB), and newer technology to identify all mycobacteria (including TB).

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Natural and Economic Resources

3/26/97

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

<u>NAME</u>	<u>FIRM OR AGENCY AND ADDRESS</u>
PG	NC 712
PR	NC 101
Buck Lattimore	NC INDUSTRIAL Commission
Torrey McLean	DEHNR/SCHS
Roxie Scherter	DEHNR/CONSTAT
Edythe McKinney	DEHNR/Small Business Development
L. E. INMAN	DEHNR/Administration
Sharon Johnson	DEHNR/DPPEA
Ann Case	DEHNR
Jack Pope	Env. Educ
Lorne Taylor	CNU Col DEHNR
Lee Hewlin	DEHNR
Sheri Evans-Phute	DEHNR
LINDA Rima	DEHNR
David Williams	DEHNR
Dan Hunt	DEHNR
John W. Felt	DEHNR/WQ
Mike Kelly	Div Waste Management
Wanda Kelly	USDA - NRCS
Scott Moww	DEHNR
Bobbie Towsey	DEHNR
Tom Fransen	DEHNR/DWR
Kay S. Boylston	DEHNR/Museum
Betsy Bennett	DEHNR/Museum
Stan Adams	DEHNR - Forest Resource
David Herlong	State Planning
Delton Atkinson	DEHNR/State Center for Health ^{Stat.}
R. M. Fry	DEHNR/Radiation Protection
Alan Klimek	DEHNR/Div Air Quality

Russell Hageman
Bobbie Jo Moore
Debbie Mouberry
CHARLES GARDNER
Malcolm Blalock
Kent Kiggins

DEHNR / Div. of Air Quality
DEHNR / Div. of Land Resources
DEHNR / Soil and Water
DEHNR / LAND RESOURCES
DEHNR / DEH
DEHNR / DEH

**Senate Appropriations Subcommittee
On
Natural and Economic Resources**

Wednesday March 26, 1997 at 3:30 p.m.

Minutes

The Senate Appropriations Subcommittee on Natural and Economic Resources met on Wednesday, March 26, 1997 at 3:30 p.m. in Room 423 of the Legislative Office Building. Five Senate members attended the meeting, including Senator R.L. "Bob" Martin, who presided.

Senator Martin called on Ms. Mona Moon of the Fiscal Research Division to review and explain the Governor's recommended continuation budget reductions for the Department of Environment, Health and Natural Resources. This is Attachment A of these minutes..

Ms. Moon next referred the Committee to the handout titled Reconciliation of Position Count. This is Attachment B of these minutes. Attachment C of these minutes is a memo from Mr. Preston Howard of the Department of Environment, Health and Natural Resources, Division of Water Quality, entitled Explanation of the Scope of Duties for the Water Quality Section.

Ms. Jennifer Herrera of the Fiscal Research Division next reported that the operating support for the Wildlife Resources Commission comes principally from receipts generated by the sale of hunting and fishing licenses. Ms. Herrera then asked Mr. Richard Hamilton, Assistant Director of the Wildlife Commission to explain, with regards to legislative salary increases, how other state agencies are required to provide this salary increase for federal and receipt supported positions with receipts/other funds collected within the agency. The Wildlife Commission is an example of an exception where legislative salary increases for receipt supported positions have, in the past, been supported with general fund sales and use tax revenues. Mr. Hamilton explained how the transfer worked, and commented on the rationale behind continuing this practice.

At this time, Ms. Mona Moon of the Fiscal Research Division reviewed the Division of Marine Fisheries recommended continuation budget adjustments. (See Attachment A).

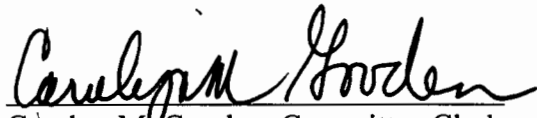
Ms. Moon next handed out a recap of the budget reductions for the Department of Environment, Health, and Natural Resources and the Department of Commerce. (See Attachment D).

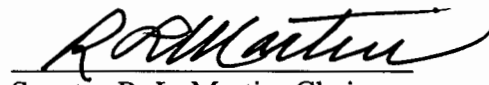
Ms. Herrera then distributed handouts for the Division of Forestry, Parks and Recreation. (See Attachments E, F, and G). A committee discussion followed.

Ms. Herrera handed out the continuation budget reductions for the Agricultural Finance Authority. (See Attachment H).

Mr. Mark Trogdon of the Fiscal Research Division reviewed the budget reductions for the Department of Labor, and Ms. Moon reviewed the reductions for the Division of Marine Fisheries, the Division of Maternal and Child Health Mr. Trogdon reviewed the Department of Commerce reductions. (See Attachment H).

The meeting adjourned at 5:33 p.m.


Carolyn M. Gooden, Committee Clerk


Senator R. L. Martin, Chairman

SENATE NER COMMITTEE REVIEW
ENVIRONMENT, HEALTH AND NATURAL RESOURCES

Administration, Reserves and Special Funds, Department-Wide Reductions

Governor's Recommended Continuation Budget Adjustments (Summary Volume)

	<u>FY 1997-98</u>	<u>FY 1998-99</u>
1) Multi-County Water Conservation and Infrastructure District – Nonrecurring funds appropriated for the district by the 1995 General Assembly were not eliminated from the 1997-99 continuation budget by error.	(500,000)	(500,000)
2) Salary Reductions/Span of Control – The Department's allocated share of this reduction.	(2,335,425)	(2,335,425)

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SENATE NER COMMITTEE REVIEW
ENVIRONMENT, HEALTH AND NATURAL RESOURCES

Committee Discussion Issues

- 1) The committee requested additional information on the following issue, including organizational charts for the administrative divisions, a reconciliation of the 281 positions in the Governor's recommended continuation budget vs. 330 administrative positions referenced by the department, list of current vacant positions, and a status report of program positions established and operating support appropriated by the General Assembly since the 1993-94 fiscal year

Departmental Administrative Staffing

Executive Office/Regional Offices/Administrative Services					
Summary of Position Changes	FY 93-94	FY 94-95	FY 95-96	FY 96-97	Total
New Positions	10	1	7	0	18
Abolished Positions	0	1	5	0	6
Positions Transfers					
To Administration From Programs	1	6	1	8	16
From Administration To Programs	7	1	3	0	11

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SENATE NER COMMITTEE REVIEW

ENVIRONMENT, HEALTH AND NATURAL RESOURCES

Positions Transferred to Administration		
Year	Position Title	Transferred From
FY 93-94	Applications Development Analyst	Epidemiology
FY 94-95	Community Development Specialist I	Forestry
FY 94-95	Office Assistant II	Environmental Health
FY 94-95	Public Health Program Manager	Maternal and Child Health
FY 94-95	Office Assistant IV	Health Promotion
FY 94-95	Office Assistant IV	Land Resources
FY 94-95	Radiation Emergency Coordinator	Radiation Protection
FY 95-96	Dentist I	Dental Health
FY 96-97	Zookeeper II	NC Zoo
FY 96-97	Marine Fisheries Technician II	Marine Fisheries
FY 96-97	Hydrogeological Technician II	Water Quality
FY 96-97	Public Health Regional Dentist Supervisor	Dental Health
FY 96-97	Speech and Language Pathologist I	Maternal and Child Health
FY 96-97	Processing Assistant	Water Quality
FY 96-97	Processing Assistant	Museum of Natural Sciences
FY 96-97	Forestry Technician IV	Forestry

SENATE NER COMMITTEE REVIEW
ENVIRONMENT, HEALTH AND NATURAL RESOURCES

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Positions Transferred from Administration		
Year	Position Title	Transferred To
FY 93-94	Accountant I	Epidemiology
FY 93-94	Consulting Engineer	Environmental Management
FY 93-94	Program Development Specialist	Environmental Management
FY 93-94	Administrative Assistant	Environmental Management
FY 93-94	Applications Developer	State Center for Health Statistics
FY 93-94	Public Health Program Consultant	State Center for Health Statistics
FY 93-94	Office Assistant II	State Center for Health Statistics
FY 94-95	Program Assistant I	Epidemiology
FY 95-96	Applications Developer	State Center for Health Statistics
FY 95-96	Applications Programmer	State Center for Health Statistics
FY 95-96	Applications Analyst	State Center for Health Statistics

The committee may wish to have the department:

1. comment on these changes
2. explain the rationale for transferring positions from programs responsible for service delivery to departmental administration
3. discuss the impact of such changes over time on program efforts and service delivery

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SENATE NER COMMITTEE REVIEW
ENVIRONMENT, HEALTH AND NATURAL RESOURCES

- 2) The committee requested additional information on the following issue, including the department's current salary reserve balance, the number of requests to waive management reserve set aside policy, the number of waivers granted and amounts.

Departmental Policy on Salary Reserve

State agencies generate salary reserve when a position is filled at a salary below the actual amount budgeted for the position. The department changed its policy governing the use of salary reserve funds effective October 1, 1996. The new policy requires 30% of all salary reserve generated within the department to be set aside in a management reserve account. The management reserve may be used to fill critical positions and to implement position reclassifications and in-range salary adjustments for divisions that do not typically generate salary reserve necessary to fund such personnel transactions.

The committee may wish to have the department:

1. comment on the need for this policy change
2. explain how the funds in the management reserve have been allocated
3. discuss the impact on divisions and programs that lose a portion of their salary reserve as a result of this new policy

SENATE NER COMMITTEE REVIEW
ENVIRONMENT, HEALTH AND NATURAL RESOURCES

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Natural Resources Divisions

Governor's Recommended Continuation Budget Adjustments (Summary Volume)

Division of Forest Resources

FY 1997-98 FY 1998-99

- 1) **Increase Forestry Receipts - Reduce Appropriations** - A reduction in appropriations is recommended by making an adjustment to receipts from counties. The counties share in the cost of the forestry operations with a match of 25% to 40% based on the tax base of the county.

Requirements	-----	-----
Receipts	<u>120,000</u>	<u>120,000</u>
Appropriation	(120,000)	(120,000)

- 2) **Reductions in Forestry Field Operations Equipment** – A reduction in appropriations is recommended due to an adjustment in the schedule for completion of the statewide radio system.

(200,000) (200,000)

SENATE NER COMMITTEE REVIEW
ENVIRONMENT, HEALTH AND NATURAL RESOURCES

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Major Continuation Budget Increases

FY 1997-98 **FY 1998-99**

Division of Forest Resources

- 1) Increase for equipment replacement

\$2,029,960 \$1,705,537

Division of Parks and Recreation

- 2) Reserve for Park Operations

\$3,566,231 \$2,595,989

Museum of Natural Sciences

- 3) Reserve for Operations of New Museum

\$926,431 \$1,943,480

Division of Marine Fisheries

- 4) Increase for 2 positions, operating and maintenance costs for patrol vessel capital improvement appropriation for the 1996-97 fiscal year. (In 1995 the General Assembly appropriated \$300,000 for the replacement of a vessel used for enforcement activities).

Come Back to this
\$97,436 - 97,436

- 5) Increase for equipment replacement

\$298,000 \$124,000

SENATE NER COMMITTEE REVIEW
ENVIRONMENT, HEALTH AND NATURAL RESOURCES

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Committee Discussion Issues

Division of Marine Fisheries

- 1) In 1995 the General Assembly appropriated \$25,000 for travel and related expenses of the Fisheries Moratorium Steering Committee. Given that the Steering Committee submitted its final report to the Joint Legislative Commission on Seafood and Aquaculture in October 1996, the committee may wish to consider eliminating this funding from the Division's continuation budget.

	<u>FY 1997-98</u>	<u>FY 1998-99</u>
Eliminate funding for Fisheries Moratorium Steering Committee	(\$25,000)	(\$25,000)

- 2) The committee requested additional information on the Marine Fisheries Law Enforcement Officer positions and operating support funded in the 1995 session.

	<u>FY 1995-96</u>	<u>FY 1996-97</u>
Additional Marine Fisheries Law Enforcement Positions	\$763,892	\$763,892
	\$500,000 NR	
	7.0	7.0

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SENATE NER COMMITTEE REVIEW
ENVIRONMENT, HEALTH AND NATURAL RESOURCES

A memo from the department to Fiscal Research dated May 22, 1995 indicates that a portion of the request was dedicated to existing staff, in addition to the salary and operating expenses associated with the new positions requested.

The Worksheet II Expansion Budget Request submitted by the department provides line-item detail for this request. The worksheet indicates a \$187,321 reduction in total requirements for this request beginning with the 1997-98 fiscal year, necessitating a general fund appropriation in the continuation budget of \$576,571 to maintain support of the additional enforcement officers.

The committee may wish to consider reducing the division's general fund appropriation to reflect reduced equipment needs associated with this request in accordance with the five year fiscal estimate submitted by the department.

	<u>FY 1997-98</u>	<u>FY 1998-99</u>
Reduce equipment budget	(\$187,321)	(\$187,321)

SENATE NER COMMITTEE REVIEW
ENVIRONMENT, HEALTH AND NATURAL RESOURCES

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Division of Soil and Water Conservation

3) Agriculture Cost Share Program

The Nonpoint Source Pollution Control Program (i.e. the Agriculture Cost Share Program) provides financial incentives and technical assistance to farmers to encourage the installation of best management practices (BMPs) to protect water quality by controlling agricultural nonpoint source pollution. Under the program, the state cost shares with landowners up to 75% of the installation costs for BMPs, up to a maximum of \$75,000 per year. The continuation budget includes a total of \$8.2 million for this program (\$6.9 million for BMPs and \$1.3 million for technical assistance).

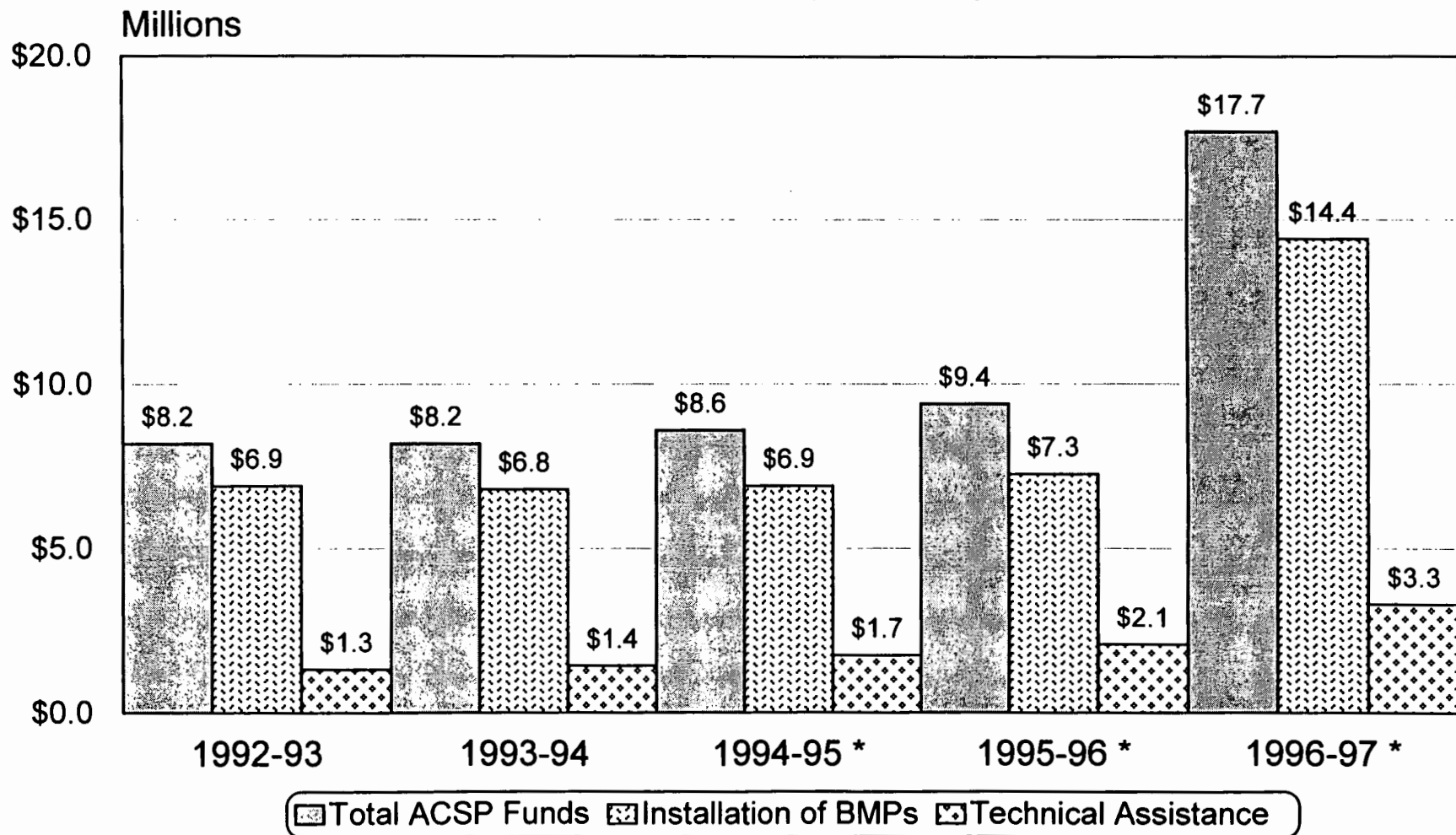
In accordance with G.S. 143-215.74(6)(d) funds appropriated for the Agriculture Cost Share Program do not revert, but remain available for the purposes of the program until expended. As a result of this requirement, the ending cash balances of the Agriculture Cost Share special funds are growing. The committee may wish to have the division explain the allocation of funds and timing of actual expenditures, as well as discuss how the level of continuing appropriations might be adjusted to more accurately reflect required annual expenditures.

Division of Soil and Water Conservation

Agriculture Cost Share Program

5-Year Funding History

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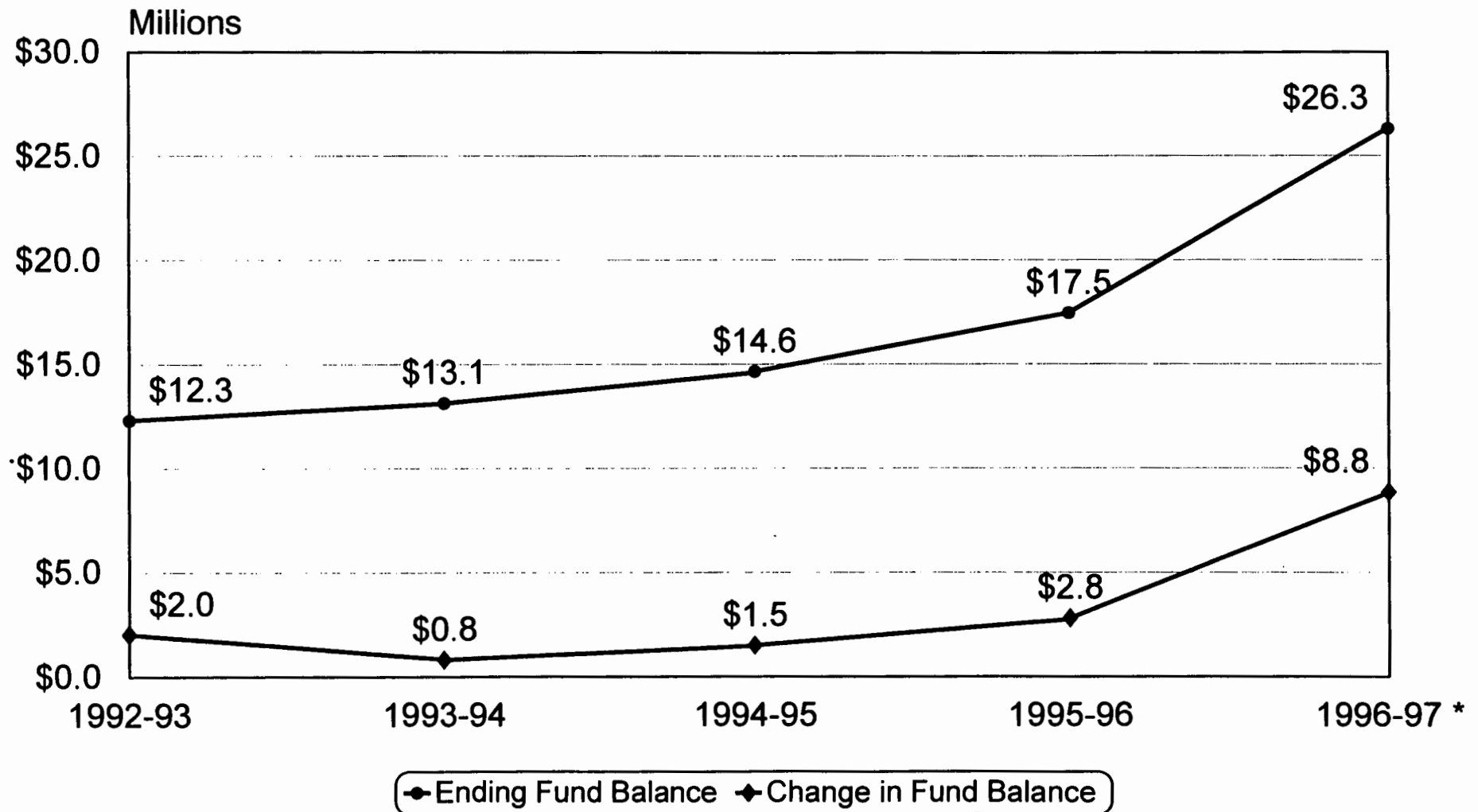


* Includes positions and support to assist animal operators.

Division of Soil and Water Conservation

Agriculture Cost Share Program Cash Balances

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SENATE NER COMMITTEE REVIEW
ENVIRONMENT, HEALTH AND NATURAL RESOURCES

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4) Funds to Assist Operators with Animal Waste Management Certification Requirements

The General Assembly appropriated \$180,000 for the 1994-95 fiscal year to establish 3 positions and \$427,510 for the 1995-96 fiscal year to establish an additional 8 positions to assist agriculture operations in obtaining approved animal waste management plans. The state's "0.200" non-discharge regulations for animal operations require operations to have certified plans by December 1997. Given that the deadline for compliance with these regulations will pass during the upcoming 1997-98 fiscal year, the committee may wish to consider reducing or eliminating the funding for this assistance.

The division does not expect all operations to be in compliance by December 1997. Further the division has disclosed a desire to retain these positions and realign the job duties as the need for assistance with animal waste management systems is reduced. The committee may wish to have the division comment on the anticipated duties and job functions of these positions after December 1997.

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SENATE NER COMMITTEE REVIEW
ENVIRONMENT, HEALTH AND NATURAL RESOURCES

Division of Forest Resources

5) Forestry Field Operations

The Governor's recommended continuation budget for forestry field operations includes a net increase of \$2,029,960 in FY 1997-98 and \$1,705,537 in FY 1998-99 for property, plant and equipment items. The committee reviewed equipment replacement schedules during budget hearings that covered trucks, tractors, airplanes and trailers, ranging in model year from 1953 (airplanes) to 1993. Given that the Division's current authorized budget includes \$2,355,538 for property, plant and equipment items, the committee may wish to consider delaying the replacement of vehicles to effectuate a general fund savings this biennium.

Division of Parks and Recreation

6) State Parks System

Since 1993, the General Assembly has authorized a number of capital improvements, new acquisitions and facilities to be added to the State Parks System. The Governor's recommended continuation budget for state parks field operations includes an increase of \$3,556,231 in FY 1997-98 and \$2,595,989 in FY 1998-99 for a reserve to fund the operations of these projects. The committee may wish to consider reducing the appropriation for the reserve, thereby delaying the schedule for bringing new projects on line.

SENATE NER COMMITTEE REVIEW
ENVIRONMENT, HEALTH AND NATURAL RESOURCES

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*Come Back
to this*

Museum of Natural Sciences

7) Museum of Natural Sciences Operating Reserve

The Governor's recommended continuation budget includes reserves of \$926,431 in FY 1997-98 and \$1,943,480 in FY 1998-99. It is anticipated that over the course of the 1997-99 biennium, an additional 36 positions will be added to the Museum's current staff of 67. The Committee may wish to ask the Department to discuss (1) the anticipated total staffing needs for the new museum, (2) the duties and activities of the 27 positions hired over the 1995-97 biennium in anticipation of the opening of the new museum in 1999, and (3) activity profiles of the new positions expected over the upcoming biennium.

SENATE NER COMMITTEE REVIEW
ENVIRONMENT, HEALTH AND NATURAL RESOURCES

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Environmental Protection Divisions

Governor's Recommended Continuation Budget Adjustments (Summary Volume)

None

Major Continuation Budget Increases

FY 1997-98

FY 1998-99

Division of Radiation Protection

1) Increase for equipment replacement	\$173,500

Division of Water Quality

2) Increase to replace vehicles, boats and scientific equipment	\$382,700

Committee Discussion Issues

1) Division of Pollution Prevention and Environmental Assistance

The committee placed a flag on the Division of Pollution Prevention and Environmental Assistance and requested follow-up information on the division's programs, activities and functions, as well as a list of grant recipients for the current biennium and an analysis of the feasibility of privatizing the division's technical assistance programs.

SENATE NER COMMITTEE REVIEW

ENVIRONMENT, HEALTH AND NATURAL RESOURCES

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Department of Environment, Health, and Natural Resources

Division of Pollution Prevention and Environmental Assistance *							
	1994-95 Actual	1995-96 Actual	Current Fiscal Year 1996-97 Authorized January	Governor's Continuation Request 1997-98 Recommended	%Δ	1998-99 Recommended	%Δ
Expenditures	1,685,482	1,901,007	2,271,702	2,215,584	-2.5%	2,219,172	-2.3%
Less Receipts	(168,635)	(457,515)	(586,638)	(572,445)	-2.4%	(572,879)	-2.3%
State Appropriations	1,516,847	1,443,492	1,685,064	1,643,139	-2.5%	1,646,293	-2.3%
Positions	30.00	28.00	36.00	36.00		36.00	

%Δ = Percentage change in budget over/under Current Fiscal Year 1996-97 Authorized budget.

* formerly the Office of Waste Reduction

DIVISION PROGRAMS AND ACTIVITIES

- ◆ Recycling Business Assistance Center
- ◆ Technical Assistance to Communities and Businesses
- ◆ Waste Reduction Resource Center
- ◆ Administers Solid Waste Management Trust Fund
- ◆ Outreach, Education and Training
- ◆ Environmental Assistance

SENATE NER COMMITTEE REVIEW
ENVIRONMENT, HEALTH AND NATURAL RESOURCES

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Division of Air Quality

2) Permit Fees and Fuel Tax Receipts

The division's programs and activities are supported primarily with permit fees and fuel tax receipts. For the 1994-95 fiscal year, permit fees and fuel tax receipts accounted for \$3,556,526 of the \$4,024,732 increase in the cash balance of the Air Quality Division's special funds. For the 1995-96 fiscal year, these receipts accounted for \$4,873,454 of the \$5,054,046 increase in the cash balance. The committee may wish to have the division explain the current and planned use of these receipts, and comment on the growing cash balance.

The committee requested follow-up information on the division's cash balances and the use of receipts, as well as documentation of any state matching requirements and a list of new positions created since 1995.

SENATE NER COMMITTEE REVIEW
ENVIRONMENT, HEALTH AND NATURAL RESOURCES

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Department of Environment, Health, and Natural Resources

Division of Air Quality *							
	1994-95 Actual	1995-96 Actual	Current Fiscal Year	Governor's Continuation Request			
			1996-97 Authorized January	1997-98 Recommended	%Δ	1998-99 Recommended	%Δ
Expenditures	12,056,010	15,583,613	19,249,276	19,088,407	-0.8%	19,092,640	-0.8%
Less Receipts	(14,165,239)	(19,057,882)	(17,783,052)	(17,876,491)	0.5%	(17,880,097)	0.5%
Cash Balance +/-	4,024,732	5,054,046	-	-		-	
State Appropriations	1,915,503	1,579,777	1,466,224	1,211,916	-17.3%	1,212,543	-17.3%
Positions	284.00	285.75	278.75	278.75		278.75	

SENATE NER COMMITTEE REVIEW
ENVIRONMENT, HEALTH AND NATURAL RESOURCES

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Division of Water Quality

3) The committee placed a flag on the following issue:

Maintenance of Existing Water Quality Programs

The Governor's recommended expansion budget includes a nonrecurring appropriation for the division to maintain existing staff to continue water quality programs and activities at their current level. The division cites a reduction in program receipts from streamlining the permitting process and reductions in federal funds as contributing factors to this operational problem. Although this request is part of the Governor's expansion budget, the committee may wish to have the division comment on the need for these funds since the request is to continue the current level of operations rather than expand activities.

	<u>FY 1997-98</u>	<u>FY 1998-99</u>

Nonrecurring funds to allow the Division of Water Quality continue to carry out current programs and provide current levels of service.

	\$2,022,887	

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SENATE NER COMMITTEE REVIEW
ENVIRONMENT, HEALTH AND NATURAL RESOURCES

Health Divisions

Governor's Recommended Continuation Budget Adjustments (Summary Volume)

None

Major Continuation Budget Increases

Division of Laboratory Services	<u>FY 1997-98</u>	<u>FY 1998-99</u>
1) Allowed inflationary increase for scientific supplies.	\$225,650	\$513,203
Division of Medicolegal Examination		
2) Increase to replace outdated medical and laboratory equipment used to provide medical examination services, particularly in assisting law enforcement and criminal justice agencies.	\$199,900	NR
Division of Health Promotion		
3) Allowed inflationary adjustment for pharmaceuticals, physician services and inpatient hospitalization.	\$325,728	\$332,128

SENATE NER COMMITTEE REVIEW

ENVIRONMENT, HEALTH AND NATURAL RESOURCES

R-50

Committee Discussion Issues

State Center for Health Statistics

- 1) The committee placed a flag on the State Center for Health Statistics and requested a breakdown of positions by program and follow-up information on program activities and performance.

Department of Environment, Health, and Natural Resources

State Center for Health Statistics *							
	1994-95 Actual	1995-96 Actual	Current Fiscal Year 1996-97 Authorized January	Governor's Continuation Request 1997-98 Recommended	%Δ	1998-99 Recommended	%Δ
Expenditures	5,056,273	5,967,859	6,669,216	6,375,854	-4.4%	6,378,103	-4.4%
Less Receipts	(2,154,167)	(2,848,019)	(3,194,537)	(3,027,552)	-5.2%	(3,027,552)	-5.2%
Cash Balance +/-	(26,395)	60,058	-	-		-	
State Appropriations	2,875,711	3,179,898	3,474,679	3,348,302	-3.6%	3,350,551	-3.6%
Positions	135.80	137.80	134.80	134.80		134.80	

%Δ = Percentage change in budget over/under Current Fiscal Year 1996-97 Authorized budget.

* formerly the State Center for Health and Environmental Statistics

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SENATE NER COMMITTEE REVIEW
ENVIRONMENT, HEALTH AND NATURAL RESOURCES

CENTER ACTIVITIES

The State Center for Health Statistics is responsible for developing, maintaining and disseminating information and statistics on the health status of North Carolinians; evaluating and reporting on the impact of health-related programs and services; assisting state and local agencies in assessing and monitoring health, and administering the state's vital records functions.

Maternal and Child Health

- 2) The committee placed a flag on the Non-Medicaid Maternity Care Coordination reduction taken in the 1996 Session.

FY 1996-97

Reduce funds for case management services for women who do not meet Medicaid eligibility requirements.

(\$170,900)

Division of Laboratory Services

- 3) The committee requested additional information to justify the inflationary increase in the division's continuation budget for scientific supplies.

FY 1997-98

FY 1998-99

Allowed inflationary increase for scientific supplies.

\$225,650

\$513,203

SENATE NER COMMITTEE REVIEW
ENVIRONMENT, HEALTH AND NATURAL RESOURCES

12-52

Wildlife Resources Commission

Committee Discussion Issues

- 1) Operating support for the Wildlife Resources Commission comes principally from receipts generated by the sale of hunting and fishing licenses. With regards to legislative salary increases, other state agencies are required to provide this salary increase for federal and receipt supported positions with receipts/other funds collected within the agency. The Wildlife Commission is an example of an exception where legislative salary increases for receipt supported positions (i.e. Wildlife Fund) have, in the past, been supported with general fund sales and use tax revenues. (In accordance with G.S. 105-164.44B, a portion of the proceeds from the sales and use tax on fishing and hunting supplies and equipment is already transferred to the Wildlife Fund quarterly). The Committee may wish to have the Commission explain how this transfer works, and comment on the rationale behind continuing this practice.

RECONCILIATION OF POSITION COUNT

R-53

The position count for Administration used by Mrs. Lois Artis-Murray during the afternoon session of the NER Subcommittee on Appropriations was 330. The Continuation Budget for Funds 1110 - Executive Staff, 1130 - Regional Offices, and 1140 - Administrative Services, contains a total of 281 positions.

The number used by Mrs. Artis-Murray included positions that are numbered in the administrative series of the personnel numbering system for the Department, but are not a part of Funds 1110, 1130, 1140. The positions that should have been excluded are:

Beginning position count:		330
Fund 1160	1	
Fund 1410	15	
Fund 1430	3	
Fund 1555	1	
Fund 1425	10	
Fund 1120	10	
Fund 1460	.5	
Fund 1450	.5	
Subtotal - Inappropriately counted		41
Position Count in Funds 1110, 1130, & 1140		289

The Continuation budget reflects a position count of 281. Eight positions have been transferred to Administrative Services to improve the financial management of the Controller's office and to improve the ability of the Department to provide technical support to the information systems of the various programs since the development of the Continuation budget.

State of North Carolina
Department of Environment,
Health and Natural Resources
Division of Budget, Planning & Analysis

James B. Hunt, Jr., Governor
Jonathan B. Howes, Secretary
Jane Q. Smith, Director



May 22, 1995

MEMORANDUM

TO: Beth Christensen
Fiscal Analyst

THROUGH: Steve Levitas 

FROM: Jane Smith 

SUBJECT: Additional Detail - Marine Fisheries Expansion Request

Attached is the detailed breakdown of the expansion request from the Division of Marine Fisheries. The budget for each year of the biennium is divided to reflect the portion of the request dedicated to the new positions requested and that portion of the request dedicated to existing staff.

Also attached is the listing of items to be covered in object 5500 - other equipment. Please call if additional information is requested.

JQS/tmc

Attachment

cc: Lois Artis
Joan Weld
Henry Lancaster
Anita Brockington

MAY 23, 1995

MARINE FISHERIES EXPANSION REQUEST

OBJECT NO.	OBJECT TITLE	1995/96		1996/97	
		AMOUNT TO COVER EXISTING STAFF	AMOUNT TO COVER NEW STAFF	AMOUNT TO COVER EXISTING STAFF	AMOUNT TO COVER NEW STAFF
1211	SALARIES-APP	-	173,593	-	173,593
1811	SOCIAL SECURITY-APP	-	13,280	-	13,280
1881	LEO RETIREMENT CONT-APP	-	27,706	-	27,706
1831	HOSPITAL INS-APP	-	12,152	-	12,152
2130	CLOTHING AND UNIFORMS	621	24,379	20,800	4,200
3112	TRAVEL-IN-SUBS-APP	-	7,000	-	7,000
3115	DOA TRAVEL	150,000	42,840	150,000	42,840
3951	EMPLOYEE TRAINING EXP	68,000	7,000	21,500	3,500
5430	BOATS, MOTORS AND TRAILERS	-	150,000	-	-
5500	OTHER EQUIPMENT	490,121	172,200	287,321 *	-
	TOTAL	708,742	630,150 7.0	479,621	284,271 7.0

*THIS COINCIDES WITH THE REPLACEMENT SCHEDULE FOR EQUIPMENT.

R-55

R-56

NORTH CAROLINA MARINE PATROL
EXPANSION BUDGET REQUEST
EXPLANATION OF OBJECT 5500

ITEM #1	PROVIDE FUNDING TO UPGRADE THE EXISTING COMMUNICATION SYSTEM AT THE DIVISION OF MARINE FISHERIES.	\$225,000.00
ITEM #2	PROVIDE FUNDING FOR THE INITIAL EQUIPMENT ISSUANCE TO (7) NEW OFFICERS (\$24,600.00 EACH).	\$172,200.00
ITEM #3	PROVIDE FUNDING TO MAKE NECESSARY REPAIRS AND REPLACE EQUIPMENT ON RECENTLY ACQUIRED (FEDERAL GOVERNMENT) CREW BOAT. THESE MONIES WILL BE UTILIZED TO PURCHASE NEW ENGINE AND GEAR TO REPOWER THIS VESSEL. IN ADDITION, MONIES WILL BE UTILIZED TO CONVERT THIS VESSEL FOR LAW ENFORCEMENT PURPOSES.	\$ 80,000.00
1 #4	PROVIDE FUNDING TO REPLACE EXISTING LORAN SYSTEMS ON MARINE PATROL VESSELS TO UPGRADE TO THE GLOBAL POSITIONING SYSTEM (4 BOATS, 3 AIRCRAFT).	\$ 31,500.00
ITEM #5	PROVIDE FUNDING TO REPLACE EXISTING 1982 AND 1984 MODEL 25' PATROL VESSELS THAT ARE NO LONGER SERVICEABLE. IN ADDITION, THIS REQUEST WILL PROVIDE FOR TRAILERS AND ELECTRONICS.	\$153,621.00
	TOTAL	\$662,321.00

1 WORKSHEET II. EXPANSION BUDGET REQUEST

2 BUDGET CODE: 14300	DEPARTMENT: EHNH	Priority No.	of
3 FUND NUMBER: 1325	FUND TITLE: MARINE PATROL	DIVISION/ INSTITUTION:	
4 PROGRAM NUMBER: 5310	PROGRAM TITLE: PROTECT AND MANAGE MARINE RESOURCES		
5 TITLE OF REQUEST: MARINE PATROL INCREASE IN PERSONNEL AND EQUIPMENT REPLACEMENT		1995-96	1996-97
6a STATUTORY CHANGES/SPECIAL PROVISIONS REQUIRED TO IMPLEMENT?	6b TOTAL REQUIREMENTS	1,338,892	763,892
7a YES NO XX	7b TOTAL RECEIPTS		
8a IF YES, ATTACH A COPY OF THE DRAFT.	8b APPROPRIATION	1,338,892	763,892
9a	9b TOTAL POSITIONS	7.0	7.0
10			

NEED: Presently there are a number of areas that require funding to bring the N.C. Marine Patrol up to an acceptable level of operation. These areas include up-grading the present communications system (which is utilized by all sections of the DMF), boats, motors, and trailers assigned to the Marine Patrol, uniforms utilized by officers of the Marine Patrol, existing budgetary short falls experienced since the reorganization in August of 1993, and additional personnel, equipment, and training.

CHANGE TO PRESENT STRATEGY: This request provides the funding necessary to upgrade the existing communications system of the DMF. In addition, this request provides for up-grading the status of the existing small boat fleet of the Marine Patrol. Provisions have been incorporated in this request to rectify problems associated with the reorganization in August of 1993 (DOA Travel). Requests have been made to increase staffing of the Marine Patrol by five officers over a four-year period (1994-98). This request allows for expending the staffing of the Marine Patrol over a period of two years (1995-97). In addition, this request provides for the necessary equipment associated with the expansion and training of all Marine Patrol personnel.

ANTICIPATED OUTCOME: The anticipated outcome of this request is to provide a staffing level for the Marine Patrol that is consistent with the job task mandate. In addition, the communication, equipment, uniform, and budgetary needs of the Marine Patrol would be brought to a level providing for the continuation and expansion of services provided to the citizens of North Carolina and protection of our valuable fisheries resource.

MEASURES: G.S. 143-3.5		Priority No.						
Description:		New/ Existing	Actual 1993-94	Authorized 1994-95	1995-96	1996-97	1997-98	1998-99
11 Increase the number of 12 patrol hours by boat. 13	Continuation		65,392	73,922	73,922	83,503	93,084	93,084
	Expansion				9,581	9,581	0	0
	Revised				83,503	93,084	93,084	93,084
Increase the number of training hours per officer.	Continuation		12	56	56	72	88	88
	Expansion				16	16	0	0
	Revised				72	88	88	88
Upgrade efficiency of communications center.	Continuation		0.75	0.75	0.75	1	1	1
	Expansion				0.25	0	0	0
	Revised				1	1	1	1
Providing officers with 100% of necessary uniforms.	Continuation		0.5	0.6	0.6	0.6	0.6	0.6
	Expansion				0.4	0.4	0.4	0.4
	Revised				1	1	1	1
Replacement of boats, motors and trailers.	Continuation		48	52	52	59	66	66
	Expansion				13	13	6	6
	Revised				59	66	66	66
Arrest/conviction ratio.	Continuation		0.9	0.9	0.9	0.9	0.9	0.9
	Expansion				0	0	0	0
	Revised				0.9	0.9	0.9	0.9
License checks.	Continuation		48,119	54,396	54,396	61,719	69,042	69,042
	Expansion				7,323	7,323	0	0
	Revised				61,719	69,042	69,042	69,042

Note: Attach a graphic if necessary to explain the change in measures.
* Indicate if this is a New (N) or Existing Measure (E).

BUDGET: G.S. 143-3.5 Detail of budget is to be provided at the SAS Agency Management Report detail level.

Priority No.

of

REQUIREMENTS:

OBJECT NO.	OBJECT TITLE	1995-96	1996-97	1997-98	1998-99	1999-00
1211	SALARIES-APP	173,593	173,593	173,593	173,593	173,593
1811	SOCIAL SECURITY-APP	13,280	13,280	13,280	13,280	13,280
1821	LEO RETIREMENT CONT-APP	27,706	27,706	27,706	27,706	27,706
1831	HOSPITAL INS-APP	12,152	12,152	12,152	12,152	12,152
2130	CLOTHING AND UNIFORMS	25,000	25,000	25,000	25,000	25,000
3112	TRAVEL-IN-SUBS-APP	7,000	7,000	7,000	7,000	7,000
3115	DOA TRAVEL	192,840	192,840	192,840	192,840	192,840
3951	EMPLOYEE TRAINING EXP	75,000	25,000	25,000	25,000	25,000
5430	BOATS, MOTORS AND TRAILERS	150,000				
5500	OTHER EQUIPMENT	662,321	287,321	100,000	100,000	100,000

Actual Authorized
1993-94 1994-95

Requirements	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Number of F.T.E.*	0.0	0.0	1,338,892	763,892	576,571	576,571	576,571

RECEIPTS:

17

Receipts	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
APPROPRIATION			0	0	0	0	0
CASH BALANCE			1,338,892	763,892	576,571	576,571	576,571

* Complete Detail information for total positions requested on the following page.

12-59

POSITIONS REQUESTED:		Detail of the positions included in this expansion request.		Priority No.	of		
GRADE	CLASSIFICATION/EFFECTIVE DATE:	1995-96 F.T.E	1996-97 F.T.E	Annual Salary**	1995-96 Budgeted Salary	1996-97 Budgeted Salary	
21	67 MARINE FISHERIES ENFORCEMENT OFFICER 11/7/95	7.000	7.000	\$173,593	\$173,593	\$173,593	

22 **Total#** 7.0 7.0 **\$173,593 \$173,593**

** 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? YES NO

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

25 C.I. BUDGET CODE: ITEM NUMBER: PROJECTED COMPLETION DATE:

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

26 DOES THIS REQUEST REQUIRE ADDITIONAL SPACE? YES NO IF YES, COMPLETE THE FOLLOWING:

	Office	Storage	Other	1995-96	1996-97	1997-98	1998-99	1999-00

27 Type of Space:

28 Additional Square Footage Required

29 Estimated Cost of Space Requirements.

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

R-50

LICENSED MOTOR VEHICLE PURCHASE SCHEDULE
(For continuation requests only)

Section 5
Attachment 8

(Due 9/30/96)

Department

DEINR

Division or Institution Forest Resources

Budget Code

14300

FUND	ACCOUNT	MAKE, TYPE, AND YEAR MODEL	DATE PURCHASED (MONTH AND YEAR)	ESTIMATED MILEAGE AS OF 6-30-97	1997-98		1998-99	
					TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)	TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)
12102201	534541	1986 GMC MECHANIC TRUCK 3/4 TON, 2WD	Dec-86	85,000	20,900	1,600		
12102201	534541	1990 DODGE MECHANIC TRUCK 3/4 TON, 2WD	Nov-90	73,500			20,900	1,600
12102201	534541	1990 DODGE MECHANIC TRUCK 3/4 TON, 2WD	Nov-90	69,000			20,900	1,600
12102201	534541	1989 DODGE VAN 1/2 TON	Oct-89	105,000	18,664	1,000		
12102201	534541	1988 CHEVROLET COMPACT 2WD	Sep-88	49,000			15,046	1,200
12102201	534541	1991 CHEVROLET COMPACT 2WD	Apr-90	71,000			15,046	1,200
12102201	534541	1991 CHEVROLET COMPACT 2WD	Apr-90	69,000			15,046	1,200
12102202	534541	1989 CHEVROLET TRUCK 1/2 TON	Apr-89	52,000			18,568	1,200
12102202	534541	1987 CHEVROLET TRUCK 3/4 TON	Feb-87	105,000	24,570	1,200		
12102202	534541	1992 DODGE VAN 3/4 TON	Mar-92	77,000			20,280	1,200
12102203	534541	1985 DODGE 4X4 3/4 TON	May-85	102,000	24,570	1,400		
12102203	534541	1986 FORD 4X4 3/4 TON	Apr-86	110,000	24,570	1,400		
12102203	534541	1990 FORD 4X4 CAB 1 TON	Jun-90	155,500	26,950	1,400		
12102203	534541	1990 CHEVROLET S-10 4X2	Apr-90	89,500			15,046	1,200
12102203	534541	1990 FORD 4X4 3/4 TON	May-90	87,000			24,570	1,400
12102203	534541	1990 CHEVROLET S-10 4X2	Apr-90	75,000			15,246	1,200
12102203	534541	1992 CHEVROLET VAN 1 TON 4X2 RADIO VAN	Apr-92	75,000			16,302	1,400
12102204	534541	1976 GMC TANDEM TRUCK TRACTOR	Jun-76	**	60,000			
12102204	534541	1976 GMC TANDEM TRUCK TRACTOR	Jun-76	**	60,000			
12102204	534541	1979 BUIIN TANDEM TRUCK TRACTOR	Jun-79	**	60,000			
12102204	534541	1980 FORD 9000 TANDEM TRUCK TRACTOR	Jun-80	**	60,000			
12102204	534541	1982 BRIGADIER TEN WHEELER	Jul-82	**	80,000			
12102204	534541	1979 TANDEM TRUCK	Jun-79	**	60,000			
12102204	534541	1980 TANDEM TRUCK	Jun-80	**	60,000			
12102204	534541	1979 BUIIN TANDEM TRUCK	Jun-79	**	60,000		60,000	
12102204	534541	1979 BUIIN TANDEM TRUCK	Jun-79	**			60,000	
12102204	534541	1980 IHC TANDEM TRUCK	Jun-80	**			60,000	
12102204	534541	1980 IHC TANDEM TRUCK	Jun-80	**			60,000	
12102204	534541	1981 IHC TANDEM TRUCK	Jun-81	**			60,000	
12102013*	534541	1990 FORD 4X4 3/4 TON	Oct-90	92,000	24,570	1,400		
12102017*	534541	1990 CHEVROLET 4X4 3/4 TON	Oct-90	92,000	24,570	1,400		

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LICENSED MOTOR VEHICLE PURCHASE SCHEDULE
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Section 5
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FUND	ACCOUNT	MAKE, TYPE, AND YEAR MODEL	DATE PURCHASED (MONTH AND YEAR)	ESTIMATED MILEAGE AS OF 6-30-97	1997-98		1998-99	
					TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)	TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)
12102201	534541	1986 GMC MECHANIC TRUCK 3/4 TON, 2WD	Dec-86	85,000	20,900	1,600		
12102010	534541	1988 CHEVROLET 4X4 3/4 TON	Aug-88	105,000	24,570	1,400		
12102018*	534541	1989 FORD 4X4 3/4 TON	Apr-89	70,000			24,570	1,400
12102016*	534541	1991 FORD 4X4 3/4 TON	Sep-91	55,000			24,570	1,400
12102011*	534541	1993 FORD 4X4 3/4 TON	Oct-93	85,000			24,570	1,400
12102010	534541	1990 CHEVROLET 4X4 1/2 TON	Oct-90	80,000			18,568	1,200
12102010	534541	1989 FORD 4X4 3/4 TON	May-89	75,000			24,570	1,400
12102010	534541	1989 CHEVROLET 4X4 1/2 TON	Dec-89	75,000			19,800	1,200
12102010	534541	1989 CHEVROLET 4X4 1 TON	Jun-89	70,000			26,950	1,400
12102233*	534541	1984 FORD BRONCO 4X4	Jul-84	142,000	26,280	1,400		
12102013*	534541	1984 FORD BRONCO 4X4	Jul-84	140,000	26,280	1,400		
12102025*	534541	1989 CHEVROLET 4X4 1 TON	Mar-89	100,000	26,950	1,400		
12102026*	534541	1989 CHEVROLET 4X4 1 TON	Mar-89	100,000	26,950	1,400		
12102028*	534541	1989 CHEVROLET 4X4 1 TON	Mar-89	100,000	26,950	1,400		
12102022*	534541	1990 FORD 4X4 3/4 TON	Mar-90	100,000			24,570	1,400
12102026*	534541	1990 FORD 4X4 3/4 TON	Mar-90	100,000			24,570	1,400
12102025*	534541	1991 FORD 4X4 3/4 TON	Mar-91	95,000			24,570	1,400
12102027*	534541	1991 FORD 4X4 3/4 TON	Mar-91	95,000			24,570	1,400
12102020	534541	1990 FORD 4X4 3/4 TON	Mar-90	100,000			24,570	1,400
12102034*	534541	1990 CHEVROLET 4X4 3/4 TON	May-90	131,700	24,570	1,400		
12102032*	534541	1988 CHEVROLET 4X4 3/4 TON	Apr-88	127,616	24,570	1,400		
12102037*	534541	1990 CHEVROLET 4X4 3/4 TON	May-90	123,058	24,570	1,400		
12102031*	534541	1988 CHEVROLET 4X4 3/4 TON	Apr-88	122,222	24,570	1,400		
12102030	534541	1990 CHEVROLET 4X4 3/4 TON	May-90	118,192	24,570	1,400		
12102034*	534541	1989 CHEVROLET 4X4 3/4 TON	Apr-89	117,346	24,570	1,400		
12102036*	534541	1991 FORD 4X4 3/4 TON	Apr-91	115,440	24,570	1,400		
12102033*	534541	1988 CHEVROLET 4X4 3/4 TON	Apr-88	115,218	24,570	1,400		
12102030	534541	1989 CHEVROLET 4X4 3/4 TON	Apr-89	111,750	24,570	1,400		
12102035*	534541	1989 CHEVROLET 4X4 3/4 TON	Apr-89	110,385	24,570	1,400		
12102037*	534541	1991 FORD 4X4 3/4 TON	Apr-91	108,385	24,570	1,400		
12102034*	534541	1991 FORD 4X4 3/4 TON	Apr-91	107,500	24,570	1,400		

LICENSED MOTOR VEHICLE PURCHASE SCHEDULE
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Section 5
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FUND	ACCOUNT	MAKE, TYPE, AND YEAR MODEL	DATE PURCHASED (MONTH AND YEAR)	ESTIMATED MILEAGE AS OF 6-30-97	1997-98		1998-99	
					TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)	TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)
12102201	534541	1986 GMC MECHANIC TRUCK 3/4 TON, 2WD	Dec-86	85,000	20,900	1,600		
12102030	534541	1988 CHEVROLET 4X4 3/4 TON	Apr-88	107,389	24,570	1,400		
12102030	534541	1990 CHEVROLET 4X4 3/4 TON	May-90	105,997	24,570	1,400		
12102030	534541	1989 CHEVROLET 4X4 3/4 TON	Apr-89	101,343	24,570	1,400		
12102038*	534541	1992 CHEVROLET 4X4 3/4 TON	Apr-92	97,000	24,570	1,400		
12102033*	534541	1989 CHEVROLET 4X4 3/4 TON	Apr-89	116,437			24,570	1,400
12102031*	534541	1989 CHEVROLET 4X4 3/4 TON	Apr-89	116,081			24,570	1,400
12102035*	534541	1992 CHEVROLET 4X4 3/4 TON	Apr-92	108,532			24,570	1,400
12102032*	534541	1992 FORD 4X4 3/4 TON	Apr-92	104,489			24,570	1,400
12102038*	534541	1993 CHEVROLET 4X4 3/4 TON	May-93	103,750			24,570	1,400
12102043	534541	1989 CHEVROLET 4X4 3/4 TON	Oct-89	113,000	24,570	1,400		
12102047*	534541	1989 CHEVROLET 4X4 3/4 TON	Oct-89	103,000	24,570	1,400		
12102041*	534541	1992 CHEVROLET 4X4 3/4 TON	Sep-92	100,000	24,570	1,400		
12102044*	534541	1991 FORD 4X4 3/4 TON	Sep-91	69,000			24,570	1,400
12102042*	534541	1993 CHEVROLET 4X4 3/4 TON	Oct-93	68,000			24,570	1,400
12102043*	534541	1993 CHEVROLET 4X4 3/4 TON	Oct-93	64,000			24,570	1,400
12102046*	534541	1991 FORD 4X4 3/4 TON	Sep-91	105,000	24,570	1,400		
12102047*	534541	1991 FORD 4X4 3/4 TON	Sep-91	83,000			24,570	1,400
12102040	534541	1989 CHEVROLET 4X4 3/4 TON	Dec-89	100,000	24,570	1,400		
12102040	534541	1991 CHEVROLET 1/2 TON 2WD	Oct-90	75,000			15,046	1,200
12102040	534541	1992 FORD 3/4 TON 2WD	Sep-92	74,000			20,900	1,200
12102051*	534541	1988 CHEVROLET 4X2 3/4 TON	Apr-88	117,000	20,902	1,200		
12102054*	534541	1990 FORD 4X4 1 TON	Apr-90	120,000	26,950	1,400		
12102055*	534541	1988 CHEVROLET 4X2 3/4 TON	Apr-88	115,000	20,900	1,200		
12102056*	534541	1987 CHEVROLET 4X2 3/4 TON	Apr-87	155,000	20,900	1,200		
12102057*	534541	1987 CHEVROLET 4X2 3/4 TON	Apr-87	123,000	20,900	1,200		
12102058*	534541	1988 CHEVROLET 4X2 3/4 TON	Apr-88	138,500	20,900	1,200		
12102057*	534541	1988 CHEVROLET 4X4 3/4 TON	Apr-88	125,000			24,570	1,200
12102058*	534541	1988 CHEVROLET 4X2 3/4 TON	Apr-88	150,000	20,900	1,200		
12102060	534541	1988 CHEVROLET 4X2 MECHANIC	May-88	115,000	26,950	1,600		
12102221	534541	1989 CHEVROLET 4X2	Apr-89	130,000	20,900	1,200		
12102065*	534541	1990 CHEVROLET 4X4	Apr-90	130,000	24,570	1,200		

LICENSED MOTOR VEHICLE PURCHASE SCHEDULE
(For continuation requests only)

Section 5
Attachment 8

Department

DEHNR

Division or Institution Forest Resources

Budget Code

(Due 9/30/96)
14300

FUND	ACCOUNT	MAKE, TYPE, AND YEAR MODEL	DATE PURCHASED (MONTH AND YEAR)	ESTIMATED MILEAGE AS OF 6-30-97	1997-98		1998-99	
					TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)	TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)
12102201	534541	1986 GMC MECHANIC TRUCK 3/4 TON, 2WD	Dec-86	85,000	20,900	1,600		
12102062*	534541	1991 FORD 4X4	Apr-91	130,000	24,570	1,200		
12102066*	534541	1991 FORD 4X4	Apr-91	135,000	24,570	1,200		
12102061*	534541	1991 FORD 4X4	Jul-91	115,000	24,570	1,200		
12102060	534541	1988 CHEVROLET 4X2 MECHANIC	May-88	130,000	26,950	1,600		
12102062*	534541	1990 CHEVROLET 4X4	Apr-90	120,000	24,570	1,200		
12102063*	534541	1990 CHEVROLET 4X4	May-90	95,000			24,570	1,200
12102064*	534541	1990 CHEVROLET 4X4	Apr-89	110,000	24,570	1,200		
12102065*	534541	1991 FORD 4X4	Apr-91	115,000	24,570	1,200		
12102066*	534541	1990 DODGE 4X4	Jun-90	100,000	24,570	1,200		
12102221	534541	1987 CHEVROLET 4X4	Apr-87	100,000			24,570	1,200
12102063*	534541	1992 CHEVROLET 4X4	Mar-92	95,000			24,570	1,200
12102072*	534541	1991 FORD 2X4 3/4 TON	Apr-91	66,000			24,570	1,200
12102074*	534541	1992 CHEVROLET 4X4 3/4 TON	Feb-92	71,000			24,570	1,400
12102070	534541	1992 FORD RANGER 1/2 TON	Jun-92	70,000			15,046	1,200
12102085*	534541	1988 CHEVROLET 4X4 3/4 TON	Feb-88	165,000	24,570	1,400		
12102080	534541	1988 CHEVROLET 4X4 1 TON	Feb-88	150,000	26,950	1,400		
12102080	534541	1988 CHEVROLET MECHANIC 3/4 TON	Feb-88	115,000	24,570	1,600		
12102080	534541	1987 CHEVROLET 4X4 3/4 TON	Feb-88	125,000	24,570	1,400		
12102222	534541	1988 DODGE 1/2 TON	Feb-88	85,000			26,950	1,200
12102222	534541	1988 DODGE 1/2 TON	Feb-88	85,000			26,950	1,200
12102086*	534541	1989 CHEVROLET 4X4 1 TON	Feb-89	80,000			26,950	1,400
12102080	534541	1989 CHEVROLET 3/4 TON	Feb-89	140,000	20,900	1,200		
12102081*	534541	1990 FORD 4X4 3/4 TON	Feb-90	130,000	24,570	1,400		
12102084*	534541	1990 FORD 4X4 3/4 TON	Feb-90	110,000	24,570	1,400		
12102080	534541	1990 DODGE MECHANIC 3/4 TON	Feb-90	82,000			26,950	1,600
12102080	534541	1990 CHEVROLET 3/4 TON	Feb-90	150,000	20,900	1,200		
12102080	534541	1990 CHEVROLET 4X4 3/4 TON	Feb-90	135,000	24,570	1,400		
12102081*	534541	1991 FORD 4X4 3/4 TON	Feb-91	100,000	24,570	1,400		
12102084*	534541	1991 FORD 4X4 3/4 TON	Feb-91	90,000			24,570	1,400
12102085	534541	1991 FORD 4X4 3/4 TON	Feb-91	150,000	24,570	1,400		
12102083	534541	1992 CHEVROLET 4X4 3/4 TON	Feb-92	115,000	24,570	1,400		
12102080	534541	1992 FORD MECHANIC 3/4 TON	Feb-92	70,000			26,950	1,600

LICENSED MOTOR VEHICLE PURCHASE SCHEDULE
(For continuation requests only)

Section 5
Attachment 8

(Due 9/30/96)

Department DEINR Division or Institution Forest Resources Budget Code 14300

FUND	ACCOUNT	MAKE, TYPE, AND YEAR MODEL	DATE PURCHASED (MONTH AND YEAR)	ESTIMATED MILEAGE AS OF 6-30-97	1997-98		1998-99	
					TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)	TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)
12102201	534541	1986 GMC MECHANIC TRUCK 3/4 TON, 2WD	Dec-86	85,000	20,900	1,600		
12102082*	534541	1993 CHEVROLET 4X4 3/4 TON	Feb-93	77,000			24,570	1,400
12102083*	534541	1994 CHEVROLET 4X4 3/4 TON	Feb-94	75,000			24,570	1,400
12102095*	534541	1986 FORD 4X4 3/4 TON	Dec-86	100,000	24,570	1,400		
12102093*	534541	1988 CHEVROLET 4X4 3/4 TON	Nov-88	100,000	24,570	1,400		
12102097*	534541	1987 CHEVROLET 4X4 3/4 TON	Sep-87	100,000			24,570	1,400
12102090	534541	1989 FORD 4X4 3/4 TON	Jan-90	100,000			24,570	1,400
12102107*	534541	1992 CHEVROLET 4X4 3/4 TON	May-92	102,000	24,570	1,400		
12102109*	534541	1992 FORD 4X4 3/4 TON	May-92	92,000	24,570	1,400		
12102202	534541	1992 DODGE VAN 3/4 TON	Apr-92	77,000			20,900	1,200
12102100	534541	1989 CHEVROLET 3/4 TON	Apr-89	131,000	20,900	1,200		
12102100	534541	1988 CHEVROLET 4X4 3/4 TON	May-88	81,000			24,570	1,400
12102101*	534541	1993 FORD 4X4 3/4 TON	Apr-93	68,000			24,570	1,400
12102103*	534541	1993 FORD 4X4 3/4 TON	Apr-93	77,000			24,570	1,400
12102104*	534541	1993 FORD 4X4 3/4 TON	Apr-93	69,000			24,570	1,400
12102106*	534541	1993 CHEVROLET 4X4 3/4 TON	May-93	90,000	24,570	1,400		
12102155*	534541	1993 CHEVROLET 4X4 3/4 TON	May-93	74,000			24,570	1,400
12102110	534541	1990 CHEVROLET 2X4 1/2 TON	May-90	125,000	18,568	1,200		
12102110	534541	1990 CHEVROLET 2X4 1/2 TON	May-90	125,000	19,800	1,200		
12102110	534541	1988 CHEVROLET 2X4 3/4 TON	Mar-88	115,000	20,900	1,200		
12102113*	534541	1992 CHEVROLET 4X4 3/4 TON	Apr-92	80,000			24,570	1,400
12102116*	534541	1992 CHEVROLET 4X4 3/4 TON	Apr-92	85,000			24,570	1,400
12102112*	534541	1993 CHEVROLET 4X4 3/4 TON	May-93	70,000			24,570	1,400
12102114*	534541	1993 CHEVROLET 4X4 3/4 TON	May-93	75,000			24,570	1,400
12102115*	534541	1993 CHEVROLET 4X4 3/4 TON	May-93	70,000			24,570	1,400
12102126*	534541	1990 FORD 4X4 3/4 TON	Apr-90	90,000	24,570	1,400		
12102122*	534541	1992 FORD 4X4 3/4 TON	Apr-92	91,000	24,570	1,400		
12102121*	534541	1992 FORD 4X4 3/4 TON	Apr-92	85,000			24,570	1,400
12102122*	534541	1993 FORD 4X4 3/4 TON	Apr-93	80,000	24,570	1,400		
12102120	534541	1989 CHEVROLET 4X4 1 TON	May-90	121,000	26,950	1,400		
12102130	534541	1992 FORD RANGER 2X4	May-92	75,000			15,046	1,200

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LICENSED MOTOR VEHICLE PURCHASE SCHEDULE
(For continuation requests only)

Section 5
Attachment 8

(Due 9/30/96)

Department

DEHNR

Division or Institution Forest Resources

Budget Code

14300

FUND	ACCOUNT	MAKE, TYPE, AND YEAR MODEL	DATE PURCHASED (MONTH AND YEAR)	ESTIMATED MILEAGE AS OF 6-30-97	1997-98		1998-99	
					TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)	TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)
12102201	534541	1986 GMC MECHANIC TRUCK 3/4 TON, 2WD	Dec-86	85,000	20,900	1,600		
12102132*	534541	1988 CHEVROLET 4X4 3/4 TON	May-88	175,000	24,570	1,400		
12102132*	534541	1989 CHEVROLET 4X4 3/4 TON	Jun-89	130,000	24,570	1,400		
12102132*	534541	1989 CHEVROLET 4X4 3/4 TON	Jun-89	137,000	24,570	1,400		
12102131*	534541	1993 CHEVROLET 4X4 3/4 TON	Jun-93	130,000	24,570	1,400		
12102133*	534541	1988 CHEVROLET 4X4 3/4 TON	May-88	95,000	24,570	1,400		
12102134*	534541	1987 CHEVROLET 2X4 1/2 TON	Jun-87	155,000	18,568	1,200		
12102134*	534541	1991 CHEVROLET 4X4 3/4 TON	Jun-91	110,000	24,570	1,400		
Total by Fund/Account					\$2,546,572	\$114,800	\$1,706,756	\$86,200
Less: Motor vehicles included in 1996-97 Authorized Year					\$568,578	76,800	\$568,578	76,800
Less: County Receipts*					\$518,134		\$342,741	
Net Amount to Worksheet I					\$1,459,860	\$38,000	\$795,437	\$9,400

*Represents County Vehicles

** Trade-in value will be shown as estimated receipts - "Sale of Surplus Property."

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

OTHER VEHICLE PURCHASE SCHEDULE
(For continuation requests only)

Section 5
Attachment 9
(Due 9/30/96)

Department		DEINR		Division or Institution		FOREST RESOURCES		Budget Code	
FUND	ACCOUNT	DESCRIPTION (MAKE, TYPE, AND YEAR MODEL)	DATE PURCHASED (MONTH & YEAR) NUMBER	CONDITION*	1997-98		1998-99		
					TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)	TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)	
12102204	534542	1953 CESSNA AIRCRAFT L19A N10714	1963	POOR-SEE ATTACHED	200,000				
12102204	534542	1953 CESSNA AIRCRAFT L19 N2FS	1963	POOR-SEE ATTACHED			200,000		
Total by Fund/Account					\$200,000		\$200,000		

* Provide information from maintenance records, frequency of repairs, and other pertinent information such as mileage or hours of operation to assist in determining condition.

** Trade-in value will be shown as estimated receipts - "Sale of Surplus Property."

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

OTHER VEHICLE PURCHASE SCHEDULE

(For continuation requests only)

DEPARTMENT DEHNR

Division or Institution

FOREST RESOURCES

Budget Code _____

FUND	ACCOUNT	DESCRIPTION (MAKE, TYPE, AND YEAR MODEL)	DATE PURCHASED (MONTH & YEAR) NUMBER	CONDITION*	1997-98		1998-99	
					TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)	TOTAL COST	(IF
12102204	534544	FARM TRAILER-UTILITY SHOP MADE	1978	POOR-SEE ATTACHED			12,000	
12102204	534544	1973 LOWBOY TRAILER 35 TON 28' DECK	1973	POOR-SEE ATTACHED	18,000			
12102204	534544	1970 LOWBOY TRAILER 35 TON 26' DECK	1970	POOR-SEE ATTACHED	16,000			
12102204	534544	1974 LOWBOY TRAILER 35 TON 28' DECK	1974	POOR-SEE ATTACHED	18,000			
12102204	534544	1970 LOWBOY TRAILER 35 TON 26' DECK	1970	POOR-SEE ATTACHED	16,000			
12102204	534544	1974 LOWBOY TRAILER 35 TON 28' DECK	1974	POOR-SEE ATTACHED			18,000	
12102204	534544	1973 REID LOWBOY TRAILER 35 TON 26' DECK	1973	POOR-SEE ATTACHED			16,000	
12102204	534544	1975 LOWBOY TRAILER 35 TON 28' DECK	1975	POOR-SEE ATTACHED			18,000	
12102204	534544	1970 LOWBOY TRAILER 35 TON 28' DECK	1970	POOR-SEE ATTACHED			18,000	
12102204	534544	1968 REID LOWBOY TRAILER 35 TON 26' DECK	1968	POOR-SEE ATTACHED			16,000	
Total by Fund/Account					\$68,000		\$98,000	

- * Provide information from maintenance records, frequency of repairs, and other pertinent information such as mileage or hours of operation to assist in determining condition.

- ** Trade-in value will be shown as estimated receipts - "Sale of Surplus Property."

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

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OTHER VEHICLE PURCHASE SCHEDULE

(For continuation requests only)

Section 5

Attachment 9

(Due 9/30/96)

DEPARTMENT DEINR

Division or Institution FOREST RESOURCES

Budget Code 14300

FUND	ACCOUNT	DESCRIPTION (MAKE, TYPE, AND YEAR MODEL)	DATE PURCHASED (MONTH & YEAR) NUMBER	CONDITION*	1997-98		1998-99	
					TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)	TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)
12102204	534549	1978 FIAT 8 TRACTOR L&P MED 100HP	1978	POOR-SEE ATTACHED	105,000			
12102204	534549	1978 FIAT 8 TRACTOR 90 HP STANDARD	1978	POOR-SEE ATTACHED	80,000			
12102204	534549	1978 FIAT 8 TRACTOR L&P MED 100HP	1978	POOR-SEE ATTACHED	105,000			
12102204	534549	1978 FIAT 8 TRACTOR 90 HP STANDARD	1978	POOR-SEE ATTACHED	80,000			
12102204	534549	1978 CASE 1150B 120HP HEAVY LPG	1978	POOR-SEE ATTACHED			130,000	
12102204	534549	1979 CASE 1150B 120 HP HEAVY LPG	1979	POOR-SEE ATTACHED			130,000	
12102204	534549	1980 FIAT 8 TRACTOR 90 HP STANDARD	1980	POOR-SEE ATTACHED			80,000	
12102204	534549	1978 CASE 1150B 120HP HEAVY LPG	1978	POOR-SEE ATTACHED			130,000	
12102204	534549	1973 TRACTOR TDISC 120HP HEAVY LPG	1973	POOR-SEE ATTACHED			130,000	
12102204	534549	1972 FORD TRACTOR 3000	1972	POOR-SEE ATTACHED			25,000	
12102204	534549	1974 FORD TRACTOR 5000	1974	POOR-SEE ATTACHED			55,000	
Total by Fund/Account					370,000		680,000	

* Provide information from maintenance records, frequency of repairs, and other pertinent information such as mileage or hours of operation to assist in determining condition.

** Trade-in value will be shown as estimated receipts - "Sale of Surplus Property."

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

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OPERATING RESERVE

R-70

Department of EHNR
1997-99 Operating Reserve
Continuation Budget

Division of Parks and Recreation

JUSTIFICATION FOR FUNDING

Since 1993, numerous new acquisitions and facilities have been authorized by the NC General Assembly to be added to the State Parks System. These projects have been funded by the 1993 State Parks Bond Referendum, and by a 1995 capital appropriation of \$10,000,000. In addition, two new parks have been added to the system. These new parks were authorized by the General Assembly, and the acquisitions were funded by the Natural Heritage Trust Fund. Most of these new facilities and acquisitions are expected to be completed within the next biennial budget cycle. Therefore, funding for the operation of these previously authorized projects is requested from the 1997-99 Operating Reserves.

STATE PARKS BOND PROJECTS

Funding is requested for operation of the following projects which were funded by the 1993 State Parks Bond:

Bushy Lake State Natural Area - 1050 acres
Carolina Beach State Park - Visitor center
Cliffs of the Neuse State Park - Office, bathhouse, campground
Crowders Mountain State Park - Visitor center
Crowders Mountain State Park - 292 acres
Duke Power State Park - Community building
Eno River State Park - Picnic area
Fort Fisher State Recreation Area - Visitor contact station
Fort Macon State Park - Fort restoration
Goose Creek State Park - Visitor center/Phase I Environmental education center
Hanging Rock State Park - Visitor center
Hanging Rock State Park - 350 acres
Jockey's Ridge State Park - Visitor center/Concession building
Kerr Lake State Recreation Area - Visitor center/Development
Lake James State Park - Maintenance building
Lake Waccamaw State Park - Visitor center
Lumber River State Park - Office, picnic area, campground at Princess Ann Access
Lumber River State Park - 1500 acres
Merchants Millpond State Park - Picnic area
Medoc Mountain State Park - Office, campground, maintenance buildings
Morrow Mountain State Park - Campground, maintenance area

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Division of Parks and Recreation
1997-99 Operating Reserves
Page 2

Mount Jefferson State Natural Area - Picnic area, trail development
Mount Mitchell State Park³ - Museum renovations, handicap access, utilities
Mount Mitchell State Park - 350 acres
New River State Park - Site #3 development
Pettigrew State Park - West End Access development
Raven Rock State Park - Maintenance area
South Mountains State Park - Horse camp/Picnic area
Stone Mountain State Park - Picnic area
Stone Mountain State Park - 426 acres
William B. Umstead State Park - Visitor center

OTHER

Funding is also requested for the operation of the following projects, with funding sources as indicated:

Falls Lake State Recreation Area - 1050 acres, trail	(Transfer from WRC)
Occoneechee Mountain State Natural Area - 150 acres	(New park, authorized 1994)
Run Hill State Natural Area - 130 acres	(New park, authorized 1995)
Singletary Lake State Park - Group camp	(1995 Capital Appropriation)
Weymouth Woods State Natural Area - 97 acres	(Natural Heritage Trust Fund)

R-72

Why DPPEA Should Not Be Privatized

Privatization of the Division of Pollution Prevention and Environmental Assistance (DPPEA) would severely impact the goal of the state to promote a healthy environment and a sound economy. To attain this goal, state government needs a balanced approach between technical assistance and regulatory enforcement. The services of DPPEA embody this goal by providing a pollution prevention approach designed to encourage a shift from using costly traditional pollution control technologies to a cost-avoiding prevention approach (i.e. eliminating, reducing or recycling wastes before they become pollutants).

The services of DPPEA are not available anywhere else in the state and would be difficult for the private sector to develop. As a part of state government, the Division is able to leverage a broad range of state, federal and private resources to meet the needs of industries, businesses and local governments. This coordinated effort provides access to affordable training courses, technical materials and expertise that would not otherwise be available. This effort by DPPEA allows the State to provide timely information to affected entities on changing regulations, policies and statutes.

Since NC's pollution prevention effort was first established in FY1984, it has developed the resources and expertise needed to address the types of waste generated by NC's business, industries and local governments. DPPEA is recognized across the nation as the leader in the development of information resources, publications, training and outreach efforts, and technical assistance on pollution prevention. DPPEA's technical assistance provides a starting point and tools for the development of a cost effective waste management program based on pollution prevention. DPPEA resources enable private and public sector clients to make more informed and timely decisions on cost-effective waste management programs. These resources are used by businesses, industries, local governments, consultants, state agencies, universities and private citizens.

Very few consultants in the nation provide comprehensive pollution prevention services. An environmental consultant stated at a recent professional conference, "The scant number of pollution control consultants offering private sector pollution prevention services is ample proof of the difficult nature of this business." There are many reasons for this. For example, pollution prevention projects result in significantly fewer billable hours compared to capital-intensive pollution control projects. Also pollution prevention projects require extensive customization for individual clients based on their production process and management structure. The services DPPEA provides are complementary to those provided by consultants. In fact, consultants use DPPEA's resources to identify solutions for their clients.

While DPPEA does work with individual clients it maintains a larger statewide perspective. DPPEA develops proactive services to address whole industrial sectors, specific waste streams, types of government agencies, or impacted geographic regions. The statewide perspective sets DPPEA apart from the approach taken by other public and private sectors assistance groups.

R-73

FY-97 GRANTS

Recipient	Area Affected	Purpose/Outcome	Amount	Grantee Match
Miller Control and Manuf. Co., Inc.	Clinton/Sampson	Demonstrate alternative fiberglass lay-up procedures incorporating the use of scrap fiberglass as filler to reduce styrene resin requirements and associated emissions by up to 20%. Significant reduction potential for air emissions and solid waste. Project has large transfer potential to other fiberglass fabricators.	\$5,800	\$9,550
Converse, Inc.	Lumberton/Robeson	Demonstrate use of water-based adhesives and infrared curing in place of solvent-based adhesives in athletic shoe manufacturing. Huge potential reduction in hexane emissions and energy consumption. Potential application for other large adhesive users.	\$15,000	\$202,000
Eaton Corporation	Fletcher/Buncombe	Demonstrate the process for developing an Environmental Management System following the guidelines for ISO 14001. Supply documentation of the steps and procedures followed in developing and implementing the system. Many companies are interested in guidance materials on developing an environmental management system.	\$10,000	\$140,000
One Hour Koretizing	Rocky Mount/Nash	Demonstrate efficacy of wet cleaning of garments previously considered dry-clean only. Opportunity to significantly lower air emissions and hazardous waste generation and liability from dry cleaning industry.	\$9,875	\$30,000
NCSU College of Textiles	Raleigh/Wake	Fund a project to evaluate and demonstrate a system to provide real-time monitoring and process control of a textile dyeing process. This project has great potential for transfer to textile wet processing plants and great potential for reducing water pollutants, water and energy consumption, and cost in the textile industry.	\$22,200	N/A
Carolina Power & Light Co., Inc.	Roxboro/Person	Demonstrate a system to separate flyash into carbon-rich and carbon-depleted streams. The carbon-rich stream will be returned to the power plant boiler and re-burned to utilize the residual energy source, and commercial recycling opportunities for the carbon-depleted stream will be examined. If successful, the project can be potentially duplicated on a smaller scale by other non-utilities that operate coal-fired boilers to lower coal costs and ash management costs.	\$7,500	\$1,550,000
County School Bus Garages in 10 counties	Numerous cities and counties	Project will demonstrate and evaluate the effectiveness of by-pass oil filters on school buses. This technology is reported to eliminate the need for oil changes while reducing engine wear and enhancing fuel economy. Participating counties are currently being identified.	\$20,000	N/A
UNC Water Resources Research Inst.	Raleigh/Wake	Fund a pollution prevention internship program to provide valuable work experience to interested students at North Carolina's public and private institutions of higher learning.	\$40,000	N/A
Land-of-Sky Council	Asheville/Buncombe	Fund development of technical information resources on water conservation and pollution prevention by retired engineers and scientists participating in the NC Waste-Reduction and Technology Transfer program.	\$4,000	N/A
UNC Water Resources Res. Inst.	Raleigh/Wake	Fund a pollution prevention internship program to provide valuable work experience to interested students at North Carolina's public and private institutions of higher learning.	\$40,000	N/A

R.74

Randolph County	Randolph	Randolph County will install processing equipment to expand its recycling program for mixed paper, corrugated cardboard, and textile cones and tubes.	\$25,000	\$2,500
Union County	Union	Union County will purchase equipment to expand its school and business paper collection program.	\$25,000	\$2,500
Pitt County	Pitt	Pitt County and the Eastern Carolina Vocational Center will expand their collection and processing systems to accept regular and junk mail, brown paper bags, and additional newspaper and cardboard.	\$25,000	\$2,500
Caldwell County	Caldwell	Caldwell County will implement a paper waste reduction program throughout its school system and at county businesses and industries.	\$25,000	\$2,500
Conwed Fibers	Western NC	Conwed Fibers will expand its production of "Enviroblend" hydro-mulch, which will increase its consumption of recycled newsprint by 3500 tons annually.	\$25,000	\$2,500
NC Chapter, SW Assoc. of North America	Statewide impact	DPPEA, US EPA Region IV, and NC SWANA have cosponsored a workshop to train local officials and their contracted haulers to capture greater efficiencies in their recycling collection programs.	\$5,000	\$5,000
Wake County	Wake County and statewide impact	Wake County will implement a pilot recycling and waste reduction program in a local hotel. The project will yield information that can be used for similar efforts statewide.	\$5,000	\$2,000
NC Recyc. Assoc.	Statewide impact	NCRA conducted registration and other logistics for the 1996 Recycling Coordinators Training Course in Raleigh and Charlotte.	\$15,275	N/A
UNC Public Policy Prog.	N/A	The UNC-CH Public Policy administered the contract to provide two interns to DPPEA over the course of FY97.	\$25,479	N/A
Woodbin2	Wake County and statewide impact	Woodbin2 is conducting a "Home Builder's Recycling Initiative," testing source separation recycling collection techniques for construction materials on new home sites.	\$29,000	\$10,000

FY-96 GRANTS

Recipient	Area Affected	Purpose	Amount	Grantee Match
ABB Power T&D Company	Greensboro/Guilford	Demonstrate powder coatings on non-conductive fiberglass tubes as an alternative to solvent-based spray coating. This demonstration opens the door for other uses of this cost-saving, emission-reducing coating technology for coating non-conductive materials such as plastic and wood.	\$15,000	\$145,000
Athol Corporation	Bumer/Granville	Demonstrate a process to cryogenically separate PVC coating from fabric and to reuse the recovered PVC in the process. Work still ongoing.	\$15,000	\$117,000
Burlington Chemical Company.	Burlington/Alamance	Demonstrate the use of a stress gene assay to develop less-toxic products for the textile industry. The technique will enable textile wet processors and other chemical users to determine specific raw materials that contribute to aquatic toxicity so that they can find substitutes or minimize their use. Effluent toxicity is a significant concern for textile mills and towns with large textile mills.	\$15,000	\$28,620
ECU Dept. of Indust. Tech.	Greenville/Pitt	Determine and document best manufacturing practices for open-mold fiberglass fabrication operations. The demonstration site that implemented these practices realized a 62% reduction in waste and an improvement in product quality.	\$17,600	N/A

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Hankison International	Newport/Carteret	Demonstrate a system to recycle wastewater from its metal cleaning and pretreatment operation and to switch to a powder coating system from the current solvent based painting operation. This innovative system has been duplicated at several other locations (e.g., Hogslat, Inc. in Newton Grove) enabling companies to attain compliance with wastewater permit requirements.	\$15,000	\$785,000
Kiel, Woodward & Assoc.	Chapel Hill/Orange	Study and document management approaches of 13 companies who are recognized as leaders in environmental management. Information gathered and contacts made will be highlighted in a conference on environmental management systems in FY 98. This study was a follow up to an EPA-funded study that resulted in case studies of 6 North Carolina companies.	\$11,600	N/A
Maple Springs Laundry	Hickory/Catawba	Demonstrate the use of tunnel washing equipment and hydrogen peroxide in place of hypochlorite in a commercial laundry operation. The project resulted in large savings on water, energy, and chemical usage, plus a dramatic increase in plant throughput. The results have significant transfer potential.	\$20,000	\$330,000
Randolph County	Randolph	Provide funds for the county to implement a coordinated multi-media waste reduction outreach program. The project has resulted in several sector-specific workshops (e.g., textiles, auto repair, restaurants, industrial wastewater management). The project will culminate in a report documenting reduction in waste generation, improvement in regulatory compliance, and increased awareness of pollution prevention opportunities.	\$15,000	N/A
Soletron Technology Inc.	Charlotte/Mecklenburg	Demonstrate a no-clean, VOC-free process for its printed circuit board manufacturing operation. Project successfully demonstrated. Large transfer potential.	\$10,000	\$240,000
B & B Top Soil Mine, Inc.	Durham, Granville, Vance	B & B Top Soil Mines will expand operations that divert stumps, brush and yard waste.	\$40,000	\$8,000
Buncombe County	Buncombe	Buncombe County purchased office recycling containers, conducted program promotion and education, and expanded in-house recyclables collection to reduce waste disposal costs.	\$20,000	\$5,000
Cornerstone Christian Center	Gaston	Cornerstone Christian Center purchased a utility vehicle to increase recycling collections from businesses and multi-family units.	\$20,000	\$5,000
Town of Kill Devil Hills	Dare/Kill Devil Hills	Kill Devil Hills purchased six 40-yard roll-off containers to increase recycling collections and decrease recycling transportation and processing costs.	\$18,504	\$4,625
Burke County	Burke	Burke County developed Consumer Source Reduction Education Centers at convenience centers providing information on backyard composting, bulk mail reduction, toxicity reduction, and enviro-shopping.	\$11,604	\$3,000
Town of Farmville	Farmville/Pitt Co.	Farmville purchased a horizontal baler to reduce labor costs and increase materials handling efficiency.	\$20,000	\$5,000
Keep Iredell Clean	Iredell	Keep Iredell Clean established a program offering recycling collections from small businesses, hosting a Recycling Expo, and linking recycling companies with generators.	\$14,520	\$3,630
The Scrap Exchange	Durham, Wake, Orange	The Scrap Exchange expanded collection service to industrial generators through purchase of a new collection vehicle.	\$18,600	\$4,650

R-76

NCSU, Animal Waste Mgt. Center	Statewide impact	NC State will conduct tests on a scrap gypsum based product to determine whether it is a viable alternative to treating swine waste odor.	\$22,799	N/A
Stanly County	Stanly	Stanly County purchased a computer and software to track recyclables tonnages, manage a database of commercial and industrial generators, and produce educational materials for county residents.	\$2,758	\$700
Martin Co./Martin Enterprises	Martin	Martin County and Martin Enterprises purchased a horizontal baler to expand cardboard collection and initiate white office paper recycling.	\$20,000	\$5,000
Alleghany County	Alleghany	Alleghany County constructed a larger recyclables processing center and purchased a baler and fork lift to increase the number of materials accepted and allow for more collection sites.	\$20,000	\$5,000
New Hanover	New Hanover	New Hanover County expanded its household battery collection program to include 2 additional retail outlets, 2 school sites, and offering information to 5 commercial generators.	\$7,811	\$2,000
Polymer Reclaim & Exchange	Statewide impact	Polymer Reclaim & Exchange will expand its small-scale vinyl siding program statewide, increasing collections from 110,000 to 300,000 pounds per month.	\$60,000	\$12,000
Albemarle Regional SWMA	Hyde, Dare Tyrell, Gates, Perquiman, Currituck, Chowan	Albemarle Solid Waste Authority purchased equipment to interface with existing main frame computer and electronic scales to record and track waste from point of generation to marketing.	\$4,000	\$1,000
North Carolina Recycling Assoc	Statewide impact	NCRA's Collegiate Recycling Council created a directory of model campus waste reduction programs and published it on the world-wide web.	\$5,450	\$1,000
Madison County	Madison	Madison County expanded and improved recycling programs for office paper, mixed paper, and corrugated cardboard at county schools, businesses, and staffed convenience centers.	\$20,480	\$4,000
North Carolina Harvest, Inc.	Mecklenburg and surrounding counties	North Carolina Harvest, Inc. purchased a truck to expand produce recovery effort from the Charlotte Regional Farmer's Market and area food brokers.	\$10,000	\$2,000
Inter-Faith Food Shuttle	Wake and surrounding counties	Inter-Faith Food Shuttle purchased a truck to expand its food collection from NC State Farmer's Market and local donors.	\$10,000	\$2,000
Good Shepherd House	New Hanover and surrounding counties	Good Shepherd House purchased and installed a commercial, walk-in cooler for donated food from area restaurants, grocery stores, and institutions.	\$10,000	\$2,000
Univ. Honors Prog./UNC-Charl.	Charlotte	The University Honors Program at UNCC added refrigeration and upgraded a van for food collections from campus cafeterias.	\$5,130	\$1,000
Craven County	Craven	Craven County purchased computer equipment and software to facilitate solid waste sticker distribution and redemption program.	\$2,800	\$700

R-77

Grants prior to FY95-96

McKay's Dry Cleaners - Raleigh/ Wake County - \$15,000

Demonstrate multi-process garment cleaning, a combination of wet and dry cleaning. The project will assess the applicability to multi-process cleaning to various fabrics.

Sara Lee Knit Products - Morganton/ Burke County - \$9,422

Demonstrate reusing spent brine solutions from dyeing process. Reusing spent dyebaths will help eliminate the need for expensive color and salt removal equipment.

Sno White Cleaners - Greensboro/ Guilford - \$10,000

Install condensation system to recover petroleum solvents currently being vented to the atmosphere. The recovered solvents would be distilled and reused, reducing virgin solvent purchases.

Nomaco, Inc - Zebulon/ Guilford - \$15,000

Construct a facility to grind, melt, redensify, and repelletize plastic foam scrap generated from production operations. The recovered plastic will be returned to the manufacturing process or sold to other users. This would reduce solid waste by 80%.

ChemEnco, Inc - Charlotte/ Mecklenburg - \$15,000

Demonstrate production of sulfuric acid using spent wastewater from the textile dye industry as a feedstock. This wastewater contains large quantities of dilute sulfuric acid which can be potentially be reclaimed and marketed.

Spectrum Recycling, Corp. - Charlotte/ Mecklenburg - \$15,000

Expand a pelletizing line for recycling nylon and polyester scrap from the textile industry. This project will convert 8 million pounds of scrap fiber into usable product.

NCSU Furniture Manufacturing and Management Center - \$15,000

Survey wood furniture manufacturers to assess recordkeeping practices for material usage. Develop recordkeeping and reporting software program to aid small furniture manufacturers. Develop educational materials.

UNC Water Resources Research Institute - \$30,000

Contract for student internship program.

ECU School of Industrial Technologies - \$21,100

Update and expand pollution prevention manual for boat-building and composite reinforced plastic manufacturers

Kenan-Flagler Business School (UNC) - \$3,000

Conduct a business survey of furniture industry executives to assess their attitudes toward environmental management issues and pollution prevention.

NCSU College of Textiles - Statewide Impact - \$50,000

Expand database of environmental parameters of textile chemicals. Test expert system to predict effluent parameters with a given set of chemical inputs and operating conditions.

Albemarle Regional Solid Waste Management Authority - \$13,750

Implementation of a household hazardous waste education, paint swap, and antifreeze recycling.

R-78

Cleveland County/Towns of Shelby and Kings Mountain - \$30,000

Construction of Recycling/Waste Reduction Centers

McDowell County - \$8,270

Construction of staffed convenience centers

City of King/Stokes County - \$30,000

Construction of a staffed convenience center

Brunswick County/Town of Long Beach - \$10,900

Implementation and assessment of a blue bag recycling program targeting permanent residents and tourists

Alexander County - \$10,905

Upgrade of Recyclables Collection at Drop Off Centers

Caswell County - \$15,000

Purchase of truck for transporting recyclables and materials recovery facility upgrade

New Hanover County - \$8,330

Construction of glass storage bunkers

Davie County - \$15,000

Materials Recovery Facility Upgrade

Craven County - \$5,000

Implementation of a paint exchange program

Woodbin 2 Project - \$4,000

Development of self-build kits for children's playhouses from discarded building materials

The Scrap Exchange - \$5,000

Purchase of a van for collecting donated materials from industrial generators

Town of Windsor - \$1,750

Establishment of backyard composting program

North Carolina Recycling Assoc./ NC Composting and Organics Recycling Council - \$5,000

Conduct a statewide backyard composting training workshop

Martin County/Martin Enterprises - \$25,000

Purchase of a truck and skidder loader for a business corrugated cardboard collection route

Craftsman Fabrics Industries - Concord/ Cabarrus - \$15,000 (\$22,112 company match)

Reduce water and chemical consumption through improved dye bath equipment process control

Hatteras Yachts - High Point/ Guilford - \$15,000 (\$20,295 company match)

Evaluate HVLP spray guns for polyester gel and direct application roller equipment of polyester resin in large boat manufacturing.

R-79

Hatteras Yachts - New Bern/ Craven - \$15,000 (\$19,346 company match)

Evaluate new multi-component HVLP spray equipment for applying linear polyurethane exterior paint for fiberglass yachts.

C&R Electroless Nickel Services - Gastonia/Gaston - \$10,000 (\$30,445 company match)

Implement closed loop electroless nickel plating line; record before/after savings and reduction in pollutant releases

Trinity America Corp. - Glenola/ Randolph - \$15,000 (\$15,000 company match)

Pilot test equipment for manufacturing flexible polyurethane foam without use of auxiliary blowing agents.

T.S. Designs, Inc. - Burlington/ Alamance - \$2,573 (\$2,573 company match)

Design and install recovery system for water and chemicals used in cleaning ink printing screens.

Henredon Furniture Industries - Spruce Pine/ McDowell - \$12,900 (\$15,080 company match)

Retrofit spray booth with reusable metal filters, evaluate hybrid water-borne coating conversion for high-end wood furniture manufacturing.

Kemet Electronics Corp. - Shelby/ Cleveland - \$15,000 (\$80,285 company match)

Develop process to reclaim latex/ceramic film for reuse in capacitor manufacturing.

Mannington Ceramic Tile - Lexington/ Davidson - \$1,950 (\$1,950 company match)

Reduce water consumption by 85% to 90% with low-cost wastewater reuse project.

Tillet Chemical, Inc. - Charlotte/ Mecklenburg - \$14,000 (\$36,300 company match)

Substitute methyl chloroform with isopropyl alcohol in manufacture of carboxymethyl starch.

Randolph County - \$10,000

Initiation of a waste reduction program targeting the county's textile industry

Burke County - \$3,000

Development of a waste reduction information and referral service for businesses

Ashe County - \$15,000

Establish five permanent recycling drop-off centers.

Town of Andrews - \$15,000

Construct three trailers and a purchase a truck to activate a voluntary/partially mandatory curbside recycling program.

Town of Butner - \$11,900

Expanded plastics collection program, establish a baling and processing center, and conduct an educational program for area schools.

Burke County - \$15,000

Construct a permanent recycling center for processing and recycling chlorofluorocarbons (CFC's) extracted from white goods prior to recycling.

Camden County - \$7,467

Complete the improvement of three staffed recycling centers; including addition of more recycling containers.

R-80

Caldwell County - \$15,000

Construct a staffed convenience center in a remote area, establish a mobile recycling drop-off program and conduct intensive recycling education in Caldwell elementary schools.

Cape Fear (Region O) Council of Governments - \$31,798

Implement a region-wide waste reduction and recycling program with emphasis on commercial and industrial recycling, regional marketing, and education.

Edgecombe County - \$15,000

Construct and implement a recycling center in a rural area of the county.

Town of Faison - \$2,410

Construct an unloading ramp to process recyclables (particularly plastics) more efficiently.

Northampton County - \$5,000

Collect, process, and market plastic pesticide containers and implement an educational program for area farmers.

Mecklenburg County - \$ 7,825

Produce a waste reduction video for distribution to elementary schools across the state featuring the Charlotte Hornet's star "Muggsy" Bogues.

Town of Princeville - \$15,000

Establish a curbside recycling program and sorting center to process the materials collected.

Stanly County - \$15,000

Purchase recycling containers to begin collection of PETE and HDPE plastic and steel cans

Town of Wallace - \$15,000

Cardboard collection service was provided to business and industry within the Town of Wallace

Pasquotank and Camden Counties - \$30,500

Establish a collection program for glass, newspaper, aluminum cans, and HDPE and PETE plastics for commercial, institutional, and industrial establishments in both counties

Burke County - \$8,000

Develop an educational campaign targeting the elimination of contaminants in the recycling stream.

Durham, Durham County, and SunShares - \$50,000

Production of "Bull Durt," a compost utilizing mixed paper waste and sludge

Perquimans-Chowan-Gates Solid Waste Management - \$45,000

Expand existing cardboard and pilot waste paper programs by constructing a 40' x 60' in-door storage/processing center and loading ramp, and purchasing a one-ton truck for collections.

Madison County and Mars Hill - \$42,110

Develop a joint composting project utilizing wet food waste and mixed paper waste

Martin County and Martin Enterprises - \$50,000

R-81

Establish a corrugated cardboard collection and processing site at Martin Enterprises, giving businesses in Martin County a financial incentive to recycle corrugated

Gaston County - \$23,655

Expand the physical facilities of the Cornerstone Christian Center recycling site to create a multi-material residential/commercial drop-off center

Minorities in Recycling and Environmental Management - \$50,000

Develop a public housing recycling project for the cities of Durham and Greensboro modeled after the successful pilot program in Durham's Fayetteville Street Housing community.

Pamlico County and Pamlico County Towns- \$50,000

Begin a composting project utilizing shredded mixed paper and fish waste produced in four local counties.

Farmville - \$15,000

Promote source reduction by supplying 60 households with composting bins and training in backyard composting and provide area offices, schools, and businesses with recycling bins and service for office paper.

The Scrap Exchange - \$8,500

Expand its collection of clean industrial discards for its innovative reuse program.

Town of Windsor - \$2,500

Purchase a recycling trailer to encourage greater participation and collection efficiencies.

Triangle J Council of Governments - \$49,520

Design, construct, and equip four permanent household hazardous waste collection facilities in Chatham, Durham, Orange, and Wake counties

Tri-County Solid Waste Management Authority - \$25,900

Buy two Bobcat loaders to increase efficiency of processing of recyclables in Cherokee and Clay counties and buy two drop-off recycling trailer for Graham County.

City of Wilmington - \$3500

Establish a pilot drop-off program in one of its eight federally supported housing projects.

Rowan County - \$15,000

Purchase a used/refurbished horizontal baler to increase efficiency.

New Hanover County - \$4,667

Expand and integrate its existing backyard composting programs, including the development of comprehensive curriculum for schools and assistance for school composting.

Coastal Regional Solid Waste Management Authority - \$50,000

Construct a co-composting facility for a leaf and yardwaste composting project and begin a pilot leaf and yardwaste/sludge composting project.

City of Rocky Mount - \$14,500

Install a mobile plastics compactor on each of its four curbside recycling vehicles.

DIVISION OF AIR QUALITY

R-82

- Attached is a table summarizing new positions added to DAQ since 1993. Also attached is a listing of the fund shifts from appropriations to receipts that occurred in July 1, 1995 in response to the fifteen position cutback imposed by the General Assembly (fourteen positions were fund shifted and one position was permanently abolished).
- The FY 1995-96 year end cash balances and projected FY 1996-97 year end cash balances are summarized below:

	<u>2331</u>	<u>2333</u>	<u>2334</u>	<u>2338</u>
FY 96	\$681,819.01	\$4,542,079.94	\$5,626,529.90	\$527,888.18
FY 97 (projected)	\$351,572.00	\$3,271,754.00	\$2,167,228.00	\$293,288.00

The receipts are utilized as follows:

- 2331 (non Title V permit fees) - to implement a portion of the permitting and compliance activities for non-Title V permits (not to exceed 30% of total program costs)
- 2333 (Title V)- to implement 100% of the permitting and compliance activities for Title V permits
- 2334 (fuel tax) - to supplement the non-Title V permit activities and to perform mobile source pollution reduction activities
- 2338 (inspection/maintenance) - for implementing mobile source activities including oversight of the I/M program, conformity determinations (ensuring new highway construction does not adversely impact air quality) and vapor recovery programs at gasoline stations.

- A state match is required for federal receipts. The federal Clean Air Act (excerpt attached) requires that the EPA Air Grant cannot exceed three-fifths of the cost of implementing programs for the prevention and control of air pollution or implementation of national primary and secondary ambient air quality standards, i.e., the state match must be at least 40% of the program cost.

Of even more importance for the Air Quality Program is another requirement in the federal Clean Air Act - the Maintenance of Effort (MOE) Requirement. The MOE requirement is that the state's non-federal funds for recurrent expenditures for air pollution control programs in a federal fiscal year will be equal to or exceed these expenditures for the preceding federal fiscal year. This Air Grant MOE ratchet mechanism is distinct from some other federal grant programs where an MOE requirement simply refers to a fixed base year.

DAQ Position History

Numbers from BRS

Initials	Date
Prepared By <i>PLC</i>	3-20-77
Approved By	

WILSON JONES COMPANY G7505 ColumnWrite ®

MADE IN U.S.A.

R-83

		1	2	3	4	5	
		Current					
		3-97	6-30-96	6-30-95	6-30-94	6-30-93	
1	STATE - 1990	23	23	39	41 ✓	41 ✓	1
2							2
3							3
4	F/R - 1990	33	33	34	37 ✓	37 ✓	4
5	1995	160	144	202	139 ✓	89 ✓	5
6	1980	11	7	9	9 ✓	9 ✓	6
7	1985	49.75	49.75	-	-	- ✓	7
8							8
9							9
10	TOTAL	276.75	278.75	284	226	176	10
11							11
12							12
13							13
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37							37
38							38
39							39
40							40

DEHNR-GENERAL

EFFECTIVE DATE 10/31/95

BD 606 NO. 11 0191

R-84

SUBJECT FUND 1645, 1700 - FUND SHIFTS

CODE 14300

SUBMITTED 12/29/95

APPROVED 02/19/96

FISCAL YEAR 1995-97

STATUS FILED

ATTACHMENT YES

CODES B

ACCOUNT CENTER

REQUIREMENTS

**** 1995-96 ****

**** 1996-97 ****

INCREASE DECREASE

INCREASE DECREASE

AIR QUALITY-PERMIT FEES

1212	16456451	SPA-REG SALARIES	18,236	24,314
1212	16456455	SPA-REG SALARIES	903,223	1,204,298
1212	16456458	SPA-REG SALARIES	26,884	35,845
1512	16456451	SOCIAL SEC CONTR	1,395	1,860
1512	16456455	SOCIAL SEC CONTR	69,097	92,129
1512	16456458	SOCIAL SEC CONTR	2,057	2,742
1522	16456451	REG RET CONTRIB-	1,975	2,633
1522	16456455	REG RET CONTRIB-	97,819	130,425
1522	16456458	REG RET CONTRIB-	2,912	3,882
1562	16456455	MED INS CONTRIB-	49,476	65,968
1562	16456458	MED INS CONTRIB-	1,302	1,736

AQ FUEL TAX

1212	1700	SPA-REG SALARIES	948,343	1,264,457
1512	1700	SOCIAL SEC CONTR	72,549	96,731
1522	1700	REG RET CONTRIB-	102,706	136,940
1562	1700	MED INS CONTRIB-	50,778	67,704
*** TOTAL REQUIREMENTS			0	0

RECEIPTS

AIR QUALITY-PERMIT FEES

8176	16456455	TFR FRM FUND 243	1,119,615	1,492,820
8176	16456458	TFR FRM FUND 243	33,155	44,205
8193	16456451	TFR FRM CODE 243	21,606	28,807

AQ FUEL TAX

8134	1700	TRANS FROM 24301	1,174,376	1,565,832
*** TOTAL RECEIPTS			0	0

REMARKS (JUSTIFICATION):

ATTACHED IS A LIST OF POSITIONS WHICH WE REQUEST TO FUND SHIFT EFFECTIVE 10-1-95. THESE FUNDS SHIFTS ARE REQUESTED IN ORDER TO SHIFT PEOPLE INTO THE FUND FOR WHICH THEY ARE DOING WORK. THE INITIAL FUNDS FOR THE EXPANSION OF THE AIR QUALITY SECTION WERE GENERATED FROM THE CLEAN AIR ASSESSMENT FEES (OR RAMP UP FEES) CHARGED TO APPROXIMATELY 300 MAJOR INDUSTRIES IN THE STATE. WE RECEIVED APPROXIMATELY \$1 MILLION, \$4 MILLION AND \$4 MILLION IN FISCAL YEARS 1992, 1993 AND 1994 RESPECTIVELY. ALL OF THE POSITIONS THAT WERE ADDED DURING THIS PERIOD WERE FUNDED BY THESE FEES WHICH EVENTUALLY BECAME THE TITLE V FUND. IT WAS KNOWN AT THAT TIME THAT

DEHNR-GENERAL

EFFECTIVE DATE 10/31/95

R-85

BD 606 NO. 11 0191

SUBJECT FUND 1645, 1700 - FUND SHIFTS

CODE 14300

SUBMITTED 12/29/95

APPROVED 02/19/96

FISCAL YEAR 1995-97

STATUS FILED

ATTACHMENT YES

CODES B

SOME OF THE NEW POSITIONS WOULD NOT END UP DOING TITLE V WORK AND THAT
SOME EXISTING POSITIONS THAT WERE NOT CURRENTLY FUNDED BY TITLE V FEES WERE
ACTUALLY DOING TITLE V WORK. THE INTENT WAS TO REQUEST A MAJOR FUND SHIFT
ONCE THE SECTION WAS CLOSE TO THE END OF THEIR EXPANSION, AND AFTER THERE
WAS A BETTER UNDERSTANDING OF ACTUAL TITLE V NEEDS, INSTEAD OF REQUESTING
NUMEROUS SMALLER FUND SHIFTS AS CONDITIONS KEPT CHANGING. IT IS
IMPERATIVE THAT ALL TITLE V WORK BE PAID FOR WITH TITLE V FEES. THE FUEL
TAX FUNDS HAVE ONLY BECOME AVAILABLE AS OF 1-1-95, AND OUR MOST RECENT
EXPANSION HAS UTILIZED THESE FUNDS. YOUR APPROVAL IS REQUESTED.

PREPARED BY CATHEY S COTTLE	ON 10 31 95
PASSED BY CATHEY S COTTLE	ON 10 31 95
TO SHERRILL L. HARRIS	
PASSED BY SHERRILL L. HARRIS	ON 11 2 95
TO JANE Q SMITH	
AGENCY APPROVAL ENTERED BY TERAH M COUNCILMAN	ON 11 28 95
AS AUTHORIZED BY JANE Q SMITH	
SUBMITTED BY TERAH M COUNCILMAN	ON 11 28 95
AS AUTHORIZED BY JANE Q SMITH	
RETURNED WITHOUT ACTION BY CECILIA EDGAR	ON 12 8 95
AS AUTHORIZED BY J.W. REEL	
REVISED BY CATHEY S COTTLE	ON 12 14 95
REVISED BY CATHEY S COTTLE	ON 12 14 95
PASSED BY CATHEY S COTTLE	ON 12 14 95
TO SHERRILL L. HARRIS	
AGENCY APPROVAL ENTERED BY SHERRILL L. HARRIS	ON 12 29 95
AS AUTHORIZED BY JANE Q SMITH	
SUBMITTED BY SHERRILL L. HARRIS	ON 12 29 95
AS AUTHORIZED BY JANE Q SMITH	
APPROVAL ENTERED BY CECILIA EDGAR	ON 2 19 96
AS AUTHORIZED BY J.W. REEL	
FORMATTED FOR NCAS BY TERAH M COUNCILMAN	ON 3 14 96

DEHNR-GENERAL

EFFECTIVE DATE 07/01/95

R-86

BD 606 NO. 11 0087

SUBJECT FUND 1645, 1700 - ESTABLISH POSITIONS

CODE 14300

SUBMITTED 07/24/95

APPROVED 08/25/95

FISCAL YEAR 1995-97

STATUS FILED

ATTACHMENT NO

CODES B

ACCOUNT CENTER

REQUIREMENTS

**** 1995-96 ****

**** 1996-97 ****

INCREASE DECREASE

INCREASE DECREASE

AIR QUALITY-PERMIT FEES

1212	16456455	SPA-REG SALARIES	79,408	79,408
1512	16456455	SOCIAL SEC CONTR	6,075	6,075
1522	16456455	REG RET CONTRIB-	8,704	8,704
1562	16456455	MED INS CONTRIB-	3,472	3,472

AQ FUEL TAX

1212	1700	SPA-REG SALARIES	336,245	336,245
1512	1700	SOCIAL SEC CONTR	25,723	25,723
1522	1700	REG RET CONTRIB-	36,853	36,853
1562	1700	MED INS CONTRIB-	20,832	20,832

*** TOTAL REQUIREMENTS			517,312	517,312

RECEIPTS

AIR QUALITY-PERMIT FEES

8176	16456455	TFR FRM FUND 243	97,659	97,659

AQ FUEL TAX

8134	1700	TRANS FROM 24301	419,653	419,653

*** TOTAL RECEIPTS			517,312	517,312

POSITIONS	CLASSIFICATION	POSITION NUMBER	SALARY	GRD	SCHEM	FTE
1700 1212	OFFICE ASST. III	4330 0000 0030 512	18,487	57	00403	1.00
1700 1212	ENVIR. SUPERVISOR II	4330 0000 0030 519	36,098	75	08674	1.00
1645 1212	ENVIR. ENGINEER II	4330 0000 0030 545	43,388	75	08612	1.00
1645 1212	ENVIR. ENGINEER II	4330 0000 0030 546	36,020	75	08612	1.00
1700 1212	ENVIR. ENGINEER I	4330 0000 0030 560	32,896	73	08611	1.00
1700 1212	ENVIR. ENGINEER I	4330 0000 0030 598	41,164	73	08611	1.00
1700 1212	ENVIR. TECHNICIAN V	4330 0000 0030 655	37,584	69	08652	1.00
1700 1212	ENVIR. TECHNICIAN II	4330 0000 0030 656	21,683	63	08658	1.00
1700 1212	ENVIR. TECHNICIAN II	4330 0000 0030 673	21,683	63	08658	1.00
1700 1212	ENVIR. TECHNICIAN II	4330 0000 0030 720	22,320	63	08658	1.00
1700 1212	ENVIR. TECHNICIAN V	4330 0000 0030 733	37,849	69	08652	1.00
1700 1212	ENVIR. TECHNICIAN II	4330 0000 0030 736	22,688	63	08658	1.00
1700 1212	ENVIR. TECHNICIAN II	4330 0000 0030 737	21,683	63	08658	1.00
1700 1212	ENVIR. TECHNICIAN II	4330 0000 0030 774	22,110	63	08658	1.00

REMARKS (JUSTIFICATION):

THE 1995 GENERAL ASSEMBLY MANDATED CUTS WHICH REQUIRED THAT POSITION NUMBERS

DEHNR-GENERAL

EFFECTIVE DATE 07/01/95

R-87

BD 606 NO. 11 0087

SUBJECT FUND 1645, 1700 - ESTABLISH POSITIONS

CODE 14300

SUBMITTED 07/24/95

APPROVED 08/25/95

FISCAL YEAR 1995-97

STATUS FILED

ATTACHMENT NO

CODES B

5245, 5216, 5037, 5241, 5233, 5227, 5228, 5232, 5276, 5231, 5207, 5220, 5238, AND 5246 BE FUND SHIFTED TO RECEIPTED FUNDS AND THE APPROPRIATED POSITIONS ABOLISHED. THIS REVISION WILL ESTABLISH NEW POSITIONS TO BE EFFECTIVE 7-1-95. POSITION NUMBERS 30545 AND 30546 AND BEING FUNDED FROM TITLE V MONEY WHICH IS COLLECTED IN FUND 2333 AND THE OTHER POSITIONS ARE BEING FUNDED FROM AIR QUALITY FUEL TAXES WHICH ARE COLLECTED IN FUND 2334 (CODE 24301). THESE FUNDS ARE TRANSFERRED TO THE GENERAL OPERATING FUND ON A MONTHLY BASIS TO COVER ACTUAL EXPENDITURES. YOUR APPROVAL IS REQUESTED.

PREPARED BY CATHEY S COTTLE

ON 7 17 95

PASSED BY CATHEY S COTTLE

ON 7 17 95

TO SHERRILL L. HARRIS

PASSED BY SHERRILL L. HARRIS

ON 7 18 95

TO CATHEY S COTTLE

PASSED BY CATHEY S COTTLE

ON 7 20 95

TO JANE Q SMITH

AGENCY APPROVAL ENTERED BY TERAH M COUNCILMAN

ON 7 24 95

AS AUTHORIZED BY JANE Q SMITH

SUBMITTED BY TERAH M COUNCILMAN

ON 7 24 95

AS AUTHORIZED BY JANE Q SMITH

APPROVAL ENTERED BY CECILIA EDGAR

ON 8 25 95

AS AUTHORIZED BY J.W. REEL

FORMATTED FOR NCAS BY TERAH M COUNCILMAN

ON 10 19 95

FORMATTED FOR NCAS BY TERAH M COUNCILMAN

ON 10 24 95

DEHNR-GENERAL

EFFECTIVE DATE 08/19/94

12-88

BD 606 NO. 11 0622

SUBJECT FUND 1645 - ESTABLISH POSITIONS

CODE 14300

SUBMITTED 08/23/94

APPROVED 09/08/94

FISCAL YEAR 1994-95

STATUS FILED

ATTACHMENT NO

CODES R O

ACCOUNT CENTER

REQUIREMENTS

**** 1993-94 ****

**** 1994-95 ****

INCREASE DECREASE

INCREASE DECREASE

AIR QUALITY-PERMIT FEES

1645 1212 6452 SALARIES-STAFF-RECEI	48,114
1645 1212 6455 SALARIES-STAFF-RECEI	747,681
1645 1812 6452 SOC SEC CONT-RECEIPT	3,681
1645 1812 6455 SOC SEC CONT-RECEIPT	57,198
1645 1822 6452 RETIREMENT CONTR-REC	5,274
1645 1822 6455 RETIREMENT CONTR-REC	81,946
1645 1832 6452 HOSPITAL INS CONT-RE	2,604
1645 1832 6455 HOSPITAL INS CONT-RE	44,268
*** TOTAL REQUIREMENTS	990,766

RECEIPTS

AIR QUALITY-PERMIT FEES

1645 0752 6452 TITLE V FEES	59,673
1645 0752 6455 TITLE V FEES	931,093
*** TOTAL RECEIPTS	990,766

POSITIONS	CLASSIFICATION	POSITION NUMBER	SALARY	GRD	SCHEM	FTE
1645 1212	OFF. ASST. III	4305 0000 0005 050	16,622	57	00403	1.00
1645 1212	ENV. ENGINEER II	4305 0000 0005 051	34,981	75	08612	1.00
1645 1212	ENV. ENGINEER I	4305 0000 0005 064	31,947	73	08611	1.00
1645 1212	ENV. ENGINEER I	4305 0000 0005 065	31,947	73	08611	1.00
1645 1212	ENV. ENGINEER I	4305 0000 0005 066	31,947	73	08611	1.00
1645 1212	ENV. TECH. V	4305 0000 0005 067	26,946	69	08652	1.00
1645 1212	ENV. TECH. V	4305 0000 0005 068	26,946	69	08652	1.00
1645 1212	ENV. TECH. V	4305 0000 0005 069	26,946	69	08652	1.00
1645 1212	ENV. ENGINEER II	4305 0000 0005 070	34,981	75	08612	1.00
1645 1212	ENV. ENGINEER II	4305 0000 0005 071	34,981	75	08612	1.00
1645 1212	ENV. ENGINEER I	4305 0000 0005 072	31,947	73	08611	1.00
1645 1212	ENV. TECH. III	4305 0000 0005 073	22,794	65	08651	1.00
1645 1212	ENV. TECH. III	4305 0000 0005 084	22,794	65	08651	1.00
1645 1212	ENV. SPEC. II	4305 0000 0005 119	28,168	70	08839	1.00
1645 1212	ENV. ENGINEER I	4305 0000 0005 148	31,947	73	08611	1.00
1645 1212	ENV. ENGINEER II	4305 0000 0005 153	34,981	75	08612	1.00
1645 1212	ENV. ENGINEER I	4305 0000 0005 155	31,947	73	08611	1.00
1645 1212	ENV. TECH. II	4305 0000 0005 161	21,057	63	08658	1.00
1645 1212	ENV. ENGINEER II	4305 0000 0005 164	34,981	75	08612	1.00
1645 1212	ENV. ENGINEER I	4305 0000 0005 167	31,947	73	08611	1.00

FEDERAL CLEAN AIR ACT

[¶ 2105]

Sec. 105. GRANTS FOR SUPPORT OF AIR POLLUTION PLANNING AND CONTROL PROGRAMS

(a)(1)(A) The Administrator may make grants to air pollution control agencies, within the meaning of paragraph (1), (2), (3), (4), or (5) of section 302, in an amount up to three-fifths of the cost of implementing programs for the prevention and control of air pollution or implementation of national primary and secondary ambient air quality standards. For the purpose of this

¶ 2105 Sec. 105

section, "implementing" means any activity related to the planning, developing, establishing, carrying-out, improving, or maintaining of such programs.

(B) Subject to subsections (b) and (c) of this section, an air pollution control agency which receives a grant under subparagraph (A) and which contributes less than the required two-fifths minimum shall have 3 years following the date of the enactment of the Clean Air Act Amendments of 1990 in which to contribute such amount. If such an agency fails to meet and maintain this required level, the Administrator shall reduce the amount of the Federal contribution accordingly.

(C) With respect to any air quality control region or portion thereof for which there is an applicable implementation plan under section 110, grants under subparagraph (A) may be made only to air pollution control agencies which have substantial responsibilities for carrying out such applicable implementation plan.

(2) Before approving any grant under this subsection to any air pollution control agency within the meaning of sections 302(b)(2) and 302(b)(4), the Administrator shall receive assurances that such agency provides for adequate representation of appropriate State, interstate, local, and (when appropriate) international, interests in the air quality control region.

(3) Before approving any planning grant under this subsection to any air pollution control agency within the meaning of sections 302(b)(2) and 302(b)(4), the Administrator shall receive assurances that such agency has the capability of developing a comprehensive air quality plan for the air quality control region, which plan shall include (when appropriate) a recommended system of alerts to avert and reduce the risk of situations in which there may be imminent and serious danger to the public health or welfare from air pollutants and the various aspects relevant to the establishment of air quality standards for such air quality control region, including the concentration of industries, other commercial establishments, population and naturally occurring factors which shall affect such standards.

(h)(1) From the sums available for the purposes of subsection (a) of this section for any fiscal year, the Administrator shall from time to time make grants to air pollution control agencies upon such terms and conditions as the Administrator may find necessary to carry out the purpose of this section. In establishing regulations for the granting of such funds the Administrator shall, so far as practicable, give due consideration to (A) the population, (B) the extent of the actual or potential air pollution problem, and (C) the financial need of the respective agencies.

(2) Not more than 10 per centum of the total of funds appropriated or allocated for the purposes of subsection (a) of this section shall be granted for air pollution control programs in any one State. In the case of a grant for a program in an area crossing State boundaries, the Administrator shall determine the portion of such grant that is chargeable to the percentage limitation under this subsection for each State into which such

Sec. 105 ¶ 2105

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area extends. Subject to the provisions of paragraph (1) of this subsection, no State shall have made available to it for application less than one-half of 1 per centum of the annual appropriation for grants under this section for grants to agencies within such State.

(c) MAINTENANCE OF EFFORT.—(1) No agency shall receive any grant under this section during any fiscal year when its expenditures of non-Federal funds for recurrent expenditures for air pollution control programs will be less than its expenditures were for such programs during the preceding fiscal year. In order for the Administrator to award grants under this section in a timely manner each fiscal year, the Administrator shall compare an agency's prospective expenditure level to that of its second preceding fiscal year. The Administrator shall revise the current regulations which define applicable nonrecurrent and recurrent expenditures, and in so doing, give due consideration to exempting an agency from the limitations of this paragraph and subsection (a) due to periodic increases experienced by that agency from time to time in its annual expenditures for purposes acceptable to the Administrator for that fiscal year.

(2) The Administrator may still award a grant to an agency not meeting the requirements of paragraph (1) of this subsection if the Administrator, after notice and opportunity for public hearing, determines that a reduction in expenditures is attributable to a non-selective reduction in the expenditures in the programs of all Executive branch agencies of the applicable unit of Government. No agency shall receive any grant under this section with respect to the maintenance of a program for the prevention and control of air pollution unless the Administrator is satisfied that such a grant will be so used to supplement and, to the extent practicable, increase the level of State, local, or other non-Federal funds. No grants shall be made under this section until the Administrator has consulted with the appropriate official as designated by the Governor or Governors of the State or States affected.

(d) The Administrator, with the concurrence of any recipient of a grant under this section, may reduce the payments to such recipient by the amount of the pay, allowances, traveling expenses, and any other costs in connection with the detail of any officer or employee to the recipient under section 301 of this Act, when such detail is for the convenience of, and at the request of, such recipient and for the purpose of carrying out the provisions of this Act. The amount by which such payments have been reduced shall be available for payment of such costs by the Administrator, but shall, for the purpose of determining the amount of any grant to a recipient under subsection (a) of this section, be deemed to have been paid to such agency.

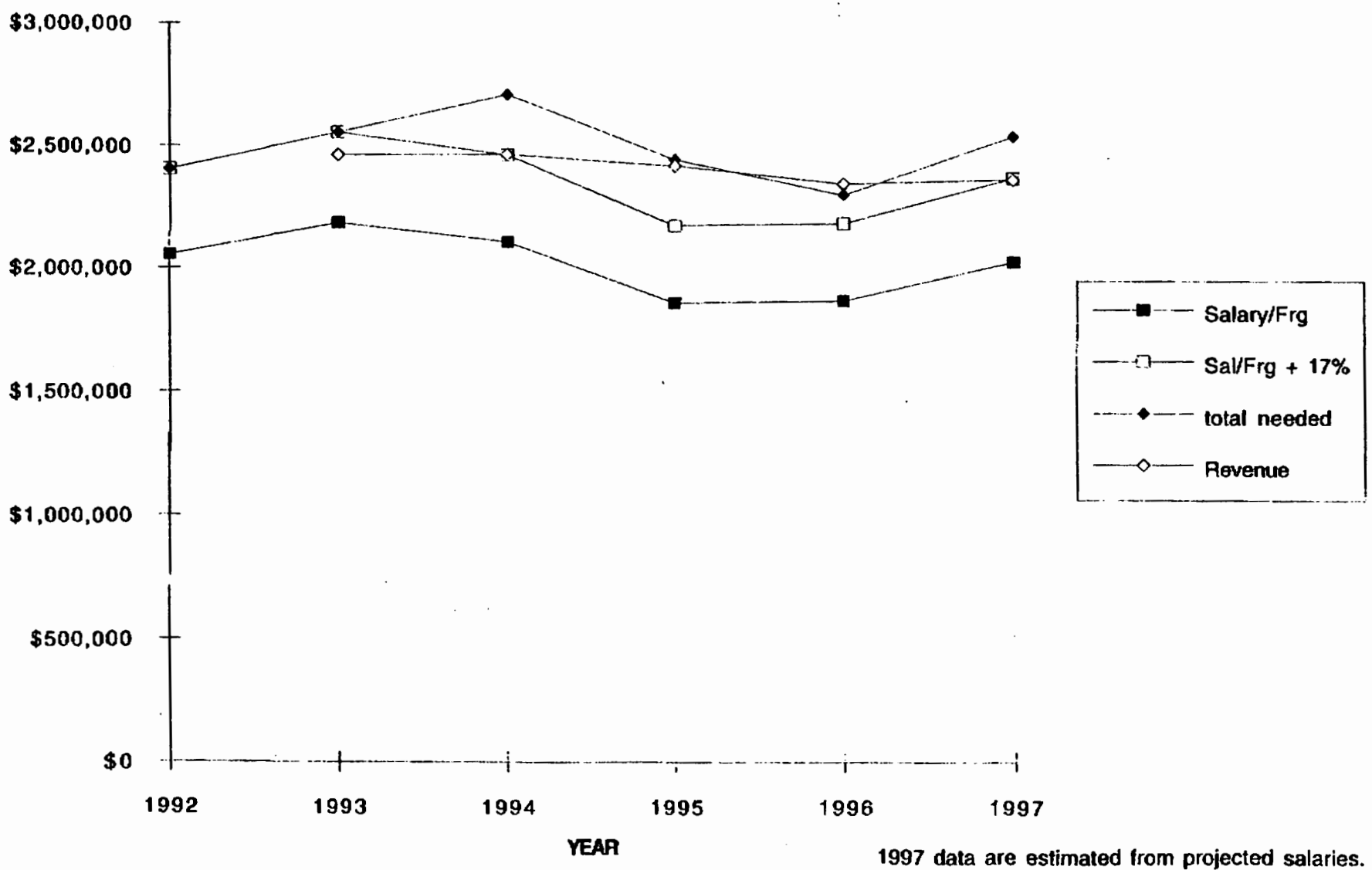
(e) No application by a State for a grant under this section may be disapproved by the Administrator without prior notice and opportunity for a public hearing in the affected State, and no commitment or obligation of any funds under any such grant may be revoked or reduced without prior notice and opportunity for a public hearing in the affected State (or in one of the affected States if more than one State is affected).

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Summary Program Needs

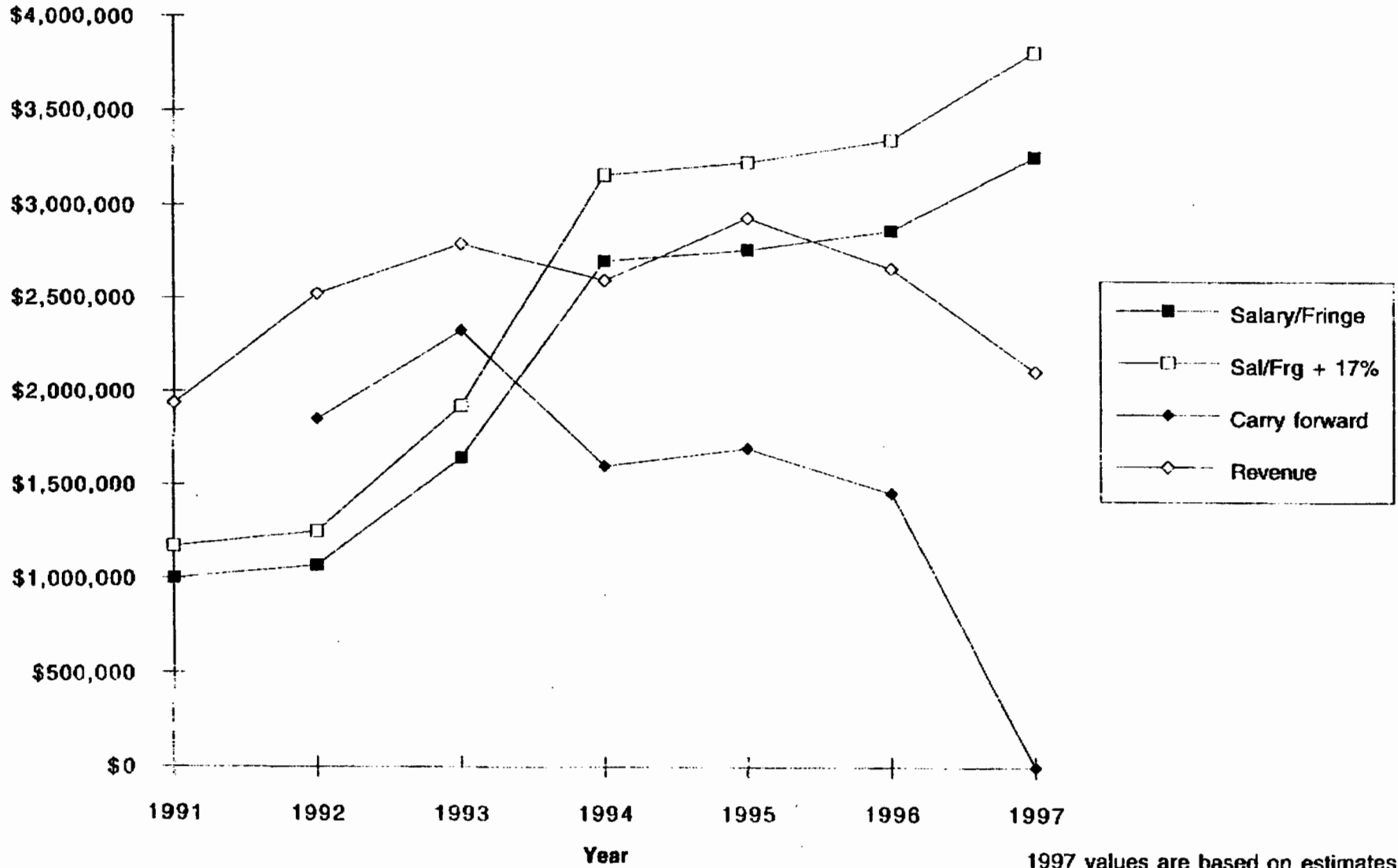
EPA 106 Grant						
Year	Salary/Frg	Sal/Frg + 17%	indirect	total needed	Revenue	Over/under
1997	\$2,015,693	\$2,358,361	\$169,594	\$2,527,955	\$2,352,252	(\$175,703)
1996	\$1,857,937	\$2,173,786	\$118,267	\$2,292,053	\$2,337,768	\$45,715
1995	\$1,851,465	\$2,166,214	\$269,452	\$2,435,666	\$2,410,794	(\$24,872)
1994	\$2,098,797	\$2,455,592	\$246,699	\$2,702,291	\$2,458,489	(\$243,802)
1993	\$2,178,762	\$2,549,152		\$2,549,152	\$2,458,489	(\$90,663)
1992	\$2,055,662	\$2,405,125		\$2,405,125		
1991						
Const. Grants Positions						
Year	Salary Fringe	Sal/Frg+ operating		Total needed	Revenue	over/under
	\$131,453	\$150,000		\$150,000	\$0*	(\$150,000)
			*Funding for three positions was from expired Construction Grants grant.			
			No funds available after this year.			
Permit Fees						
Year	Salary/Fringe	Sal/Frg + 17%		Carry forward	Revenue	over/under
1997	\$3,245,456	\$3,797,184		0	\$2,100,000	(\$1,697,184)
1996	\$2,852,822	\$3,337,802		\$1,451,570	\$2,649,751	(\$688,051)
1995	\$2,749,492	\$3,216,906		\$1,688,377	\$2,921,365	(\$295,541)
1994	\$2,894,574	\$3,152,652		\$1,598,177	\$2,586,514	(\$566,138)
1993	\$1,640,974	\$1,919,940		\$2,320,559	\$2,786,205	\$866,265
1992	\$1,067,384	\$1,248,839		\$1,848,102	\$2,517,182	\$1,268,343
1991	\$1,001,340	\$1,171,568			\$1,936,782	\$765,214
					Total needed	\$2,022,887
Funding Shortfalls are based on projected operating cost of 17% of salary and fringe.						

EPA 106 Grant compared to Salary/Fringe and Need



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Permit Fee Revenue compared to Program Need



1997 values are based on estimates of projected salaries and fees

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F.4.4

State of North Carolina
Department of Environment,
Health and Natural Resources
State Center for Health Statistics

James B. Hunt, Jr., Governor
Jonathan B. Howes, Secretary
Delton Atkinson, Director



MEMORANDUM

DATE: March 19, 1997

TO: Jane Q. Smith
Director, BP&A

FROM: Delton Atkinson *DA*
Director, SCHS

RE: Health Flags and
Questions

CC: Dr. Ron Levine, State Health Director

In accordance with the directions contained in Shirley Bullard's e-mail of 19 March 1997, same subject, the following information is provided:

Breakdown of SCHS positions by program with the number of temporary/part-time limited positions vs. full-time permanent positions. (Enclosure 1)

Description of activities by program. (Enclosure 2)

Workload Statistics to better illustrate activities rather than the number of requests for information. (Enclosure 3)

**STATE CENTER FOR HEALTH STATISTICS
PERSONNEL BY MAJOR FUNCTIONS
AND FUNDING SOURCE
AS OF APRIL 1, 1997**

STATISTICAL SERVICES AND ANALYSES

Number of Positions	Funding Source
12 (Full-time)	State Appropriation
10 (Time-limited)	Receipts/Grants/Contracts

CENTRAL CANCER REGISTRY

Number of Positions	Funding Source
14 (Full-time)	State Appropriation
5 (Time-limited)	Receipts/Grants/Contracts

GEOGRAPHIC ANALYSIS

Number of Positions	Funding Source
3 (Full-time)	State Appropriation
0 (Time-limited)	Receipts/Grant/Contracts

LOCAL HEALTH DEPT. MGMT. INFORMATION SECTION & STATISTICAL PROCESSING

Number of Positions	Funding Source
23 (Full-time)	State Appropriation/Contracts
7 (Time-limited)	Receipts/Grants/Contracts

VITAL RECORDS REGISTRATION AND ISSUANCE

Number of Positions	Funding Source
52 (Full time)	State Appropriation
8 (Full time)	Automation (Receipts)

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DIRECTOR'S OFFICE

Number of Positions	Funding Source
4 (Full-time)	State Appropriation
1 (Full-time)	(Receipts)

PROGRAM DESCRIPTION

1. Local Health Department Management Information & Statistical Processing

The primary purposes of this section are to provide the overall administrative and technical leadership in the design, development and management of key public health information systems; to provide data processing and statistical computing support to the statistical staff and to the public health divisions of DEHNR; and to design and maintain key hardware and software infrastructure and networks with the SCHS. Among the key information systems maintained by the section are the Health Services Information System, the WIC Certification System, Restaurant Management, and the Immunization Registry. The section is divided into four branches: the Applications Development Branch, the Applications Support Branch, the Information Resources Branch and the Infrastructure Support Branch.

The section:

- a. Provides project management services, including system analyses of user requirements and the assessment of these requirements against the functional capabilities of existing systems.
- b. Develops the logical data models and the data flow diagrams to prototype new systems or requested modifications.
- c. Designs, develops, enhances, and maintains the specialized and highly complex immunization registry system across multiple platforms.
- d. Manages the inter-related networks, both the centralized IBM mainframe-based system/network for local health departments, and the client/server network for private physicians and other health providers.
- e. Educates the multitude of users (both state and local) about all system changes and how best to use the enhanced system.
- f. Analyzes, codes, and debugs key public health information systems, including the integration of those systems with others within and outside of public health.

2. Geographic Analysis Section

The Geographical Analysis Section uses Geographical Information Systems (GIS) computer technology to put health and environmental events in a geographic context in order to better analyze multiple variables and understand the interaction of different

factors, such as disease, population density, economic conditions, and environmental conditions. This section also is developing Desktop GIS applications to help other DEHNR divisions, local health departments and policy makers to use this powerful technology in their own planning.

3. Vital Records Section

The Vital Records Section is responsible for registering and maintaining official records of all births, deaths, fetal deaths, marriages and divorces in the state and for providing certified and uncertified copies of vital records and vital records information to individuals and organizations as appropriate. Organized into four major program areas, the Vital Records Section is working to achieve prompt and accurate registration of vital events (births, deaths, marriages, divorces, etc.), effective maintenance of original vital records, effective customer service, and reduced fraudulent use of vital records. Additionally, the section is attempting to implement statewide automation of vital records registration, issuance, preservation and retrieval processes. The section's major program areas are:

Administration and Accounting Program: This program processes all receipts and provides administrative support for all section operations and activities.

Fraud Detection Program: This program cooperates with local, state and federal officials to reduce the fraudulent use of vital records and to identify criminal use of vital records.

Registration, Maintenance and Customer Service Program: This program registers vital records; corrects, amends or replaces certificates when appropriate; prepares copies of vital records for customers; and secures original vital records in proper storage locations.

Field Services Program: This program trains and assists local registration personnel and resolves registration problems throughout the state.

4. Statistical Services Section

This section is responsible for the production, analysis, and dissemination of information on the health status, needs and problems of North Carolinians and the impact of services and programs on them. Statistical Services responds to over 6000 requests per year from all segments of North Carolina's population, produces about 10 regular publications, publishes 10 to 12 special research and evaluation studies annually, presents educational and training sessions, provides extensive data analyses and reports for DEHNR divisions and local health departments. Within this section are four branches. They are:

Health Statistics Branch: This branch manages major statistical computer files, answers many data requests requiring special computer runs, links various data files to

produce new analyses, conducts special analyses of the utilization and impact of health services on health status, and provides technical support to both data providers and users. Staff in this branch do many special analyses of the Health Services Information System (HSIS) and Medicaid paid claims data files. The branch is organized into several work teams: vital statistics, maternal and child health surveillance, health policy statistics, and breast and cervical cancer screening data management and reporting.

Health Surveillance Branch: This branch provides training and consultations and helps local health departments carry out a comprehensive biennial Community Diagnosis, assessing each county's health problems and resources. Staff also manage the Healthy People 2000 grant activities, including tracking North Carolina's progress toward meeting the Year 2000 objectives.

Survey Coordination Branch: This branch provides consultation and technical assistance to state and local public health staff on issues related to designing, carrying out, and analyzing data from special sample surveys. Staff also manage survey efforts within the SCHS. A current project putting on a series of teleconferenced presentations about survey design and data analysis, oriented to state and local public health program staff.

Information Services Branch: This branch answers the majority of statistical requests to the SCHS that do not involve special computer runs and coordinates the dissemination of the SCHS's publications. Responsibility for typesetting all SCHS publications and for providing typesetting assistance to other public health divisions also resides within this branch.

5. Cancer Registry Section

This section is responsible for the collection, analysis and dissemination of information on cancer diagnoses North Carolina residents. The staff of the Cancer Registry Section works closely with staff members of hospitals and out-patient medical facilities to obtain reports of cancer incidence and treatment. Much of the activity in this section is influenced by the work of researchers from the universities and research institutes in the state, as well as cancer control program staff. The section enjoys a national reputation for its research activities, notably its work involving the evaluation of cancer cluster reports.

The section produces two statistical reports and three newsletters to disperse information to its principal clients. The section is organized in a regional staffing configuration to better meet the needs of private citizens, members of the General Assembly, health department staff, hospital staff, voluntary agencies, DEHNR cancer control program staff, and researchers. In this regard, the section responds to over 2,000 requests for cancer related information each year. The section also evaluates approximately 40 cancer clusters annually, and provides some 60 educational lectures and 15-20 training sessions. The section is organized into four branches. They are:

Field Staff: These staff hold the credential Certified Tumor Registrar (CTR). Their principal role is the training and support of medical staff to provide electronic reporting of cancer incidence and treatment data. These staff also perform extensive evaluation of the timeliness and completeness of cancer reporting as two of the critical characteristics of the National Program of Cancer Registries.

Quality Management: These staff hold the CTR credential. They are the principal trainers for cancer registry professionals in the 45 state hospitals that operate cancer programs following the American College of Surgeons guidelines. They conduct assessments of the quality of data submitted to the Cancer Registry Section, as well as studies of the cancer care within the state.

Data Management: As cancer incidence and treatment data is received, this group edits these data. This is necessary because some patients receive care at more than one facility and this results in duplicate reporting. They prepare the two principal statistical reports from the section, as well as provide statistical support to clients in reporting hospitals, to county health department staff, and to local staff of the American Cancer Society.

Data Analysis: This group serves as the lead section contact for cancer control programs and researchers. These staff perform studies in the cancer database, serve on committees, and give the majority of the educational presentations. Cancer cluster evaluations are also performed by these staff and they are the lead group for the section's linkage for Geographic Information System analyses and innovative statistical methods.

The Cancer Registry Section is also quite active with many programs within DEHNR. These cross-program ties include the Advisory Committee for Cancer Coordination and Control, the Comprehensive Breast and Cervical Cancer Control Program, the Office of Epidemiology, the Super Fund Branch of Solid and Hazardous Waste, and the Section of Occupational and Environmental Epidemiology.

7. Director's Office

This entity is responsible for the personnel, budget, travel, procurement, and secretarial functions in support of the SCHS. It provides day to day management and oversight of the SCHS. It is also responsible for the administration of the State's Health Policy Program under a grant from the Robert Wood Johnson Foundation.

Performance Statistics

Some performance measures for the State Center for Health Statistics follow. These measures cover major functions of each section of the State Center. Measures are for state fiscal year 1995-96, unless otherwise stated.

Statistical and other requests answered by the SCHS	6,169
Number of major publications produced	10
Number of special studies completed, FY 96-97	20
Number of geographic information system projects	94
Number of cancer records processed	43,100
Number of cancer-related educational presentations	80
Number of cancer cluster reports responded to	34
Number of HSIS visit records processed	1,774,206
Amount of Medicaid dollars paid through HSIS	\$ 63.5 million
Number of telephone consultations for technical assistance for users of the Health Services Information System of county health departments	3,467
Number of Health Services Information System workshops and training sessions	314
Number of copies of vital certificates provided to citizens	75,516
Number of vital certificates processed (births, deaths, marriages, divorces, and fetal deaths)	270,398
Number of data entry keystrokes	71,702,932
Total number of local health department services captured (one visit record contains 1 or more services)	4.0 million

State of North Carolina
Department of Environment,
Health and Natural Resources
Division of Maternal and Child Health

James B. Hunt, Jr., Governor
Jonathan B. Howes, Secretary
Ann F. Wolfe, M.D., M.P.H., Director



March 20, 1997

MEMORANDUM

TO: Mona Moon, Fiscal Agent
Division of Fiscal Research

THROUGH: Jane Smith, Director
Division of Budget Planning and Analysis

FROM: Kevin Ryan, MD, MPH *lc Ryan*
Chief, Women's Health Section

SUBJECT: **Information Request Concerning 1996 Reduction in Non-Medicaid
Maternity Care Coordination Grant Funding**

Description of Program: Maternity Care Coordination (MCC) is an "enhancement" of traditional prenatal care which aims to ensure that all needs that could affect a pregnant woman's health, whether medical, social, educational or family support, are met. The funding in this program supports the provision of MCC to pregnant and postpartum women ineligible for Medicaid (primarily persons whose family income is greater than 185% of poverty, incarcerated women and undocumented women). MCC remains available to all Medicaid-enrolled women.

Rationale for Reduction: Some agencies that received state funding for MCC were much more efficient providers of this service than others. Although the funding cut approved by the General Assembly reduced funding in the program by 68%, the three projects which retained funding (albeit reduced) served 72% of all the women who received services through this program.

In addition, this reduction in funding was proposed at the same time that the Division of Maternal and Child Health implemented a plan to give local health departments greater flexibility (through its block grant process) in utilizing Medicaid receipts and federal funds. It was felt that if local agencies determined that provision of MCC services to women ineligible for Medicaid was a high priority item, they would have the flexibility to budget funds to support this activity, and, in fact, in many instances this did occur. Preliminary data indicate that the agencies which received grant funding in FY 1995-96 provided MCC services to more women ineligible for Medicaid in 1996 than they did in 1995.

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March 20, 1997

Agencies Receiving Funding Prior to Reduction, Funding Level, Numbers Served: see attached table.

Agencies Currently Receiving Funding Prior to Reduction, Funding Level, Numbers Served: see attached table.

Impact of the Reduction: To date there has been no reduction in service levels since local agencies have reallocated state or local funds from other program areas.

JS/KR:tlb

Attachment

NON-MEDICAID MATERNITY CARE COORDINATION

RECIPIENTS	FY 96 GRANT	Number Served CY 95 (initial)	FY 97 Grant	Number Served CY 96 (initial) *
Chatham County Health Department	\$7,500	43	0	62
Cleveland County Health Department	\$30,000	20	0	42
Forsyth County Health Department	\$24,000	76	0	309
Hertford-Gates District Health Department	\$ 4,000	9	0	8
Montgomery County Health Department	\$12,000	41	0	55
Orange-Chatham Comprehensive Health Services	\$15,000	83	0	N/A
Pitt County Health Department	\$30,000	285	\$22,600	135
Richmond County Health Department	\$30,000	49	0	54
Tri-County Community Health Center	\$30,000	245	\$22,600	N/A
Wake County Health Department	\$45,000	445	\$33,900	437
Wilkes County Health Department	\$15,000	38	0	37
Toe River District Health Department	\$ 7,500	12	0	25
TOTAL FUNDING	\$250,000	N/A	\$79,100	N/A

*: Grant funding reduced or eliminated for last six months of CY 1996.

March 20, 1997

To: Jane Smith, Director
DEHNR Budget, Planning and Analysis

THROUGH: Ronald H. Levine, MD, MPH
State Health Director

FROM: Lou F. Turner, DrPH, Director
State Laboratory of Public Health

SUBJECT: Response to NER flags on Health Divisions: STATE LABORATORY

Listed below are some of the reasons for justifying the increases in the supply budget for the State Laboratory. If you need more specific information, please contact me at (919) 733-7834.

INFLATION:

Inflation alone accounts for at least a ten percent increase each year based on historical data. The other indicators noted are in addition to general inflation costs.

GENERAL:

- Six percent tax added to all purchases
- Shipping costs from vendors
- Handling fees from some vendors
- Increased prices for: reagents, stains, chemicals, paper, mailing containers, general supplies - tubes, gloves, pipettes, pipette tips, etc. (this can be a very extensive list). We use over 400 different vendors.
- State Contracts - some vendors may be added or substituted on contract list. These vendors sometimes have higher prices than previously used vendors.

FEDERAL MANDATES:

Since the mid-1980's, a number of federal regulations have been implemented which have impacted the Laboratory's daily operation and added dramatically to the cost of performing tests. Listed are the major regulations and some of the resulting impacts.

- Clinical Laboratory Improvement Amendments of 1988 (CLIA): this regulation deals with the implementation of enhanced quality assurance activities within clinical laboratories. Increased costs can be attributed to running more quality control samples, enhanced record keeping, increased quality checks of equipment and instrumentation, costs for proficiency testing materials, and costs for competency training of our employees, etc. We also assist 48 Local Health Departments in meeting these requirements and incur those costs.
- Occupational Exposure to Bloodborne Pathogens/Universal Precautions: this regulation indicates that employers must reduce, by specified requirements, an employee's exposure to bloodborne pathogens from bodily fluids. Since the majority of our specimens fit this category, some of the items we must provide include: personal protective "equipment" such as masks, gloves, coats, gowns; Hepatitis B vaccine to employees at risk; expensive pipetting devices; proper level of biological safety cabinets; special containers for disposal of waste; special warning labels; and routine safety training. One hundred of the 183 employees are classified as "at risk" under this regulation..

Jane Smith - Memo

March 20, 1997
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FEDERAL MANDATES (continued):

- Hazard Communication Standard/Chemical Hygiene Plan: this regulation specifies that employers must define a plan which minimizes personnel and environmental exposures to hazardous chemicals in the laboratory. This includes providing training, personal protective equipment, chemical spill kits, warning labels, hazardous waste disposal containers and removal, etc.

Recently the US Postal Service had regulations passed regarding the shipment of dried blood spots for Newborn Screening tests. The new law will require laboratories to provide an impervious, waterproof container for specimens being sent via US Postal service. The most reasonable solution proposed is for laboratories to provide Tyvek envelopes for their users (hospitals and physicians) to ensure uniform compliance. This regulation goes into effect this summer. This cost will be approximately \$10-12,000 per year for our current workload. These are considered specimen shipping containers (supplies).

WORKLOAD INCREASES:

- Continued growth in testing volumes (examples: rabies, syphilis, HIV, Pap smears, TB, environmental lead)
- Unpredictable increases due to outbreaks (examples: rabies, rubella, foodborne or daycare outbreaks of shigella or E. coli, pertussis)
- Additions of new tests (example: blood lead, expansion to universal sickle cell screening)
- Changes in the marketplace (examples: increased testing of wells near intensive livestock operations, early discharge of newborns resulting in repeat testing)

TECHNOLOGY CHANGES:

In order to provide the best services to our clients, it is imperative that we consider newer technologies. Using new technologies usually means we can automate some of our tests which improves our service by providing quicker turn-around time for results, better test results and the ability to process more specimens with current workforce. Automation often requires the use of proprietary equipment and reagents which may be more expensive to use. Examples include: new test for coliform detection in water samples, use of molecular biology technology for infectious disease detection, newer procedure for enhanced isolation of mycobacteria (TB), and newer technology to identify all mycobacteria (including TB).

State of North Carolina
Department of Environment,
Health and Natural Resources
Division of Water Quality

James B. Hunt, Jr., Governor
Jonathan B. Howes, Secretary
A. Preston Howard, Jr., P.E., Director



March 5, 1997

MEMORANDUM

TO: NER Subcommittee

FROM: Preston Howard *PH*

SUBJECT: Explanation of the Scope of Duties for the Water Quality Section

Based on some of the questions raised at the meeting this morning concerning the expansion request in Governor Hunt's budget (\$2,022,887.00) for "Maintenance of Existing Water Quality Program", I thought it might be helpful to provide you with a copy of a document compiled by our Water Quality Planning Staff. It provides a very thorough overview of the duties and responsibilities of the section.

I hope you find this information useful and will be glad to answer any further questions. My phone number if you have questions is 919/733-7015, ext. 203.

cc: Mona Moon w/attachments
Linda Rimer
Jane Smith
Richard Rogers

***OVERVIEW OF NORTH CAROLINA'S
WATER QUALITY PROTECTION PROGRAM***

November 1996

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DIVISION OF WATER QUALITY, WATER QUALITY SECTION

The Division of Water Quality is the lead state agency for the regulation and protection of the state's surface waters. The Division is comprised of four sections: Water Quality, Groundwater, Construction Grants and Loans and the Water Quality Laboratory.

The primary responsibilities of the Division of Water Quality are to maintain or restore an aquatic environment to sufficient quality to protect the existing and best intended uses of North Carolina's surface waters and to ensure compliance with state and federal water quality standards. The Division receives both state and federal allocations as well as funding through permit fee collections. Policy guidance is provided by the Environmental Management Commission. The major areas of responsibility are water quality monitoring, permitting, planning, modeling (wasteload allocations) and compliance oversight.

The Central office is divided into four branches, each branch is subdivided into two units (Figure 1). The Planning Branch is responsible for developing surface water quality standards and classifications, nonpoint source program planning, administering the basinwide management program, modeling nonpoint pollution sources, developing use support ratings and improving the section's GIS capabilities. It also coordinates EPA water quality planning grants, state environmental policy act responsibilities and the implementation of the Comprehensive Conservation and Management Plan (CCMP) that resulted from the Albemarle-Pamlico Estuarine Study (APES).

The Operations Branch is responsible for permit compliance tracking, the pretreatment program, water supply watershed protection/local government technical support, and the operator training and certification program.

The Technical Support Branch is responsible for reviews and processing of discharge and nondischarge permits, coordinating development of TMDLs and wasteload allocations for dischargers, and providing primary computer modeling support.

The Environmental Sciences Branch is responsible for all biological and chemical water quality monitoring and evaluation including benthic macroinvertebrate monitoring (biomonitoring), fish tissue and fish communities studies, and the wetlands 401 Water Quality Certification program. The Branch is also responsible for effluent toxicity testing and evaluations, algal analyses, long term biochemical and sediment oxygen demand, and lakes assessments.

The seven Regional Offices carry out activities such as wetland reviews, compliance evaluations, permit reviews and facility inspections for both discharging and nondischarging systems, ambient water quality monitoring, state environmental policy act reviews, stream reclassification reviews, pretreatment program support and operator training and certification assistance. In addition, they respond to water quality emergencies such as oil spills and fish kills, investigate complaints and provide information to the public.

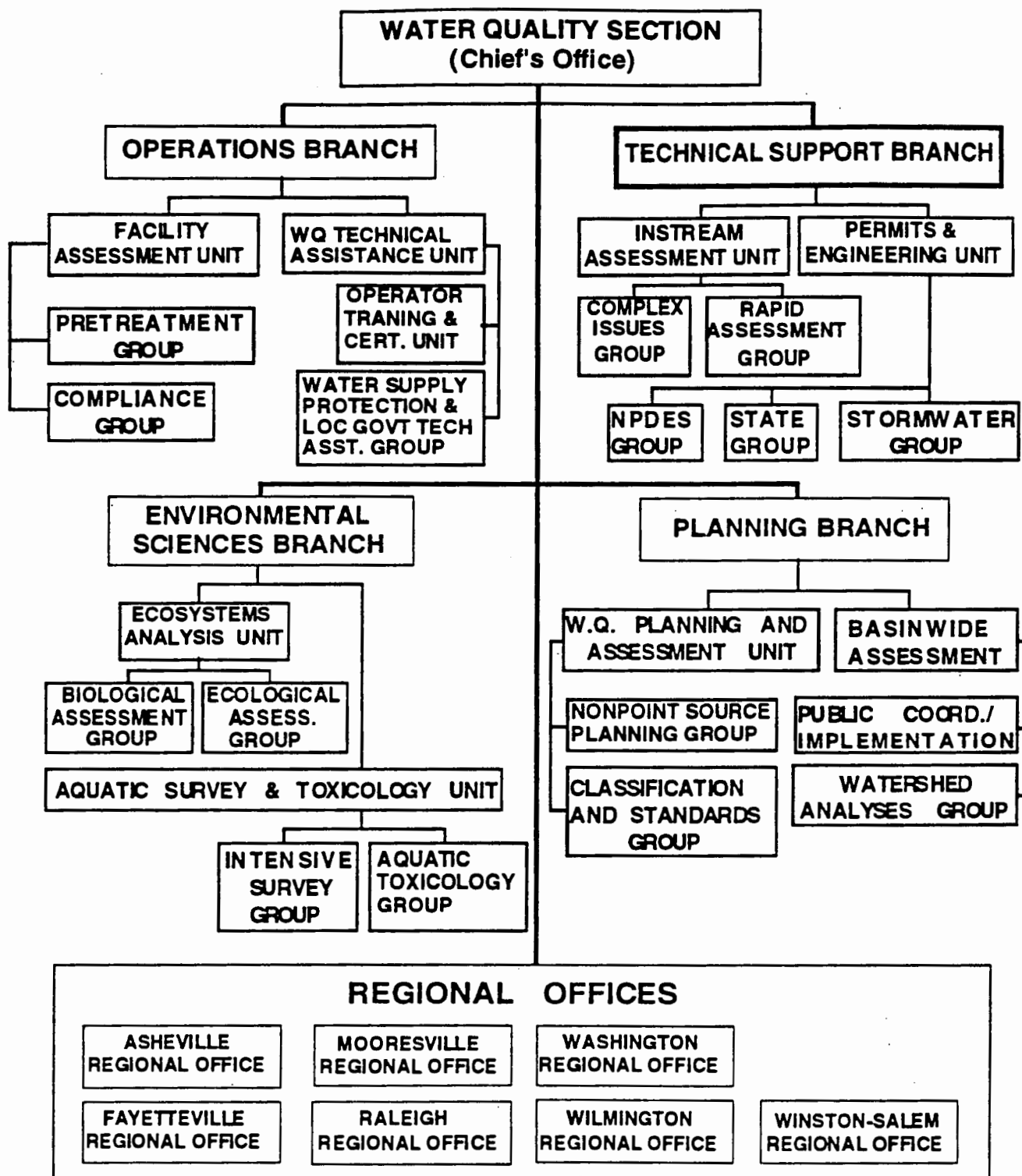


Figure 1. Organizational Structure of the DWQ Water Quality Section

NORTH CAROLINA'S BASINWIDE MANAGEMENT APPROACH

Introduction

Basinwide water quality management is a watershed-based management approach being implemented by DWQ which features basinwide permitting, integrating existing point and nonpoint source control programs, and preparing basinwide management plans. DWQ is applying this approach to each of the seventeen major river basins in the state as a means of better identifying water quality problems, developing appropriate management strategies, maintaining and protecting water quality and aquatic habitat, and assuring equitable distribution of waste assimilative capacity for dischargers.

After conducting public workshops to identify areas of concern and major issues, a basinwide management plan is prepared for each basin. The plans are circulated for public review and are presented at public meetings in each river basin. The management plan for a given basin is completed and approved preceding the scheduled date for basinwide discharge permit renewals in that basin. The plans are then evaluated, based on followup water quality monitoring, and updated at five year intervals.

DWQ began formulating the idea of basinwide management in the late 1980s, established a basin permitting schedule in 1990, began basinwide monitoring activities in 1990, and published a basinwide program description in August 1991. Basinwide management entails coordinating and integrating, by major river basin, DWQ's water quality program activities. These include permitting, monitoring, modeling, nonpoint source assessments, and planning.

Water Quality Program Benefits - Several benefits of basinwide planning and management to North Carolina's Water quality program include:

- ***Improved program efficiency.*** By reducing the area of the state covered each year, monitoring, modeling, and permitting efforts can be focused. As a result, *increased efficiency* can be achieved for a given level of funding and resource allocation.
- ***Increased effectiveness.*** The basinwide approach is in consonance with basic ecological watershed management principles, leading to *more effective* water quality assessment and management. Linkages between aquatic and terrestrial systems are addressed (e.g., contributions from nonpoint sources). All inputs to aquatic systems and potential interactive, synergistic and cumulative effects are considered.
- ***Better consistency and equitability.*** By clearly defining the program's long-term goals and approaches, basinwide plans will encourage *consistent* decision-making on permits and water quality improvement strategies. Consistency and greater attention to long-range planning will promote a *more equitable* distribution of assimilative capacity, explicitly addressing the trade-offs among pollutant sources and allowances for economic growth.
- ***Increased public awareness of the state's water quality protection programs.*** The basinwide plans are an educational tool for increasing public awareness on water quality issues within the basin.
- ***Basinwide management promotes integration of point and nonpoint source pollution assessment and controls.*** Once waste loadings from both point and nonpoint sources are established, management strategies can be developed to prevent overloading of the receiving waters and to allow for a reasonable margin of safety to ensure compliance with water quality standards.

Basinwide Planning Schedule - The following table presents the overall basin schedule for all 17 major river basins in the state. Included are the dates for permit reissuance and the dates by which management plans are to be completed for each basin.

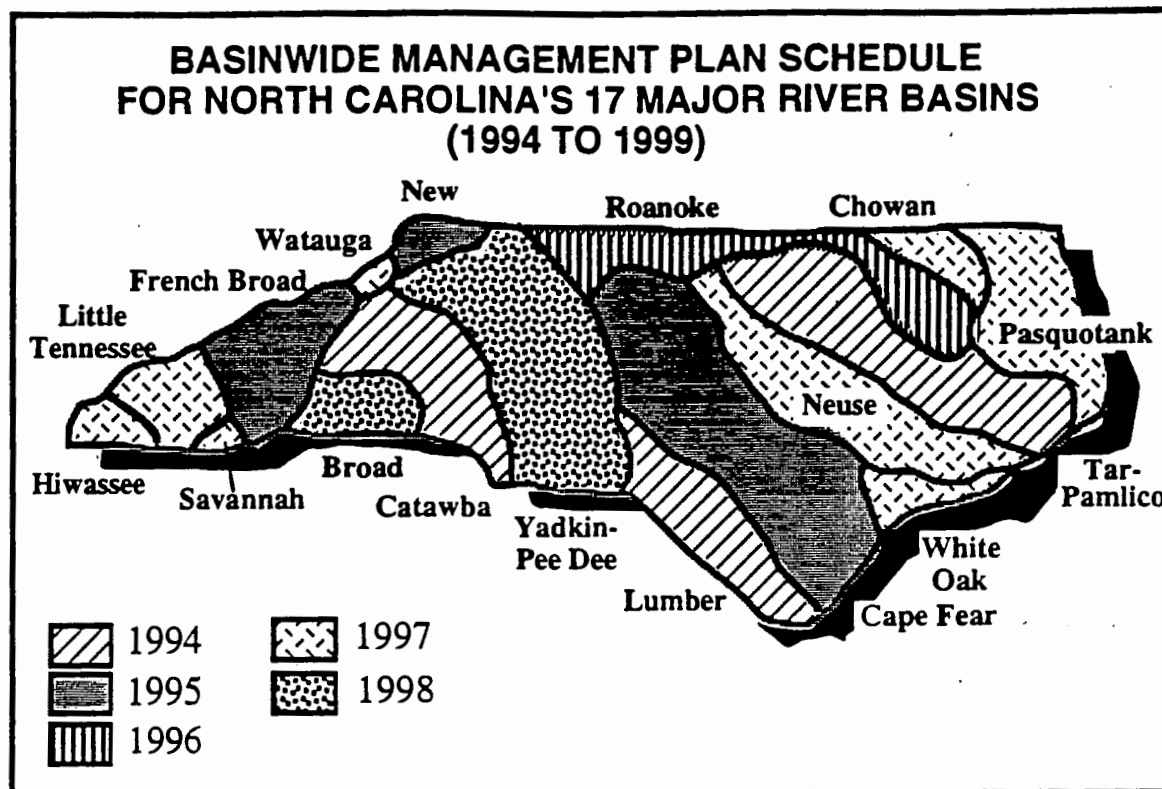


Figure 2. Basinwide Management Plan Schedule (1994 to 1998)

Table 1. Basinwide Permitting and Planning Schedule for North Carolina's 17 Major River Basins (1993 through 1998).

<u>Basin</u>	<u>Target Date for Basin Plan Approval</u>	<u>Discharge Permits to be Issued</u>	<u>Basin</u>	<u>Target Date for Basin Plan Approval</u>	<u>Discharge Permits to be Issued</u>
Neuse	2/93(approved)	4/93	Roanoke	9/96(approved)	1/97
Lumber	5/94(approved)	11/94	White Oak	1/97	6/97
Tar-Pamlico	12/94(approved)	1/95	Savannah	4/97	8/97
Catawba	2/95(approved)	4/95	Watauga	4/97	9/97
French Broad	5/95(approved)	8/95	Little Tennessee	5/97	10/97
New	7/95(approved)	11/95	Hiwassee	5/97	12/97
Cape Fear	9/95(approved)	1/96	Chowan	8/97	1/98
			Pasquotank	8/97	1/98
			Neuse (2nd cycle)	11/97	4/98
			Yadkin-Pee Dee	1/98	7/98
			Broad	6/98	11/98

The number of plans to be developed each year varies from one to six and is based on the total number of permits to be issued each year. For example, the Cape Fear basin, the state's largest, has about as many dischargers as all six of the small basins in 1997. This has been done in order to balance the permit processing workload from year to year. In years where more than one basin

is scheduled to be evaluated, an effort has been made to group at least some of the basins geographically in order to minimize travel time and cost for field studies and public meetings.

Plans to be updated every five years - The earliest basin plans will likely not achieve all of the long-term objectives for basinwide management outlined above. However, plans are updated every 5 years. Updated plans will incorporate additional data and new assessment tools (e.g., basinwide water quality modeling) and management strategies (e.g., for reducing nonpoint source contributions) as they become available.

Basinwide Plan Preparation, Review and Public Involvement - Preparation of an individual basinwide management plan is a five year process which is broken down into four phases as described below.

<u>Year</u>	<u>Activity</u>

Year 1 to 3	<u>Water Quality Data Collection/Identification of Goals and Issues:</u> Year 1 entails identifying sampling needs and canvassing for information. It also entails coordinating with other agencies, the academic community and local interest groups to begin establishing goals and objectives and identifying and prioritizing problems and issues. Biomonitoring, fish community and tissue analyses, special studies and other water quality sampling activities are conducted in Years 2 and 3 by DWQ's Environmental Sciences Branch (ESB). These studies provide information for assessing water quality status and trends throughout the basin and provide data for computer modeling.
Year 3 to 4	<u>Data Assessment and Model Preparation:</u> Modeling priorities are identified early in this phase and are refined through assessment of water quality data from the ESB. Data from special studies are then used by DWQ's Technical Support Branch (TSB) to prepare models for estimating potential impacts of waste loading from point and nonpoint sources using the TMDL approach. Preliminary water quality control strategies are developed based on modeling, with input from local governments, the regulated community and citizen groups during this period.
Year 4	<u>Preparation of Draft Basinwide Plan:</u> The draft plan, which is prepared by DWQ's Planning Branch, is due for completion by the end of year 4. It is based on support documents prepared by DWQ's Environmental Sciences Branch (water quality data) and the Technical Support Branch (modeling data and recommended pollution control strategies). Preliminary findings are presented at informal meetings through the year with local governments and interested groups, and comments are incorporated into the draft.
Year 5	<u>Public Review and Approval of Plan:</u> At the beginning of year 5, the draft plan, after approval of the Environmental Management Commission (EMC), is circulated for review and public meetings are held. Revisions are made to the document, based on public comments, and the final document is submitted to the EMC for approval midway through year 5. Basinwide permitting begins at the end of year 5.

Implementation - The implementation of basinwide planning and management will occur in phases. Permitting activities and associated routine support activities (field sampling, modeling, wasteload allocation calculations, etc.) have already been rescheduled by major river basin. All National Pollutant Discharge Elimination System (NPDES) permit renewals within a basin occur within a prescribed time period after completion of the final basin plan, and will be repeated at five year intervals.

Nonpoint source management proposals will be implemented by several different avenues. The Water Quality Section is setting up nonpoint source (NPS) teams for each basin. These teams are made up of representatives of nonpoint source agencies, resource agencies, and special interest groups. The NPS teams are responsible for prioritizing specific watersheds for follow-up investigations, educational efforts, and best management practice (BMP) implementation. Funding for BMP implementation will be sought from sources such as existing cost-share monies or from federal Section 319 grants. In addition to projects in specific watersheds, the NPS team will develop programmatic action plans for each category of nonpoint source pollution. The action plans detail voluntary actions that agencies and groups have committed to complete to protect and improve water quality in the basin. Many of the action plan items involve increased educational efforts or enforcement of existing programs.

SURFACE WATER CLASSIFICATIONS AND WATER QUALITY STANDARDS

Program Overview

North Carolina has established a water quality classification and standards program pursuant to G.S. 143-214.1. Classifications and standards are developed pursuant to 15A NCAC 2B. 0100 - Procedures for Assignment of Water Quality Standards. Waters were classified for their "best use" in North Carolina beginning in the early 1950's, with classification and water quality standards for all the state's river basins adopted by 1963. The effort to accomplish this included identification of waterbodies (which included all named waterbodies on USGS 7.5 minute topographic maps), studies of river basins to document sources of pollution and appropriate best uses and formal adoption of standards/classifications following public hearings.

The Water Quality Standards program in North Carolina has evolved over time and has been modified to be consistent with the Federal Clean Water Act and its amendments. Water quality classifications and standards have also been modified to promote protection of surface water supply watersheds, high quality waters and the protection of unique and special pristine waters with outstanding resource values. Classifications and standards are applied to provide protection of uses from both point and nonpoint source pollution.

Statewide Classifications

All of the surface waters of North Carolina (creeks, rivers, estuaries, sounds, oceans, etc.) are classified according to their "best use." The state's surface waters were initially classified in the late nineteen-fifties based on general surveys of water quality and purposes for which waters were being used. As various surface waters are identified as being inappropriately classified (through reclassification requests from the public and/or studies conducted by DEM, reclassification is pursued.

Under this system, all surface waters in the state are assigned a *primary* classification that is appropriate to the best uses of that water body (e.g., aquatic life support and swimming). Primary freshwater classifications include the following: C, B and WS (Water Supply) I through WS-V. The WS freshwater classifications may also include a CA designation which stands for critical area. The critical area is an area in close proximity to a water supply intake and/or the shoreline of the reservoir in which it is located. Primary saltwater classifications include SC, SB and SA. SC and SB are saltwater counterparts to the freshwater C and B classifications. SA is a classification assigned to waters used for shellfish harvesting. SA, WS-I and WS-II are also, by definition, considered to be High Quality Waters, as discussed below. The following is a list of basic surface

water uses recognized in North Carolina's surface water quality classifications and standards rules and the primary freshwater classifications with which those uses are associated:

<u>Use</u>	<u>Primary Classification</u>
maintenance and propagation of aquatic life; secondary recreation	C
primary recreation (e.g. frequent swimming)	B
water supply	WS-I, WS-II, WS-III, WS-IV, WS-V

In addition to the above primary classifications, there are a variety of supplemental classifications which are applied, as appropriate, in conjunction with primary classifications in order to provide added protection to waters required to maintain and protect their existing uses. Most of these have been developed in order to afford special protection to sensitive or highly valued resource waters. Therefore, while all surface waters are assigned a primary classification, they may also have one or more supplemental classifications. For example, a typical freshwater stream in the mountains might have a C Tr classification where C is the primary classification followed by the Tr supplemental classification. The following is a list of North Carolina's supplemental classifications and the resources or uses that they are intended to protect or the conditions for which they are designed to address in order to protect their existing uses.

<u>Resource/Condition</u>	<u>Supplemental Classification</u>
trout populations	Tr
natural swamp conditions	Sw
nutrient over-enrichment	Nutrient Sensitive Waters (NSW)
streams with excellent water quality or special designation	High Quality Waters (HQW)
streams with excellent water quality and an outstanding resource	Outstanding Resource Waters (ORW)
streams suitable for a future water supply	Future Water Supply (FWS)

Statewide Water Quality Standards

Each primary and supplemental classification is assigned a set of water quality *standards* that establish the level of water quality that must be maintained in the water body to support the uses associated with each classification. Currently North Carolina has water quality standards for 64 parameters. These standards are further broken down for the protection of best uses which include aquatic life, human health, raw water supplies, shellfish and trout waters. In addition to these standards, criteria for use in permitting and pretreatment programs have been developed for special cases where a single discharge may contain a parameter not included in North Carolina's water quality standards. In those cases, EPA criteria or, in the case of substances without EPA criteria, criteria developed following DEM standard operating procedure for water quality standards development are used.

Classifications and standards have been broadly interpreted to provide protection of uses from both point and nonpoint source pollution. Stormwater rules to protect uses and standards of coastal waters, High Quality Waters, Outstanding Resource Waters and Water Supplies are examples of the utilization of North Carolina's water quality standards authorities. Some of the standards, particularly for HQW and ORW waters, outline protective management strategies aimed at controlling point and nonpoint source pollution. These strategies are discussed briefly below. The standards for C and SC waters establish the basic protection level for all state surface waters. With the exception of Sw, all of the other primary and supplemental classifications have more stringent standards than for C and SC and therefore require higher levels of protection.

High Quality Waters

Some of North Carolina's surface waters are relatively unaffected by pollution sources and have water quality higher than the standards that are applied to the majority of the waters of the state. In addition, some waters provide habitat for sensitive biota such as trout, juvenile fish or rare and endangered aquatic species.

In an effort to protect waters that possess such characteristics, surface waters in the following categories qualify for classification as High Quality Waters or HQW:

- 1) waters rated as Excellent based on chemical and biological sampling (Division of Water Quality (DWQ) assigns water quality ratings to North Carolina's surface waters based on biological and chemical data);
- 2) streams designated by the Wildlife Resources Commission as native and special native trout waters or primary nursery areas;
- 3) waters designated as primary nursery areas by the Division of Marine Fisheries; and
- 4) critical habitat areas designated by the Wildlife Resources Commission or the Department of Agriculture. Waters classified by the Division of Water Quality as WS-I, WS-II and SA are HQW by definition, but these waters are not specifically assigned the HQW classification because the standards for WS-I, WS-II and SA waters are at least as stringent as those for waters classified as HQW.

Special HQW protection management strategies are presented in 15A NCAC 2B.0201(d), and implemented through 15A NCAC 2B .0224. These measures are intended to prevent degradation of water quality below present levels from both point and nonpoint sources. HQW requirements for new wastewater discharge facilities and facilities which expand beyond their currently permitted loadings address oxygen-consuming wastes, total suspended solids, disinfection, emergency requirements, volume, nutrients (in nutrient sensitive waters) and toxic substances.

For nonpoint source pollution, development activities which require an Erosion and Sedimentation Control Plan in accordance with rules established by the NC Sedimentation Control Commission or local erosion and sedimentation control program approved in accordance with 15A NCAC 4B

. 0218, and which drain to and are within one mile of HQWs will be required to control runoff from the development using either a low density or high density option described in 15A NCAC 2H. 1006. In addition, the Division of Land Quality requires more stringent sedimentation controls for land disturbing projects within one mile and draining to HQWs.

Outstanding Resource Waters

A small percentage of North Carolina's surface waters have excellent water quality (rated based on biological and chemical sampling as with HQWs) and an associated outstanding resource. The Outstanding Resource Waters rule defines outstanding resource values as:

- 1) outstanding fishery resource;
- 2) a high level of water-based recreation;
- 3) a special designation such as National Wild and Scenic River or a National Wildlife Refuge;
- 4) being within a state or national park or forest; or 5) having special ecological or scientific significance.

The requirements for ORW waters are more stringent than those for HQWs. Special protection measures that apply to North Carolina ORWs are set forth in 15A NCAC 2B .0225. At a minimum, no new discharges or expansions are permitted, and stormwater controls for most new development are required. In some circumstances, the unique characteristics of the waters and resources that are to be protected require that a specialized (or customized) ORW management strategy be developed.

WATER QUALITY MONITORING PROGRAMS

General

North Carolina's surface water quality monitoring includes a multidisciplinary approach in collecting, analyzing, and reporting scientific information relative to the quality, habitat, and biological integrity of surface waters in North Carolina. Use of information derived in this effort includes but is not limited to evaluation of impacts from source or nonpoint source activities, defining attainable use of specific water bodies, development of appropriate criteria and standards, evaluation of existing criteria and standards relative to protection of uses, supporting enforcement actions, determination of assimilative capacity, and support of various mathematical models. All information is now integrated into a comprehensive assessment of surface waters within entire river basins as an important component of Basinwide Management Plans. Below is a list of the seven major monitoring programs, each of which is briefly described in the following text.

- Benthic macroinvertebrate monitoring,
- Fish population and tissue monitoring,
- Lakes assessment (including phytoplankton monitoring),
- Aquatic toxicity monitoring,
- Special studies and chemical/physical water quality investigations,
- Sediment oxygen demand monitoring, and
- Ambient water quality monitoring (covering the period 1990-1994).

Benthic Macroinvertebrate Monitoring

Benthic macroinvertebrates, or benthos, are organisms that live in and on the bottom of rivers, streams and estuaries. The benthic organisms collected most often in freshwater monitoring are aquatic insect larvae. In estuarine (saltwater) systems the benthic organisms most often collected include molluscs (such as clams and snails), crustaceans (such as crabs and shrimp) and polychaetes (worms). The use of benthos data has proven to be a reliable water quality assessment tool, as these organisms are relatively immobile and sensitive to subtle changes in water quality. Since many organisms in a community have life cycles of six months to one year, the effects of short term pollution (such as an oil or chemical spill) will generally not be overcome until the following generation appears. The benthic community also responds to, and shows the effects of, a wide array of potential pollutant mixtures.

For *freshwater* streams and rivers, criteria have been developed to assign five bioclassifications ranging from Poor to Excellent to each benthic sample. The bioclassifications include Excellent, Good, Good- Fair, Fair and Poor. The bioclassifications are based on the number of different kinds of species (taxa) present in three groups of pollution-intolerant insect larvae: Ephemeroptera (mayflies), Plecoptera (stoneflies) and Trichoptera (caddisflies). These three groups are used to develop EPT ratings. Likewise, ratings can be assigned with a Biotic Index (Appendix II). This index summarizes tolerance data for all taxa in each collection. The two rankings are given equal weight in final site classification. Higher taxa richness values (i.e. a greater number of different kinds of species) are associated with better water quality. These bioclassifications primarily reflect the influence of chemical pollutants. The major physical pollutant, sediment, is inadequately assessed by a taxa richness analysis alone. Different classification criteria have been developed for different ecoregions (mountains, piedmont and coastal plain) within North Carolina.

For *estuarine* waters the effort to develop a method to assess water quality based on macroinvertebrates started in North Carolina in late 1990. An Estuarine Biotic Index designed for Florida was modified to create the North Carolina Estuarine Biotic Index (EBI) which more closely reflects taxa and tolerances in North Carolina and can accurately rank sites of different water quality. Biocriteria based on these metrics are still being developed, so at the present time estuarine samples cannot be given a water quality rating.

Fisheries Monitoring

To the public, the condition of the fishery is one of the most meaningful indicators of ecological integrity. Fish occupy the upper levels of the aquatic food web and are both directly and indirectly affected by chemical and physical changes in the environment. Water quality conditions that significantly affect lower levels of the food web will affect the abundance, species composition, and condition of the fish population. Two types of fisheries monitoring are conducted by DWQ and described briefly below. The first, called Fish Community Structure, involves assessing the overall health of the fish community. The second, called Fish Tissue Analysis, involves analyzing fish tissues to determine whether they are accumulating metals or organic chemicals. This information is useful as an indicator of water quality and is also used to determine whether human consumption of these fish poses a potential health risk.

Fish Community Structure

As noted above, fish community structure involves assessing the overall health of the fish community as a means of assessing the quality of the ecosystem in which the fish reside. Fish community structure is assessed using a method called the North Carolina Index of Biotic Integrity (NCIBI). This method, which is a modification of Karr's IBI (1981), was developed as a method

for assessing a stream's biological integrity by examining the structure and health of its fish community. The index, (which is described in more detail in Appendix II), incorporates information about species richness and composition, trophic composition, fish abundance and fish condition. At this time there is no Index of Biotic Integrity calculated for fish populations in lakes.

The NCIBI summarizes the effects of all classes of factors influencing aquatic faunal communities (water quality, energy source, habitat quality, flow regime, and biotic interactions). While any change in a fish community can be caused by many factors, certain aspects of the community are generally more responsive to specific influences. Species composition measurements reflect habitat quality effects. Information on trophic composition reflects the effect of biotic interactions and energy supply. Fish abundance and condition information indicates additional water quality effects. It should be noted, however, that these responses may overlap. For example, a change in fish abundance may be due to decreased energy supply or a decline in habitat quality, not necessarily a change in water quality.

Fish Tissue Analysis

Since fish spend their entire lives in the aquatic environment, they incorporate chemicals from this environment into their body tissues. Therefore, by analyzing fish tissue, determinations about what chemicals are in the water can be made. Contamination of aquatic resources, including freshwater, estuarine, and marine fish and shellfish species has been documented for heavy metals, pesticides, and other complex organic compounds. Once these contaminants reach surface waters, they may be available for bioaccumulation either directly or through aquatic food webs and may accumulate in fish and shellfish tissues. Therefore, results from fish tissue monitoring can serve as an important indicator of contamination of sediments and surface water. Fish tissue analysis results are also used as indicators for human health concerns, fish and wildlife health concerns, and the presence and concentrations of various chemicals in the ecosystem.

In evaluating fish tissue analysis results, several different types of criteria are used. Human health concerns related to fish consumption are screened by comparing results with federal Food and Drug Administration (FDA) *action levels* and U.S. Environmental Protection Agency (EPA) recommended *screening values* for contaminants.

The FDA levels were developed to protect humans from the chronic effects of toxic substances consumed in foodstuffs and thus employ a "safe level" approach to fish tissue consumption. A list of fish tissue parameters accompanied by their FDA criteria are presented in Appendix II. At present, the FDA has only developed metals action level criteria for mercury (1.0 ppm). Individual parameters which appear to be of potential human health concern are evaluated by the N.C. Division of Epidemiology by request of DWQ.

Lakes Assessment Program (including Phytoplankton)

Lakes are valued for the multiple benefits they provide to the public, including recreational boating, fishing, drinking water, and aesthetic enjoyment. The North Carolina Lakes Assessment Program seeks to protect these waters through monitoring, pollution prevention and control, and restoration activities. Assessments have been made at all publicly accessible lakes, at lakes which supply domestic drinking water, and lakes (public or private) where water quality problems have been observed.

One way to evaluate the health of a lake is to examine the growth of phytoplankton. Phytoplankton are microscopic algae found in the water column of lakes, rivers, streams, and estuaries. Phytoplankton populations respond to the availability of nutrients (phosphorus and nitrogen) and

other environmental factors such as light, temperature, pH, salinity, water velocity, and grazing by organisms in higher trophic levels. Phytoplankton may be useful as indicators of nutrient overenrichment (see following paragraph on trophic status) and are often collected with water quality samples from lakes. Prolific growths of phytoplankton sometimes result in "blooms" in which one or more species of algae may discolor the water or form visible mats on top of the water. These blooms, which are often due to high concentrations of nutrients, may be unsightly and deleterious to water quality, causing fish kills, anoxia, or taste and odor problems. An Algal Bloom Program was initiated in 1984 to document suspected algal blooms with species identification, quantitative biovolume, and density estimates. Usually, an algal sample with a biovolume larger than $5000 \text{ mm}^3/\text{m}^3$, density greater than 10,000 units/ml, or chlorophyll *a* concentration approaching or exceeding $40 \text{ }\mu\text{g/l}$ (the North Carolina state standard) constitutes a bloom. Bloom samples may be collected as a result of complaint investigations, fish kills, or during routine monitoring if a bloom is suspected.

Another measure of water quality in lakes is the North Carolina Trophic State Index (NCTSI). This is a numerical index that is used to evaluate the trophic status of lakes, and it can be used to determine whether the designated uses of a lake have been threatened or impaired by pollution. Trophic status is a relative measure of nutrient enrichment and productivity. The NCTSI index is based on total phosphorus, total organic nitrogen, secchi depth (water clarity indicator) and chlorophyll-*a*. Based on this index, a lake is assigned one of five trophic status classifications: Oligotrophic, Mesotrophic, Eutrophic, Hypereutrophic and Dystrophic. Oligotrophic lakes are those that have the lowest levels of enrichment and generally have good clarity and no problems with algal blooms. At the other end of the spectrum are eutrophic and hypereutrophic lakes which have a lot of plant productivity which can cause nuisance problems and have little clarity in the water column. Dystrophic lakes are acidic blackwater lakes scattered throughout the coastal plain. Their NCTSI scores are highly skewed because of their natural discoloration. Further details of the NCTSI can be found in Appendix II.

Aquatic Toxicity Monitoring

Acute and/or chronic toxicity tests are used to determine toxicity of wastewater treatment discharges to sensitive aquatic species (usually fathead minnows or the water flea, *Ceriodaphnia dubia*). Results of these tests have been shown by several researchers to be predictive of discharge effects on receiving stream populations. The Aquatic Survey and Toxicology Unit maintains a compliance summary for all facilities required to perform tests and provides a monthly update of this information to regional offices and DWQ administration. Ambient toxicity tests can be used to evaluate stream water quality relative to other stream sites and/or a point source discharge.

Special Studies and Chemical/Physical Characterizations

Water quality simulation models are often used for the purpose of determining wasteload allocations. These models must accurately predict water body responses to different waste loads so that appropriate effluent limits can be included as requirements in National Pollutant Discharge Elimination System (NPDES) permits. Where large financial expenditures or the protection of water quality is at risk, models should be calibrated and verified with actual in-stream data. Because sufficient historical data are often lacking, intensive water quality surveys are required to provide the field data necessary to accomplish model calibration and verification. Intensive water quality surveys are performed on water bodies below existing or proposed wastewater dischargers and usually consist of a time-of-travel dye study, flow measurements, physical and chemical samples, long-term biochemical oxygen demand (BOD₅) analysis, water body channel geometry, and effluent characterization analysis.

Sediment Oxygen Demand

The concentration of dissolved oxygen in surface waters can be affected by bacterial action and chemical processes in bottom sediments. If oxygen depletion in surface waters is suspected due to the characteristics of bottom sediments, then sediment oxygen demand (SOD) studies may be performed. Each stream reach is divided into a series of segments. The number of stream segments that must be evaluated with an intensive survey depends on the individual study and the spatial resolution desired. Intensive surveys and SOD evaluations are reported as a series of field data tables and summaries of laboratory analysis reports.

Ambient Monitoring System

The Ambient Monitoring System (AMS) is a network of stream, lake and estuarine (saltwater) water quality monitoring stations (about 380 statewide) strategically located for the collection of physical and chemical water quality data. The type of water quality data, or parameters, that are collected is determined by the waterbody's freshwater or saltwater classification and corresponding water quality standards. Table 4.1 summarizes the types of water quality data collected at ambient stations.

Table 4.1 Ambient Monitoring System Parameters

C and SC WATERS (minimum monthly coverage for all stream stations)

- dissolved oxygen,
- pH,
- conductivity,
- temperature,
- salinity (SC),
- secchi disk (where appropriate),
- nutrients: total phosphorus, ammonia, total Kjeldahl nitrogen, nitrate+nitrite,
- total suspended solids,
- turbidity,
- hardness,
- chlorides (SC),
- fecal coliforms,
- metals: aluminum, arsenic, cadmium, chromium, copper, iron, lead, mercury, nickel, silver, zinc

NUTRIENT-SENSITIVE WATERS:

- Chlorophyll *a* (where appropriate)

WATER SUPPLY

- chlorides,
- total coliforms,
- manganese,
- total dissolved solids

SA WATERS:

- Fecal coliforms

Use Support of Waterbodies

Determining the *use support* status of a waterbody, (that is, how well a waterbody supports its designated uses), is another important method of interpreting water quality data and assessing water quality. Use support assessments are presented in each basinwide plan using figures, tables and maps for freshwater streams, lakes and estuaries.

Surface waters (streams, lakes or estuaries) are rated as either *fully supporting* (S), *support-threatened* (ST), *partially supporting* (PS), or *nonsupporting* (NS). The terms refer to whether the classified uses of the water (such as water supply, aquatic life protection and swimming) are being fully supported, partially supported or are not supported. For instance, saltwaters classified for commercial shellfish harvesting (SA) would be rated as fully supporting if bacterial levels in the

water were low enough to allow harvesting (<14 MPN). However, if fecal coliform bacteria levels were too high to allow shellfish to be harvested (>14 MPN), but not too high to prevent swimming (<200 MPN), then the waters would be rated as partially supporting since they only support the swimming. If the waters were impacted to the point that even swimming was disallowed, the waters would be rated as nonsupporting. Streams rated as either partially supporting or nonsupporting are considered *impaired*. The support-threatened category for freshwater rivers and streams refers to those waters classified as good-fair based on water quality data, in contrast to excellent or good which are considered fully supporting. An overall fully supporting rating, however, does include both fully supporting and support-threatened waters. Streams which had no data to determine their use support were listed as non-evaluated (NE).

The term *impaired* refers to waters that are rated either partially supporting or not supporting their uses based on specific criteria discussed more fully below. There must be a specified degree of degradation before a stream is considered impaired. This differs from the word impacted, which can refer to any noticeable or measurable change in water quality, good or bad.

The assessment of water quality involves evaluation of available water quality data to determine a water body's use support rating. In addition, an effort was made to determine likely causes (e.g., sediment or nutrients) and sources (e.g., agriculture, urban runoff, point sources) of pollution for waters that did not support their designated uses (i.e., those found to be either partially or nonsupporting). These data consisted of biological and chemical ratings, reports of citizen complaints, responses to mailings requesting water quality information, land-use reviews of topographic maps, and best professional judgment (see Data Analysis Methodology section for more details). By including best professional judgments (i.e., perceived water quality problems) in deciding the overall water quality ratings and the potential sources of pollution, a much broader, but less precise, picture of water quality conditions in the basin was developed.

Interpretation of these data compiled by DWQ should be done cautiously. The methodology used to acquire the numbers must be understood, as should the purpose for which the numbers were generated. The intent of this use-support assessment is to gain an overall picture of the relative contribution made by different categories of pollution.

NORTH CAROLINA'S POINT SOURCE CONTROL PROGRAM

General

North Carolina does not allow point source discharges without a permit. Discharge permits are issued under the authority of North Carolina General Statute (NCGS) 143.215.1 and the National Pollutant Discharge Elimination System (NPDES) program. The NPDES program was delegated to North Carolina from the US Environmental Protection Agency. These permits serve as both state and federal permits. North Carolina has a comprehensive NPDES program which includes the permitting of both wastewater and stormwater discharges.

NPDES permits are issued in two categories; individual or general. Individual permits are issued to a specific facility and contain site specific requirements and incorporate recommendations from the basinwide water quality management plan. Individual NPDES permits are typically issued for a five year cycle with all permits in a river basin expiring at the same time. This permitting strategy allows for comprehensive review of individual dischargers within the basin and implementation of recommendations contained in the basinwide water quality management plan. New discharge permits issued during an interim period are given a shorter cycle so that expiration coincides with the basin permitting cycle. Under the NPDES wastewater permitting program, each NPDES

discharger is assigned either *major* or *minor* status. For municipalities, all dischargers with a flow of greater than 1 million gallons per day (MGD) are classified as major.

General permits are developed for a general type of industry and contain permit requirements that are appropriate for a typical facility within a specific industrial classification. Facilities engaged in the specific industrial activities are eligible for permit coverage under the general permit. Facilities that are deemed to be atypical or have a history of water quality problems are required to obtain an individual permit. Because general permits are specific to a type of industrial activity and are issued statewide they do not contain basin specific measures. A general permit is typically issued for a five year cycle, which expires statewide on the same date.

Discharge permits are issued under the authority of North Carolina General Statute (NCGS) 143.215.1 and the National Pollutant Discharge Elimination System (NPDES) program. NPDES permits establish effluent limitations on the maximum level of wastes or pollutants, that may be discharged into surface waters. North Carolina has a very comprehensive NPDES program that includes the following major components:

1. NPDES Permit Review and Processing,
2. Wasteload Allocation Modeling,
3. Compliance Monitoring and Enforcement,
4. Aquatic Toxicity Testing,
5. Pretreatment,
6. Operator Certification and Training and
7. Nondischarge and Regional Wastewater Treatment Alternatives.

Below is a brief summary of key components of North Carolina's NPDES program

NPDES Permit Review and Processing

In North Carolina, the issuance of discharge permits is coordinated with the basinwide planning process. Thus, DWQ issues all discharge permits within a given basin at approximately the same time. These permits are valid for five years. New discharge permits issued during an interim period between cycles will have a shorter expiration period in order to coincide with the next basin permitting cycle. Thus, DWQ can more effectively monitor and modify its permitting system consistently across the river basins.

DWQ will not process a permit application until the application is complete. The requirements for discharge permit application and processing are outlined in Administrative Code Section: 15A NCAC 2H .0100 - Wastewater Discharges to Surface Waters. Under this rule, all applications must include a feasibility analysis on alternative disposal options, such as spray irrigation, and justification for the selection of the discharge option. In addition, all new wastewater discharge permit applications must include an engineering proposal which includes a description of the origin, type, and flow of wastewater, a summary of waste treatment and disposal options, and a narrative description of the proposed treatment works and why the proposed system and point of discharge were selected.

Applications for new discharges greater than 500,000 gallons per day of wastewater, 10 million gallons per day (MGD) of cooling water, or 1 MGD of any other type of effluent must include an *assessment* report in addition to the normal permit application. The assessment is to provide sufficient information to describe the impact of the proposed action on the waters in the area. DWQ may also require an Environmental Impact Statement or Environmental Assessment, under the NC Environmental Policy Act for certain publicly funded projects.

DWQ staff establish waste limits for permit applications based on a wasteload allocation process (described in the following section). The staff review also includes a site inspection (for existing facilities up for renewal, the inspection may be conducted prior to submittal of a complete application). If DWQ finds the application acceptable, it will issue a public notice (called a Notice of Intent to Issue) in newspapers having wide circulation in the local area. The Notice of Intent includes all of the permit applications for a particular subbasin (or subbasins) that will be issued within a given month. The public then has a 30-day period to comment on the proposed permit. If the public expresses sufficient interest in one or more of the applications, DWQ may hold a public hearing.

DWQ also sends copies of the Notice of Intent to a number of state and federal agencies for comment. For example, the Division of Environmental Health reviews the applications for their potential impact on surface water sources of drinking water. Once DWQ received and evaluates the comments, the Director of DWQ decides whether to issue or deny the permit. The final permit will include recommended waste limits and other special conditions that may be necessary to ensure protection of water quality standards.

Establishing Discharge Permit Effluent Limitations/Wasteload Allocations

Effluent limitations, also called waste limits, dictate the amounts of wastes (pollutants), that the permittee is allowed to discharge into surface waters under an NPDES permit. Before DWQ issues a discharge permit, it evaluates the projected impact of the discharge on the receiving waters. This determination, called a wasteload allocation (WLA), is usually based on a computer model which considers many factors, including the characteristics of the waste (e.g., flow and type) and the characteristics of the receiving waters (e.g., flow, waste assimilative capacity, channel configuration, rate of reaeration, water quality classification). DWQ determines permit limits using models called water quality-based limits. DWQ also bases some permit limits based on federal effluent guidelines established by the USEPA.

DWQ performs wasteload allocations by using various models, depending on the parameter (type of pollutant) of interest and the characteristics of the receiving waters. Model frameworks (discussed in more detail in Appendix IV) can range from simple mass balance analyses to 3-dimensional dynamic water quality models. Modeling fits into the basin plan by drawing on the current conditions within the basin and evaluating the effects of various management strategies. DWQ uses models for a number of objectives, including determining the fate and transport of pollutants, setting reduction goals for point and nonpoint sources, and to derive effluent limits for NPDES permits. For example, models can be used to predict concentrations of a parameter at a given site, such as instream DO or chlorophyll *a* in a lake.

Models can also be a tool for determining the level of pollutant reductions needed to protect instream standards. In addition, DWQ performs uncertainty analyses of water quality models to expand their predictive capabilities and increase confidence in results. Waste limits may vary from summer to winter for some parameters, such as nutrients and ammonia, with winter limits being somewhat less stringent than summer limits due to higher instream flows during the winter months.

When point sources are responsible for water quality problems, WLAs can yield appropriate permit limits that offer adequate water quality protection. Where a sole discharge is responsible for the water quality impacts, DWQ can perform a simple WLA without considering other discharges. In this case, DWQ will establish limits in accordance with the state's Standard Operating Procedures

(SOP) for Wasteload Allocations manual. The SOP manual has been developed to support State and Federal regulations and guidelines and has been approved by the EPA.

Point source discharges generally have the most impact on a stream during low flow conditions when the percentage of treated effluent within the stream is greatest. Effluent limits are generally set to protect the stream during these low flow conditions. A critical factor in determining the wasteload for an individual discharge is whether the receiving waters have a flow during 7Q10 or 30Q2 conditions. (The 7Q10 is the lowest flow which occurs over seven consecutive days and which has an average recurrence of once in ten years.) DWQ's policy prohibits new or expanded discharges into "no flow" streams that have a 7Q10 and a 30Q2 equal to zero. In addition, DWQ will look for ways to remove existing discharges on such streams unless it is determined that there are no reasonable alternatives. If it is not feasible to remove the discharge, then the facility will be required to meet limits of 5 mg/l BOD₅ and 2 mg/l NH₃N in summer (and 10 mg/l BOD₅ and 4 mg/l NH₃N in winter).

When numerous discharges affect water quality, the Environmental Management Commission is required to consider the cumulative impacts of all of the permitted discharges to a water body (pursuant to NCGS 143-215.1(b)(2)). Such areas are identified and discussed in Chapter 6. Generally, these are areas where the SOP alone does not provide adequate guidance. Since the SOP addresses mostly single discharge or relatively simple interaction of multiple discharges, WLA procedures outside the realm of the SOP represent the larger, basinwide strategy that DWQ is implementing.

Compliance Monitoring and Enforcement

Most dischargers are required to periodically sample the treated effluent from their discharge pipes. This process is called self-monitoring and it is typically required five days a week for some parameters (Monday through Friday) for major facilities. The sampling results (contained in a daily monitoring report or DMR) are then submitted each month to DWQ for compliance evaluations.

NPDES facilities are required to monitor for all pollutants for which they have permit limits as well as other pollutants which may be present in their wastewater. All domestic wastewater dischargers are required to monitor flow, dissolved oxygen, temperature, fecal coliform, BOD, ammonia, and chlorine (if they use it as a disinfectant). In addition, wastewater treatment facilities with industrial sources may have to monitor for chemical specific toxicants and/or whole effluent toxicity, and all dischargers with design flows greater than 50,000 gallons per day (GPD) monitor for total phosphorus and total nitrogen. The aquatic toxicity program is described below in more detail. Minimum NPDES wastewater monitoring requirements are provided in 15A NCAC 2B .0500. Also, many larger and more complex dischargers are required to sample points in the receiving waters both up and downstream from the discharge point.

Other methods of collecting point source information include effluent sampling by DWQ during inspections and special studies. The regional offices may collect data at a given facility if they believe there may be an operational problem or as a routine compliance check. DWQ may collect effluent data during intensive surveys of segments of streams. Extensive discharger data have been collected during on-site toxicity tests.

If a plant does not meet its permitted limits, DWQ may take one or more of the following actions: issue a notice of violation, initiate enforcement action, place the facility on moratorium, and/or enter into a Special Order by Consent (SOC). An SOC is a legal commitment entered into by the state and the discharger that establishes a time schedule for bringing the wastewater treatment plant

back into compliance. During this time period, interim waste limits may be assigned to the facility until the improvements can be made. These interim limits may be less stringent than those in the permit although they are still required to protect water quality in the receiving waters.

In addition to the DMR data, illegal or improperly treated discharges may be identified in other ways including through third party reports, routine DWQ site inspections, and water quality monitoring conducted by DWQ staff.

Aquatic Toxicity Testing

There are thousands of chemicals and compounds that can enter wastewater systems and potentially be discharged to surface waters. Treatment plants are unable to monitor each of these chemicals individually due to limited funds and time, and limits in the ability of current analytical techniques to detect some pollutants. Even if the existence and potential effects of every constituent of a wastewater were known, the combined effects of these constituents could not be predicted.

North Carolina uses an integrated approach to aquatic toxicity testing that includes monitoring specific chemicals, assessing resident aquatic populations, and analyzing whole effluent toxicity (WET). Whole effluent toxicity limits predict the impacts of toxicants by measuring those impacts in a laboratory setting. It is from this same foundation of aquatic toxicity laboratory tests that chemical specific limits and criteria are derived for the majority of chemical toxicants.

In February 1987, North Carolina implemented a policy to incorporate WET limits for all major and complex minor permits. As of June 1996, 567 permitted NPDES discharges were required to perform WET monitoring, and over 15,000 individual toxicity analyses had been performed for plants across the state. WET limits were developed to protect aquatic life from the discharge of substances in toxic amounts as prescribed by 15 NCAC 2B. 0208 (i.e. so as not to result in chronic toxicity at permitted discharge flow and 7Q10 receiving flow volumes). Since the inception of the program, a change in WET limitations has been observed. Previously, DWQ had predicted that approximately 25% of the facilities tested to be acutely toxic instream; however, DWQ has lowered that prediction to ten percent.

Aquatic toxicity testing, like other complex analytical techniques, requires a great deal of quality assurance and control to achieve reliable results. In 1988, North Carolina initiated a program that requires all laboratories performing NPDES analyses in North Carolina to be certified by the state as a biological laboratory. As of June 1996, 22 commercial, municipal, and industrial laboratories had achieved this certification in either aquatic toxicity analyses and/or aquatic population survey. The NC Biological Laboratory Certification Program, much like WET permitting in North Carolina, is looked at as a national leader in its field.

Pretreatment Program

The goal of pretreatment program is to protect municipal treatment plants or publicly-owned treatment works (POTWs) as well as the environment from the discharge of hazardous or toxic wastes into a public sewage system. The pretreatment program regulates non-domestic (e.g., industrial) users of POTWs that discharge toxic wastes under the Domestic Sewage Exclusion of the Resource Conservation and Recovery Act (RCRA). In essence, the program requires that businesses and other entities that use or produce toxic wastes pretreat their wastes prior to discharging their wastewater into the sewage collection system of POTW. State-approved pretreatment programs are typically administered by local governments that operate POTWs.

Local pretreatment program address four areas of concern: (1) interference with POTW operations, (2) pass-through of pollutants to a receiving stream, (3) municipal sludge contamination, and (4) exposure of workers to chemical hazards. Interference refers to any problem with plant operation, including physical obstruction and inhibition of biological activity. DWQ and the local government develop local pretreatment limits by determining the maximum amount of each pollutant the plant can accept at the influent (or headworks) and still protect the receiving water, the POTW itself, and the POTW's sludge disposal options.

Operator Certification and Training Program

Water pollution control systems must be operated by individuals certified by the North Carolina Water Pollution Control System Operators Certification Commission (WPCSOCC). . It is the goal of the program to provide competent and conscientious professionals that will protect both the environment and public health. The level of training and certification that the operator must have is based on the type and complexity of the wastewater treatment system. These systems include: wastewater treatment plants, wastewater collection systems and "non-discharge" ground absorption systems, such as alternative on-site disposal technologies and spray irrigation facilities. The Commission currently certifies operators in four grades of wastewater treatment, four grades of collection system operation, subsurface operation, spray irrigation operation, animal waste management and a variety of specialized conditional exams for specific technologies (e.g. oil/water separators).

The Technical Assistance and Certification Group of the North Carolina Division of Water Quality provides staff support for the Commission and assists in organizing training for operators in cooperation with the North Carolina University System, the North Carolina Community College System and through the professional associations for operators and pollution control professionals. Specialty courses and seminars for operators are also offered by the North Carolina combined Section Of The Water Environment Association/American Water Works Association (WEA/AWWA).

Training and certification of operators is essential to the proper operation and maintenance of pollution control systems. Without proper operation and maintenance, even the most effectively designed treatment system will not function efficiently. The goal of the WPCSOCC is to train competent and conscientious professionals that will provide the best wastewater treatment and thus protect the environment and public health.

NPDES Stormwater Discharges

As currently defined by the NPDES program, stormwater point source discharges originate from two distinct sources; municipalities and selected industrial facilities. Subject municipalities are defined as those incorporated areas that encompass a population of 100,000 or more. There are currently no municipalities in the Little Tennessee River basin that are subject to NPDES stormwater permitting.

Stormwater discharges directly related to manufacturing, processing or raw materials storage areas at industrial plants are also subject to NPDES stormwater permitting. A complete definition of "stormwater discharge associated with industrial activity" including a comprehensive listing of subject industries can be found in 40 CFR 122.26. The types of industrial activities that are subject to permitting are typically defined by Standard Industrial Classification (SIC) codes. SIC codes have been developed by the federal Office of Management and Budget to define industries in accordance with the composition and structure of the economy.

There are currently 19 general stormwater permits available for specific types of industrial activities across the state. The general stormwater permits incorporate requirements determined to be appropriate based upon an analysis of available analytical monitoring data, input from industry and associations, site visits, and review of federal and other documents providing guidance on specific types of industries, pollutants and stormwater discharges. General permits may specify monitoring and reporting requirements for both quantitative and qualitative assessment of the stormwater discharge as well as operational inspections of the entire facility, including all stormwater systems. The specific pollutant parameters for which sampling must be performed are based upon the types of materials used and produced in the manufacturing processes and the potential for contamination of the stormwater runoff at a typical facility.

All NPDES stormwater permits require the development and implementation of a Stormwater Pollution Prevention Plan (SPPP). The SPPP requires the permitted facility to develop a comprehensive stormwater management plan. This plan is the basis for evaluating the pollution potential of the site and implementing best management practices (BMPs) to reduce pollutants in runoff from the site.

All stormwater permits specify qualitative monitoring of each stormwater outfall for the purposes of evaluating the effectiveness of the Stormwater Pollution Prevention Plan and assessing new sources of stormwater pollution. Qualitative monitoring parameters include color, odor, clarity, floating and suspended solids, foam, oil sheen, and other obvious indicators of stormwater pollution.

Stormwater permits may provide for the use of cut-off concentrations in order to minimize the required analytical monitoring for facilities which are not significant contributors to stormwater pollution. These cut-off concentrations are not intended to be effluent limits (as used in wastewater permitting), but to provide guidelines for determining which facilities are major contributors to stormwater pollution and need further monitoring. The arithmetic mean of all monitoring data collected during the term of the permit must be calculated for each parameter and compared to the permitted cut-off concentration. If the mean is below the cut-off concentration, then the facility may discontinue analytical monitoring for that parameter until the final year of the permit. This approach inhibits facilities from using the cut-off concentrations as target concentrations for purposes of evaluating the effectiveness of the Stormwater Pollution Prevention Plan while ensuring that problem facilities continue to collect analytical information on their discharges.

Nondischarge and Regional Wastewater Treatment Alternatives

DWQ requires NPDES permit applicants to consider alternatives for disposal of wastewater effluent other than discharge to a stream. For some, there may be no other economically feasible alternatives. However, for others, particularly smaller dischargers, there are a number of potentially cost-effective and environmentally sound alternatives. There are several types of non-discharging wastewater treatment systems including spray irrigation, rapid infiltration, trickling systems and underground injection. Researchers in North Carolina are evaluating artificial wetlands as wastewater treatment systems. Permit requirements for nondischarging systems are listed in Administrative Code Section 15 NCAC 2H .0200 - Waste Not Discharged to Surface Waters.

Another alternative to a surface water discharge is to tie into an existing wastewater treatment system. Where possible, DWQ is encouraging smaller dischargers to connect to large established municipal systems. Regionalization, as this is called, has several advantages. Large municipal facilities, unlike smaller package-type plants, have a larger and better-trained staff, thereby reducing the potential for plant malfunctions. When malfunctions do occur in a large plant, they

can be caught and remedied more quickly than in a small plant. Larger facilities provide a higher level of treatment more economically and more consistently than can smaller plants. Larger plants are monitored daily. Additionally, centralizing the discharges reduces the number of streams receiving effluent. As DWQ evaluates future permit expansion requests from regional facilities, it will look favorably upon plants that accept flows from smaller discharges.

Nondischarge permits are required for alternative methods of wastewater treatment. Nondischarge permits are also issued for the land application of residual solids (sludge) from wastewater treatment processes.

NONPOINT SOURCE CONTROL PROGRAMS

When rainfall or snowmelt washes off an undisturbed natural area, it contains few pollutants and a significant portion of it infiltrates into the ground. This infiltration process cleanses, reduces and delays runoff. However, human disturbances of land often cause runoff of pollutants into surface waters. For instance, runoff from agricultural lands can include fertilizers, sediment and pesticides; runoff from roads and parking lots in urban areas can include petroleum products and toxic substances (these impervious surfaces also increase flow volume and velocity); construction activities can cause runoff of sediment, etc. These are examples of *nonpoint source* (NPS) pollution. Unlike effluent from a wastewater treatment plant, NPS pollution often originates from harder to identify, widely dispersed areas. In addition to over-land runoff, some NPS pollution originates from the atmosphere, such as acid deposition.

The two approaches that are used to address nonpoint source pollution are prevention and engineered controls. Some of the methods of pollution prevention include minimizing built-upon areas, protection of sensitive areas, optimum site planning, use of natural drainage systems rather than curb and gutter, nutrient management plans, public/farmer education, storm drain stenciling, and hazardous waste collection sites. It is generally more cost-effective to prevent and minimize pollution than to build engineered controls. For example, developers who are subject to stormwater requirements often choose to build low density developments rather than bearing the expense of building engineered BMPs. Engineered BMPs also have on-going expenses associated with long-term operation and maintenance.

Engineered BMPs generally work by capturing, retaining, and treating runoff before it leaves an area. Some commonly used types of BMPs include stormwater wetlands, wet detention ponds, water control structures, bioretention areas, and infiltration basins. Often higher levels of pollutant removal can be achieved by using a combination of different control systems. The main advantage of engineered controls is that they can treat runoff from high density developments.

The current trend is toward a more comprehensive "systems approach" to managing nonpoint source pollution. This involves using an integrated system of preventive and control practices to accomplish nonpoint pollution reduction goals. This approach emphasizes site planning, protecting important natural areas such as wetlands, and finding the most cost-effective engineered controls for high density areas. Programs which are currently using the systems approach include the animal waste regulations and the regulations for coastal stormwater management and water supply watersheds. In general, the goals of the nonpoint source management program include the following:

- Continue to build and improve existing programs,
- Develop new programs to control nonpoint pollution sources that are not addressed by existing programs,
- Continue to target geographic areas and waterbodies for restoration and protection,

- Integrate the NPS Program with other state programs and management studies (e.g., Albemarle-Pamlico Estuarine Study, Clean Water Trust Fund and Wetlands Restoration Program), and
- Monitor the effectiveness of BMPs and management strategies for both surface and groundwater quality.

Table 2 lists a number of federal and state programs that address nonpoint source pollution. These programs are listed by category based on the type of activity. A complete program description of nonpoint source control programs can be found in the text following the table.

Agricultural Nonpoint Source (NPS) Control Programs

Agricultural BMPs have been developed largely to control the five major agriculturally-related causes of pollution: nutrients, sediment, pesticides, oxygen-demanding substances and bacteria. BMPs vary from site to site and are dependent upon a particular pollutant but include practices such as grassed waterways and vegetated buffers, nondischarging animal waste lagoons, integrated crop and pest management and soil testing. BMPs may be administered through one or more of the agricultural programs described below. Common agricultural BMPs are listed in Appendix VI.

• North Carolina Agriculture Cost Share Program

In 1984, the North Carolina General Assembly budgeted approximately \$2 million to assist landowners in 16 counties within the "Nutrient Sensitive Water" (NSW) watersheds including the Upper Neuse River (Falls Lake) and the New River in Onslow County to implement BMPs for agricultural and silvicultural activities. These funds were increased in May 1987 to include 17 additional coastal counties by the passage of a General Statute formally creating the *Agriculture Cost Share Program for Nonpoint Source Pollution Control (NCACSP)*. In 1989 the NCACSP became a statewide program. The NCACSP will pay a farmer 75 percent of the average cost of implementing approved BMPs and offer technical assistance to the landowners or users which would provide the greatest benefit for water quality protection. The primary purpose of this voluntary program is water quality protection.

The local Soil and Water Conservation District Boards under the administration of the North Carolina Soil and Water Conservation Commission (SWCC) are responsible for identifying treatment areas, allocating resources, signing contractual agreements with landowners, providing technical assistance for the planning and implementation of BMPs and generally encouraging the use of appropriate BMPs to protect water quality. The criteria for allocating funds to the District is "based on the identified level of agricultural related nonpoint source pollution problems and the respective District's BMP installation goals and available technical services as demonstrated in the District's annual strategy plan" (NC Administrative Code, Title 15, Chapter 6, Section 6E). This local participation is crucial to the success of the program.

The DEHNR-Division of Soil and Water Conservation (DSWC) provides staff, administrative and technical support to the SWCC. The DSWC also coordinates the efforts of various associated Program committees and acts as the clearinghouse for District strategy plans, contracts, etc. A legislated Technical Review Committee meets quarterly "to review the progress of the Program" (G.S. 143-215.74B) and to make technical recommendations to the Commission.

Technical assistance for the implementation of approved BMPs is provided to the Districts through a 50:50 cost share provision for technical positions to be filled at the District level. The USDA-Natural Resources Conservation Service also provides technical assistance.

Table 2. List of Nonpoint Source Programs

PROGRAM	LOCAL	STATE	FEDERAL
AGRICULTURE:			
Agriculture Cost Share Program	SWCD	SWCC, DSWC	
N.C. Pesticide Law of 1971		NCDA	
Pesticide Disposal Program		NCDA	
Animal Waste Management	SWCD	DWQ, DSWC, CES	NRCS
Laboratory Testing Services		NCDA	
Watershed Protection (PL-566)			NRCS
1985, 1990 and 1995 Farm Bills			USDA
- Conservation Reserve Program			
- Conservation Compliance			
- Sodbuster			
- Swampbuster			
- Conservation Easement			
- Wetland Reserve			
- Water Quality Incentive Program			
URBAN			
Coastal Stormwater Program		DWQ	
ORW, HQW, NSW Management Strategies		DWQ	
Water Supply Watershed Protection Program	city, county	DWQ	
Stormwater Control Program	city, county	DWQ	EPA
CONSTRUCTION			
Sedimentation and Erosion Control	ordinance	DLR, DOT	
Coastal Area Management Act	ordinance	DCM	
Coastal Stormwater Program		DWQ	
ON-SITE WASTEWATER DISPOSAL			
Sanitary Sewage Systems Program	county	DEH	
SOLID WASTE DISPOSAL			
Resource Conservation and Recovery Act			EPA
Solid Waste Management Act of 1989	city, county	DSWM	
FORESTRY			
Forest Practice Guidelines		DFR	
National Forest Management Act			NFS
Forest Stewardship Program		DFR	
MINING			
Mining Act of 1971			DLR
HYDROLOGIC MODIFICATION			
Clean Water Act (Section 404)		DCM, DWQ	COE
Rivers and Harbors Act of 1899			COE
Dam Safety Permit		DLR	
WETLANDS:			
Wetlands Restoration Program		DWQ	
Clean Water Act (Sections 401 and 404)		DWQ	COE
Wetland Reserve Program			USDA

COE: US Army Corps of Engineers

DWQ: Division of Water Quality

DFR: Division of Forest Resource

DSW: Division of Soil and Water

USDA: US Department of Agriculture

DCM: Division of Coastal Management

DLR: Division of Land Resources

DOT: Department of Transportation

DSWM: Division of Solid Waste Mgt.

NCDA: NC Department of Agriculture

NRCS: Natural Resources Conservation Service

SWCC: Soil and Water Cons. Commission

SWCD: Soil and Water Conservation District

- **North Carolina Pesticide Law of 1971**

In 1971 the General Assembly created and authorized the North Carolina Pesticide Board to regulate the use, application, sale, disposal and registration of pesticides for the protection of the health, safety, and welfare of the people and for the promotion of a healthy and safe environment. Some of the responsibilities of the Pesticide Board and the North Carolina Department of Agriculture include registering all pesticides prior to distribution and sale in North Carolina, sampling pesticides to insure that all products are up to guaranteed analysis and unadulterated by any other pesticide, sampling pesticides at time of application to insure that the applicator is following label instructions, and certifying the competency of applicators and dealers of restricted use pesticides.

The Pesticide Section of the North Carolina Department of Agriculture conducts mandatory annual inspections of all aircraft used in pesticide application and conducts random inspections of ground application equipment and chemigation systems (application of pesticides through irrigation systems). These inspections are intended to encourage proper calibration and use of equipment in order to avoid excessive application rates and accidental spills from faulty systems. Stop use orders are issued for noncompliance with the regulations.

Inspections are also required for bulk storage tanks prior to filling. All commercial pesticide storage facilities are required to have an approved Pre-fire Plan. In addition, each large commercial storage facility is required to develop and maintain an Emergency Contingency Plan. This plan describes the actions facility personnel shall take to respond to fires, explosions, spills, or any other sudden or gradual release of pesticides or pesticide contaminated materials to air, soil, or surface waters. The Contingency Plan is designed to minimize hazards to human health and the environment.

Penalties are assessed to careless pesticide applicators. Enforcement of the law is based on where the pesticide is deposited rather than just where it is applied. For example, if a pesticide is found in a stream as a result of wind drift, the applicator is subject to legal action. The Raleigh Office staff of the NCDA Pesticide Section is comprised of 20 employees. There are 10 Inspectors who conduct field-level compliance monitoring and investigation services. The annual budget for pesticide control and analytical work is \$1.4 million.

- **NCDA Pesticide Disposal Program**

In 1976, the North Carolina Pesticide Board adopted regulations governing the disposal of pesticides. These regulations make it illegal in North Carolina to dispose of hazardous waste (which includes certain pesticides) in sanitary landfills. While households and farms which generate less than 220 pounds of hazardous waste and less than 2 pounds of acutely hazardous waste are exempt from federal disposal requirements, the regulations prohibiting the disposal of these wastes in sanitary landfills still applies to them. The option to use commercial hazardous waste disposal companies is too expensive and most companies will not pickup small quantities. As a result of this dilemma, the NCDA created the Pesticide Disposal Program in 1980 through appropriations from the General Assembly.

The goal of the Program is to provide an available, affordable and environmentally acceptable mechanism in which any homeowner, farmer, or institution can dispose of unwanted or unusable pesticides. It is mandatory, however, that all pesticide products are labeled correctly before NCDA will pick them up. An EPA permitted hazardous waste treatment or disposal facility (TSD) requires proper identification before the products can be disposed.

The Food and Drug Division of the North Carolina Department of Agriculture administers the Pesticide Disposal Program. The same staff used for enforcing the North Carolina Pesticide Law of 1971 are used in the Disposal Program.

• Animal Waste Management

Regulations

On December 10, 1992, the Environmental Management Commission adopted a rule modification (15A NCAC 2H .0217) to establish procedures for properly managing and reusing animal wastes from intensive livestock operations. The goal of the rule is for intensive animal operations to operate so that animal waste is not discharged to waters of the state. This means that if criteria are met and no waste is discharged to surface waters, then an individual permit from DWQ is not required. The rule applies to new, expanding or existing feedlots with animal waste management systems designed to serve more than or equal to the following animal populations: 100 head of cattle, 75 horses, 250 swine, 1,000 sheep or 30,000 birds with a liquid waste system. These operations are deemed permitted if a signed registration and an approved waste management plan certification are submitted to DWQ by the appropriate deadlines.

The deadline for submittal of registrations to DWQ for existing facilities was December 31, 1993. Animal waste management plans for existing facilities must be certified by a technical specialist designated by the Soil and Water Conservation Commission and submitted to DWQ by December 31, 1997. The standards and specifications of the USDA Natural Resources Conservation Service are the minimum criteria used for plan approval by the local Soil and Water Conservation Districts.

Operator Training and Certification

The North Carolina General Assembly ratified Senate Bill 974 (NCGS 143-215.74C - E) on July 29, 1995, which requires that the Department of Environment, Health and Natural Resources, in cooperation with the Cooperative Extension Service, develop and administer a training and certification program for operators of swine facilities with more than 250 swine that land apply animal waste. The Department assigned the task of developing and administering this program to the Technical Assistance and Certification Group of the Water Quality Section. The purpose of this program is to reduce nonpoint source pollution associated with the operation of animal waste management systems. Animal waste management systems are defined as a combination of structural and non-structural practices that collect, treat, store, or apply animal waste to the land. All animal operations with 250 or more swine (*Sus scrofa*) are required to designate an Operator in Charge who has primary responsibility for the operation of the animal waste management system. There are approximately 4,000 animal operations in the state that are required to designate an Operator in Charge.

A steering committee was established that includes representatives from the animal agriculture industry, environmental groups, North Carolina Department of Agriculture, Natural Resources Conservation Service, Division of Soil and Water Conservation, North Carolina Cooperative Extension Service and the Division of Environmental Management. The primary purpose of this committee was to develop the instructional manual and exam questions for the training and certification program. The manual has been completed and is being used in the training sessions that are primarily being conducted by the Cooperative Extensive Service in each county. Also involved in the training will be personnel from the NC Department of Agriculture, Natural Resources Conservation Service and pork producers. The training sessions for the operators began in April 1996. The examinations will be administered by the Technical Assistance and Certification Group in eighteen locations throughout the state beginning in May, 1996.

Persons who wish to be certified as operators of animal waste management systems must attend a minimum of six hours of training and demonstrate competence in the operation of

animal waste management systems by passing an examination. The training and certification requirements must be completed once every five years. Participants in the training program will receive instruction in the following areas: 1) proper operation of animal waste management system components such as lagoons and irrigation systems; 2) waste utilization plans and proper waste, soil and tissue sampling techniques; 3) proper application of waste including calculation of application rates and calibration of equipment; and 4) consequences of improper management and environmental stewardship.

Inspection and Enforcement

Prior to July, 1995, DWQ's limited compliance resources were mostly directed toward getting existing facilities registered, insuring that new and existing facilities had approved waste management plans and responding to citizen complaints.

Following major lagoon dike breaks in late June and July, 1995, DWQ and the Department's natural resources divisions made a major commitment to inspecting all animal operations. As of December 1, 1995, over 4,000 operations were inspected.

These inspections have found a very high percentage of these facilities with problems. DWQ is currently working with these problem facilities to get them into compliance. These efforts include technical assistance, Notices of Violations, notification of loss of deemed permitted status and other appropriate enforcement actions. Approximately 1,800 out of the 3,922 reports entered in the Division's database indicate a compliance problem. As of May 13, 1996, approximately 200 facilities were found to have a discharge during an inspection.

As of May 13, 1996, 40 civil penalty cases were assessed and 8 court injunctions have been filed. Eighty-five facilities have lost their deemed permitted status and are required to obtain a certified waste management plan prior to the December 31, 1997 deadline.

Animal Inspection Database May 13, 1996

Inspections	Total	Swine	Cattle	Poultry
Reports Entered	3922	3,012	803	107
Inadequate Freeboard	579	449	87	43
Seepage observed from lagoon	118	85	26	7
Erosion observed	426	376	32	18
Inadequate acreage available for spray	112	96	3	13
Cover crop inadequate	225	206	4	15
Man made conveyance of wastes	154	99	52	3
Inadequate Records	1,078	868	162	48
Non-Man made conveyance of wastes	59	43	8	8

This is preliminary information based on only the inspection reports entered as of the date of the report. These numbers are not considered accurate until a quality assurance procedure is in place. These numbers will change daily based on the entry of new reports and quality assurance checks of the information in the data base.

Swine Farm Siting Act

The Swine Farm Siting Act, SB 1080, was adopted on July 11, 1995 to minimize adverse impacts on property adjoining concentrated animal operations. The Act specifies that a swine house or lagoon of a new farm sited on or after October 1, 1995 is required to be at least 1,500 feet from any occupied residence; at least 2,500 feet from any school, hospital, or church; and at least 100 feet from any property boundary. The Act restricts the application of lagoon

effluent to land at least 50 feet from a residential property line and from any perennial stream or river, excluding irrigation ditches and canals. If written permission is given by the property owner and recorded with the Register of Deeds, a swine house or lagoon may locate closer to a residence, school, hospital, church, or property boundary.

Animal Waste Management Statute Revisions - SB 1217

Senate Bill 1217, ratified in June 1996 by the NC General Assembly, is the latest change to animal waste statutes, and establishes the statutory authority under GS 143-215.10 for a tiered permitting program for animal waste management systems. This program supplants the "deemed permitted" approach established in the original 1992 regulations (see above). The ratified bill is quite detailed and contains the following major components:

Permits are required for > 250 swine, > 100 cattle, > 75 horses, > 1,000 sheep, > 30,000 birds [liquid system]). The EMC shall develop general permits to be issued by DWQ.

Dry poultry operations with > 30,000 birds are to develop animal waste management plans, not previously required, and retain records on site for three years. Plans are to include nutrient testing of waste within 60 days of application, annual soil testing, nitrogen as the limiting nutrient for land application, monitoring of zinc and copper in soils and alternative crop sites if zinc and copper levels are excessive; and record keeping for waste application (dates, rates, locations). Operators must be compliant with testing and record keeping requirements by January 1, 1998.

Permits are to be issued on a phased-in priority basis by the Department within 5 years, beginning January 1, 1997. Priority is to be given to the largest operations.

Provisions were also included in the SB1217 for:

- the design storm for waste management systems,
- a permit review and approval period,
- required components of animal waste management plans,
- evaluation and encouragement of alternative and innovative animal waste management technologies,
- annual review of animal operations by technical specialists,
- types of violations requiring immediate notification by state or local employees,
- yearly inspections of animal operations by DWQ,
- establishment of a fee schedule based on steady state live weight,
- revision of the maximum penalty for first offense from \$5,000 to \$10,000,
- addition of two animal industry representatives to the Water Pollution Control System Operators Certification Commission,
- certified operator requirements, certification, training, examination, fees, and revocation or suspension of certificate,
- siting requirements for swine houses, lagoons and land areas onto which waste is applied at swine farms,
- civil action provisions against swine farmers,
- required written notice for new operations, and
- addition of specific BMPs into Agricultural Cost Share Program.

• **NC Cooperative Extension Service and Agricultural Research Service**

Crop and animal production programs are administered under the research and education activities of the NC Agricultural Research Service (ARS) and the NC Cooperative Extension Service (CES). The research and education efforts are broad and include areas such as variety

development, crop fertilizer requirements, soil testing, integrated pest management, animal housing, animal waste management, machinery development and irrigation. Guidelines for most agricultural enterprises have been developed and made available to farmers. A more intensified water quality emphasis is being incorporated in these areas and many other projects undertaken by ARS and CES. The local contact that county CES agents have with farmers and homeowners provides an excellent opportunity for dialogue and education in nonpoint source pollution control. This network of contacts can be used to inform people about BMPs and to provide some structure for a general NPS education program.

The NC Agricultural Research Service and the NC Cooperative Extension Service conduct broad research and education efforts that include areas such as variety development, crop fertilizer requirements, soil testing, integrated pest management, animal housing, animal waste management, machinery development, and irrigation. County Cooperative Extension agents work closely with farmers and homeowners, providing an excellent opportunity for dialogue and education in nonpoint source pollution control. In addition, CES has begun assisting DWQ in holding a series of public workshops in each river basin prior to DWQ's preparation of the draft basin plan.

- **Soil, Plant Tissue, and Animal Waste Testing Program**

These services provide farmers with information necessary to improve crop production efficiency, to manage the soil properly and to protect environmental quality. The Soil, Plant Tissue and Animal Waste Testing Program is administered by the Agronomic Division of the North Carolina Department of Agriculture. Water and wastewater from lagoons is also tested for irrigation and fertilizer use.

- **Watershed Protection and Flood Prevention Program (PL 83-566)**

The purpose of the Watershed Protection and Flood Prevention Program is to provide technical and financial assistance in planning, designing, and installing improvement projects for protection and development of small watersheds. The Program is administered by the USDA-Natural Resources Conservation Service in cooperation with the NC Division of Soil and Water Conservation, the State Soil and Water Conservation Commission, the U.S. Forest Service, Soil and Water Conservation Districts, and other project sponsors.

The emphasis of the Program over the past three decades has been to provide flood control. However, legislation has shifted emphasis of PL-566 land treatment projects so that a project proposal must demonstrate off-site water quality benefits in order to have any chance of funding.

- **Food Security Act of 1985 (FSA) and the Food, Agriculture, Conservation and Trade Act of 1990 (FACTA)**

There are several provisions authorized by the federal Food Security Act of 1985 (FSA) and re-authorized by the Food, Agriculture, Conservation, and Trade Act of 1990 (FACTA) which offer excellent opportunities for the abatement of agricultural nonpoint source pollution. The FSA and FACTA make the goals of the USDA farm and conservation programs more consistent by encouraging the reduction of soil erosion and production of surplus commodities and the retention of wetlands. At the same time, the provisions can serve as tools to remove from production those areas which critically degrade water quality by contributing to sedimentation. Important water quality-related provisions are known as the Conservation Reserve, Conservation Compliance, Sodbuster, Swampbuster, and Conservation Easement, Wetland Reserve, and Water Quality Incentive Program. These provisions are administered by the USDA.

Conservation Reserve Program

The Conservation Reserve Program (CRP) is administered by the USDA Agricultural Stabilization and Conservation Service (ASCS) and the USDA Natural Resources Conservation Service (NRCS). Other cooperating agencies include the NC CES, NC Division of Forest Resources and local Soil and Water Conservation Districts. The CRP was established to encourage removing highly erodible land from crop production and to promote planting long-term permanent grasses and tree cover. The ASCS will share up to half of the cost of establishing this protective cover. The intention of the program is to protect the long term ability of the US to produce food and fiber by reducing soil erosion, improving water quality and improving habitat for fish and wildlife. Additional objectives are to curb the production of surplus commodities and to provide farmers with income supports through rental payments over a 10 year contract period for land entered under the CRP.

Conservation Compliance

The Conservation Compliance provision of the FSA and FACTA discourages the production of crops on highly erodible cropland where the land is not carefully protected from erosion. Highly erodible land is defined as land where the potential erosion (erodibility index) is equal to eight times or greater than the rate at which the soil can maintain continued productivity. This rate is determined by the Natural Resources Conservation Service.

A farmer had until January 1, 1990 to develop and begin applying a conservation plan on highly erodible land. Plans were required to be operational by January 1, 1995. If a conservation plan is not developed and implemented, the farmer loses eligibility in price and income supports, crop insurance, FHA loans, Commodity Credit Corporation storage payments, farm storage facility loans, Conservation Reserve Program annual payments, and other programs under which USDA makes commodity-related payments. In other words, Conservation Compliance is an economic disincentive, quasi-regulatory program.

Sodbuster

The Sodbuster provision of the FSA and FACTA is aimed at discouraging the conversion of highly erodible land for agricultural production. It applies to highly erodible land that was not planted in annually tilled crops during the period 1981-85. As with the other provisions of the FSA, the Natural Resources Conservation Service determines if a field is highly erodible. If a highly erodible field is planted in an agricultural commodity without an approved conservation system, the landowner (or farmer) becomes ineligible for certain USDA program benefits.

Swampbuster

The purpose of Swampbuster is to discourage the conversion of wetlands to cropland use. Wetlands are defined as areas that have a predominance of hydric soils that are inundated or saturated by surface water or groundwater at a frequency or duration sufficient to support a prevalence of hydrophytic (water loving) vegetation. It is the responsibility of the Natural Resources Conservation Service to determine if an area is a wetland. Like the other provisions of the FSA and FACTA, a farmer will lose eligibility for certain USDA program benefits on all the land which is farmed if a wetland area is converted to cropland.

Conservation Easement

The Conservation Easement provision encourages producers whose FHA loans are in or near default to place their wetland, highly erodible land, and fragile land in conservation, recreation, or wildlife uses for periods of at least 50 years. The producer benefits by having the FHA loan partially canceled. The environment benefits by reducing the level of soil disturbing activities and the threat of agricultural pollutants.

Wetland Reserve

FACTA established a voluntary program for farmers to grant the federal government a 30-year or perpetual easement to wetlands. Eligible land includes farmed or converted wetlands which could be restored to their highest wetland function and value. The goal is to enroll one million acres by the end of 1995.

Water Quality Incentive Program

FACTA established this cost sharing program to help farmers control pollution problems associated with agricultural activities. A producer could receive up to \$3,500 in cost share assistance to implement approved BMPs. The goal is to enroll 10 million acres by 1995.

Nonpoint Source Programs for Urban and Developed Lands

- **Federal Urban Stormwater Discharge Program / NC NPDES Stormwater Program**

In 1987, Congress passed the Water Quality Act Amendments to the Clean Water Act requiring the U.S. Environmental Protection Agency (EPA) to develop regulations on permit application requirements for stormwater discharges associated with industrial activities as well as those associated with large and medium municipal separate storm sewer systems (population greater than 100,000). These regulations became effective in December 1990.

The goal of the stormwater discharge permitting regulations in North Carolina is to prevent stormwater runoff pollution by controlling the source(s) of pollutants. Defining the potential pollutant sources and establishing controls of the sources that will reduce and minimize pollutant availability will result in an improvement to the water quality of the receiving streams, consistent with the overall goal of the water quality program. Authority to administer these regulations has been delegated to the North Carolina Division of Water Quality (DWQ). The NPDES stormwater regulations require that facilities with stormwater point source discharges associated with industrial activity and municipalities defined as either large or medium municipal separate storm sewer systems be permitted.

The municipal permitting requirements are designed to lead to the formation of site-specific stormwater management programs for a municipal area. Therefore, the permits issued to municipalities for their municipal separate storm sewer systems will be explicitly written for each individual municipality. Municipal permits of this type in North Carolina are currently required for Charlotte, Durham, Greensboro, Raleigh, Winston-Salem and Fayetteville/Cumberland County. The municipalities will develop and implement comprehensive stormwater quality management programs to reduce the discharge of pollutants in stormwater to the maximum extent practicable (MEP). MEP will be defined separately for each municipality required to be permitted. Industrial facilities discharging through a municipal separate storm sewer system are required to submit a permit application to the state and receive their own NPDES stormwater permit.

Industrial activities which require permitting are defined in eleven categories in the federal regulations ranging from sawmills and landfills to phosphate manufacturing plants and hazardous waste treatment, storage or disposal facilities. The regulations cover point source discharges that are related to manufacturing, processing, or material storage areas at an industrial facility. Stormwater discharges associated with industrial activities are required to be covered by permits which contain technology based controls based on Best Available Technology (BAT)/Best Conventional Pollutant Control Technology (BCT) considerations or water quality controls, if necessary. Through monitoring and regulating stormwater discharge

quality, the goal of the NPDES stormwater program is to reduce the pollutant load in stormwater runoff.

The permitting requirements described here represent Phase I of the stormwater program. EPA and Congress are currently involved in studies to determine the scope of additional stormwater coverage under Phase II of the stormwater program. Further stormwater NPDES coverage could include additional industrial activities or additional municipal areas. If additional areas of coverage are added under the federal stormwater programs, DWQ will be responsible for the appropriate permitting of these areas within North Carolina.

- **Coastal Stormwater Management**

In November 1986, the EMC adopted rules which required new development in a limited zone (575 feet) around Class SA (shellfish) waters to control stormwater either by limiting density or completely controlling a 4.5 inch, 24-hour storm with the use of a stormwater treatment system. The regulations applied to development activities which required either a CAMA major permit or a Sediment/Erosion Control Plan (generally development disturbing more than one acre). The design storm, low density limits, and aerial coverage were all quite controversial and the adopted rules represented a compromise by all parties. A sunset provision was added to the rules to force the staff and Commission to reconsider the rules after a year. These rules expired December 31, 1987, but new stormwater regulations were adopted having an effective date of January 1, 1988. These regulations are administered by the DWQ. Approximately five man-years are allocated to implementing this program. Planning Branch staff are responsible for providing guidance and interpretation to promote consistent implementation of the rules. DWQ regional staff review and approve plans and enforce the requirements of the regulations.

Perhaps the most important measure accomplished with the regulations has been the applicability of stormwater controls to development activities within the 20 CAMA coastal counties. Certainly the near-water impact of stormwater as addressed in the original rules is important, but the staff believed the cumulative impact of stormwater runoff throughout the coastal zone also needed to be addressed. Therefore, the expanded area of coverage helps provide better protection of both shellfish waters and coastal water quality in general.

Other major items specified in the rules address the sizing of stormwater treatment systems. For developments adjacent to SA waters, infiltration systems must be able to retain 1.5 inches of rainfall, whereas development in other areas must control one inch of rainfall. Wet detention ponds are not allowed for stormwater control near SA waters and must be sized for 85 percent TSS removal in other areas. In addition, porous pavement is considered an innovative infiltration system (only five are allowed until they are proven to work) as evidence has not been provided regarding its effectiveness in coastal areas. A low density option of the new regulations applies a built-upon limit of 25 percent for SA areas and 30 percent for other coastal areas rather than a limit on effective impervious cover. Development exceeding these levels is required to have a engineered stormwater system as indicated.

In summary, the regulations which have an expanded aerial coverage increases the annual number of projects affected from approximately 50 (original rules) to 500. This increase is coincident with a reduction in design storm that is comparable to requirements in other states. In addition, the low density option, retained from the original regulations, is encouraged as operation and maintenance concerns associated with stormwater controls are not applicable.

- **ORW and HQW Stream Classifications**

Outstanding Resource Waters (ORW) and High Quality Waters (HQW) have management strategies that address handling of urban stormwater. Controls for urban stormwater, either

through development density limitations or stormwater treatment systems, are required by DWQ. Other NPS management agencies are expected to place priority on protecting these waters as well. For example, the NC Department of Transportation and the NC Division of Land Resources require more stringent sediment control on construction sites in ORW and HQT areas.

- **Water Supply Watershed Protection Program**

Approximately 50 percent of North Carolina's population depends on surface water supplies for drinking, commercial, and industrial uses. Water supplies have become more important in recent years because of increased demand for water, concern over potential contamination by toxic substances, and protection of human health. As a result, the General Assembly passed the Water Supply Watershed Protection Act of 1989 (NCGS 143-214.5). This Act requires all local governments that have land-use jurisdiction within surface water supply watersheds, or a portion thereof, to be responsible for implementation and enforcement of nonpoint source management requirements related to urban development, according to minimum standards adopted by the state. NPS control strategies are included in the rules for urban, agricultural, silvicultural, and Department of Transportation activities. The Water Supply Watershed Protection Rules were adopted by the Environmental Management Commission on February 13, 1992 and became effective on August 3, 1992. These rules were recently revised (effective August 1, 1995) to give local governments more flexibility in the implementation of water supply protection programs.

The purpose of the Water Supply Watershed Protection Program is to encourage communities to work with the state to provide enhanced protection for their water supply from nonpoint pollution sources. There are five water supply classes that are defined according to existing land use and the amount and types of permitted wastewater discharges. (See Appendix I for a summary of the management requirements for the five water supply classifications.) By classifying a watershed as a water supply watershed, local governments with land use jurisdiction within the watershed will take steps to control nonpoint sources of pollution and thereby reduce the potential of pollutants contaminating drinking water supplies. In turn, the state limits the point source discharges that can locate within the watershed which reduces the potential of contamination of the water supply.

This dual approach of state and local government action to preclude potential impacts from stormwater runoff and wastewater discharges is important since only a small fraction of the pollutants that enter water supplies from nonpoint sources have water quality standards. As more is learned about the types and effects of pollutants in our drinking waters, the state will be forced to adopt additional water quality standards. If these additional standards are imposed, one effect may be that water treatment facilities will be required to apply additional technology and possibly more expensive treatment facilities or operation to ensure safe drinking water. It is, therefore, very important for the state and local governments to consider alternative means of preventing nonpoint source pollution from entering drinking water supplies in the first place. The land-use requirements, including density controls, buffers along perennial streams and stormwater control requirements for high density developments are but a few ways to accomplish this.

The Water Supply Protection Program is administered by staff in the Operations Branch of the DWQ. These staff coordinate with the Division of Community Assistance (NCDCA) which helps local governments develop land-use ordinances, the Division of Environmental Health, which certifies that a proposed water supply is suitable for drinking water, and DWQ staff in NCDEHNR regional offices who are responsible for water quality sampling. Statewide, the compliance rate for submittals is 100%.

- **Coastal Nonpoint Pollution Control Programs**

As part of the Coastal Zone Act Reauthorization Amendments of 1990, Congress enacted a new section 6217 entitled "Protecting Coastal Waters". This provision requires states with coastal zone management programs (which includes North Carolina) that have received Federal approval under section 306 of the Coastal Zone Management Act (CZMA) to develop and implement Coastal Nonpoint Pollution Control Programs. The coastal nonpoint programs will provide additional control for sources of nonpoint pollution that impair coastal water quality. Sources subject to the 6217 Coastal NPS Program include: agriculture, forestry operations, urban and developing areas, marinas, hydromodification projects, and wetlands and riparian areas.

Section 6217 requires coastal states to submit their coastal nonpoint control programs to the National Oceanic and Atmospheric Administration (NOAA) and the U.S. EPA for approval by July 1995. The programs are to be implemented by January, 1999. Failure to submit an approvable program by July 1995 will result in a state losing substantial portions of its Federal funding under section 306 of the CZMA and section 319 of the Clean Water Act. The coastal nonpoint program will be developed and administered jointly by the NC Division of Coastal Management and DWQ.

- **CAMA Land Use Plans**

The Coastal Area Management Act (CAMA), passed in 1974, requires the development of land use plans by each of the 20 coastal counties that fall within the coastal area. These plans must be consistent with state guidelines and address a wide range of issues, including resource protection and conservation, hazards mitigation, economic development and public participation. Land use plans must be updated every five years. 1995 revisions to the land use planning guidelines strengthened the connection between land use planning and surface water quality. Future land use plan updates must consider water quality use classifications, watershed planning and problems identified in basinwide plans. There are 91 jurisdictions that have prepared and adopted CAMA land use plans.

A land use plan is a "blueprint" used by local leaders to help guide the decisions that affect their community. Through land use planning, local jurisdictions can influence how growth will affect surface water quality by adopting policies supported by local ordinances, promoting better sedimentation and erosion control standards, stream buffers and lower levels of impervious surface cover. Although land use plans are required only in the state's coastal area, these land use planning tools for the protection of water quality are available to any jurisdiction which chooses to implement them.

Construction - Sedimentation and Erosion Control Nonpoint Source Program

In 1973, the North Carolina General Assembly enacted the Sedimentation Pollution Control Act (SPCA). The Act authorized the establishment of a sediment control program to prevent accelerated erosion and off-site sedimentation caused by land-disturbing activities other than agriculture, forestry, and mining. The Land Quality Section of the Division of Land Resources is responsible for administration and enforcement of the requirements of the Act under the authority of the NC Sedimentation Control Commission.

The sediment control program requires, prior to construction, the submission and approval of erosion control plans on all projects disturbing one or more acres. On-site inspections are conducted to determine compliance with the plan and to evaluate the effectiveness of the BMPs

which are used. The intent is to offer permanent downstream protection for stream banks and channels from damages caused by increased runoff velocities. If voluntary compliance with the approved plan is not achieved and violations occur, the Land Quality Section will pursue enforcement through civil penalties and injunctive relief. House Bill 448, passed in 1991, authorized the issuance of stop-work orders for violations of the SPCA. This additional enforcement mechanism will help improve the overall performance of the program.

Sedimentation control rules are more stringent for areas draining to waters supplementally classified as Trout or High Quality Waters.

Local programs are reviewed annually for compliance with the requirements of the Sedimentation Pollution Control Act. The Land Quality Section also conducts educational programs directed toward state and local government officials in order to strengthen the local programs. Persons engaged in land-disturbing activities and interested citizen groups are included in the educational effort.

The Sedimentation Control Commission has delegated to the Division of Highways of the North Carolina Department of Transportation (DOT) the authority to approve erosion and sedimentation control plans for land-disturbing activity conducted by that agency or by other persons under highway contracts with that agency. The DOT sedimentation control program has been reviewed by the Division of Land Resources under the authority of the Sedimentation Control Commission. DOT uses more stringent sedimentation controls in areas adjacent to High Quality Waters and Outstanding Resource Waters. The NC Department of Environment, Health, and Natural Resources (NCDEHNR) has established a position to evaluate environmental aspects of DOT highway projects and programs. DOT, in cooperation with DWQ, has developed and adopted formal BMPs for protection of surface waters. These BMPs and other efforts are significant improvements in developing a proactive system at DOT toward environmental issues.

On-Site Wastewater Disposal - Sanitary Sewage Systems Nonpoint Source Program

Septic tank soil absorption systems are the most widely used method of on-site domestic wastewater disposal in North Carolina. More than 52 percent of all housing units in the state are served by septic tank systems or other systems besides public or community sewage systems. A conventional septic system consists of a septic tank, a distribution box or equivalent branching lines, and a series of subsurface absorption lines consisting of tile or perforated pipes laid in a bed of gravel. All subsurface sanitary sewage systems are under the jurisdiction of the Commission for Health Services (CHS) of the Department of Environment, Health, and Natural Resources. The CHS establishes the rules for on-site sewage systems which are administered by the Division of Environmental Health. BMPs for onsite sewage systems are listed in Appendix VI.

According to GS 130A-335(e) and (f), the rules of the CHS and the rules of the local board of health shall address at least the following: sewage characteristics; design unit; design capacity; design volume; criteria for the design, installation, operation, maintenance, and performance of sanitary sewage collection, treatment, and disposal systems; soil morphology and drainage; topography and landscape position; depth to seasonally high water table, rock, and water impeding formations; proximity to water supply wells, shellfish waters, estuaries, marshes, wetlands, areas subject to frequent flooding, streams, lakes, swamps, and other bodies of surface or groundwaters; density of sanitary sewage collection, treatment, and disposal systems in a geographical area; requirements for issuance, suspension, and revocation of permits; and other factors which affect the effective operation in performance of sanitary sewage collection treatment and disposal systems.

The rules also must provide construction requirements, standards for operation, and ownership requirements for each classification of sanitary systems of sewage collection, treatment, and disposal in order to prevent, as far as reasonably possible, any contamination of the land, groundwater, and surface waters. There exists a strict permitting procedure which regulates site selection, system design, and installation of on-site sewage systems. Privately owned subsurface sewage discharging systems are governed by NCDEHNR through local county health departments. Authorized local sanitariums serve as agents of NCDEHNR and assist in implementing the state sewage rules. Local boards of health may adopt by reference the state rules and append to those rules more stringent laws and local criteria which they desire. These amendments, however, must be approved by the state. Only nine counties in the state currently operate under local rules. The 1983 amendments of the state public health laws eliminated the comingling of state rules with local rules except by state approval.

The Straight Pipe Elimination Amnesty Program was established in 1996 for the purpose of eliminating domestic sewage or wastewater discharges, from both straight pipes and overland flow of failing septic systems. The program contains three components: identification and elimination of domestic sewage discharges into streams currently or proposed to be used for public water supplies; an amnesty period to end on December 31, 1997 during which time violations of State rules and laws on domestic sewage and wastewater discharges identified as a result of this program will not result in legal consequences; and a public education effort on the program and the amnesty period.

Solid Waste Disposal NPS Programs

- **Federal Program**

The major federal legislation in the area of solid waste management is the Resource Conservation and Recovery Act (RCRA) administered by the U.S. Environmental Protection Agency (EPA). RCRA deals almost entirely with hazardous waste management but it does require that states meet minimum standards for solid waste facilities. EPA does not have permitting authority over solid waste management facilities.

- **State Program**

States are accorded a major role in solid waste management by RCRA. North Carolina now operates under revisions by the General Assembly to Chapter 130A of the General Statutes. The Division of Solid Waste Management (DSWM) in the Department of Environment Health and Natural Resources is authorized as the single state agency for the management of solid waste. DSWM is responsible for the development of the state's solid waste management plan, has permitting authority over all solid waste management facility siting and operation, inspects permitted facilities, provides technical assistance, investigates complaints, responds to emergencies, monitors ground water quality at facilities, promotes the state's recycling effort, and closes non-conforming sites.

The Solid Waste Management Act of 1989 established the policies and goals of the state to recycle at least 25 percent of the total waste stream by January 1, 1993. This Act created a Solid Waste Management Trust Fund to promote waste reduction and fund research and demonstration projects to manage solid waste. In 1991, the Solid Waste Management Act of 1989 was amended to broaden the goal to reduce the solid waste stream by 40 percent through source reduction, reuse, recycling, and composting by June 30, 2001.

The state adopted solid waste management rules, effective February 1, 1991, requiring liner, leachate collection, and final cover systems at all new landfills, lateral expansions of existing

landfills, and at all active landfills by January 1, 1998. Septage rules and regulations also have been adopted and are administered through a permit program.

- **Local Program**

Solid waste collection and disposal has long been a municipal function. The operation of solid waste collection and disposal facilities is among the enterprises which municipalities are expressly authorized by statute to operate (G.S. 160A-311 through 160A-321). Municipalities are also authorized to regulate the disposal of solid waste within their corporate limits. Such regulations may specify the location and type of receptacles to be used for collection (G.S. 160A-192).

Outside municipal limits, counties are authorized to operate solid waste collection and disposal facilities either as a function of county government or through establishment of a special service district (G.S. 153A-292 and 301). Since 1970, county governments have increasingly accepted responsibility for solid waste disposal activities and most disposal facilities in the state are now operated by counties or with county financial assistance.

Forestry NPS Programs

- **Forest Practice Guidelines Related to Water Quality**

In 1989 the Sedimentation Pollution Control Act (SPCA) was amended to limit the forestry exemption to those operations that adhere to forest practice guidelines. The forestry amendment to the SPCA required the Division of Forest Resources to develop performance standards known as the Forest Practices Guidelines Related to Water Quality.

Guidelines consist of nine performance standards for activities such as maintaining streamside management zones and applying fertilizer and pesticide applications. These Guidelines are used to determine if a forestry operation will fall under the jurisdiction of the Division of Land Resources which enforces the SPCA. The Guidelines were developed in October 1989 and were put into effect on January 1, 1990. A Memorandum of Agreement was also signed between the Division of Forest Resources and the Division of Land Resources to coordinate their respective activities in the sedimentation control program. DLR has also signed an MOA with DWQ.

Site-disturbing forestry activities are being inspected by local DFR personnel as part of a training, mitigation, and monitoring program. Site inspections are conducted when a problem or potential problem is suspected to exist. Sites not brought into compliance within a reasonable time schedule are referred by DFR to DLR or DWQ for appropriate enforcement action. Commonly used forestry BMPs are listed in Appendix VI.

- **National Forest Management Act (NFMA)**

The National Forest Management Act was passed in 1976 and applies to all lands owned or administered by the National Forest System. The Act stipulates that land management plans be prepared which consider economic and environmental aspects of forest resources. The Act further states that timber will be harvested from National Forest lands only where soil, slope, or other watershed conditions will not be irreversibly damaged; and where protection is provided for streams, streambanks, shorelines, lakes, wetlands, and other bodies of water from detrimental changes in water temperatures, blockages of watercourses, and deposits of sediment, where harvests are likely to seriously and adversely affect water conditions or fish habitat.

- **Forest Stewardship Program**

The Division of Forest Resources initiated the Forest Stewardship Program in 1991 along with the cooperation and support of several other natural resource and conservation agencies. This program encourages landowners with ten or more acres of forestland to become involved and committed to the wise development, protection and use of all natural forest resources they own or control.

Mining NPS Program

In 1971 the North Carolina General Assembly passed the Mining Act to ensure that the usefulness, productivity, and scenic values of all land and waters involved in mining will receive the greatest practical degree of protection and restoration. The Mining Commission is the rule-making body for the Act and has designated authority to administer and enforce the rules and regulations of the Act to the Mining Program within the Land Quality Section of the NCDEHNR Division of Land Resources.

The Mining program has four major areas of responsibility. First, the Program requires submission and approval of a mining permit application prior to initiating land disturbing activity if the mining operation is one (1) or more acres in surface area. The mining permit application must have a reclamation plan for these operations. Second, the Program conducts on-site inspections to determine compliance with the approved application and whether or not the plan is effective in protecting land and water quality. Third, the program pursues enforcement action through civil penalties, injunctive relief, and/or bond forfeiture to gain compliance when voluntary compliance is not achieved. Finally, the Mining Program conducts educational efforts for mine operators.

Wetlands Regulatory NPS Programs

There are numerous reasons for preserving wetlands, but of special interest within the context of basinwide planning is their role in protecting water quality. Because of their intrinsic characteristics and location within the landscape, wetlands function to protect water quality in a number of ways. These functions include the retention and removal of pollutants, stabilization of shorelines, and storage of flood waters.

Numerous authors have studied the effectiveness of riparian wetland forests for nutrient retention and transformation (Jones et al. 1976; Yates and Sheridan 1983; Brinson et al. 1984; Lowrance et al. 1984; Peterjohn and Correll 1984; Jacobs and Gilliam 1985; Budd et al. 1987; and Groffman et al. 1991). The location of riparian wetlands allows them the opportunity to receive nutrients from the surrounding landscape as well as through overbank flooding. In addition to the storage of nutrients in wetland vegetation, the microbial and chemical processes within wetland soils may function to completely remove nutrients from the system.

Headwater riparian wetlands are extremely important and effective in terms of sediment and associated nutrient and toxicant retention and transformation. Since small streams comprise most of the total stream length within a watershed (Leopold 1974), these areas intercept the greatest proportion of eroded sediments and associated substances from uplands before these pollutants reach waters downstream. Novitzki (1978) found that approximately 80% of the sediments entering a stream were retained in headwater wetlands.

Wetlands adjacent to streams, rivers and lakes stabilize shorelines and help protect these bodies of water from erosive forces. This function is particularly important in urbanized watersheds where the prevalence of impervious surfaces contributes to greater peak storm flows. Wetland vegetation serves to dissipate erosive forces and anchors the shoreline in place preventing sediments and associated pollutants from entering waterways. Wetlands by their very nature of being "wet" are also vital for water storage. Those wetlands adjacent to surface waters, that have the opportunity to receive flood waters and surface runoff, are most important to water storage. Wetlands located in headwaters generally minimize peak flood waters in tributaries and main channels. Lakes and wetlands with restricted outlets hold back flood waters and attenuate flood peaks (Carter et al. 1978).

Several important state and federal wetland protection programs are described below. In addition to the following wetlands programs, provisions of the 1985 and 1990 Farm Bills, discussed in Section 5.3.1, should also help reduce wetlands impacts. Agriculture conversions should be reduced by the "swampbuster" provision of the 1985 Farm Bill, which encourages farmers not to convert wetlands for agriculture to prevent the loss of their USDA subsidies, loans, and price supports. Silviculture is exempted from the swampbuster provision and therefore, conversion of wetlands for intensive or managed forestry is not affected by this provision. A Wetland Reserve Program was established by the 1990 Farm Bill with the goal of allowing one million acres of prior-converted wetlands to revert back to wetlands by 1995.

- **Section 10 of the Rivers and Harbors Act of 1899**

This act, administered by the US Army Corps of Engineers, provides the basis for regulating dredge and fill activities in navigable waters of the United States. Originally, this Act was administered to protect navigation and the navigation capacity of the nation's waters. In 1968, due to growing environmental concerns, the review of permit applications was changed to include factors other than navigation including fish and wildlife conservation, pollution, aesthetics, ecology, and general public interest. Activities which may be covered under the Act include dredging and filling, piers, dams, dikes, marinas, bulkheads, bank stabilization and others.

- **Section 404 of the Clean Water Act**

The U.S. Army Corps of Engineers administers a national regulatory program under Section 404 of the Clean Water Act aimed at controlling the discharge of dredged or fill material into waters of the United States. Section 404 applies to the discharge of dredged or fill materials into waters of the United States including dredging. Waters of the United States refers to navigable waters, their tributaries, and adjacent wetlands. Activities covered under Section 404 include dams, dikes, marinas, bulkheads, utility and power transmission lines and bank stabilization. Although the 404 program does not fully protect wetlands, it is nonetheless the only existing federal tool for regulating wetland development statewide. State legislation has not been adopted to protect inland freshwater wetlands in North Carolina, as has been done for coastal wetlands, but the EMC in March of 1996 adopted rules which will formalize the wetlands protection measures associated with the 401 Water Quality Certification review process.

- **Section 401 Water Quality Certification (from CWA)**

The Division of Water Quality is responsible for the issuance of 401 Water Quality Certifications. Section 401 of the federal Clean Water Act provides that no federal agency can issue any license or permit to conduct any activity that may result in a discharge to navigable waters unless the state in which the discharge may occur certifies that the discharge will not result in a violation of any state water quality or related standards. Thus, a 401 certification is

required for, among other things, a discharge into surface waters or wetlands for projects that require a section 404 permit. A federal permit cannot be issued if a 401 certification is denied. Any conditions added to the 401 certification become conditions of the 404 permit. The 401 certification process is coordinated with the 404 and CAMA processes in the 20 counties of CAMA jurisdiction.

- **North Carolina Dredge and Fill Act (1969)**

This act requires permits for "excavation or filling begun in any estuarine waters, tidelands, marshlands, or state-owned lake". This law is currently administered with North Carolina's Coastal Area Management Act (CAMA) (1974).

- **Wetlands Restoration Program/Funds**

The Wetlands Restoration Program was established in 1996 as a nonregulatory program "...for the acquisition, maintenance, restoration, enhancement, and creation of wetland and riparian resources that contribute to the protection and improvement of water quality, flood prevention, fisheries, wildlife habitat, and recreational opportunities". The purposes of the program include: the restoration of wetlands function and values; to provide a consistent and simplified approach to mitigation requirements associated with permits or Corps of Engineers authorizations; to streamline the permitting process; to increase the ecological effectiveness of mitigation efforts; to achieve a net increase in wetlands acres, functions and values for each major river basin; to promote a comprehensive approach to environmental protection.

Through the Wetlands Restoration Program, basinwide plans for wetlands and riparian area restoration will be developed. The goals of the plans are to protect and enhance "...water quality, flood prevention, fisheries, wildlife habitat, and recreational opportunities..." These plans will be developed for each of the seventeen major river basins in the state beginning in July 1997. Compensatory mitigation (a required condition of section 404 permits issued by the U.S. Corps of Engineers) options will be addressed within the plans.

A Wetlands Restoration Fund has been established under the program. The Fund is a trust fund designed as a repository for monetary contributions and dedication of interest to real property under the compensatory mitigation options. These funds will primarily be used to restore, enhance, preserve or create wetlands and riparian areas in accordance with the basinwide plan.

Hydrologic Modification

Hydrologic modification is defined as channelization, dredging, dam construction, flow regulation and modification, bridge construction, removal of riparian vegetation, streambank modification/destabilization, and dam collapse. By its very nature hydrologic modification is closely tied to wetland issues. It is not surprising then that the U.S. Army Corps of Engineers (Corps) is the agency most involved in issuing permits for land-disturbing activities in wetlands. These permits are issued through Section 404 and the Rivers and Harbors Act discussed above.

In addition to wetland issues, dam construction and the lack of low flow releases into streams can severely impact downstream aquatic resources. Dam construction, repair, modification, and removal are regulated by the NC Division of Land Resources under the Dam Safety Law of 1967. A dam safety permit is required for any dam which is 15 feet or greater in height (from top of dam to lowest point on downstream toe) and the impoundment capacity is 10-acre-feet or greater at the top of the dam. Low-flow release requirements to maintain adequate instream flows are established in permits where appropriate. Instream flows are recommended by the NC Division of Water Resources.

There are several other programs which can affect hydrologic modification. The Forest Practice Guidelines Related to Water Quality requires streamside management zones to be maintained during logging operations. The Water Supply Watershed Protection Program also has requirements to maintain buffers for certain activities. The Conservation Reserve Program encourages the establishment of vegetative filter strips (66-99 feet wide) for farming operations. A significant number of local governments have established greenway programs within urban settings in order to maintain and protect riparian areas.

Section 319 Nonpoint Source Management and Other Programs

- **Section 319**

Clean Water Act Section 319(h) grant monies are made available to the states on an annual basis by EPA. Agencies in the state that deal with NPS problems submit proposals to DWQ each year for use of these funds in various projects. Projects that have been funded in the past include BMP demonstrations, watershed water quality improvement projects, data management, educational activities, modeling, stream restoration efforts, riparian buffer establishment, and others. North Carolina DWQ established a Workgroup process in 1995 for prioritizing and selecting projects from the pool of cost-share proposals for inclusion in its annual application to EPA. DWQ staff first reviews proposals for minimum 319 eligibility criteria such as:

- support state Program milestones;
- address targeted, high priority watersheds;
- provide sufficient cost-share match (40% of project costs);
- propose adequate time periods;
- identify measurable outputs;
- use compatible GIS products with those of the state; and
- make commitment for educational activities and a final report.

Workgroup members separately review and rank each proposal which meets the minimum 319 eligibility criteria. The Workgroup consists of representatives from the state and federal agencies that deal with NPS issues, including agricultural, silvicultural, on-site wastewater, mining, solid waste and resource protection. In their review, members consider such factors as: technical soundness; likelihood of achieving water quality results; degree of balance lent to the state Program in terms of project type; and competence/reliability of contracting agency. They then convene to discuss individual projects' merits, to pool all rankings and to arrive at final rankings for the projects. All proposals that rank above the funding target are included in the annual grant application to EPA, with DWQ reserving the right to make final changes to the list. Actual funding depends on approval from EPA and yearly Congressional appropriations.

- **Use Restoration Waters**

The North Carolina Division of Water Quality is currently developing the Use Restoration Waters (URW) program to restore surface waters to their designated uses. If adopted, this program would allow the state to work with local governments, businesses, and residents to develop management strategies appropriate for the area. In order to be effective, the URW program would include a mix of mandatory and voluntary programs. The voluntary and mandatory programs would be coordinated on a site-specific basis by DWQ and a group of stakeholders who have an interest in the impaired water body and associated watershed. In addition, the URW program would attempt to develop cooperative relationships among these agencies so that overlapping efforts can be consolidated and targeted to restore designated water body uses.

The URW Program would apply to polluted surface waters where the following conditions apply:

- Biological, physical and/or chemical data indicate the specific sources of pollution.
- A use attainment study indicates that the sources of pollution are not transitory.
- It is possible to control the sources of pollution by implementing appropriate management strategies under the existing authority of the North Carolina Environmental Management Commission (EMC), other state commissions, and local agencies or voluntary actions implemented by citizens and other groups.

The restoration strategies developed under the URW Program would be site-specific to the watershed of the impaired water body. DWQ and the stakeholders would coordinate each URW strategy with other agencies' programs to create a holistic approach to address the array of pollution problems in the watershed.

• **The Nonpoint Source (NPS) Team Process**

Successfully managing NPS pollution requires not only a knowledge of science and technology, but also an understanding of the local resources and economy. Although there are some general management guidelines, there is no single technique for controlling NPS pollution. The most efficient and effective NPS solutions will be site-specific. Formulating NPS solutions often requires cooperation between different interested parties. Each group that contributes to the NPS problem must be part of the solution.

DWQ will coordinate the river basin teams to include a wide variety of stakeholders interested in the basin. This team will take the lead in identifying NPS problems and implementing solutions. The NPS Team process is discussed.

1. Coordinate the NPS Team.

DWQ's goal in forming the river basin NPS Teams is to choose predominantly locally-based members that represent the federal, local, and state agencies, local governments, industries, and citizens' groups that have interests and responsibilities pertaining to NPS pollution. DWQ will consult local groups to determine which interests should be represented on the team.

Once the NPS Team is formed, DWQ and the team will work as partners to identify, prioritize, and address the NPS problems in the basin. DWQ will offer information from the state's water quality monitoring program and its staffs' knowledge of technical and financial resources. The NPS Team will describe current NPS initiatives, identify priority NPS-impaired waterbodies, and analyze NPS issues and needs. One of the most important missions of the DWQ-NPS Team partnership is to foster coordination and cooperation between the basin's diverse interest groups and agencies. The eventual goal of the NPS Team is to create and implement Action Plans that will address priority *NPS-impaired waterbodies* and *NPS issues* as part of the basinwide planning process. The implementation schedule will be determined as the plans are developed.

2. Take inventory of the initiatives and programs in place to address NPS pollution.

Each member of the NPS Team will describe the existing initiatives and programs of the agency or group he/she represents. A list of these initiatives is included in the basinwide plan to show readers some of the potential resources for addressing their NPS problems. This effort will provide an opportunity for mutual education, understanding and coordination with other stakeholders. An important responsibility of the NPS Teams will be to assess whether existing initiatives and programs in the basin are successfully improving water quality.

3. Choosing the priority NPS-impaired waterbodies and NPS issues.

Since the NPS Team will not be able to address all of the *NPS-impaired waterbodies* and *NPS issues* in the basin, it will have to follow a system for prioritization. The NPS Team will use the following process to target NPS-impaired waterbodies and select NPS issues.

Selecting the Priority NPS-impaired Waterbodies

Within the guidelines described below, the NPS Team will select at least one NPS-impaired waterbody for which an Action Plan will be developed. More than one waterbody may be selected if time and resources allow. The goal of the Action Plan will be to restore the designated use of the selected waterbody using a comprehensive, site-specific, and coordinated approach. The Actions Plans will be a prime candidate for funding under the federal Section 319(h) program.

The NPS Team will use both primary and secondary criteria to select the *priority NPS-impaired waterbodies*. The primary criteria are (in order of importance):

- Highly-valued resource waters and their tributaries, such as High Quality Waters and Water Supplies I-IV, that have a demonstrated pollution problem.
- Monitored waters that have an overall use support rating of non-supporting or partially supporting.
- Highly valued resource waters, such as High Quality Waters and Water Supplies I-IV, that are in need of protection.

DWQ will provide a list of waterbodies that meet the primary criteria to the NPS Team.

The secondary criteria for selecting the *priority NPS-impaired waterbodies* are:

- Waters that pose a potential threat to human health,
- Waters that are important for ecological reasons not reflected in their classification and use support ratings (such as endangered species, unique habitats, or significant biological resources),
- Waters that are highly eroded or have other evidence of serious erosion problems that are not reflected in the use support ratings,
- Waters that have experienced a recent, rapid decline in water quality, and
- Waters that have identifiable pollution sources and a high likelihood of successful restoration.

An NPS-impaired waterbody that meets the primary criteria as well as one or more of the secondary criteria listed above is a good candidate for prioritization by the NPS Team. However, the NPS Team may select a priority NPS-impaired waterbody that does not meet the primary criteria but meets *several* of the secondary criteria. This allows the team to select waters that DWQ did not monitor or waters for which the use support rating failed to describe the extent of the NPS problem.

Selecting the Priority NPS Issues

In order to address problems in the remaining NPS-impaired or threatened waterbodies (ones not prioritized for specific Action Plans), the following criteria will be used to target NPS issues throughout the basin:

- Issues that apply throughout a significant portion of the basin or address one or more impaired waters that were not selected as a *priority NPS-impaired waterbody*,
- Issues that have a clearly defined "problem" and "solution," and

- Issues that are within the team's ability to address through educational efforts, improved coordination between stakeholders, focused new initiatives, or involvement of additional stakeholders.

4. Determine what is needed to address the priority NPS-impaired waterbody and the NPS issues the team selects.

The NPS Team will decide which actions are likely to restore the priority NPS-impaired waterbodies and address the NPS issues. Some of the possible needs include:

- Public education. When water quality problems result from citizens' lack of knowledge about how their local actions affect water quality or from land use decisions, public education is a key component of the solution.
- Implementation of best management practices (BMPs). BMPs are structural or nonstructural management practices used to reduce nonpoint source inputs to receiving waterbodies in order to achieve water quality protection goals. Often higher levels of pollutant removal can be achieved by using a combination of different BMPs.
 - * Structural BMPs generally work by capturing, retaining, and treating runoff before it leaves an area. Some examples of structural BMPs include constructed wetlands and wet detention ponds in urban settings and controlled drainage on agricultural lands. Structural BMPs require regular maintenance.
 - * There are a variety of nonstructural BMPs. One nonstructural BMP is source reduction, which reduces the amount of pollutants that are introduced into the environment. Some types of source reduction are nutrient management plans for crop production and hazardous waste collection sites in urban areas. Another nonstructural BMP is maintaining natural drainageways to allow the vegetation and soil to cleanse runoff before it enters a waterbody.
- Ecosystem restoration and management. If a stream's ecosystem is badly damaged, removing pollutants alone will not always restore the water's uses. In cases like these, it will be necessary to restore the ecosystem through measures such as riparian revegetation and streambank stabilization.
- Local water quality planning. Development sites can be planned in order to reduce their risk of harming water quality. Some planning techniques include steering development towards less environmentally sensitive areas, using natural drainage systems rather than curb and gutter, and planning for development densities that allow for open space, greenways, and wildlife corridors.

5. Develop comprehensive Action Plans consisting of management strategies to address the priority NPS-impaired waterbody and the NPS issues.

The NPS Team members will work together to develop "Action Plans." These Action Plans will consist of a list of Action Items that form a coordinated, comprehensive effort to address each priority NPS-impaired waterbody and NPS issue. Each Action Item will include lead contacts, goals, and a schedule for completion and may utilize one or more of the following vehicles for implementation:

- Efforts by NPS Team members: The NPS Team members can make commitments to target their agency's/group's existing resources to address the priority NPS-impaired waterbody or NPS issues. Team members can also agree to share their expertise on a volunteer basis.
- Section 319: Clean Water Act Section 319(h) grant monies are made available to the states on an annual basis by EPA. Agencies in the state that deal with NPS problems submit proposals to DWQ each year for use of these funds in various projects. Projects that have been funded in the past include BMP demonstrations, watershed water quality improvement projects, data

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management, educational activities, modeling, stream restoration efforts, riparian buffer establishment, and others. Refer to Section 5.7 for a complete program description.

- **Agriculture Cost Share Program:** Provides a number of cost-share practices designed to solve soil, water, and related environmental problems in agricultural areas including forested buffer strips.
- **Wetlands Restoration Program.** A bill recently ratified by the NC General Assembly establishes a statewide Wetland Restoration Program that will provide a leadership role in targeting and consolidating all wetland and riparian area restoration initiatives in NC.
- **Proposed Use Restoration Waters (URW) Program.** DWQ is currently developing the URW program to restore surface waterbodies to their designated uses. If adopted, this program would allow the state to work with local governments, businesses, and residents to develop focused management strategies appropriate for the area. Those affected by the URW program will be requested to meet well-defined milestones and goals for water quality improvement. If these milestones are not met on a voluntary basis within an established schedule, mandatory controls may be considered by the Environmental Management Commission.
- **Federal Initiatives:** There are a number of federal programs and resources that may be available to address the Priority NPS-impaired waterbody and NPS issues. These include US Fish and Wildlife Service funds, the USDA-NRCS Wetland Reserve Program, and the Environmental Quality Initiative Program (EQIP) provisions of the Farm Bill.
- **Other Programs:** There are numerous other programs sponsored by private and state agencies that could be initiated to address the NPS Team's priority waterbodies and issues. Some of these programs include corporate funding for educational programs, the Small Watershed Program, and US Fish and Wildlife Grants. A complete list of funding sources for NPS pollution is listed in Appendix VIII.

6. Implement Action Plans.

Implementation is the most important part of the state's NPS program since it is the only way to restore the priority NPS-impaired waterbody and address NPS issues. Most, if not all, members of the NPS Team will be involved with the implementation of one or more of the Action Items. During the implementation phase, the NPS Team will continue to meet on a regular basis. The purpose of these meetings will be for the team to update each other on their progress toward completing the Action Items and provide a forum for continuing the coordination between team members. When some of the team members experience setbacks in implementing an Action Item, the rest of the team can advise and/or provide additional help so that the item can be completed successfully.

7. Monitor to evaluate the effectiveness of management strategies.

The NPS Team will identify where additional water quality monitoring sites may be needed to document the effectiveness of its Action Plans. DWQ and the NPS Team will cooperate to assure that pre- and post-monitoring is in place before a new program, initiative or BMP is implemented. In order to supplement DWQ's monitoring programs, the team may seek the involvement of citizens' groups. Any agencies that receive 319 grants will be required to conduct pre- and post-evaluations as a part of their project.

8. Consider additional management strategies if the voluntary approaches do not result in an improvement in water quality.

If the NPS Team's management strategies do not show progress in improving water quality according to the designated schedule, DWQ and the team will work together to identify the reason for the lack of progress. Some of the potential courses of action are:

- Reevaluate the source of impairment.

- Increase and/or redirect voluntary measures.
- Consider additional measures.

RECENT WATER QUALITY LEGISLATION

Two new initiatives passed by the 1996 General Assembly will help to rehabilitate hydrologically damaged watercourses. The new Clean Water Management Trust Fund will annually receive 6.5% of the year-end general fund credit balance to help finance projects within the broadly focused areas of restoring and protecting state surface waters and establishing a network of riparian buffers and greenways. Based on historical balances, this allocation could be as much as \$40,000,000 annually. Monies will be used for the following water quality protection/restoration activities:

- to acquire land for riparian buffers to develop a network of riparian greenways;
- to acquire conservation easements or other interests in real property;
- to restore previously degraded lands;
- to repair failing waste treatment systems;
- to repair and eliminate failing septic tank systems;
- to improve stormwater controls and management practices; and
- to facilitate planning that targets reductions in surface water pollution.

A second initiative, the new Wetlands Restoration Program, funded at \$500,000 and 8 staff for the first year, directs DEHNR to develop prioritized, basin-wide plans for wetlands and riparian area restoration for each of the state's river basins. Mitigation permitting under CWA Section 404 will be made more flexible, including an option of paying into a Wetlands Restoration Fund that will support state restoration efforts guided by the basin-wide restoration plans. The Wetlands Restoration Fund will initially be seeded with \$9,200,000 from the new Clean Water Management Trust Fund.

Wendell D.

R-150

Senate Subcommittee on Natural and Economic Resources

Environment, Health, and Natural Resources

GENERAL FUND

FY 97-98

FY 98-99

Recommended Continuation Budget

\$253,269,888

\$252,502,338

Legislative Changes

(2.00) Marine Fisheries

1 Moratorium Steering Committee

(\$25,000) R

(\$25,000) R

Eliminate funding for the Fisheries Moratorium Steering Committee, which submitted its final report to the Joint Legislative Commission on Seafood and Aquaculture in October 1996.

(2.00) Forest Resources

2 Increase Receipts

(\$120,000) R

(\$120,000) R

Increase receipts collected by counties. Counties share in the cost of forestry operations with a match based on the tax base of the county.

3 Reduce equipment

(\$500,000) R

(\$500,000) R

Defer replacement of certain property, plant and equipment items in forestry field operations.

4 Reduce equipment

(\$200,000) R

(\$200,000) R

Reduce communications equipment budget.

(2.00) Parks and Recreation

5 Reduce Operating Reserve

(\$500,000) R

(\$500,000) R

Reduce operating reserve for State Parks System.

300,000 reduction nothing in second year

(2.00) Soil and Water Conservation

6 Technical Assistance for Animal Waste Compliance

(\$607,510) R

(\$607,510) R

Eliminate recurring funding for technical assistance provided to agriculture operations in obtaining approved animal waste management plans. The state's 0.200 non-discharge regulations for animal operations require operations to have certified plans by December 1997. This technical assistance will be funded on a nonrecurring basis for the 1997-98 fiscal year.

-11.00

-11.00

7 Technical Assistance for Animal Waste Compliance

\$607,510 NR

11.00

Continue technical assistance to animal waste operations on nonrecurring basis.

R-151

Senate Subcommittee on Natural and Economic Resources

(5.00) Reserves and Special Funds

8 Water Conservation and Infrastructure District

(\$500,000) R (\$500,000) R

Nonrecurring funds appropriated for the District by the 1995 General Assembly were not eliminated from the 1997-99 continuation budget in error.

(6.00) Department Wide

9 Salary Reductions/Span of Control

(\$2,335,425) R (\$2,335,425) R

Represents the Department's allocated share of this overall reduction.

Total Legislative Changes

(\$4,787,935) R (\$4,787,935) R

\$607,510 NR

Position Changes

0.00 -11.00

Revised Budget

\$249,089,463 \$247,714,403

R-152

Senate Subcommittee on Natural and Economic Resources

Commerce

GENERAL FUND

	FY 97-98		FY 98-99
Recommended Continuation Budget	\$37,221,648		\$37,240,885

Legislative Changes

Administrative Services

10 Budget Indirect Cost Receipts	(\$52,000)	R	(\$52,000)	R
Increase the budgeted amount of indirect costs receipts and reduce general fund appropriation by an equal amount.				

Department Wide

11 Salary Reductions/Span of Control Study	(\$672,485)	R	(\$672,485)	R
Represents the Department's allocated share of this overall reduction.				

Economic Development Program

12 Reduce Support for Data Processing & Subscriptions	(\$29,000)	R	(\$29,000)	R
Reduce funding support for data processing services, subscriptions, and membership dues.				

Executive Aircraft

13 Reduce Repair Funds	(\$188,000)	R	(\$188,000)	R
Reduce funding support for aircraft repair.				

Film Office

14 Reduce Travel	(\$25,000)	R	(\$25,000)	R
Reduce budget for board and non-employee transportation.				

Industrial Commission

15 Budget Hearing Cost Receipts	(\$202,000)	R	(\$202,000)	R
Increase the budgeted amount of the Commission's Hearing Cost receipts and reduce general fund appropriations by an equal amount.				

Travel and Tourism

16 Budget Additional Receipts	(\$12,000)	R	(\$12,000)	R
Increase the amount of budgeted receipts and reduce general fund appropriation by an equal amount.				

R-153

Senate Subcommittee on Natural and Economic Resources

Total Legislative Changes	(\$1,180,485)	R	(\$1,180,485)	R
Position Changes				
Revised Budget	\$36,041,163		\$36,060,400	

TOTAL NET LEGISLATIVE CHANGES (+5,968,420)R (+5,968,420)R

1,000,000 cut

Handout E

LICENSED MOTOR VEHICLE PURCHASE SCHEDULE
(For continuation requests only)

Section 5
Attachment 8

Department DEHNR Division or Institution Forest Resources Budget Code 14300 (Due 9/30/96)

FUND	ACCOUNT	MAKE, TYPE, AND YEAR MODEL	DATE PURCHASED (MONTH AND YEAR)	ESTIMATED MILEAGE AS OF 6-30-97	1997-98		1998-99	
					TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)	TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)
12102201	534541	1989 DODGE VAN 1/2 TON	Oct-89	105,000			18,664	1,000
12102202	534541	1987 CHEVROLET TRUCK 3/4 TON	Feb-87	105,000			24,570	1,200
12102203	534541	1985 DODGE 4X4 3/4 TON	May-85	102,000			24,570	1,400
12102203	534541	1986 FORD 4X4 3/4 TON	Apr-86	110,000	24,570	1,400		
12102203	534541	1990 FORD 4X4 CAB 1 TON	Jun-90	155,500	26,950	1,400		
12102204	534541	1976 GMC TANDEM TRUCK TRACTOR	Jun-76	**	60,000			
12102204	534541	1976 GMC TANDEM TRUCK TRACTOR	Jun-76	**	60,000			
12102204	534541	1979 BRUIIN TANDEM TRUCK TRACTOR	Jun-79	**	60,000			
12102204	534541	1980 TANDEM TRUCK	Jun-80	**			60,000	
12102204	534541	1979 BRUIIN TANDEM TRUCK	Jun-79	**			60,000	
12102010	534541	1988 CHEVROLET 4X4 3/4 TON	Aug-88	105,000			24,570	1,400
12102223*	534541	1984 FORD BRONCO 4X4	Jul-84	142,000	26,280	1,400		
12102013*	534541	1984 FORD BRONCO 4X4	Jul-84	140,000	26,280	1,400		
12102025*	534541	1989 CHEVROLET 4X4 1 TON	Mar-89	100,000			26,950	1,400
12102026*	534541	1989 CHEVROLET 4X4 1 TON	Mar-89	100,000			26,950	1,400
12102028*	534541	1989 CHEVROLET 4X4 1 TON	Mar-89	100,000			26,950	1,400
12102022*	534541	1990 FORD 4X4 3/4 TON	Mar-90	100,000			24,570	1,400
12102026*	534541	1990 FORD 4X4 3/4 TON	Mar-90	100,000			24,570	1,400
12102020	534541	1990 FORD 4X4 3/4 TON	Mar-90	100,000			24,570	1,400
12102034*	534541	1990 CHEVROLET 4X4 3/4 TON	May-90	131,700	24,570	1,400		
12102032*	534541	1988 CHEVROLET 4X4 3/4 TON	Apr-88	127,616	24,570	1,400		
12102037*	534541	1990 CHEVROLET 4X4 3/4 TON	May-90	123,058	24,570	1,400		
12102031*	534541	1988 CHEVROLET 4X4 3/4 TON	Apr-88	122,222	24,570	1,400		
12102030	534541	1990 CHEVROLET 4X4 3/4 TON	May-90	118,192	24,570	1,400		
12102034*	534541	1989 CHEVROLET 4X4 3/4 TON	Apr-89	117,346	24,570	1,400		
12102036*	534541	1991 FORD 4X4 3/4 TON	Apr-91	115,440	24,570	1,400		
12102033*	534541	1988 CHEVROLET 4X4 3/4 TON	Apr-88	115,218	24,570	1,400		
12102030	534541	1989 CHEVROLET 4X4 3/4 TON	Apr-89	111,750	24,570	1,400		
12102035*	534541	1989 CHEVROLET 4X4 3/4 TON	Apr-89	110,385	24,570	1,400		
12102037*	534541	1991 FORD 4X4 3/4 TON	Apr-91	108,385	24,570	1,400		
12102034*	534541	1991 FORD 4X4 3/4 TON	Apr-91	107,500	24,570	1,400		
12102030	534541	1988 CHEVROLET 4X4 3/4 TON	Apr-88	107,389	24,570	1,400		
12102030	534541	1990 CHEVROLET 4X4 3/4 TON	May-90	105,997			24,570	1,400
12102030	534541	1989 CHEVROLET 4X4 3/4 TON	Apr-89	101,343			24,570	1,400
12102033*	534541	1989 CHEVROLET 4X4 3/4 TON	Apr-89	116,437			24,570	1,400
12102031*	534541	1989 CHEVROLET 4X4 3/4 TON	Apr-89	116,081			24,570	1,400
12102035*	534541	1992 CHEVROLET 4X4 3/4 TON	Apr-92	108,532			24,570	1,400
12102032*	534541	1992 FORD 4X4 3/4 TON	Apr-92	104,489			24,570	1,400

LICENSED MOTOR VEHICLE PURCHASE SCHEDULE

(For continuation requests only)

Section 5

Attachment 8

(Due 9/30/96)

Department DEHNR Division or Institution Forest Resources Budget Code 14300

FUND	ACCOUNT	MAKE, TYPE, AND YEAR MODEL	DATE PURCHASED (MONTH AND YEAR)	ESTIMATED MILEAGE AS OF 6-30-97	1997-98		1998-99	
					TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)	TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)
12102038*	534541	1993 CHEVROLET 4X4 3/4 TON	May-93	103,750			24,570	1,400
12102043*	534541	1989 CHEVROLET 4X4 3/4 TON	Oct-89	113,000	24,570	1,400		
12102047*	534541	1989 CHEVROLET 4X4 3/4 TON	Oct-89	103,000			24,570	1,400
12102041*	534541	1992 CHEVROLET 4X4 3/4 TON	Sep-92	100,000			24,570	1,400
12102046*	534541	1991 FORD 4X4 3/4 TON	Sep-91	105,000			24,570	1,400
12102040	534541	1989 CHEVROLET 4X4 3/4 TON	Dec-89	100,000			24,570	1,400
12102051*	534541	1988 CHEVROLET 4X2 3/4 TON	Apr-88	117,000	20,902	1,200		
12102054*	534541	1990 FORD 4X4 1 TON	Apr-90	120,000	26,950	1,400		
12102055*	534541	1988 CHEVROLET 4X2 3/4 TON	Apr-88	115,000	20,900	1,200		
12102056*	534541	1987 CHEVROLET 4X2 3/4 TON	Apr-87	155,000	20,900	1,200		
12102057*	534541	1987 CHEVROLET 4X2 3/4 TON	Apr-87	123,000	20,900	200		
12102058*	534541	1988 CHEVROLET 4X2 3/4 TON	Apr-88	138,500	20,900	1,200		
12102057*	534541	1988 CHEVROLET 4X4 3/4 TON	Apr-88	125,000			24,570	1,200
12102058*	534541	1988 CHEVROLET 4X2 3/4 TON	Apr-88	150,000	20,900	1,200		
12102060	534541	1988 CHEVROLET 4X2 MECHANIC	May-88	115,000	26,950	1,600		
12102221	534541	1989 CHEVROLET 4X2	Apr-89	130,000	20,900	1,200		
12102065*	534541	1990 CHEVROLET 4X4	Apr-90	130,000	24,570	1,200		
12102062*	534541	1991 FORD 4X4	Apr-91	130,000	24,570	1,200		
12102066*	534541	1991 FORD 4X4	Apr-91	135,000	24,570	1,200		
12102061*	534541	1991 FORD 4X4	Jul-91	115,000	24,570	1,200		
12102060	534541	1988 CHEVROLET 4X2 MECHANIC	May-88	130,000	26,950	1,600		
12102062*	534541	1990 CHEVROLET 4X4	Apr-90	120,000	24,570	1,200		
12102064*	534541	1990 CHEVROLET 4X4	Apr-89	110,000	24,570	1,200		
12102065*	534541	1991 FORD 4X4	Apr-91	115,000	24,570	1,200		
12102066*	534541	1990 DODGE 4X4	Jun-90	100,000			24,570	1,200
12102221	534541	1987 CHEVROLET 4X4	Apr-87	100,000			24,570	1,200
12102085*	534541	1988 CHEVROLET 4X4 3/4 TON	Feb-88	165,000	24,570	1,400		
12102080	534541	1988 CHEVROLET 4X4 1 TON	Feb-88	150,000	26,950	1,400		
12102080	534541	1988 CHEVROLET MECHANIC 3/4 TON	Feb-88	115,000	24,570	1,600		
12102080	534541	1987 CHEVROLET 4X4 3/4 TON	Feb-88	125,000	24,570	1,400		
12102080	534541	1989 CHEVROLET 3/4 TON	Feb-89	140,000	20,900	1,200		
12102081*	534541	1990 FORD 4X4 3/4 TON	Feb-90	130,000	24,570	1,400		
12102084*	534541	1990 FORD 4X4 3/4 TON	Feb-90	110,000	24,570	1,400		
12102080	534541	1990 CHEVROLET 3/4 TON	Feb-90	150,000	20,900	1,200		
12102080	534541	1990 CHEVROLET 4X4 3/4 TON	Feb-90	135,000	24,570	1,400		
12102081*	534541	1991 FORD 4X4 3/4 TON	Feb-91	100,000			24,570	1,400
12102085	534541	1991 FORD 4X4 3/4 TON	Feb-91	150,000	24,570	1,400		
12102083	534541	1992 CHEVROLET 4X4 3/4 TON	Feb-92	115,000	24,570	1,400		

LICENSED MOTOR VEHICLE PURCHASE SCHEDULE
(For continuation requests only)

Section 5
Attachment 8

(Due 9/30/96)

Department DEHNR Division or Institution Forest Resources Budget Code 14300

FUND	ACCOUNT	MAKE, TYPE, AND YEAR MODEL	DATE PURCHASED (MONTH AND YEAR)	ESTIMATED MILEAGE AS OF 6-30-97	1997-98		1998-99	
					TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)	TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)
12102095*	534541	1986 FORD 4X4 3/4 TON	Dec-86	100,000			24,570	1,400
12102093*	534541	1988 CHEVROLET 4X4 3/4 TON	Nov-88	100,000			24,570	1,400
12102097*	534541	1987 CHEVROLET 4X4 3/4 TON	Sep-87	100,000			24,570	1,400
12102090	534541	1989 FORD 4X4 3/4 TON	Jan-90	100,000			24,570	1,400
12102107*	534541	1992 CHEVROLET 4X4 3/4 TON	May-92	102,000			24,570	1,400
12102100	534541	1989 CHEVROLET 3/4 TON	Apr-89	131,000	20,900	1,200		
12102110	534541	1990 CHEVROLET 2X4 1/2 TON	May-90	125,000	18,568	1,200		
12102110	534541	1990 CHEVROLET 2X4 1/2 TON	May-90	125,000	19,800	1,200		
12102110	534541	1988 CHEVROLET 2X4 3/4 TON	Mar-88	115,000	20,900	1,200		
12102120	534541	1989 CHEVROLET 4X4 1 TON	May-90	121,000	26,950	1,400		
12102132*	534541	1988 CHEVROLET 4X4 3/4 TON	May-88	175,000	24,570	1,400		
12102132*	534541	1989 CHEVROLET 4X4 3/4 TON	Jun-89	130,000	24,570	1,400		
12102132*	534541	1989 CHEVROLET 4X4 3/4 TON	Jun-89	137,000	24,570	1,400		
12102131*	534541	1993 CHEVROLET 4X4 3/4 TON	Jun-93	130,000	24,570	1,400		
12102134*	534541	1987 CHEVROLET 2X4 1/2 TON	Jun-87	155,000	18,568	1,200		
12102134*	534541	1991 CHEVROLET 4X4 3/4 TON	Jun-91	110,000	24,570	1,400		
Total by Fund/Account					\$1,541,048	\$76,200	\$858,334	\$40,800
Less: Motor vehicles included in 1996-97 Authorized Year					\$568,578	76,800	\$568,578	76,800
Less: County Receipts*					\$283,271		\$170,772	
Net Amount to Worksheet I					\$689,199	\$38,000	\$118,984	\$9,400

*Represents County Vehicles

** Trade-in value will be shown as estimated receipts - "Sale of Surplus Property."

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

OTHER VEHICLE PURCHASE SCHEDULE

(For continuation requests only)

Section 5

Attachment 9

(Due 9/30/96)

DEPARTMENT DEHNR

Division or Institution FOREST RESOURCES

Budget Code 14300

FUND	ACCOUNT	DESCRIPTION (MAKE, TYPE, AND YEAR MODEL)	DATE PURCHASED (MONTH & YEAR) NUMBER	CONDITION*	1997-98		1998-99	
					TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)	TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)
12102204	534544	1973 LOWBOY TRAILER 35 TON 28' DECK	1973	POOR-SEE ATTACHED	18,000			
Total by Fund/Account					\$18,000		\$0	

* Provide information from maintenance records, frequency of repairs, and other pertinent information such as mileage or hours of operation to assist in determining condition.

** Trade-in value will be shown as estimated receipts - "Sale of Surplus Property."

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

OTHER VEHICLE PURCHASE SCHEDULE

(For continuation requests only)

Section 5

Attachment 9

(Due 9/30/96)

DEPARTMENT DEHNR

Division or Institution FOREST RESOURCES

Budget Code 14300

FUND	ACCOUNT	DESCRIPTION (MAKE, TYPE, AND YEAR MODEL)	DATE PURCHASED (MONTH & YEAR) NUMBER	CONDITION*	1997-98		1998-99	
					TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)	TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)
12102204	534549	1978 FIAT 8 TRACTOR LGP MED 100HP	1978	POOR-SEE ATTACHED	105,000			
12102204	534549	1978 FIAT 8 TRACTOR 90 HP STANDARD	1978	POOR-SEE ATTACHED	80,000			
12102204	534549	1979 FIAT 8 TRACTOR 1 GP Med 100 HP	1978	POOR-SEE ATTACHED			105,000	
12102204	534549	1980 FIAT 8 TRACTOR 90 HP STANDARD	1978	POOR-SEE ATTACHED			80,000	
12102204	534549	1978 CASE 1150B 120HP HEAVY LPG	1978	POOR-SEE ATTACHED			130,000	
12102204	534549	1979 CASE 1150B 120 HP HEAVY LPG	1979	POOR-SEE ATTACHED			130,000	
Total by Fund/Account					185,000		445,000	

* Provide information from maintenance records, frequency of repairs, and other pertinent information such as mileage or hours of operation to assist in determining condition.

** Trade-in value will be shown as estimated receipts - "Sale of Surplus Property."

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

OTHER VEHICLE PURCHASE SCHEDULE
(For continuation requests only)

Section
Attachment
(Due 9/30/99)

Department DEIHR

Division or Institution FOREST RESOURCES

Budget Code _____

FUND	ACCOUNT	DESCRIPTION (MAKE, TYPE, AND YEAR MODEL)	DATE PURCHASED (MONTH & YEAR) NUMBER	CONDITION*	1997-98		1998-99	
					TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)	TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)
12102204	534542	1953 CESSNA AIRCRAFT L19A N10714	1963	POOR-SEE ATTACHED	200,000		200,000	
12102204	534542	1953 CESSNA AIRCRAFT L19 N1FS	1963	POOR-SEE ATTACHED				
Total by Fund/Account					\$200,000		\$200,000	

* Provide information from maintenance records, frequency of repairs, and other pertinent information such as mileage or hours of operation to assist in determining condition.

** Trade-in value will be shown as estimated receipts - "Sale of Surplus Property."

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

\$ 500,000 Cut

F

LICENSED MOTOR VEHICLE PURCHASE SCHEDULE
(For continuation requests only)

Section 5
Attachment 8

(Due 9/30/96)

Department DEHNR Division or Institution Forest Resources Budget Code 14300

FUND	ACCOUNT	MAKE, TYPE, AND YEAR MODEL	DATE PURCHASED (MONTH AND YEAR)	ESTIMATED MILEAGE AS OF 6-30-97	1997-98		1998-99	
					TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)	TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)
12102201	534541	1989 DODGE VAN 1/2 TON	Oct-89	105,000			18,664	1,000
12102202	534541	1987 CHEVROLET TRUCK 3/4 TON	Feb-87	105,000			24,570	1,200
12102203	534541	1985 DODGE 4X4 3/4 TON	May-85	102,000			24,570	1,400
12102203	534541	1986 FORD 4X4 3/4 TON	Apr-86	110,000	24,570	1,400		
12102203	534541	1990 FORD 4X4 CAB 1 TON	Jun-90	155,500	26,950	1,400		
12102204	534541	1976 GMC TANDEM TRUCK TRACTOR	Jun-76	**	60,000			
12102204	534541	1976 GMC TANDEM TRUCK TRACTOR	Jun-76	**	60,000			
12102204	534541	1979 BRUIN TANDEM TRUCK TRACTOR	Jun-79	**	60,000			
12102204	534541	1980 FORD 9000 TANDEM TRUCK TRACTOR	Jun-80	**	60,000			
12102204	534541	1982 BRIGADIER TEN WHEELER	Jul-82	**	80,000			
12102204	534541	1979 TANDEM TRUCK	Jun-79	**	60,000			
12102204	534541	1980 TANDEM TRUCK	Jun-80	**			60,000	
12102204	534541	1979 BRUIN TANDEM TRUCK	Jun-79	**	60,000			
12102204	534541	1979 BRUIN TANDEM TRUCK	Jun-79	**			60,000	
12102204	534541	1980 IHC TANDEM TRUCK	Jun-80	**			60,000	
12102204	534541	1980 IHC TANDEM TRUCK	Jun-80	**			60,000	
12102204	534541	1981 IHC TANDEM TRUCK	Jun-81	**			60,000	
12102010	534541	1988 CHEVROLET 4X4 3/4 TON	Aug-88	105,000			24,570	1,400
12102223*	534541	1984 FORD BRONCO 4X4	Jul-84	142,000	26,280	1,400		
12102013*	534541	1984 FORD BRONCO 4X4	Jul-84	140,000	26,280	1,400		
12102025*	534541	1989 CHEVROLET 4X4 1 TON	Mar-89	100,000			26,950	1,400
12102026*	534541	1989 CHEVROLET 4X4 1 TON	Mar-89	100,000			26,950	1,400
12102028*	534541	1989 CHEVROLET 4X4 1 TON	Mar-89	100,000			26,950	1,400
12102022*	534541	1990 FORD 4X4 3/4 TON	Mar-90	100,000			24,570	1,400
12102026*	534541	1990 FORD 4X4 3/4 TON	Mar-90	100,000			24,570	1,400
12102020	534541	1990 FORD 4X4 3/4 TON	Mar-90	100,000			24,570	1,400
12102034*	534541	1990 CHEVROLET 4X4 3/4 TON	May-90	131,700	24,570	1,400		
12102032*	534541	1988 CHEVROLET 4X4 3/4 TON	Apr-88	127,616	24,570	1,400		
12102037*	534541	1990 CHEVROLET 4X4 3/4 TON	May-90	123,058	24,570	1,400		
12102031*	534541	1988 CHEVROLET 4X4 3/4 TON	Apr-88	122,222	24,570	1,400		
12102030	534541	1990 CHEVROLET 4X4 3/4 TON	May-90	118,192	24,570	1,400		
12102034*	534541	1989 CHEVROLET 4X4 3/4 TON	Apr-89	117,346	24,570	1,400		
12102036*	534541	1991 FORD 4X4 3/4 TON	Apr-91	115,440	24,570	1,400		
12102033*	534541	1988 CHEVROLET 4X4 3/4 TON	Apr-88	115,218	24,570	1,400		
12102040	534541	1989 CHEVROLET 4X4 3/4 TON	Apr-89	111,750	24,570	1,400		
12102035*	534541	1989 CHEVROLET 4X4 3/4 TON	Apr-89	110,185	24,570	1,400		
12102037*	534541	1991 FORD 4X4 3/4 TON	Apr-91	108,385	24,570	1,400		
12102034*	534541	1991 FORD 4X4 3/4 TON	Apr-91	107,500	24,570	1,400		

LICENSED MOTOR VEHICLE PURCHASE SCHEDULE
(For continuation requests only)

Section 5
Attachment 8

(Due 9/30/96)

Department DEHNR Division or Institution Forest Resources Budget Code 14300

FUND	ACCOUNT	MAKE, TYPE, AND YEAR MODEL	DATE PURCHASED (MONTH AND YEAR)	ESTIMATED MILEAGE AS OF 6-30-97	1997-98		1998-99	
					TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)	TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)
12102030	534541	1988 CHEVROLET 4X4 3/4 TON	Apr-88	107,389	24,570	1,400		
12102030	534541	1990 CHEVROLET 4X4 3/4 TON	May-90	105,997			24,570	1,400
12102030	534541	1989 CHEVROLET 4X4 3/4 TON	Apr-89	101,343			24,570	1,400
12102033*	534541	1989 CHEVROLET 4X4 3/4 TON	Apr-89	116,437			24,570	1,400
12102031*	534541	1989 CHEVROLET 4X4 3/4 TON	Apr-89	116,081			24,570	1,400
12102035*	534541	1992 CHEVROLET 4X4 3/4 TON	Apr-92	108,532			24,570	1,400
12102032*	534541	1992 FORD 4X4 3/4 TON	Apr-92	104,489			24,570	1,400
12102038*	534541	1993 CHEVROLET 4X4 3/4 TON	May-93	103,750			24,570	1,400
12102043*	534541	1989 CHEVROLET 4X4 3/4 TON	Oct-89	113,000	24,570	1,400		
12102047*	534541	1989 CHEVROLET 4X4 3/4 TON	Oct-89	103,000			24,570	1,400
12102041*	534541	1992 CHEVROLET 4X4 3/4 TON	Sep-92	100,000			24,570	1,400
12102046*	534541	1991 FORD 4X4 3/4 TON	Sep-91	105,000			24,570	1,400
12102040	534541	1989 CHEVROLET 4X4 3/4 TON	Dec-89	100,000			24,570	1,400
12102051*	534541	1988 CHEVROLET 4X2 3/4 TON	Apr-88	117,000	20,902	1,200		
12102054*	534541	1990 FORD 4X4 1 TON	Apr-90	120,000	26,950	1,400		
12102055*	534541	1988 CHEVROLET 4X2 3/4 TON	Apr-88	115,000	20,900	1,200		
12102056*	534541	1987 CHEVROLET 4X2 3/4 TON	Apr-87	155,000	20,900	1,200		
12102057*	534541	1987 CHEVROLET 4X2 3/4 TON	Apr-87	123,000	20,900	1,200		
12102058*	534541	1988 CHEVROLET 4X2 3/4 TON	Apr-88	138,500	20,900	1,200		
12102057*	534541	1988 CHEVROLET 4X4 3/4 TON	Apr-88	125,000			24,570	1,200
12102058*	534541	1988 CHEVROLET 4X2 3/4 TON	Apr-88	150,000	20,900	1,200		
12102060	534541	1988 CHEVROLET 4X2 MECHANIC	May-88	115,000	26,950	1,600		
12102221	534541	1989 CHEVROLET 4X2	Apr-89	130,000	20,900	1,200		
12102065*	534541	1990 CHEVROLET 4X4	Apr-90	130,000	24,570	1,200		
12102062*	534541	1991 FORD 4X4	Apr-91	130,000	24,570	1,200		
12102066*	534541	1991 FORD 4X4	Apr-91	135,000	24,570	1,200		
12102061*	534541	1991 FORD 4X4	Jul-91	115,000	24,570	1,200		
12102060	534541	1988 CHEVROLET 4X2 MECHANIC	May-88	130,000	26,950	1,600		
12102062*	534541	1990 CHEVROLET 4X4	Apr-90	120,000	24,570	1,200		
12102064*	534541	1990 CHEVROLET 4X4	Apr-89	110,000	24,570	1,200		
12102065*	534541	1991 FORD 4X4	Apr-91	115,000	24,570	1,200		
12102066*	534541	1990 DODGE 4X4	Jun-90	100,000			24,570	1,200
12102221	534541	1987 CHEVROLET 4X4	Apr-87	100,000			24,570	1,200
12102085*	534541	1988 CHEVROLET 4X4 3/4 TON	Feb-88	165,000	24,570	1,400		
12102080	534541	1988 CHEVROLET 4X4 1 TON	Feb-88	150,000	26,950	1,400		
12102080	534541	1988 CHEVROLET MECHANIC 3/4 TON	Feb-88	115,000	24,570	1,600		
12102080	534541	1987 CHEVROLET 4X4 3/4 TON	Feb-88	125,000	24,570	1,400		
12102080	534541	1989 CHEVROLET 3/4 TON	Feb-89	140,000	20,900	1,200		

LICENSED MOTOR VEHICLE PURCHASE SCHEDULE
(For continuation requests only)

Section 5
Attachment 8

Department DEHNR Division or Institution Forest Resources Budget Code 14300 (Due 9/30/96)

FUND	ACCOUNT	MAKE, TYPE, AND YEAR MODEL	DATE PURCHASED (MONTH AND YEAR)	ESTIMATED MILEAGE AS OF 6-30-97	1997-98		1998-99	
					TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)	TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)
12102081*	534541	1990 FORD 4X4 3/4 TON	Feb-90	130,000	24,570	1,400		
12102081*	534541	1990 FORD 4X4 3/4 TON	Feb-90	110,000	24,570	1,400		
12102080	534541	1990 CHEVROLET 3/4 TON	Feb-90	150,000	20,900	1,200		
12102080	534541	1990 CHEVROLET 4X4 3/4 TON	Feb-90	135,000	24,570	1,400		
12102081*	534541	1991 FORD 4X4 3/4 TON	Feb-91	100,000			24,570	1,400
12102085	534541	1991 FORD 4X4 3/4 TON	Feb-91	150,000	24,570	1,400		
12102083	534541	1992 CHEVROLET 4X4 3/4 TON	Feb-92	115,000	24,570	1,400		
12102095*	534541	1986 FORD 4X4 3/4 TON	Dec-86	100,000			24,570	1,400
12102093*	534541	1988 CHEVROLET 4X4 3/4 TON	Nov-88	100,000			24,570	1,400
12102097*	534541	1987 CHEVROLET 4X4 3/4 TON	Sep-87	100,000			24,570	1,400
12102090	534541	1989 FORD 4X4 3/4 TON	Jan-90	100,000			24,570	1,400
12102107*	534541	1992 CHEVROLET 4X4 3/4 TON	May-92	102,000			24,570	1,400
12102100	534541	1989 CHEVROLET 3/4 TON	Apr-89	131,000	20,900	1,200		
12102110	534541	1990 CHEVROLET 2X4 1/2 TON	May-90	125,000	18,568	1,200		
12102110	534541	1990 CHEVROLET 2X4 1/2 TON	May-90	125,000	19,800	1,200		
12102110	534541	1988 CHEVROLET 2X4 3/4 TON	Mar-88	115,000	20,900	1,200		
12102120	534541	1989 CHEVROLET 4X4 1 TON	May-90	121,000	26,950	1,400		
12102132*	534541	1988 CHEVROLET 4X4 3/4 TON	May-88	175,000	24,570	1,400		
12102132*	534541	1989 CHEVROLET 4X4 3/4 TON	Jun-89	130,000	24,570	1,400		
12102132*	534541	1989 CHEVROLET 4X4 3/4 TON	Jun-89	137,000	24,570	1,400		
12102131*	534541	1993 CHEVROLET 4X4 3/4 TON	Jun-93	130,000	24,570	1,400		
12102134*	534541	1987 CHEVROLET 2X4 1/2 TON	Jun-87	155,000	18,568	1,200		
12102134*	534541	1991 CHEVROLET 4X4 3/4 TON	Jun-91	110,000	24,570	1,400		
Total by Fund/Account					\$1,801,048	\$76,200	\$1,038,334	\$40,800
Less: Motor vehicles included in 1996-97 Authorized Year					\$568,578	76,800	\$568,578	76,800
Less: County Receipts*					\$283,271		\$170,772	
Net Amount to Worksheet 1					\$949,199	\$38,000	\$298,984	\$9,400

*Represents County Vehicles

** Trade-in value will be shown as estimated receipts - "Sale of Surplus Property."

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

OTHER VEHICLE PURCHASE SCHEDULE

(For continuation requests only)

Section 5

Attachment 9

(Due 9/30/96)

DEPARTMENT DEINR

Division or Institution FOREST RESOURCES

Budget Code 14300

FUND	ACCOUNT	DESCRIPTION (MAKE, TYPE, AND YEAR MODEL)	DATE PURCHASED (MONTH & YEAR) NUMBER	CONDITION*	1997-98		1998-99	
					TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)	TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)
12102204	534549	1978 FIAT 8 TRACTOR 1.GP MED 100HP	1978	POOR-SEE ATTACHED	105,000			
12102204	534549	1978 FIAT 8 TRACTOR 90 HP STANDARD	1978	POOR-SEE ATTACHED	80,000			
12102204	534549	1978 FIAT 8 TRACTOR 1.GP MED 100HP	1978	POOR-SEE ATTACHED	105,000			
12102204	534549	1978 FIAT 8 TRACTOR 90 HP STANDARD	1978	POOR-SEE ATTACHED	80,000			
12102204	534549	1978 CASE 1150B 120HP HEAVY LPG	1978	POOR-SEE ATTACHED			130,000	
12102204	534549	1979 CASE 1150B 120 HP HEAVY LPG	1979	POOR-SEE ATTACHED			130,000	
12102204	534549	1980 FIAT 8 TRACTOR 90 HP STANDARD	1980	POOR-SEE ATTACHED			80,000	
12102204	534549	1978 CASE 1150B 120HP HEAVY LPG	1978	POOR-SEE ATTACHED			130,000	
12102204	534549	1973 TRACTOR TD15C 120HP HEAVY LPG	1973	POOR-SEE ATTACHED			130,000	
12102204	534549	1972 FORD TRACTOR 3000	1972	POOR-SEE ATTACHED			25,000	
12102204	534549	1974 FORD TRACTOR 5000	1974	POOR-SEE ATTACHED			55,000	
Total by Fund/Account					370,000		680,000	

* Provide information from maintenance records, frequency of repairs, and other pertinent information such as mileage or hours of operation to assist in determining condition.

** Trade-in value will be shown as estimated receipts - "Sale of Surplus Property."

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

OTHER VEHICLE PURCHASE SCHEDULE

(For continuation requests only)

DEPARTMENT DEINR

Division or Institution

FOREST RESOURCES

Budget Code

FUND	ACCOUNT	DESCRIPTION (MAKE, TYPE, AND YEAR MODEL)	DATE PURCHASED (MONTH & YEAR) NUMBER	CONDITION*	1997-98		1998-99	
					TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)	TOTAL COST	(U)
12102204	534544	FARM TRAILER-UTILITY SHOP MADE	1978	POOR-SEE ATTACHED			12,000	
12102204	534544	1973 LOWBOY TRAILER 35 TON 28' DECK	1973	POOR-SEE ATTACHED	18,000			
12102204	534544	1970 LOWBOY TRAILER 25 TON 26' DECK	1970	POOR-SEE ATTACHED	16,000			
12102204	534544	1974 LOWBOY TRAILER 35 TON 28' DECK	1974	POOR-SEE ATTACHED	18,000			
12102204	534544	1970 LOWBOY TRAILER 25 TON 26' DECK	1970	POOR-SEE ATTACHED	16,000			
12102204	534544	1974 LOWBOY TRAILER 35 TON 28' DECK	1974	POOR-SEE ATTACHED			18,000	
12102204	534544	1973 REID LOWBOY TRAILER 25 TON 26' DECK	1973	POOR-SEE ATTACHED			16,000	
12102204	534544	1975 LOWBOY TRAILER 35 TON 28' DECK	1975	POOR-SEE ATTACHED			18,000	
12102204	534544	1970 LOWBOY TRAILER 35 TON 28' DECK	1970	POOR-SEE ATTACHED			18,000	
12102204	534544	1968 REID LOWBOY TRAILER 35 TON 26' DECK	1968	POOR-SEE ATTACHED			16,000	
Total by Fund/Account					\$68,000		\$98,000	

* Provide information from maintenance records, frequency of repairs, and other pertinent information such as mileage or hours of operation to assist in determining condition.

** Trade-in value will be shown as estimated receipts - "Sale of Surplus Property."

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

OTHER VEHICLE PURCHASE SCHEDULE
(For continuation requests only)

Section 4
Attachment 1
(Due 9/30/96)

Department DEHR Division or Institution FOREST RESOURCES Budget Code _____

FUND	ACCOUNT	DESCRIPTION (MAKE, TYPE, AND YEAR MODEL)	DATE PURCHASED (MONTH & YEAR) NUMBER	CONDITION*	1997-98		1998-99	
					TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)	TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)
12102204	534542	1953 CESSNA AIRCRAFT L19A N10714	1963	POOR-SEE ATTACHED	200,000		200,000	
12102204	534542	1953 CESSNA AIRCRAFT L19 N115	1963	POOR-SEE ATTACHED				
Total by Fund/Account					\$200,000		\$200,000	

* Provide information from maintenance records, frequency of repairs, and other pertinent information such as mileage or hours of operation to assist in determining condition.

** Trade-in value will be shown as estimated receipts - "Sale of Surplus Property."

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

ORIGINAL

LICENSED MOTOR VEHICLE PURCHASE SCHEDULE
(For continuation requests only)

Section 5
Attachment 8

Department DEHNR Division or Institution Forest Resources Budget Code 14300 (Due 9/30/96)

FUND	ACCOUNT	MAKE, TYPE, AND YEAR MODEL	DATE PURCHASED (MONTH AND YEAR)	ESTIMATED MILEAGE AS OF 6-30-97	1997-98		1998-99	
					TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)	TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)
12102201	534541	1986 GMC MECHANIC TRUCK 3/4 TON, 2WD	Dec-86	85,000	20,900	1,600		
12102201	534541	1990 DODGE MECHANIC TRUCK 3/4 TON, 2WD	Nov-90	73,500			20,900	1,600
12102201	534541	1990 DODGE MECHANIC TRUCK 3/4 TON, 2WD	Nov-90	69,000			20,900	1,600
12102201	534541	1989 DODGE VAN 1/2 TON	Oct-89	105,000	18,664	1,000		
12102201	534541	1988 CHEVROLET COMPACT 2WD	Sep-88	49,000			15,046	1,200
12102201	534541	1991 CHEVROLET COMPACT 2WD	Apr-90	71,000			15,046	1,200
12102201	534541	1991 CHEVROLET COMPACT 2WD	Apr-90	69,000			15,046	1,200
12102202	534541	1989 CHEVROLET TRUCK 1/2 TON	Apr-89	52,000			18,568	1,200
12102202	534541	1987 CHEVROLET TRUCK 3/4 TON	Feb-87	105,000	24,570	1,200		
12102202	534541	1992 DODGE VAN 3/4 TON	Mar-92	77,000			20,280	1,200
12102203	534541	1985 DODGE 4X4 3/4 TON	May-85	102,000	24,570	1,400		
12102203	534541	1986 FORD 4X4 3/4 TON	Apr-86	110,000	24,570	1,400		
12102203	534541	1990 FORD 4X4 CAB 1 TON	Jun-90	155,500	26,950	1,400		
12102203	534541	1990 CHEVROLET S-10 4X2	Apr-90	89,500			15,046	1,200
12102203	534541	1990 FORD 4X4 3/4 TON	May-90	87,000			24,570	1,400
12102203	534541	1990 CHEVROLET S-10 4X2	Apr-90	75,000			15,246	1,200
12102203	534541	1992 CHEVROLET VAN 1 TON 4X2 RADIO VAN	Apr-92	75,000			16,302	1,400
12102204	534541	1976 GMC TANDEM TRUCK TRACTOR	Jun-76	**	60,000			
12102204	534541	1976 GMC TANDEM TRUCK TRACTOR	Jun-76	**	60,000			
12102204	534541	1979 BRUIIN TANDEM TRUCK TRACTOR	Jun-79	**	60,000			
12102204	534541	1980 FORD 9000 TANDEM TRUCK TRACTOR	Jun-80	**	60,000			
12102204	534541	1982 BRIGADIER TEN WHEELER	Jul-82	**	80,000			
12102204	534541	1979 TANDEM TRUCK	Jun-79	**	60,000			
12102204	534541	1980 TANDEM TRUCK	Jun-80	**	60,000			
12102204	534541	1979 BRUIIN TANDEM TRUCK	Jun-79	**	60,000			
12102204	534541	1979 BRUIIN TANDEM TRUCK	Jun-79	**			60,000	
12102204	534541	1980 IHC TANDEM TRUCK	Jun-80	**			60,000	
12102204	534541	1980 IHC TANDEM TRUCK	Jun-80	**			60,000	
12102204	534541	1981 IHC TANDEM TRUCK	Jun-81	**			60,000	
12102013*	534541	1990 FORD 4X4 3/4 TON	Oct-90	92,000	24,570	1,400		
12102017*	534541	1990 CHEVROLET 4X4 3/4 TON	Oct-90	92,000	24,570	1,400		

LICENSED MOTOR VEHICLE PURCHASE SCHEDULE
(For continuation requests only)

Section 5
Attachment 8

Department

DEINR

Division or Institution Forest Resources

Budget Code

(Dec 9/30/96)
14300

FUND	ACCOUNT	MAKE, TYPE, AND YEAR MODEL	DATE PURCHASED (MONTH AND YEAR)	ESTIMATED MILEAGE AS OF 6-30-97	1997-98		1998-99	
					TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)	TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)
12102201	534541	1986 GMC MECHANIC TRUCK 3/4 TON, 2WD	Dec-86	85,000	20,900	1,600		
12102010	534541	1988 CHEVROLET 4X4 3/4 TON	Aug-88	105,000	24,570	1,400		
12102018*	534541	1989 FORD 4X4 3/4 TON	Apr-89	70,000			24,570	1,400
12102016*	534541	1991 FORD 4X4 3/4 TON	Sep-91	55,000			24,570	1,400
12102011*	534541	1993 FORD 4X4 3/4 TON	Oct-93	85,000			24,570	1,400
12102010	534541	1990 CHEVROLET 4X4 1/2 TON	Oct-90	80,000			18,568	1,200
12102010	534541	1989 FORD 4X4 3/4 TON	May-89	75,000			24,570	1,400
12102010	534541	1989 CHEVROLET 4X4 1/2 TON	Dec-89	75,000			19,800	1,200
12102010	534541	1989 CHEVROLET 4X4 1 TON	Jun-89	70,000			26,950	1,400
12102223*	534541	1984 FORD BRONCO 4X4	Jul-84	142,000	26,280	1,400		
12102013*	534541	1984 FORD BRONCO 4X4	Jul-84	140,000	26,280	1,400		
12102025*	534541	1989 CHEVROLET 4X4 1 TON	Mar-89	100,000	26,950	1,400		
12102026*	534541	1989 CHEVROLET 4X4 1 TON	Mar-89	100,000	26,950	1,400		
12102028*	534541	1989 CHEVROLET 4X4 1 TON	Mar-89	100,000	26,950	1,400		
12102022*	534541	1990 FORD 4X4 3/4 TON	Mar-90	100,000			24,570	1,400
12102026*	534541	1990 FORD 4X4 3/4 TON	Mar-90	100,000			24,570	1,400
12102025*	534541	1991 FORD 4X4 3/4 TON	Mar-91	95,000			24,570	1,400
12102027*	534541	1991 FORD 4X4 3/4 TON	Mar-91	95,000			24,570	1,400
12102020	534541	1990 FORD 4X4 3/4 TON	Mar-90	100,000			24,570	1,400
12102034*	534541	1990 CHEVROLET 4X4 3/4 TON	May-90	131,700	24,570	1,400		
12102032*	534541	1988 CHEVROLET 4X4 3/4 TON	Apr-88	127,616	24,570	1,400		
12102037*	534541	1990 CHEVROLET 4X4 3/4 TON	May-90	123,058	24,570	1,400		
12102031*	534541	1988 CHEVROLET 4X4 3/4 TON	Apr-88	122,222	24,570	1,400		
12102030	534541	1990 CHEVROLET 4X4 3/4 TON	May-90	118,192	24,570	1,400		
12102034*	534541	1989 CHEVROLET 4X4 3/4 TON	Apr-89	117,346	24,570	1,400		
12102036*	534541	1991 FORD 4X4 3/4 TON	Apr-91	115,440	24,570	1,400		
12102033*	534541	1988 CHEVROLET 4X4 3/4 TON	Apr-88	115,218	24,570	1,400		
12102030	534541	1989 CHEVROLET 4X4 3/4 TON	Apr-89	111,750	24,570	1,400		
12102035*	534541	1989 CHEVROLET 4X4 3/4 TON	Apr-89	110,385	24,570	1,400		
12102037*	534541	1991 FORD 4X4 3/4 TON	Apr-91	108,385	24,570	1,400		
12102034*	534541	1991 FORD 4X4 3/4 TON	Apr-91	107,500	24,570	1,400		

LICENSED MOTOR VEHICLE PURCHASE SCHEDULE
(For continuation requests only)

Section 5
Attachment 8

Department DEINR Division or Institution Forest Resources Budget Code 14300 (Due 9/30/96)

FUND	ACCOUNT	MAKE, TYPE, AND YEAR MODEL	DATE PURCHASED (MONTH AND YEAR)	ESTIMATED MILEAGE AS OF 6-30-97	1997-98		1998-99	
					TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)	TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)
12102201	534541	1986 GMC MECHANIC TRUCK 3/4 TON, 2WD	Dec-86	85,000	20,900	1,600		
12102030	534541	1988 CHEVROLET 4X4 3/4 TON	Apr-88	107,389	24,570	1,400		
12102030	534541	1990 CHEVROLET 4X4 3/4 TON	May-90	105,997	24,570	1,400		
12102030	534541	1989 CHEVROLET 4X4 3/4 TON	Apr-89	101,343	24,570	1,400		
12102038*	534541	1992 CHEVROLET 4X4 3/4 TON	Apr-92	97,000	24,570	1,400		
12102033*	534541	1989 CHEVROLET 4X4 3/4 TON	Apr-89	116,437			24,570	1,400
12102031*	534541	1989 CHEVROLET 4X4 3/4 TON	Apr-89	116,081			24,570	1,400
12102035*	534541	1992 CHEVROLET 4X4 3/4 TON	Apr-92	108,532			24,570	1,400
12102032*	534541	1992 FORD 4X4 3/4 TON	Apr-92	104,489			24,570	1,400
12102038*	534541	1993 CHEVROLET 4X4 3/4 TON	May-93	103,750			24,570	1,400
12102043	534541	1989 CHEVROLET 4X4 3/4 TON	Oct-89	113,000	24,570	1,400		
12102047*	534541	1989 CHEVROLET 4X4 3/4 TON	Oct-89	103,000	24,570	1,400		
12102041*	534541	1992 CHEVROLET 4X4 3/4 TON	Sep-92	100,000	24,570	1,400		
12102044*	534541	1991 FORD 4X4 3/4 TON	Sep-91	69,000			24,570	1,400
12102042*	534541	1993 CHEVROLET 4X4 3/4 TON	Oct-93	68,000			24,570	1,400
12102043*	534541	1993 CHEVROLET 4X4 3/4 TON	Oct-93	64,000			24,570	1,400
12102046*	534541	1991 FORD 4X4 3/4 TON	Sep-91	105,000	24,570	1,400		
12102047*	534541	1991 FORD 4X4 3/4 TON	Sep-91	83,000			24,570	1,400
12102040	534541	1989 CHEVROLET 4X4 3/4 TON	Dec-89	100,000	24,570	1,400		
12102040	534541	1991 CHEVROLET 1/2 TON 2WD	Oct-90	75,000			15,046	1,200
12102040	534541	1992 FORD 3/4 TON 2WD	Sep-92	74,000			20,900	1,200
12102051*	534541	1988 CHEVROLET 4X2 3/4 TON	Apr-88	117,000	20,902	1,200		
12102054*	534541	1990 FORD 4X4 1 TON	Apr-90	120,000	26,950	1,400		
12102055*	534541	1988 CHEVROLET 4X2 3/4 TON	Apr-88	115,000	20,900	1,200		
12102056*	534541	1987 CHEVROLET 4X2 3/4 TON	Apr-87	155,000	20,900	1,200		
12102057*	534541	1987 CHEVROLET 4X2 3/4 TON	Apr-87	123,000	20,900	1,200		
12102058*	534541	1988 CHEVROLET 4X2 3/4 TON	Apr-88	138,500	20,900	1,200		
12102057*	534541	1988 CHEVROLET 4X4 3/4 TON	Apr-88	125,000			24,570	1,200
12102058*	534541	1988 CHEVROLET 4X2 3/4 TON	Apr-88	150,000	20,900	1,200		
12102060	534541	1988 CHEVROLET 4X2 MECHANIC	May-88	115,000	26,950	1,600		
12102221	534541	1989 CHEVROLET 4X2	Apr-89	130,000	20,900	1,200		
12102065*	534541	1990 CHEVROLET 4X4	Apr-90	130,000	24,570	1,200		

LICENSED MOTOR VEHICLE PURCHASE SCHEDULE
(For continuation requests only)

Section 5
Attachment 8

Department DEHNR Division or Institution Forest Resources Budget Code 14300 (Due 9/30/96)

FUND	ACCOUNT	MAKE, TYPE, AND YEAR MODEL	DATE PURCHASED (MONTH AND YEAR)	ESTIMATED MILEAGE AS OF 6-30-97	1997-98		1998-99	
					TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)	TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)
12102201	534541	1986 GMC MECHANIC TRUCK 3/4 TON, 2WD	Dec-86	85,000	20,900	1,600		
12102062*	534541	1991 FORD 4X4	Apr-91	130,000	24,570	1,200		
12102066*	534541	1991 FORD 4X4	Apr-91	135,000	24,570	1,200		
12102061*	534541	1991 FORD 4X4	Jul-91	115,000	24,570	1,200		
12102060	534541	1988 CHEVROLET 4X2 MECHANIC	May-88	130,000	26,950	1,600		
12102062*	534541	1990 CHEVROLET 4X4	Apr-90	120,000	24,570	1,200		
12102063*	534541	1990 CHEVROLET 4X4	May-90	95,000			24,570	1,200
12102064*	534541	1990 CHEVROLET 4X4	Apr-89	110,000	24,570	1,200		
12102065*	534541	1991 FORD 4X4	Apr-91	115,000	24,570	1,200		
12102066*	534541	1990 DODGE 4X4	Jun-90	100,000	24,570	1,200		
12102221	534541	1987 CHEVROLET 4X4	Apr-87	100,000			24,570	1,200
12102063*	534541	1992 CHEVROLET 4X4	Mar-92	95,000			24,570	1,200
12102072*	534541	1991 FORD 2X4 3/4 TON	Apr-91	66,000			24,570	1,200
12102074*	534541	1992 CHEVROLET 4X4 3/4 TON	Feb-92	71,000			24,570	1,400
12102070	534541	1992 FORD RANGER 1/2 TON	Jun-92	70,000			15,046	1,200
12102085*	534541	1988 CHEVROLET 4X4 3/4 TON	Feb-88	165,000	24,570	1,400		
12102080	534541	1988 CHEVROLET 4X4 1 TON	Feb-88	150,000	26,950	1,400		
12102080	534541	1988 CHEVROLET MECHANIC 3/4 TON	Feb-88	115,000	24,570	1,600		
12102080	534541	1987 CHEVROLET 4X4 3/4 TON	Feb-88	125,000	24,570	1,400		
12102222	534541	1988 DODGE 1/2 TON	Feb-88	85,000			26,950	1,200
12102222	534541	1988 DODGE 1/2 TON	Feb-88	85,000			26,950	1,200
12102086*	534541	1989 CHEVROLET 4X4 1 TON	Feb-89	80,000			26,950	1,400
12102080	534541	1989 CHEVROLET 3/4 TON	Feb-89	140,000	20,900	1,200		
12102081*	534541	1990 FORD 4X4 3/4 TON	Feb-90	130,000	24,570	1,400		
12102084*	534541	1990 FORD 4X4 3/4 TON	Feb-90	110,000	24,570	1,400		
12102080	534541	1990 DODGE MECHANIC 3/4 TON	Feb-90	82,000			26,950	1,600
12102080	534541	1990 CHEVROLET 3/4 TON	Feb-90	150,000	20,900	1,200		
12102080	534541	1990 CHEVROLET 4X4 3/4 TON	Feb-90	135,000	24,570	1,400		
12102081*	534541	1991 FORD 4X4 3/4 TON	Feb-91	100,000	24,570	1,400		
12102084*	534541	1991 FORD 4X4 3/4 TON	Feb-91	90,000			24,570	1,400
12102085	534541	1991 FORD 4X4 3/4 TON	Feb-91	150,000	24,570	1,400		
12102083	534541	1992 CHEVROLET 4X4 3/4 TON	Feb-92	115,000	24,570	1,400		
12102080	534541	1992 FORD MECHANIC 3/4 TON	Feb-92	70,000			26,950	1,600

LICENSED MOTOR VEHICLE PURCHASE SCHEDULE
(For continuation requests only)

Section 5
Attachment 8

Department

DEHNR

Division or Institution Forest Resources

Budget Code

(Due 9/30/96)
14300

FUND	ACCOUNT	MAKE, TYPE, AND YEAR MODEL	DATE PURCHASED (MONTH AND YEAR)	ESTIMATED MILEAGE AS OF 6-30-97	1997-98		1998-99	
					TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)	TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)
12102201	534541	1986 GMC MECHANIC TRUCK 3/4 TON, 2WD	Dec-86	85,000	20,900	1,600		
12102082*	534541	1993 CHEVROLET 4X4 3/4 TON	Feb-93	77,000			24,570	1,400
12102083*	534541	1994 CHEVROLET 4X4 3/4 TON	Feb-94	75,000			24,570	1,400
12102095*	534541	1986 FORD 4X4 3/4 TON	Dec-86	100,000	24,570	1,400		
12102093*	534541	1988 CHEVROLET 4X4 3/4 TON	Nov-88	100,000	24,570	1,400		
12102097*	534541	1987 CHEVROLET 4X4 3/4 TON	Sep-87	100,000			24,570	1,400
12102090	534541	1989 FORD 4X4 3/4 TON	Jan-90	100,000			24,570	1,400
12102107*	534541	1992 CHEVROLET 4X4 3/4 TON	May-92	102,000	24,570	1,400		
12102109*	534541	1992 FORD 4X4 3/4 TON	May-92	92,000	24,570	1,400		
12102202	534541	1992 DODGE VAN 3/4 TON	Apr-92	77,000			20,900	1,200
12102100	534541	1989 CHEVROLET 3/4 TON	Apr-89	131,000	20,900	1,200		
12102100	534541	1988 CHEVROLET 4X4 3/4 TON	May-88	81,000			24,570	1,400
12102101*	534541	1993 FORD 4X4 3/4 TON	Apr-93	68,000			24,570	1,400
12102103*	534541	1993 FORD 4X4 3/4 TON	Apr-93	77,000			24,570	1,400
12102104*	534541	1993 FORD 4X4 3/4 TON	Apr-93	69,000			24,570	1,400
12102106*	534541	1993 CHEVROLET 4X4 3/4 TON	May-93	90,000	24,570	1,400		
12102155*	534541	1993 CHEVROLET 4X4 3/4 TON	May-93	74,000			24,570	1,400
12102110	534541	1990 CHEVROLET 2X4 1/2 TON	May-90	125,000	18,568	1,200		
12102110	534541	1990 CHEVROLET 2X4 1/2 TON	May-90	125,000	19,800	1,200		
12102110	534541	1988 CHEVROLET 2X4 3/4 TON	Mar-88	115,000	20,900	1,200		
12102113*	534541	1992 CHEVROLET 4X4 3/4 TON	Apr-92	80,000			24,570	1,400
12102116*	534541	1992 CHEVROLET 4X4 3/4 TON	Apr-92	85,000			24,570	1,400
12102112*	534541	1993 CHEVROLET 4X4 3/4 TON	May-93	70,000			24,570	1,400
12102114*	534541	1993 CHEVROLET 4X4 3/4 TON	May-93	75,000			24,570	1,400
12102115*	534541	1993 CHEVROLET 4X4 3/4 TON	May-93	70,000			24,570	1,400
12102126*	534541	1990 FORD 4X4 3/4 TON	Apr-90	90,000	24,570	1,400		
12102122*	534541	1992 FORD 4X4 3/4 TON	Apr-92	91,000	24,570	1,400		
12102121*	534541	1992 FORD 4X4 3/4 TON	Apr-92	85,000			24,570	1,400
12102122*	534541	1993 FORD 4X4 3/4 TON	Apr-93	80,000	24,570	1,400		
12102120	534541	1989 CHEVROLET 4X4 1 TON	May-90	121,000	26,950	1,400		
12102130	534541	1992 FORD RANGER 2X4	May-92	75,000			15,046	1,200

LICENSED MOTOR VEHICLE PURCHASE SCHEDULE
(For continuation requests only)

Section 5
Attachment 8

Department DEHNR Division or Institution Forest Resources Budget Code 14300 (Due 9/30/96)

FUND	ACCOUNT	MAKE, TYPE, AND YEAR MODEL	DATE PURCHASED (MONTH AND YEAR)	ESTIMATED MILEAGE AS OF 6-30-97	1997-98		1998-99	
					TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)	TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)
12102201	534541	1986 GMC MECHANIC TRUCK 3/4 TON, 2WD	Dec-86	85,000	20,900	1,600		
12102132*	534541	1988 CHEVROLET 4X4 3/4 TON	May-88	175,000	24,570	1,400		
12102132*	534541	1989 CHEVROLET 4X4 3/4 TON	Jun-89	130,000	24,570	1,400		
12102132*	534541	1989 CHEVROLET 4X4 3/4 TON	Jun-89	137,000	24,570	1,400		
12102131*	534541	1993 CHEVROLET 4X4 3/4 TON	Jun-93	130,000	24,570	1,400		
12102133*	534541	1988 CHEVROLET 4X4 3/4 TON	May-88	95,000	24,570	1,400		
12102134*	534541	1987 CHEVROLET 2X4 1/2 TON	Jun-87	155,000	18,568	1,200		
12102134*	534541	1991 CHEVROLET 4X4 3/4 TON	Jun-91	110,000	24,570	1,400		
Total by Fund/Account					\$2,546,572	\$114,800	\$1,706,756	\$86,200
Less: Motor vehicles included in 1996-97 Authorized Year					\$568,578	76,800	\$568,578	76,800
Less: County Receipts*					\$518,134		\$342,741	
Net Amount to Worksheet I					\$1,459,860	\$38,000	\$795,437	\$9,400

*Represents County Vehicles

** Trade-in value will be shown as estimated receipts - "Sale of Surplus Property."

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

OTHER VEHICLE PURCHASE SCHEDULE

(For continuation requests only)

Section 5
Attachment 9

(Due 9/30/96)

DEPARTMENT DEINR

Division or Institution FOREST RESOURCES

Budget Code 14300

FUND	ACCOUNT	DESCRIPTION (MAKE, TYPE, AND YEAR MODEL)	DATE PURCHASED (MONTH & YEAR) NUMBER	CONDITION*	1997-98		1998-99	
					TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)	TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)
12102204	534544	FARM TRAILER-UTILITY SHOP MADE	1978	POOR-SEE ATTACHED				
12102204	534544	1973 LOWBOY TRAILER 35 TON 28' DECK	1973	POOR-SEE ATTACHED	18,000		12,000	
12102204	534544	1970 LOWBOY TRAILER 35 TON 26' DECK	1970	POOR-SEE ATTACHED	16,000			
12102204	534544	1974 LOWBOY TRAILER 35 TON 28' DECK	1974	POOR-SEE ATTACHED	18,000			
12102204	534544	1970 LOWBOY TRAILER 35 TON 26' DECK	1970	POOR-SEE ATTACHED	16,000			
12102204	534544	1974 LOWBOY TRAILER 35 TON 28' DECK	1974	POOR-SEE ATTACHED			18,000	
12102204	534544	1973 REID LOWBOY TRAILER 35 TON 26' DECK	1973	POOR-SEE ATTACHED			16,000	
12102204	534544	1975 LOWBOY TRAILER 35 TON 28' DECK	1975	POOR-SEE ATTACHED			18,000	
12102204	534544	1970 LOWBOY TRAILER 35 TON 28' DECK	1970	POOR-SEE ATTACHED			18,000	
12102204	534544	1968 REID LOWBOY TRAILER 35 TON 26' DECK	1968	POOR-SEE ATTACHED			16,000	
Total by Fund/Account					\$68,000		\$98,000	

* Provide information from maintenance records, frequency of repairs, and other pertinent information such as mileage or hours of operation to assist in determining condition.

** Trade-in value will be shown as estimated receipts - "Sale of Surplus Property."

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

OTHER VEHICLE PURCHASE SCHEDULE

(For continuation requests only)

Section 5
Attachment 9
(Due 9/30/96)

DEPARTMENT DEINR

Division or Institution FOREST RESOURCES

Budget Code 14300

FUND	ACCOUNT	DESCRIPTION (MAKE, TYPE, AND YEAR MODEL)	DATE PURCHASED (MONTH & YEAR) NUMBER	CONDITION*	1997-98		1998-99	
					TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)	TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)
12102204	534549	1978 FIAT 8 TRACTOR L.G.P MED 100HP	1978	POOR-SEE ATTACHED	105,000			
12102204	534549	1978 FIAT 8 TRACTOR 90 HP STANDARD	1978	POOR-SEE ATTACHED	80,000			
12102204	534549	1978 FIAT 8 TRACTOR L.G.P MED 100HP	1978	POOR-SEE ATTACHED	105,000			
12102204	534549	1978 FIAT 8 TRACTOR 90 HP STANDARD	1978	POOR-SEE ATTACHED	80,000			
12102204	534549	1978 CASE 1150B 120HP HEAVY L.P.G	1978	POOR-SEE ATTACHED			130,000	
12102204	534549	1979 CASE 1150B 120 HP HEAVY L.P.G	1979	POOR-SEE ATTACHED			130,000	
12102204	534549	1980 FIAT 8 TRACTOR 90 HP STANDARD	1980	POOR-SEE ATTACHED			80,000	
12102204	534549	1978 CASE 1150B 120HP HEAVY L.P.G	1978	POOR-SEE ATTACHED			110,000	
12102204	534549	1973 TRACTOR TDISC 120HP HEAVY L.P.G	1973	POOR-SEE ATTACHED			130,000	
12102204	534549	1972 FORD TRACTOR 3000	1972	POOR-SEE ATTACHED			25,000	
12102204	534549	1974 FORD TRACTOR 5000	1974	POOR-SEE ATTACHED			55,000	
Total by Fund/Account					370,000		680,000	

* Provide information from maintenance records, frequency of repairs, and other pertinent information such as mileage or hours of operation to assist in determining condition.

** Trade-in value will be shown as estimated receipts - "Sale of Surplus Property."

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

OPERATING RESERVE

R-70

Department of EHNR
1997-99 Operating Reserve
Continuation Budget

Division of Parks and Recreation

JUSTIFICATION FOR FUNDING

Since 1993, numerous new acquisitions and facilities have been authorized by the NC General Assembly to be added to the State Parks System. These projects have been funded by the 1993 State Parks Bond Referendum, and by a 1995 capital appropriation of \$10,000,000. In addition, two new parks have been added to the system. These new parks were authorized by the General Assembly, and the acquisitions were funded by the Natural Heritage Trust Fund. Most of these new facilities and acquisitions are expected to be completed within the next biennial budget cycle. Therefore, funding for the operation of these previously authorized projects is requested from the 1997-99 Operating Reserves.

STATE PARKS BOND PROJECTS

Funding is requested for operation of the following projects which were funded by the 1993 State Parks Bond:

Bushy Lake State Natural Area - 1050 acres
Carolina Beach State Park - Visitor center
Cliffs of the Neuse State Park - Office, bathhouse, campground
Crowders Mountain State Park - Visitor center
Crowders Mountain State Park - 292 acres
Duke Power State Park - Community building
Eno River State Park - Picnic area
Fort Fisher State Recreation Area - Visitor contact station
Fort Macon State Park - Fort restoration
Goose Creek State Park - Visitor center/Phase I Environmental education center
Hanging Rock State Park - Visitor center
Hanging Rock State Park - 350 acres
Jockey's Ridge State Park - Visitor center/Concession building
Kerr Lake State Recreation Area - Visitor center/Development
Lake James State Park - Maintenance building
Lake Waccamaw State Park - Visitor center
Lumber River State Park - Office, picnic area, campground at Princess Ann Access
Lumber River State Park - 1500 acres
Merchants Millpond State Park - Picnic area
Medoc Mountain State Park - Office, campground, maintenance buildings
Morrow Mountain State Park - Campground, maintenance area

OTHER VEHICLE PURCHASE SCHEDULE
(For continuation requests only)

Section 4
Attachment 9
(Due 9/30/96)

Department DEINR Division or Institution FOREST RESOURCES Budget Code _____

FUND	ACCOUNT	DESCRIPTION (MAKE, TYPE, AND YEAR MODEL)	DATE PURCHASED (MONTH & YEAR) NUMBER	CONDITION*	1997-98		1998-99	
					TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)	TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)
12102204	534542	1953 CESSNA AIRCRAFT L19A N10714	1963	POOR-SEE ATTACHED	200,000		200,000	
12102204	534542	1953 CESSNA AIRCRAFT L19 N2FS	1963	POOR-SEE ATTACHED				
Total by Fund/Account					\$200,000		\$200,000	

- * Provide information from maintenance records, frequency of repairs, and other pertinent information such as mileage or hours of operation to assist in determining condition.
- ** Trade-in value will be shown as estimated receipts - "Sale of Surplus Property."

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

R-57

OTHER VEHICLE PURCHASE SCHEDULE

(For continuation requests only)

DEPARTMENT DEINR

Division or Institution

FOREST RESOURCES

Budget Code

FUND	ACCOUNT	DESCRIPTION (MAKE, TYPE, AND YEAR MODEL)	DATE PURCHASED (MONTH & YEAR) NUMBER	CONDITION*	1997-98		1998-99	
					TOTAL COST	TRADE-IN VALUE** (IF APPLICABLE)	TOTAL COST	(1)
12102204	534544	FARM TRAILER-UTILITY SHOP MADE	1978	POOR-SEE ATTACHED			12,000	
12102204	534544	1973 LOWBOY TRAILER 35 TON 28' DECK	1973	POOR-SEE ATTACHED	18,000			
12102204	534544	1970 LOWBOY TRAILER 25 TON 26' DECK	1970	POOR-SEE ATTACHED	16,000			
12102204	534544	1974 LOWBOY TRAILER 35 TON 28' DECK	1974	POOR-SEE ATTACHED	18,000			
12102204	534544	1970 LOWBOY TRAILER 25 TON 26' DECK	1970	POOR-SEE ATTACHED	16,000			
12102204	534544	1974 LOWBOY TRAILER 35 TON 28' DECK	1974	POOR-SEE ATTACHED			18,000	
12102204	534544	1973 REID LOWBOY TRAILER 25 TON 26' DECK	1973	POOR-SEE ATTACHED			16,000	
12102204	534544	1975 LOWBOY TRAILER 35 TON 28' DECK	1975	POOR-SEE ATTACHED			18,000	
12102204	534544	1970 LOWBOY TRAILER 35 TON 28' DECK	1970	POOR-SEE ATTACHED			18,000	
12102204	534544	1968 REID LOWBOY TRAILER 35 TON 26' DECK	1968	POOR-SEE ATTACHED			16,000	
Total by Fund/Account					\$68,000		\$98,000	

- * Provide information from maintenance records, frequency of repairs, and other pertinent information such as mileage or hours of operation to assist in determining condition.

** Trade-in value will be shown as estimated receipts - "Sale of Surplus Property."

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

Handout # -

ADDITIONAL ITEMS FOR COMMITTEE CONSIDERATION

R-153

Senate Subcommittee on Natural and Economic Resources

Agriculture

GENERAL FUND

	FY 97-98		FY 98-99
Recommended Continuation Budget	\$49,480,730		\$49,688,983
Legislative Changes			
Agricultural Finance Authority			
1 Reduce General Fund Appropriation	(\$10,000)	R	(\$10,000) R
Reduce the general fund appropriation to the Authority by utilizing the interest income earned by the Farm Reserve Loan Fund for the Authority's operating expenses.			
Total Legislative Changes	(\$10,000)	R	(\$10,000) R
Position Changes			
Revised Budget	\$49,470,730		\$49,678,983

R-154

Senate Subcommittee on Natural and Economic Resources

Labor

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Continuation Budget	\$16,068,855		\$15,986,184	
Legislative Changes				
OSHNC Division				
2 Transfer Enforcement Positions to Federal Support	(\$192,546)	R	(\$192,546)	R
Shifts six OSH Enforcement Positions from 100% state funded support to a combination of 50% federal and 50% state funded support.	-6.00		-6.00	
Total Legislative Changes	(\$192,546)	R	(\$192,546)	R
Position Changes	-6.00		-6.00	
Revised Budget	\$15,876,309		\$15,793,638	

R-155

Environment, Health, and Natural Resources

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Continuation Budget	\$253,269,888		\$252,502,338	
Legislative Changes				
(2.00) Marine Fisheries				
3 Reduce Marine Fisheries Patrol Equipment	(\$187,321)	R	(\$187,321)	R
Reduce equipment budget to reflect reduced equipment needs associated with the Marine Fisheries law enforcement expansion request funded in 1995, in accordance with the five year fiscal estimate submitted by the division.				
(4.00) Maternal and Child Health				
4 WIC Program Funds	(\$200,000)	R	(\$200,000)	R
Reduce state support for the WIC program.				
Total Legislative Changes	(\$387,321)	R	(\$387,321)	R
Position Changes				
Revised Budget	\$252,882,567		\$252,115,017	

R-156

Senate Subcommittee on Natural and Economic Resources

Commerce

GENERAL FUND

	FY 97-98	FY 98-99
Recommended Continuation Budget	\$37,221,648	\$37,240,885
Legislative Changes		
Economic Development Program		
5 Eliminate Governor's Economic Policy Adviser	~~(\$94,587)~~	~~(\$94,748)~~
Eliminates the Governor's Economic Policy Adviser position located in the Department of Commerce.	-1.00	-1.00
Executive Aircraft		
6 Eliminate Aircraft	~~(\$500,000)~~	~~(\$500,000)~~
Eliminate 1 aircraft from the continuation budget.		
Global TransPark Marketing		
7 Eliminate Support for Global TransPark Marketing	~~(\$322,036)~~	~~(\$322,036)~~
Eliminates General Fund transfer from the Department of Commerce to the Global TransPark Authority in the Department of Transportation for marketing the Global TransPark.		
Reserves and Transfers		
8 Reduce Support for the Regional Commissions	~~(\$225,000)~~	~~(\$225,000)~~
Reduces grant-in-aid support for the seven Regional Economic Development Commissions from \$4.68 million to \$4.455 million.		
Total Legislative Changes	(\$1,141,623) R	(\$1,141,784) R
Position Changes	-1.00	-1.00
Revised Budget	\$36,080,025	\$36,099,101

rejected

rejected

rejected

accepting cuts

PARK NAME	PROJECT NAME	NUMBER OF PERM STAFF	TOTAL DOLLARS 1ST YEAR	TOTAL DOLLARS 2ND YEAR
BULA	1050 acres	2	73,071	59,379
CABE	visitor center	2	168,410	89,882
CLNE	office/bathhouse, campground	1	54,274	49,020
CRMO	visitor center	3	132,127	137,427
CRMO	292 acres	1	51,183	30,333
DUPO	community bldg.	2	71,787	71,072
ENRI	picnic area	1	50,124	24,594
* FALA	1050 acres	3	92,176	81,983
FOFI	visitor station	3	192,078	128,044
FOMA	Fort restoration	1	34,751	29,956
GOGR	education center	3	283,183	191,585
HARO	Visitor Center	3	228,005	166,958
HARO	350 acres	1	49,083	28,783
JORI	visitor center and concession	3	179,094	138,432
* KELA	visitor center	5	253,990	213,543
LAJA	maint. bldg.	0	9,467	8,261
LAWA	visitor center	3	255,396	118,593
LURI	Princess Ann	3	145,377	131,628
LURI	1500 acres	2	83,283	63,266
MEMO	campground, maintenance residence	2	198,630	104,141
MEMI	picnic area	2	86,354	63,828
MOMO	campground, maintenance area	1	49,320	53,944
MOJE	trail development	2	69,762	59,360
MOMI	museum/ access utilities	1	64,211	62,624
MOMI	350 acres	1	0	49,883
NERI	development wagoner road	3	208,238	163,445
OCMO	150 acres	1	68,953	53,935
PETT	access dev.	2	92,073	64,193
RARO	maint. area	0	56,544	21,224
RUHI	130 acres	1	56,283	29,583
SILA	camp	1	132,836	59,656
SOMO	camp/picnic shelter	2	65,732	23,596
STMO	picnic area	2	114,587	89,300
STMO	426 acres	1	35,767	28,833
WEWO	97 acres	1	37,335	30,083
WIUM	visitor center	3	163,913	171,148
TOTAL		68	3,907,397	2,891,515

* = RESERVOIR OPERATIONS

SOURCE: DIVISION OF PARKS & RECREATION



1997-99 Biennium

\$500,000 Cut

62 Trucks

\$1 Million Cut

69 Trucks

5 Tractors

9 Trailers



Division of Maternal and Child Health
History Expenditures of WIC Program Funds

Category	Maximum Allowed *	FY 93-94	FY 94-95	FY 95-96	Authorized FY 96-97	Average
New WIC Programs	500,000	157,901	221,373	173,638	191,616	186,132
Renovations **	250,000	145,452	470,308	347,168	107,035	267,491
Special Formula	300,000	87,424	201,288	142,273	250,000	170,246
Farmer's Market Project	60,000	57,398	60,000	20,232	60,000	49,408
Nutrition Internships ***	170,000	NA	NA	-	60,000	30,000
WIC Food Supplements	-	-	219,028	-	281,349	125,094
Total	1,280,000	448,175	1,171,997	683,311	950,000	828,371

* Proposed 1997-99 Biennium

** Prior to the 1996-97 fiscal year, the special provision allowed up to \$500,000 to be spent on renovations

*** Category approved beginning with 1995-96 fiscal year.

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Natural and Economic Resources

3-26-97

Name of Committee

Date _____

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

ADAM SEARING

NC Health A

Styre Martha

Div. of Epidemiology - DEHR

R. LOGS

HNK

Debra Atkinson

ElitNR - Statistics

John Morris

ETHNR

Frank Bondano

NCAFA

Eliza Fowell

USA

Shirley Harris

ENR

Mary Greene

GNR

John D. Smith

CCNC

J. W. Ford

OSBm

Toburn Coan

PSRM

Shopping Notion

DERM

Don't know

DEHNIR

Alfred W. Smith

DE HAN

✓ (banned)

DEWAR

Russell Hegeman

DEHNR - Div of Air Quality

~~John Burnett~~

DEKUR / *musculum*

Run 5. Basket

DELHI MUSEUM

Peter Daniel

N C D A

**Senate Appropriations Subcommittee
On
Natural and Economic Resources**

Thursday, March 27, 1997 at 8:30.a.m.

MINUTES

The Senate Appropriations Subcommittee on Natural and Economic Resources met on Thursday, March 27, 1997 at 8:30 a.m. in Room 423 of the Legislative Office Building. Six Senate members attended the meeting, including the Chair, Senator R.L. "Bob" Martin, who presided.

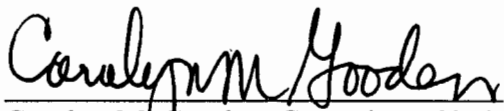
Senator Martin, Chairman, called the meeting to order. Ms. Mona Moon, Fiscal Research Division, was recognized to finish the recommendations for the Department of Environment, Health, and Natural Resources (DEHNR). The handout is R-157, Attachment A of these minutes. This was an additional item for possible Committee Discussion. This was a reduction of \$200,000. The Committee agreed with this reduction.

The next item on the agenda was presented by Ms. Jennifer Herrera, Fiscal Research Division. This is Attachment B of these minutes. This item gave an update on what the Committee had done to date.

The next item presented was the Special Provision package for the Committee to review. Mr. Mark Trogdon, Ms. Mona Moon, and Ms. Jennifer Herrera, Fiscal Research Division, reviewed the Special Provisions. This is Attachment C of these minutes. Special Provision 69, DWI Test Changes, was tentatively flagged pending additional information.

Senator Martin thanked staff for the hard work they had done for this Committee.

The meeting adjourned at 10:00 a.m.


Carolyn M. Gooden, Committee Clerk


Senator R.L. Martin, Chairman

Additional Item for Possible Committee Discussion

Department of Environment, Health, and Natural Resources

Division of Air Quality

Given that the division's cash balances are increasing as a result of growth in receipts the committee may wish to consider reducing the division's general fund appropriation.

Increase Receipts

	<u>FY 97-98</u>	<u>FY 98-99</u>
Increase the budgeted amount of program receipts and reduce general fund appropriation by an equal amount.	(200,000)	(200,000)

Senate Subcommittee on Natural and Economic Resources

Agriculture

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Continuation Budget	\$49,480,730		\$49,688,983	
Legislative Changes				
Agricultural Finance Authority				
1 Reduce General Fund Appropriation	(\$10,000)	R	(\$10,000)	R
Reduce the general fund appropriation to the Authority by utilizing the interest income earned by the Farm Reserve Loan Fund for the Authority's operating expenses.				
Maritime Museum				
2 Transfer Maritime Museum to Cultural Resources	(\$792,227)	R	(\$786,713)	R
Transfer positions, equipment, and operating support for the North Carolina Maritime Museum to the Department of Cultural Resources.				
	-17.25		-17.25	
Requirements	\$792,527	\$787,013		
Receipts	(\$ 300)	(\$ 300)		
Appropriation	\$792,227	\$786,713		
Total Legislative Changes	(\$802,227)	R	(\$796,713)	R
Position Changes	-17.25		-17.25	
Revised Budget	\$48,678,503		\$48,892,270	

Environment, Health, and Natural Resources

GENERAL FUND

	FY 97-98	FY 98-99
Recommended Continuation Budget	\$253,269,888	\$252,502,338

Legislative Changes**(2.00) Forest Resources**

3 Reduce equipment	(\$200,000)	R	(\$200,000)	R

Reduce communications equipment budget.

4 Increase Receipts	(\$120,000)	R	(\$120,000)	R

Increase receipts collected by counties. Counties share in the cost of forestry operations with a match based on the tax base of the county.

5 Defer Equipment Replacement	(\$500,000)	R	(\$500,000)	R

Defer replacement of certain property, plant and equipment items in forestry field operations.

(2.00) Marine Fisheries

6 Moratorium Steering Committee	(\$25,000)	R	(\$25,000)	R

Eliminate funding for the Fisheries Moratorium Steering Committee, which submitted its final report to the Joint Legislative Commission on Seafood and Aquaculture in October 1996.

7 Reduce Marine Fisheries Patrol Equipment	(\$187,321)	R	(\$187,321)	R

Reduce equipment budget to reflect reduced equipment needs associated with the Marine Fisheries law enforcement expansion request funded in 1995, in accordance with the five year fiscal estimate submitted by the division.

8 Operating Reserve for Patrol Vessel			\$97,436	R

Fund vessel operating reserve for the 1998-99 fiscal year. The reserve is for a patrol vessel funded with a 1996-97 capital improvement appropriation and was omitted from the continuation budget by error.

(2.00) Parks and Recreation

9 Reduce Operating Reserve	(\$300,000)	NR		

Reduce operating reserve for State Parks System.

Senate Subcommittee on Natural and Economic Resources

(5.00) Reserves and Special Funds

10 Water Conservation and Infrastructure District

(\$500,000) R (\$500,000) R

Nonrecurring funds appropriated for the District by the 1995 General Assembly were not eliminated from the 1997-99 continuation budget in error.

(6.00) Department Wide

11 Salary Reductions/Span of Control

(\$2,335,425) R (\$2,335,425) R

Represents the Department's allocated share of this overall reduction.

Total Legislative Changes

(\$3,867,746) R (\$3,770,310) R
(\$300,000) NR

Position Changes

Revised Budget

\$249,102,142 \$248,732,028

Commerce

GENERAL FUND

	FY 97-98		FY 98-99
Recommended Continuation Budget	\$37,221,648		\$37,240,885
Legislative Changes			
Administrative Services			
12 Budget Indirect Cost Receipts	(\$52,000)	R	(\$52,000) R
Increase the budgeted amount of indirect costs receipts and reduce general fund appropriation by an equal amount.			
Department Wide			
13 Salary Reductions/Span of Control Study	(\$672,485)	R	(\$672,485) R
Represents the Department's allocated share of this overall reduction.			
Economic Development Program			
14 Reduce Support for Data Processing & Subscriptions	(\$29,000)	R	(\$29,000) R
Reduce funding support for data processing services, subscriptions, and membership dues.			
Executive Aircraft			
15 Reduce Repair Funds	(\$188,000)	R	(\$188,000) R
Reduce funding support for aircraft repair.			
Film Office			
16 Reduce Travel	(\$25,000)	R	(\$25,000) R
Reduce budget for board and nonemployee transportation.			
Industrial Commission			
17 Budget Hearing Cost Receipts	(\$202,000)	R	(\$202,000) R
Increase the budgeted amount of the Commission's Hearing Cost receipts and reduce general fund appropriations by an equal amount.			
Reserves and Transfers			
18 Reduce Support for the Regional Commissions	(\$225,000)	R	(\$225,000) R
Reduces grant-in-aid support for the seven Regional Economic Development Commissions from \$4.68 million to \$4.455 million.			

Senate Subcommittee on Natural and Economic Resources

Travel and Tourism

19 Budget Additional Receipts

(\$12,000) R (\$12,000) R

Increase the amount of budgeted receipts and reduce general fund appropriation by an equal amount.

Total Legislative Changes

(\$1,405,485) R (\$1,405,485) R

Position Changes

Revised Budget

\$35,816,163 \$35,835,400

Handout C

CODE NO. 97COMM-S001

SP. 30

Requested by: Senator Martin of Pitt

INDUSTRIAL DEVELOPMENT FUND/LOCAL MATCH

1 Sec. @. Local governments requesting financial
2 assistance from the Industrial Development Fund that wish to
3 request to be exempted from the local matching requirements
4 placed on the receipt of this assistance shall demonstrate to the
5 satisfaction of the Department of Commerce that it would be an
6 economic hardship for the local government to match State
7 assistance from the Fund with local funds. The Department shall
8 develop guidelines for determining hardship.

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Requested by: Senator Martin of Pitt

REGIONAL COMMISSION REPORTS

- 1 Section. @. (a) Each regional development commission
2 receiving a grant-in-aid from the Department of Commerce shall:
- 3 (1) By January 15, 1998, and more frequently as
4 requested, report to the Joint Legislative
5 Commission on Governmental Operations, the Fiscal
6 Research Division and the Department of Commerce
7 the following information:
- 8 (i) State fiscal year 1996-97 program activities,
9 objectives, and accomplishments;
- 10 (ii) State fiscal year 1996-97 itemized
11 expenditures and fund sources;
- 12 (iii) State fiscal year 1997-98 planned
13 activities, objectives, and
14 accomplishments as specified in
15 subsection (b)(1) of this section
16 including actual results through December
17 31, 1997;
- 18 (iv) State fiscal year 1997-98 estimated itemized
19 expenditures and fund sources including actual
20 expenditures and fund sources through December
21 31, 1997.
- 22 (2) By January 15, 1999, and more frequently as
23 requested, report to the Joint Legislative
24 Commission on Governmental Operations, the Fiscal
25 Research Division and the Department of Commerce
26 the following information.
- 27 (i) State fiscal year 1997-98 program activities,
28 objectives, and accomplishments;
- 29 (ii) State fiscal year 1997-98 itemized
30 expenditures and fund sources;
- 31 (iii) State fiscal year 1998-99 planned
32 activities, objectives, and
33 accomplishments as specified in
34 subsection (b)(1) of this section
35 including actual results through December
36 31, 1998;
- 37 (iv) State fiscal year 1998-99 estimated itemized
38 expenditures and fund sources including actual

1 expenditures and fund sources through December
2 31, 1998.

3 (3) Provide to the Fiscal Research Division and the
4 Department of Commerce a copy of its annual audited
5 financial statement within 30 days of issuance of
6 the statement.

7 (b) Each regional economic development commissions receiving a
8 grant-in-aid from the Department of Commerce in each fiscal year
9 of the 1997-99 biennium shall:

10 (1) By the 25th day of the month following the end of a
11 fiscal quarter report to the Department of Commerce
12 the following information for the most recent
13 completed fiscal quarter:

14 (i) the number of and description of marketing
15 outreach events including trade shows,
16 recruitment missions and related activities;

17 (ii) the number of inquires, leads, and prospects
18 generated;

19 (iii) the amount of investment and number of
20 jobs created by the direct efforts of a
21 commission;

22 (iv) the amount of investment and number of jobs
23 created by the indirect efforts of a
24 commission;

25 (v) the number and listing of available sites and
26 buildings within the region served by a
27 commission;

28 (vi) a listing of major accomplishments.

CODE NO. 97COMM-S003

Requested by: Senator Martin of Pitt

REGIONAL ECONOMIC DEVELOPMENT COMMISSION ALLOCATIONS

1 Sec. @. (a) Funds appropriated in this act to the
2 Department of Commerce for regional economic development
3 commissions shall be allocated to the following commissions in
4 accordance with subsection (b) of this section: Western North
5 Carolina Regional Economic Development Commission, Research
6 Triangle Regional Commission, Southeastern North Carolina
7 Regional Economic Development Commission, Piedmont Triad
8 Partnership, Northeastern North Carolina Regional Economic
9 Development Commission, Global TransPark Development Commission,
10 and Carolinas Partnership, Inc.

11 (b) Funds appropriated pursuant to subsection (a) of
12 this section shall be allocated to each regional economic
13 development commission as follows:

14 (1) First, the Department shall establish each
15 commission's allocation by determining the sum of
16 allocations to each county that is a member of that
17 commission. Each county's allocation shall be
18 determined by dividing the county's enterprise
19 factor by the sum of the enterprise factors for
20 eligible counties and multiplying the resulting
21 percentage by the amount of the appropriation. As
22 used in this subdivision, the term "enterprise
23 factor" means a county's enterprise factor as
24 calculated under G.S. 105-129.3;

25 (2) Next, the Department shall subtract from funds
26 allocated to the Global TransPark Development Zone
27 the sum of five hundred forty thousand dollars
28 (\$540,000) in each fiscal year, which sum
29 represents the interest earnings of the Global
30 TransPark Development Zone in each fiscal year; and

31 (3) Next, the Department shall redistribute the sum of
32 five hundred forty thousand dollars (\$540,000) in
33 each fiscal year to the seven regional economic
34 development commissions named in subsection (a) of
35 this section. Each commission's share of this
36 redistribution shall be determined according to the
37 enterprise factor formula set out in subdivision
38 (1) of this subsection. This redistribution shall
39 be in addition to each commission's allocation

SP-341

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determined under subdivision (1) of this
subsection.

Requested by: Senator Martin of Pitt

MCNC

- 1 Sec. @. (a) MCNC shall report on all of its programs
2 including contractual services for the Supercomputer and the
3 Research and Education Network. The reports shall:
4 (1) By January 15, 1998, and more frequently as
5 requested, report to the Joint Legislative
6 Commission on Governmental Operations and the
7 Fiscal Research Division the following information:
8 i. State fiscal year 1996-97 program activities,
9 objectives, and accomplishments;
10 ii. State fiscal year 1996-97 itemized
11 expenditures and fund sources;
12 iii. State fiscal year 1997-98 planned activities,
13 objectives, and accomplishments including
14 actual results through December 31, 1997;
15 iv. State fiscal year 1997-98 estimated itemized
16 expenditures and fund sources including actual
17 expenditures and fund sources through December
18 31, 1997.
19 v. The users, major projects and benefits
20 resulting from the activities of the
21 Supercomputer and the Research and Education
22 Network.
23 vi. The organization's progress toward achieving
24 self-sufficiency by July 1, 1999.
25 (2) By January 15, 1999, and more frequently as
26 requested, report to the Joint Legislative
27 Commission on Governmental Operations and the
28 Fiscal Research Division the following information:
29 i. State fiscal year 1997-98 program activities,
30 objectives, and accomplishments;
31 ii. State fiscal year 1997-98 itemized
32 expenditures and fund sources;
33 iii. State fiscal year 1998-99 planned activities,
34 objectives, and accomplishments including
35 actual results through December 31, 1998;
36 iv. State fiscal year 1998-99 estimated itemized
37 expenditures and fund sources including actual
38 expenditures and fund sources through December
39 31, 1998.

1 v. The users, major projects and benefits
 2 resulting from the activities of the
 3 Supercomputer and the Research and Education
 4 Network.
 5 vi. The organization's progress toward achieving
 6 self-sufficiency by July 1, 1999.
 7 (3) Provide to the Fiscal Research Division a copy of
 8 MCNC's annual audited financial statement within 30
 9 days of issuance of the statement.
 10 (b) The funds appropriated in this act to MCNC shall be used
 11 as follows:

12		<u>FY 1997-98</u>	<u>FY 1998-99</u>
13	Electronic and Information		
14	Technologies Programs	\$4,500,000	\$2,500,000

15 (c) Of the funds appropriated for the Electronic and
 16 Information Technologies Programs, four million five hundred
 17 thousand dollars (\$4,500,000) for the 1997-98 fiscal year and two
 18 million five hundred thousand dollars (\$2,500,000) for the 1998-
 19 99 fiscal year is contingent upon a dollar-for-dollar match in
 20 non-state funds.

Requested by: Senator Martin of Pitt

BIOTECHNOLOGY CENTER

1 Sec. @. (a) The North Carolina Biotechnology Center
2 shall recapture funds spent in support of successful research and
3 development efforts in the for profit private sector.

4 (b) The North Carolina Biotechnology Center shall
5 provide funding for biotechnology, biomedical, and related
6 bioscience applications under its Business and Science Technology
7 Programs

8 (c) The North Carolina Biotechnology Center shall:

9 (1) By January 15, 1998, and more frequently as
10 requested, report to the Joint Legislative
11 Commission on Governmental Operations and the
12 Fiscal Research Division the following information:

13 (i) State fiscal year 1996-97 program activities,
14 objectives, and accomplishments;

15 (ii) State fiscal year 1996-97 itemized
16 expenditures and fund sources;

17 (iii) state fiscal year 1997-98 planned
18 activities, objectives, and
19 accomplishments including actual results
20 through December 31, 1997;

21 (iv) State fiscal year 1997-98 estimated itemized
22 expenditures and fund sources including actual
23 expenditures and fund sources through December
24 31, 1997.

25 (2) By January 15, 1999, and more frequently as
26 requested, report to the Joint Legislative
27 Commission on Governmental Operations and the
28 Fiscal Research Division the following information:

29 (i) State fiscal year 1997-98 program activities,
30 objectives, and accomplishments;

31 (ii) State fiscal year 1997-98 itemized
32 expenditures and fund sources;

33 (iii) State fiscal year 1998-99 planned
34 activities, objectives, and
35 accomplishments including actual results
36 through December 31, 1998;

37 (iv) State fiscal year 1998-99 estimated itemized
38 expenditures and fund sources including actual

1 expenditures and fund sources through December
2 31, 1998.

3 (3) Provide to the Fiscal Research Division a copy of
4 the Center's annual audited financial statement
5 within 30 days of issuance of the statement.

6 (d) The North Carolina Biotechnology Center shall provide a
7 report containing detailed budget, personnel, and salary
8 information to the Office of State Budget and Management and to
9 the Fiscal Research Division in the same manner as State
10 departments and agencies in preparation for biennium budget
11 requests.

Requested by: Senator Martin of Pitt

BIOTECHNOLOGY FUNDS FOR MINORITY UNIVERSITIES

1 Sec. @. Of the funds appropriated in this act from the
2 General Fund to the North Carolina Biotechnology Center for the
3 1997-98 and the 1998-99 fiscal years, the sum of one million
4 dollars (\$1,000,000) in each fiscal year shall be used to
5 continue the special biotechnology program initiative for North
6 Carolina's Public Historically Black Universities and Pembroke
7 State University. This program initiative is a means to get more
8 funds to these institutions of higher education in the short run
9 to help them develop their biotechnology programs and a means to
10 develop a mechanism to improve these institutions' capacity over
11 the long term. The Center's special initiative shall, at a
12 minimum, provide for:

- 13 (1) A range of program activities, including grants,
14 designed to enhance the existing strengths and
15 capabilities of Pembroke State University, and the
16 Public Historically Black Universities;
- 17 (2) A Facilities and Infrastructure Review Committee to
18 advise the Center on major program elements and
19 priority projects that would be most helpful to
20 these institutions; and
- 21 (3) A Program Advisory Panel with representation from
22 these institutions to advise and make
23 recommendations to the Center's President and Board
24 of Directors on funding proposals under this
25 initiative.

26 The Center shall report on its biotechnology program
27 grants to universities to the Joint Legislative Commission on
28 Governmental Operations and the Fiscal Research Division on or
29 before March 1 of each fiscal year, and more frequently as
30 requested by the Commission. These reports shall include the
31 current number of enrollments and the capacity of enrollments in
32 the biotechnology program in each of the universities, the number
33 of faculty in the biotechnology program in each of the
34 universities, whether and to what extent the enrollments,
35 capacity, and number of faculty have changed in the last three
36 academic years in the biotechnology program in each of the
37 universities, how the funds allocated by this section are being
38 used in each of the universities, and any other information that
39 indicates whether these grants are accomplishing their purpose.

Requested by: Senator Martin of Pitt

COUNCIL OF GOVERNMENT FUNDS

1 Sec. @. (a) Of the funds appropriated in this act to
2 the Department of Commerce eight hundred sixty-four thousand two
3 hundred seventy dollars (\$864,270) for the 1997-98 fiscal year
4 and eight hundred sixty-four thousand two hundred seventy dollars
5 (\$864,270) for the 1998-99 fiscal year shall only be used as
6 provided by this section. Each regional council of government or
7 lead regional organization is allocated up to forty-eight
8 thousand fifteen dollars (\$48,015) for each fiscal year, with the
9 actual amount calculated as provided in subsection (b) of this
10 section.

11 (b) The funds shall be allocated as follows: A share
12 of the maximum forty-eight thousand fifteen dollars (\$48,015)
13 each fiscal year shall be allocated to each county and smaller
14 city based on the most recent annual estimate of the Office of
15 State Planning of the population of that county (less the
16 population of any larger city within that county) or smaller
17 city, divided by the sum of the total population of the region
18 (less the population of larger cities within that region) and the
19 total population of the region living in smaller cities. Those
20 funds shall be paid to the regional council of government for the
21 region in which that city or county is located upon receipt by
22 the Department of Commerce of a resolution of the governing board
23 of the county or city requesting release of the funds. If any
24 city or county does not so request payment of funds by June 30 of
25 a State fiscal year, that share of the allocation for that fiscal
26 year shall revert to the General Fund.

27 (c) A regional council of government may use funds
28 appropriated by this section only to assist local governments in
29 grant applications, economic development, community development,
30 support of local industrial development activities, and other
31 activities as deemed appropriate by the member governments.

32 (d) Funds appropriated by this section may not be used
33 for payment of dues or assessments by the member governments and
34 may not supplant funds appropriated by the member governments.

35 (e) As used in this section, "Larger City" means an
36 incorporated city with a population of 50,000 or over. "Smaller
37 City" means any other incorporated city.

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Requested by: Senator Martin of Pitt

TOURISM PROMOTION FUNDS

1 Sec. @. Funds appropriated in this act to the
2 Department of Commerce for tourism promotion grants shall be
3 allocated according to per capita income, unemployment, and
4 population growth in an effort to direct funds to counties most
5 in need in terms of lowest per capita income, highest
6 unemployment, and slowest population growth, in the following
7 manner:

- 8 (1) Counties 1 through 20 are each eligible to receive
9 a maximum grant of \$7,500 for each fiscal year,
10 provided these funds are matched on the basis of
11 one non-State dollar for every four State dollars.
12 (2) Counties 21 through 50 are each eligible to receive
13 a maximum grant of \$3,500 for two of the next three
14 fiscal years, provided these funds are matched on
15 the basis of one non-State dollar for every three
16 State dollars.
17 (3) Counties 51 through 100 are each eligible to
18 receive a maximum grant of \$3,500 for alternating
19 fiscal years, beginning with the 1991-92 fiscal
20 year, provided these funds are matched on the basis
21 of four non-State dollars for every State dollar.

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CODE NO. 97COMM-S012

Requested by: Senator Martin of Pitt

PETROLEUM OVERCHARGE ATTORNEY FEES

1 Sec. @. (a) Unless prohibited by federal law, rule, or
2 regulation or preexisting settlement agreement, no later than
3 October 1, 1989, the North Carolina Attorney General shall direct
4 the withdrawal of all funds received in the cases of United
5 States v. Exxon and Stripper Well that are held in accounts or
6 reserves located out-of-state for payment of attorney fees and
7 reasonable expenses incurred in connection with oil overcharge
8 litigation authorized by the Attorney General. The Attorney
9 General shall deposit these funds, and all funds to be received
10 from Petroleum Overcharge Funds in the future for attorney fees
11 and reasonable expenses, into the Special Reserve for Oil
12 Overcharge Funds.

13 (b) All attorney fees and reasonable expenses incurred
14 in connection with oil overcharge litigation shall be paid by the
15 State Treasurer from Petroleum Overcharge Funds that have been
16 received by this State and deposited into the Special Reserve for
17 Oil Overcharge Funds.

18 (c) Notwithstanding any other provision of law, the
19 Attorney General may authorize the payment of attorney fees and
20 reasonable expenses from the Special Reserve for Oil Overcharge
21 Funds without further action of the General Assembly, and funds
22 are hereby appropriated from the Special Reserve for Oil
23 Overcharge Funds for the 1997-98 fiscal year and for the 1998-99
24 fiscal year for that purpose.

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Requested by: Senator Martin of Pitt

PETROLEUM OVERCHARGE FUNDS ALLOCATION

1 Sec. @. (a) The funds and interest thereon received from
2 the case of the United States v. Exxon are deposited in the
3 Special Reserve for Oil Overcharge Funds. There is appropriated
4 from the Special Reserve to the Department of Commerce the sum of
5 one million two hundred thousand dollars (\$1,200,000) for the
6 1997-98 fiscal year and the sum of one million two hundred
7 thousand dollars (\$1,200,000) for the 1998-99 fiscal year to be
8 used for projects under the State Energy Efficiency Programs.

9 (b) There is appropriated from funds and interest
10 thereon received from the United States Department of Energy's
11 Stripper Well Litigation (MDL378) that remain in the Special
12 Reserve for Oil Overcharge Funds to the Department of Commerce
13 the sum of one million dollars (\$1,000,000) for the 1997-98
14 fiscal year and one million eight hundred thousand dollars
15 (\$1,800,000) for the 1998-99 fiscal year to be allocated for the
16 Residential Energy Conservation Assistance Programs (RECAP).

17 (c) Any funds remaining in the Special Reserve for Oil
18 Overcharge Funds after the allocations made pursuant to
19 subsections (a) and (b) of this section may be expended only as
20 authorized by the General Assembly. All interest or income
21 accruing from all deposits or investments of cash balances shall
22 be credited to the Special Reserve Oil Overcharge Funds.

23 (d) The funds and interest thereon received from the
24 Diamond Shamrock Settlement that remain in a reserve in the
25 Office of State Budget and Management for the Department of
26 Commerce to administer the petroleum overcharge funds pursuant to
27 Section 112 of Chapter 830 of the 1987 Session Laws shall
28 continue to be available to the Department of Commerce on an as-
29 needed basis.

30 (e) The Department of Commerce shall submit
31 comprehensive annual reports to the General Assembly by May 15,
32 1998, and January 31, 1999, which detail the use of all Petroleum
33 Overcharge Funds. Any State department or agency that has
34 received Petroleum Overcharge Funds shall provide all information
35 requested by the Department of Commerce for the purpose of
36 preparing these reports.

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Requested by: Senator Martin of Pitt

FUNDS FOR ECONOMIC DEVELOPMENT

1 Sec. @. (a) Of the funds appropriated in this act to
2 the Department of Commerce, the sum of one million five hundred
3 twenty-five thousand dollars (\$1,475,000) for the 1997-98 fiscal
4 year and the sum of one million four hundred seventy-five
5 thousand dollars (\$1,475,000) for the 1998-99 fiscal year shall
6 be allocated as follows:

- 7 (1) \$275,000 to the Land Loss Prevention Project, Inc.,
8 to provide free legal representation to low-income,
9 financially distressed small farmers. The Land
10 Loss Prevention Project, Inc., shall not use these
11 funds to represent farmers who have income and
12 assets that would make them financially ineligible
13 for legal services pursuant to Title 45, Part 1611
14 of the Code of Federal Regulations;
15 (2) \$145,000 to the North Carolina Coalition of Farm
16 and Rural Families, Inc., for its Small Farm
17 Economic Development Project. These funds shall be
18 used to foster economic development within the
19 State's rural farm communities by offering
20 marketing and technical assistance to small and
21 limited resource farmers;
22 (3) \$780,000 to the North Carolina Institute for
23 Minority Economic Development, Inc., to foster
24 minority economic development within the State
25 through policy analysis, information and technical
26 assistance, resource expansion and support of
27 community-based demonstration initiatives; and
28 (4) \$275,000 to the North Carolina Minority Support
29 Center (formerly known as the Minority Credit Union
30 Support Center) for technical assistance to
31 community-based minority credit unions.

32 (b) Each of the nonprofit organizations receiving funds under
33 this section shall:

- 34 (1) By January 15, 1998, and more frequently as
35 requested, report to the Joint Legislative
36 Commission on Governmental Operations and the
37 Fiscal Research Division the following information:
38 (i) State fiscal year 1996-97 program activities,
39 objectives, and accomplishments;

- 1 (ii) State fiscal year 1996-97 itemized
2 expenditures and fund sources;
3 (iii) State fiscal year 1997-98 planned
4 activities, objectives, and
5 accomplishments including actual results
6 through December 31, 1997;
7 (iv) State fiscal year 1997-98 estimated itemized
8 expenditures and fund sources including actual
9 expenditures and fund sources through December
10 31, 1997.
- 11 (2) By January 15, 1999, and more frequently as
12 requested, report to the Joint Legislative
13 Commission on Governmental Operations and the
14 Fiscal Research Division the following information.
15 (i) State fiscal year 1997-98 program activities,
16 objectives, and accomplishments;
17 (ii) State fiscal year 1997-98 itemized
18 expenditures and fund sources;
19 (iii) State fiscal year 1998-99 planned
20 activities, objectives, and
21 accomplishments including actual results
22 through December 31, 1998;
23 (iv) State fiscal year 1998-99 estimated itemized
24 expenditures and fund sources including actual
25 expenditures and fund sources through December
26 31, 1998.
- 27 (3) Provide to the Fiscal Research Division a copy of
28 the organization's annual audited financial
29 statement within 30 days of issuance of the
30 statement.
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Requested by: Senator Martin of Pitt

RURAL ECONOMIC DEVELOPMENT CENTER

1 Sec. @. (a) Of the funds appropriated in this act to
2 the Rural Economic Development Center, Inc., the sum of one
3 million two hundred seventy thousand dollars (\$1,270,000) for the
4 1997-98 fiscal year and the sum of one million two hundred
5 seventy thousand dollars (\$1,270,000) for the 1998-99 fiscal year
6 shall be allocated as follows:

	<u>1997-98 FY</u>	<u>1998-99 FY</u>
7 Research and Demonstration Grants	\$475,864	\$475,864
8 Technical Assistance and Center		
9 Administration of Research		
10 and Demonstration Grants	444,136	444,136
11 Center Administration, Oversight,		
12 and Other Programs	350,000	350,000

14 (b) The Rural Economic Development Center, Inc. shall provide a
15 report containing detailed budget, personnel, and salary
16 information to the Office of State Budget and Management in the
17 same manner as State departments and agencies in preparation for
18 biennium budget requests.

19 (c) Not more than fifty percent (50%) of the interest earned on
20 State funds appropriated to the Rural Economic Development
21 Center, Inc. may be used by the Center for administrative
22 purposes, including salaries and fringe benefits.

23 (d) For purposes of this section, the term 'community
24 development corporation' means a nonprofit corporation:

- 25 (1) Chartered pursuant to Chapter 55A of the General
26 Statutes;
- 27 (2) Tax-exempt pursuant to section 501(c)(3) of the
28 Internal Revenue Code of 1986;
- 29 (3) Whose primary mission is to develop and improve
30 low-income communities and neighborhoods through
31 economic and related development;
- 32 (4) Whose activities and decisions are initiated,
33 managed, and controlled by the constituents of
34 those local communities; and
- 35 (5) Whose primary function is to act as deal-maker and
36 packager of projects and activities that will
37 increase their constituencies' opportunities to
38 become owners, managers, and producers of small
39 businesses, affordable housing, and jobs designed

1 to produce positive cash flow and curb blight in
2 the targeted community.

3 (e) Of the funds appropriated in this act to the Rural Economic
4 Development Center, Inc, the sum of two million five hundred
5 fifty thousand dollars (\$2,550,000) for the 1997-98 fiscal year
6 and the sum of two million five hundred fifty thousand dollars
7 (\$2,550,000) for the 1998-99 fiscal year shall be allocated as
8 follows:

9 (1) \$1,350,000 in each fiscal year for community
10 development grants to support development projects
11 and activities within the State's minority
12 communities. Any community development corporation
13 as defined in this section is eligible to apply for
14 funds. The Rural Economic Development Center, Inc.
15 shall establish performance-based criteria for
16 determining which community development corporation
17 will receive a grant and the grant amount. Funding
18 shall also be allocated to the North Carolina
19 Association of Community Development Corporations,
20 Inc. The Rural Economic Development Center, Inc.
21 shall allocate these funds as follows:

22 a. \$900,000 in each fiscal year for direct grants
23 to the local community development
24 corporations that have previously received
25 State funds for this purpose to support
26 operations and project activities;

27 b. \$250,000 in each fiscal year for direct grants
28 to local community development corporations
29 that have not previously received State funds;

30 c. \$150,000 in each fiscal year to the North
31 Carolina Association of Community Development
32 Corporations, Inc. to provide training,
33 technical assistance, resource development,
34 and support for local community development
35 corporations statewide; and

36 d. \$50,000 in each fiscal year to the Rural
37 Economic Development Center, Inc. to be used
38 to cover expenses in administering this
39 section.

40 (2) \$250,000 in each fiscal year to the Microenterprise
41 Loan Program to support the loan fund and
42 operations of the Program; and

43 (3) \$950,000 in each fiscal year shall be used for a
44 program to provide supplemental funding for

1 matching requirements for economic development in
2 economically depressed areas. The Center shall use
3 these funds to make grants to local governments and
4 nonprofit corporations to provide funds necessary
5 to match federal grants or other grants for
6 necessary economic development projects and
7 activities in economically depressed areas. The
8 grant recipients shall be selected on the basis of
9 need.

10 (f) The Rural Economic Development Center, Inc. shall:

11 (1) By January 15, 1998, and more frequently as
12 requested, report to the Joint Legislative
13 Commission on Governmental Operations and the
14 Fiscal Research Division the following information:

15 (i) State fiscal year 1996-97 program activities,
16 objectives, and accomplishments;

17 (ii) State fiscal year 1996-97 itemized
18 expenditures and fund sources;

19 (iii) State fiscal year 1997-98 planned
20 activities, objectives, and
21 accomplishments including actual results
22 through December 31, 1997;

23 (iv) State fiscal year 1997-98 estimated itemized
24 expenditures and fund sources including actual
25 expenditures and fund sources through December
26 31, 1997.

27 (2) By January 15, 1999, and more frequently as
28 requested, report to the Joint Legislative
29 Commission on Governmental Operations and the
30 Fiscal Research Division the following information.

31 (i) State fiscal year 1997-98 program activities,
32 objectives, and accomplishments;

33 (ii) State fiscal year 1997-98 itemized
34 expenditures and fund sources;

35 (iii) State fiscal year 1998-99 planned
36 activities, objectives, and
37 accomplishments including actual results
38 through December 31, 1998;

39 (iv) State fiscal year 1998-99 estimated itemized
40 expenditures and fund sources including actual
41 expenditures and fund sources through December
42 31, 1998.

43 (3) Provide to the Fiscal Research Division a copy of
44 each grant recipient's annual audited financial

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statement within 30 days of issuance of the
statement.

Requested by: Senator Martin of Pitt

OPPORTUNITIES INDUSTRIALIZATION CENTER FUNDS

1 Sec. @. (a) Of the funds appropriated in this act to the
2 Rural Economic Development Center, Inc., the sum of two hundred
3 fifty thousand dollars (\$250,000) for the 1997-98 fiscal year and
4 the sum of two hundred fifty thousand dollars (\$250,000) for the
5 1998-99 fiscal year shall be allocated as follows:

- 6 (1) \$50,000 in each fiscal year to the Opportunities
7 Industrialization Center of Wilson, Inc., for its
8 ongoing job training programs;
9 (2) \$50,000 in each fiscal year to Opportunities
10 Industrialization Center, Inc., in Rocky Mount, for
11 its ongoing job training programs;
12 (3) \$50,000 in each fiscal year to Pitt-Greenville
13 Opportunities Industrialization Center, Inc. for
14 its ongoing job training programs;
15 (4) \$50,000 in each fiscal year to the Opportunities
16 Industrialization Center of Lenoir, Green, and
17 Jones Counties; and
18 (5) \$50,000 in each fiscal year to the Opportunities
19 Industrialization Center of Elizabeth City, Inc.

20 (b) The Rural Economic Development Center, Inc., shall

- 21 (1) By January 15, 1998, and more frequently as
22 requested, report to the Joint Legislative
23 Commission on Governmental Operations and the
24 Fiscal Research Division the following information:
25 (i) State fiscal year 1996-97 program activities,
26 objectives, and accomplishments;
27 (ii) State fiscal year 1996-97 itemized
28 expenditures and fund sources;
29 (iii) State fiscal year 1997-98 planned
30 activities, objectives, and
31 accomplishments including actual results
32 through December 31, 1997;
33 (iv) State fiscal year 1997-98 estimated itemized
34 expenditures and fund sources including actual
35 expenditures and fund sources through December
36 31, 1997.
37 (2) By January 15, 1999, and more frequently as
38 requested, report to the Joint Legislative

1 Commission on Governmental Operations and the
2 Fiscal Research Division the following information.

3 (i) State fiscal year 1997-98 program activities,
4 objectives, and accomplishments;

5 (ii) State fiscal year 1997-98 itemized
6 expenditures and fund sources;

7 (iii) State fiscal year 1998-99 planned
8 activities, objectives, and
9 accomplishments including actual results
10 through December 31, 1998;

11 (iv) State fiscal year 1998-99 estimated itemized
12 expenditures and fund sources including actual
13 expenditures and fund sources through December
14 31, 1998.

15 (3) Provide to the Fiscal Research Division a copy of
16 the Center's annual audited financial statement
17 within 30 days of issuance of the statement.
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Requested by: Senator Martin of Pitt

COMMUNITY DEVELOPMENT INITIATIVE

1 Sec. @. Of the funds appropriated in this act to the
2 Rural Economic Development Center, Inc., the sum of one million
3 eight hundred thousand dollars (\$1,800,000) for fiscal year 1997-
4 98 and the sum of one million eight hundred thousand dollars
5 (\$1,800,000) for fiscal year 1998-99 shall be used to support the
6 grant and loan fund and operations of the North Carolina
7 Community Development Initiative, Inc. The Initiative shall
8 provide operating and project activity grants to mature community
9 development corporations that have demonstrated project and
10 organizational capacity.

11 The North Carolina Community Development Initiative, Inc.
12 shall:

13 (1) By January 15, 1998, and more frequently as
14 requested, report to the Joint Legislative
15 Commission on Governmental Operations and the
16 Fiscal Research Division the following information:
17 (i) State fiscal year 1996-97 program activities,
18 objectives, and accomplishments;
19 (ii) State fiscal year 1996-97 itemized
20 expenditures and fund sources;
21 (iii) State fiscal year 1997-98 planned
22 activities, objectives, and
23 accomplishments including actual results
24 through December 31, 1997;
25 (iv) State fiscal year 1997-98 estimated itemized
26 expenditures and fund sources including actual
27 expenditures and fund sources through December
28 31, 1997.

29 (2) By January 15, 1999, and more frequently as
30 requested, report to the Joint Legislative
31 Commission on Governmental Operations and the
32 Fiscal Research Division the following information.
33 (i) State fiscal year 1997-98 program activities,
34 objectives, and accomplishments;
35 (ii) State fiscal year 1997-98 itemized
36 expenditures and fund sources;
37 (iii) State fiscal year 1998-99 planned
38 activities, objectives, and

- 1 accomplishments including actual results
2 through December 31, 1998;
3 (iv) State fiscal year 1998-99 estimated itemized
4 expenditures and fund sources including actual
5 expenditures and fund sources through December
6 31, 1998.
7 (3) Provide to the Fiscal Research Division a copy of
8 the Initiative's annual audited financial statement
9 within 30 days of issuance of the statement.
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Requested by: Senator Martin of Pitt

HOME PROGRAM MATCHING FUNDS

1 Sec. @. (a) Funds appropriated in this act to the
2 Housing Finance Agency for the federal HOME Program shall be used
3 to match federal funds appropriated for the HOME Program. In
4 allocating State funds appropriated to match federal HOME Program
5 funds, the Agency shall give priority to HOME Program projects,
6 as follows:

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

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

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

25 (c) Funds appropriated in this act to match federal
26 HOME Program funds shall not revert to the General Fund on June
27 30, 1997, or on June 30, 1998.

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CODE NO. 97AGRIC-S005

SP-55

Requested by: Senator Martin of Pitt

TRANSFER MARITIME MUSEUM TO CULTURAL RESOURCES

1 Sec. @. The 17.25 positions, support, and equipment in
2 the North Carolina Maritime Museum, Department of Agriculture,
3 shall be moved to the Department of Cultural Resources.

CODE NO. 97AGRIC-S003

SP-56

Requested by: Senator Martin of Pitt

MOUNTAIN STATE FAIR TO BECOME ENTERPRISE FUND

1 Section @. The activities of the Western North Carolina
2 Agricultural Center and the Mountain State Fair shall be combined
3 and operated in an enterprise fund. Current appropriated support
4 to the Western North Carolina Agricultural Center shall be
5 transferred on a quarterly basis with the anticipation that
6 appropriated support will only be necessary until the combined
7 operation develops sufficient revenue and operating reserves to
8 become totally self-supporting.

51-57
CODE NO. 97AGRIC-S001

Requested by: Senator Martin of Pitt

RESERVE FOR FARM LOANS

1 Section @.Funds in the Reserve for Farm Loans shall be
2 used for the purposes set out in Chapter 122D of the General
3 Statutes, but shall not be used for the administration of that
4 Chapter. Interest on funds in the Reserve for Farm Loans and
5 interest from agricultural loans, as defined in G.S. 122D-3, may
6 be used for any of the purposes set out in Chapter 122D of the
7 General Statutes and for the administration of that Chapter.

Requested by: Senator Martin of Pitt

AUTHORIZE THE AGRICULTURAL FINANCE AUTHORITY TO USE THE INTEREST FROM THE RESERVE FOR FARM LOANS FOR ADMINISTRATIVE EXPENSES

1 Section @. G.S. 122D-16 reads as rewritten:

2 "\$ 122D-16. Trust funds. Notwithstanding any other provisions
3 of law to the contrary, all moneys received pursuant to the
4 authority of this Chapter shall be deemed to be trust funds to be
5 held and applied solely as provided in this Chapter. Interest
6 earned from these moneys and interest received from loans made
7 from these moneys may be used for any purpose set out in this
8 Chapter and for the costs of administering this Chapter. The
9 resolution authorizing any obligations or the trust agreement
10 securing ~~the same~~ any obligations may provide that any of such
11 these moneys may be temporarily invested pending the disbursement
12 ~~thereof~~ of the moneys and shall provide that any officer with
13 whom, or any bank or trust company with which, such moneys shall
14 be deposited, shall act as trustee of ~~such the~~ moneys and shall
15 hold and apply the ~~same moneys~~ moneys for the purposes ~~hereof~~, under
16 this Chapter, subject to ~~such regulations as this Chapter and~~
17 ~~such resolution or trust agreement may provide.~~ any rules adopted
18 pursuant to this Chapter and any provisions in the provision or
19 trust agreement. ~~Any such moneys or any other~~

20 (b) All moneys of the Authority may be invested in the
21 following:

- 22 (1) Bonds, notes or treasury bills of the United
23 States;
24 (2) Non-convertible debt securities of the following
25 issuers:
26 a. The Federal Home Loan Bank Board;
27 b. The Federal National Mortgage Association;
28 c. The Federal Farm Credit Bank; and
29 d. The Student Loan Marketing Association;
30 (3) Any other obligations not listed above which are
31 guaranteed as to principal and interest by the
32 United States or any of its agencies;
33 (4) Certificates of deposit and other evidences of
34 deposit at state and federal chartered banks and
35 savings and loan associations; provided that any
36 principal amount of such certificate in excess of
37 the amount insured by the federal government or any
38 agency thereof be fully collateralized;

- 1 (5) Obligations of the United States or its agencies
2 under a repurchase agreement for a shorter time
3 than the maturity date of the security itself if
4 the market value of the security itself is more
5 than the amount of funds invested;
- 6 (6) Money market funds whose portfolios consist of any
7 of the foregoing investments;
- 8 (7) A guaranteed investment or similar contract, which
9 provides for the investment of funds at a
10 guaranteed rate of return, with an insurance
11 company or depository financial institution with a
12 claim paying rating of no less than either of the
13 two highest grades given by a nationally recognized
14 rating agency; and
- 15 (8) Any other investment authorized by law for the
16 investment of funds by a unit of local government."

CODE NO. 97AGRIC-S002

SP-60

Requested by: Senator Martin of Pitt

TIMBER SALES FOR MAINTENANCE OF STATE FARMS FORESTLAND

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

Requested by: Senator Martin of Pitt

FUNDS FOR VOLUNTARY REMEDIAL ACTIONS

1 Section @. (a) During the 1997-99 fiscal biennium, the
2 Secretary of Environment, Health, and Natural Resources may
3 contribute from the Inactive Hazardous Sites Cleanup Fund up to
4 ten percent (10%) of the cost each fiscal year, not to exceed
5 fifty thousand dollars (\$50,000) per site, of implementing a
6 voluntary remedial action program at up to three high-priority
7 sites that substantially endanger public health or the
8 environment.

9 (b) No later than April 1 of each year of the 1997-99
10 fiscal biennium, the Department of Environment, Health, and
11 Natural Resources shall report to the General Assembly. Each
12 report shall contain the location of the sites for which a
13 voluntary remedial action program was implemented under
14 subsection (a) of this section, the rationale for the State
15 contributing to the cost of that remedial action, and the amount
16 of the contribution made from the Inactive Hazardous Sites
17 Cleanup Fund.

CODE NO. 97ENV-S003

51-62

Requested by: Senator Martin of Pitt

SUPERFUND PROGRAM FUNDS

1 Sec. @. (a) The Department of Environment, Health,
2 and Natural Resources may use available funds, with the approval
3 of the Office of State Budget and Management, in order to provide
4 the ten percent (10%) cost share required for Superfund cleanups
5 on the National Priority List sites. These funds may be in
6 addition to those appropriated for this purpose.
7 (b) The Department of Environment, Health, and Natural
8 Resources and the Office of State Budget and Management shall
9 report to the Joint Legislative Commission on Governmental
10 Operations the amount and the source of the funds used pursuant
11 to subsection (a) of this section within 30 days of the
12 expenditure of these funds.

CODE NO. 97ENV-S002

. Sp-63

Requested by: Senator Martin of Pitt

**POLLUTION PREVENTION AND ENVIRONMENTAL ASSISTANCE TO SMALL
BUSINESSES WITH NEED**

1 Section @. The Division of Pollution Prevention and
2 Environmental Assistance shall, to the extent feasible, give
3 greatest priority to small businesses that can demonstrate
4 financial need when the Division of Pollution Prevention and
5 Environmental Assistance awards grants or otherwise provides
6 technical or financial assistance.

SP-64

CODE NO. 97ENV-S005

Requested by:

CLEAN WATER MANAGEMENT TRUST FUND

1 Section @. G.S. 143-15.3B(a) reads as rewritten:
2 "(a) The Clean Water Management Trust Fund is established in G.S.
3 113-145.3. The State Controller shall reserve to the Clean Water
4 Management Trust Fund six and one-half percent (6.5%) of any
5 unreserved credit balance remaining in the General Fund at the
6 end of each fiscal ~~year~~ year or thirty million dollars
7 (\$30,000,000), whichever is greater. As used in this section,
8 the term "unreserved credit balance" means the credit balance
9 amount, as determined on a cash basis, before funds are reserved
10 by the State Controller to the Savings Reserve Account, the
11 Repairs and Renovations Reserve Account, or the Clean Water
12 Management Trust Fund pursuant to this section, G.S. 143-15.3,
13 and G.S. 143-15.3A."
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Requested by: Senator Martin of Pitt

AGRICULTURE WASTE RESEARCH REPORTS

1 Sec. @. The Primary Investigator or Researcher
2 receiving funding from the State pursuant to Section 2 of Chapter
3 18 of the Session Laws of the 1996 Second Extra Session for each
4 of the following research projects and studies shall provide a
5 progress report to the Environmental Review Commission, the Joint
6 Legislative Commission on Governmental Operations, the Scientific
7 Advisory Council on Water Resources and Coastal Fisheries
8 Management, and the Fiscal Research Division on January 1 and
9 July 1 of each year until the project or study is complete:

10 (1) Odor control technology.
11 (2) Sources of nitrogen through isotope markers.
12 (3) Groundwater impacts of lagoons.
13 (4) Atmospheric deposition of nitrogen in the Neuse
14 Estuary.
15 (5) Alternative animal waste technologies.

16 Upon completion of the project or study, the Primary Investigator
17 or Researcher shall provide a final report.

Requested by: Senator Martin of Pitt

PARTNERSHIP FOR THE SOUNDS

- 1 Sec. @. (a) Subject to subsection (c) of this section,
2 the Partnership for the Sounds shall, no later than January 15,
3 1998, submit a report to the Joint Legislative Commission on
4 Governmental Operations and the Fiscal Research Division that
5 provides the following information:
- 6 (1) Program activities, objectives, and accomplishments
7 for the 1996-97 fiscal year;
8 (2) Itemized expenditures and fund sources for the
9 1996-97 fiscal year;
10 (3) Planned activities, objectives, and accomplishments
11 for the 1997-98 fiscal year, including actual
12 results through December 31, 1997; and
13 (4) Estimated itemized expenditures and fund sources
14 for the 1997-98 fiscal year, including actual
15 expenditures and fund sources through December 31,
16 1997.
- 17 (b) Subject to subsection (c) of this section, the Partnership
18 for the Sounds shall, no later than January 15, 1999, submit a
19 report to the Joint Legislative Commission on Governmental
20 Operations and the Fiscal Research Division that provides the
21 following information:
- 22 (1) Program activities, objectives, and accomplishments
23 for the 1997-98 fiscal year;
24 (2) Itemized expenditures and fund sources for the
25 1997-98 fiscal year;
26 (3) Planned activities, objectives, and accomplishments
27 for the 1998-99 fiscal year, including actual
28 results through December 31, 1998; and
29 (4) Estimated itemized expenditures and fund sources
30 for the 1998-99 fiscal year, including actual
31 expenditures and fund sources through December 31,
32 1998.
- 33 (c) The Partnership for the Sounds shall provide additional
34 reports to the Joint Legislative Commission on Governmental
35 Operations or the Fiscal Research Division upon request.
- 36 (d) The Partnership for the Sounds shall provide a copy of
37 its annual audited financial statement to the Fiscal Research
38 Division within 30 days of issuing the financial statement.

Requested by: Senator Martin of Pitt

IMMUNIZATION PROGRAM FUNDING

1 Sec. @. (a) Of the funds appropriated to the
2 Department of Environment, Health, and Natural Resources for the
3 1997-99 fiscal biennium for childhood immunization programs for
4 positions, operating support, equipment, and pharmaceuticals, the
5 sum of up to one million dollars (\$1,000,000) each fiscal year
6 may be used for projects and activities that are also designed to
7 increase childhood immunization rates in North Carolina. These
8 projects and activities shall include the following:

9 (1) Outreach efforts at the State and local levels to
10 improve service delivery of vaccines. Outreach
11 efforts may include educational seminars, media
12 advertising, support services to parents to enable
13 children to be transported to clinics, longer
14 operating hours for clinics, and mobile vaccine
15 units; and

16 (2) Continued development of an automated immunization
17 registry.

18 (b) Funds authorized to be used for immunization
19 efforts under subsection (a) of this section shall not be used to
20 fund additional State positions in the Department of Environment,
21 Health, and Natural Resources.

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Requested by: Senator Martin of Pitt

COMMUNICABLE DISEASE CONTROL AID TO COUNTIES FLEXIBILITY

1 Sec. @. (a) For the 1997-98 and 1998-99 fiscal years,
2 the Department of Environment, Health, and Natural Resources may
3 combine and allocate funds appropriated for Aid to Counties in
4 the Acute Communicable Disease Control Fund, the Tuberculosis
5 Control Fund, and the Sexually Transmitted Disease Control Fund
6 into one Acute Communicable Disease Control Aid to Counties
7 Grant. Communicable Disease Aid to Counties funding to local
8 health departments and other authorized recipients will be based
9 on a general communicable disease formula to be developed by the
10 Department of Environment, Health, and Natural Resources.

11 (b) The Department of Environment, Health, and Natural
12 Resources, in conjunction with local health departments, will
13 maintain a system to monitor and identify Aid to Counties
14 communicable disease expenditures by each communicable disease
15 group. The Department shall report to the Joint Legislative
16 Commission on Governmental Operations not later than October 1,
17 1997, and annually thereafter, on Aid to Counties expenditures by
18 county for each communicable disease group and the purpose of the
19 expenditures for the fiscal year. The report shall also include
20 an evaluation of the effectiveness of combining Aid to Counties
21 funding into one grant fund and the effectiveness of the formula
22 used to allocate funds.

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Requested by: Senator Martin of Pitt

DWI TEST CHANGES

1 Sec. @. Amounts collected under G.S. 20-16.5(j) for
2 fiscal years 1993-94 and 1994-95 and designated for the alcohol
3 testing program of the Injury Control Section of the Department
4 of Environment, Health, and Natural Resources shall not revert to
5 the General Fund unless the amounts exceed the amounts
6 appropriated by the General Assembly for the 1993-94 and 1994-95
7 fiscal years.

8 Beginning with the 1995-96 fiscal year, any funds
9 collected under G.S. 20-16.5(j) that are designated for the
10 alcohol testing program of the Injury Control Section of the
11 Department of Environment, Health, and Natural Resources and are
12 not needed for that program shall be transferred annually to the
13 Governor's Highway Safety Program for grants to local law
14 enforcement agencies for training and enforcement of the laws on
15 driving while impaired. The Governor's Highway Safety Program
16 shall expend funds transferred to it under this section within 13
17 months of receipt of the funds. Amounts received by the
18 Governor's Highway Safety Program shall not revert until the June
19 30 following the 13-month period.

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Requested by: Senator Martin of Pitt

WIC PROGRAM FUNDS

1 Sec. @. Of the funds appropriated to the Department of
2 Environment, Health, and Natural Resources for the Women,
3 Infants, and Children (WIC) Program, the sum of one million two
4 hundred eighty thousand dollars (\$1,280,000) for the 1997-98
5 fiscal year and the sum of one million two hundred eighty
6 thousand dollars (\$1,280,000) for the 1998-99 fiscal year shall,
7 if sufficient federal food funds are available, be used for the
8 WIC Program as follows:

- 9 (1) Not more than \$500,000 in each fiscal year shall be
10 used to establish new WIC Programs in Head Start or
11 other private or public nonprofit agencies to serve
12 additional mothers, infants, and children. The
13 Department shall utilize these funds for local
14 program operations including staff to provide
15 eligibility determination, nutrition education, and
16 health care referrals. In selecting the new WIC
17 programs, the Department shall consider
18 accessibility to the target population including
19 location and hours of operation.
- 20 (2) Not more than \$250,000 in each fiscal year shall be
21 used to renovate facilities of existing programs
22 where space constraints limit program expansion,
23 and to fund rental costs in areas where accessible
24 donated space is not available. In selecting the
25 facilities the Department shall consider
26 accessibility to the target population including
27 location and extended hours of operation. In
28 determining whether to fund rental of space, the
29 Department shall ensure that options for using
30 donated accessible space have been considered. Not
31 more than \$75,000 of funds allocated under this
32 subdivision for each fiscal year shall be used for
33 rental of space.
- 34 (3) Not more than \$300,000 in each fiscal year shall be
35 used to purchase physician-prescribed special
36 formulas and nutritional supplements for infants,
37 children, and women.

SP-71

1 (4) Not more than \$60,000 in each fiscal year shall be
2 used to provide the required State match to the WIC
3 farmers' market project.
4 (5) Not more than \$170,000 in each fiscal year shall be
5 used for the purpose of establishing and
6 maintaining a Public Health Nutritionist Internship
7 Program.
8 If sufficient federal food funds are not available then funds
9 appropriated for the WIC program under this section shall be used
10 to supplement federal food funds and any balance in funds
11 remaining after the supplemental use shall be used in accordance
12 with subdivisions (1) through (5) of this section.
13

Requested by: Senator Martin of Pitt

ADOLESCENT PREGNANCY PREVENTION COALITION OF NC/REPORTING

1 Sec. @.The Adolescent Pregnancy Prevention Coalition of
2 N.C. shall:

- 3 (1) By January 15, 1998, and more frequently as
4 requested, report to the Joint Legislative
5 Commission on Governmental Operations and the
6 Fiscal Research Division the following information:
7 (i) State fiscal year 1996-97 program activities,
8 objectives, and accomplishments;
9 (ii) State fiscal year 1996-97 itemized
10 expenditures and fund sources;
11 (iii) State fiscal year 1997-98 planned
12 activities, objectives, and
13 accomplishments including actual results
14 through December 31, 1997;
15 (iv) State fiscal year 1997-98 estimated itemized
16 expenditures and fund sources including actual
17 expenditures and fund sources through December
18 31, 1997.
- 19 (2) By January 15, 1999, and more frequently as
20 requested, report to the Joint Legislative
21 Commission on Governmental Operations and the
22 Fiscal Research Division the following information.
23 (i) State fiscal year 1997-98 program activities,
24 objectives, and accomplishments;
25 (ii) State fiscal year 1997-98 itemized
26 expenditures and fund sources;
27 (iii) State fiscal year 1998-99 planned
28 activities, objectives, and
29 accomplishments including actual results
30 through December 31, 1998;
31 (iv) State fiscal year 1998-99 estimated itemized
32 expenditures and fund sources including actual
33 expenditures and fund sources through December
34 31, 1998.
- 35 (3) Provide to the Fiscal Research Division a copy of
36 the Coalition's annual audited financial statement
37 within 30 days of issuance of the statement.

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Requested by: Senator Martin of Pitt

GRASSROOTS SCIENCE PROGRAM

1 Section @. Of the funds appropriated in this act to the
2 Department of Environment, Health, and Natural Resources for the
3 Grassroots Science Program, the sum of five hundred thousand
4 dollars (\$500,000) for fiscal year 1997-98 and the sum of five
5 hundred thousand dollars (\$500,000) for fiscal year 1998-99 are
6 allocated as grants-in-aid for each fiscal year as follows:

7 Catawba Science Center	\$50,000
8 Discovery Place	\$50,000
9 Imagination Station	\$50,000
10 North Carolina Museum of	
11 Life and Science	\$50,000
12 Rocky Mount Children's Museum	\$50,000
13 Schiele Museum of Natural History	\$50,000
14 Sci Works Science Center and Environmental	
15 Park of Forsyth County	\$50,000
16 Natural Science Center of Greensboro	\$50,000
17 Western North Carolina Nature Center	\$15,000
18 The Health Adventure Museum of Pack Place	
19 Education, Arts and Science	
20 Center, Inc.	\$35,000
21 Cape Fear Museum	\$50,000

SP-74

CODE NO. 97COMM-S015

Requested by: Senator Martin of Pitt

UTILITIES REGULATORY FEE

1 Sec. @. The percentage rate for the Utilities
2 Regulatory Fee under G.S. 62-302(b)(2) shall be reduced to one-
3 ninth of one percent (0.09%) effective July 1, 1997.

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**Joint Appropriations Committee on
Natural and Economic Resources**

**April 1, 1997
(Morning)**

Room 423, Legislative Office Building

1. Chairman's Remarks
2. Committee Review of Governor's Recommended Expansion
Department of Environment, Health and Natural Resources
3. Committee Discussion
4. Instructions to Staff

**Senate Appropriations Subcommittee
On
Natural and Economic Resources**

Tuesday, April 1, 1997 at 8:30.a.m.

MINUTES

The Senate Appropriations Subcommittee on Natural and Economic Resources met on Tuesday, April 1, 1997 at 8:30 a.m.. in Room 423 of the Legislative Office Building. Six Senate members attended the meeting, including the Chair, Senator R.L. "Bob" Martin, who presided.

Senator Martin, Chairman, called the meeting to order and announced to the Committee that he had turned in the report to the Appropriations Chairmen for the Continuation Budget. He said the Committee would begin the Expansion Budget this morning.

Chairman Martin said the Committee would review the Governor's recommended expansion of the Department of Environment, Health and Natural Resources. Ms. Mona Moon, Fiscal Research Division, said the Department would present their Expansion Budget. The discussion of the EHHNR Expansion Budget began on page 56 of the North Carolina State Budget Summary of Recommendations, 1997-99. This is Attachment A of these minutes. The budget discussion began with the Marine Fisheries Division.

Ms. Sherrie Stanton-Evans, Assistant Secretary of Natural Resources, gave some background on the Fisheries Moratorium Steering Committee. She said there was a House Bill in the works that incorporates all the recommendations that came out of the moratorium Steering Committee. It covers issues such as licensing gear, law enforcement fisheries management plans, habitat and the Marine Fisheries Commission. Some of the recommendations do not require legislative action, but some do. The revamping of the licensing system and a creation of a recreational fishing license would require legislative authority. The Commission currently has authority to do fishery management plans, but they are not required.

She also explained the 25 new positions requested for the Fishery Management Plan Program. There was discussion as to the number of positions requested for the number of fish species monitored. The plan is to take five years to complete these plans for the 31 major species of fish.

The next Natural Resources requested had to do with the Coastal Fisheries Habitat. The request is for 10 positions and it would set up a Habitat Section in the Division of Marine Fisheries. Senator Martin wanted to know why the Habitat Section was needed. He asked why can't the Fishery Management Plan Program do the Habitat Section as well...shouldn't it be part of the plan. He wanted to know the difference in the two. She said Coastal Management makes permit decision in the counties on the coast and they have authority over Habitat. The Division of Water Quality has authority over Habitat. Each Division works through their respective Commissions. The decisions are made independently. Senator Jerkins requested an organizational chart of the Marine Fisheries for the Committee.

Ms. Stanton-Evans continued with the request for the Environmental Education Trust Fund; Technical Assistance Cost Share Funds; and the Cost Share Funds for Animal Waste Management. These are on page 60, 61, and 62 of Attachment A.

Ms. Linda Rimer, Assistant Secretary for Environmental Protection, was recognized to review the requests for the Water Quality Programs. These programs are found on pages 58-61 of Attachment A. She began with a request for Maintenance of Existing Water Quality Program. She said no additional staffing is being requested, only the maintenance of the existing staff of 45. Senator Horton questioned the statement that the permitting program has reduced its own receipts by streamlining many of the permitting procedures and reducing the number of permits required to go through the sometimes lengthy process. If they are streamlining then why do they still need the 45 positions.

Ms. Rimer continued with the request for Wastewater Treatment System Operator Training Program. She said this request is an investment in prevention. This request was for 7 positions.

The next request was for the Water Quality Program Delivery Initiative. The request would provide for phasing-in the support staff and equipment needed to maintain the developing system.

The next request on the Environmental side of the Department was on page 61; Water Quality Program Stakeholder Assistance, and Accountability Initiative (Basinwide Management). This recommendation would provide funds for a "stakeholder assistance and accountability initiative" and would focus on ease of access to environmental programs and provide assistance for meeting water quality goals and a nonregulatory mechanism for enhanced feedback from customers regarding services rendered.

The meeting adjourned at 10:00 a.m.


Carolyn M. Gooden, Committee Clerk


Senator R.L. Martin, Chairman

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Natural and Economic Resources

4/1/97

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
CHARLES GARDNER	DIV. LAND RESOURCES - EHNH
FRANCIS M NEVILLS JR	Div LAND RESOURCES - LRS - EHNH
Adam Searing	NC Health Access Coalition
Sherrill Ham	DEHNH
LINDA RIMM	DEHNH
Zeb O'Leary	Bombardier
John Bowditch	zeb O'Leary PA
Amber McNeil	DEHNH
Ebonie Alexander	NCCDI
Sheree Wattieri	OSBM
JW Reel	"
Johnny Gray	"
David Berlong	State Planning
BOB HAVES	PRIC
John Morris	EHNH
Dany Hunt	EHNH
Tom Franzen	EHNH
Nat Wilson	EHNH
PG	NCFB
Leanne Kinner	ELHCS
Alex Tedder	EHNH, LWR
Debbie Mackay	EHNH, Soil and Water
Edythe McInnis	EHNH, Small Bus. Development
JOHN POPE	EHNH, Office of Environ. Educ.
Anne Taylor	EHNH, Office of Policy
Donna Moffatt	EHNH, Div. of Soil and Water
Clark Kent	NYC

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Natural and Economic Resources

Name of Committee

Date _____

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS[illegible]

**Joint Appropriations Committee on
Natural and Economic Resources**

**April 1, 1997
(Afternoon)**

Room 423, Legislative Office Building

1. Chairman's Remarks

2. Committee Review of Governor's Recommended Expansion

Continue Department of Environment, Health and Natural Resources

3. Committee Discussion

4. Instructions to Staff

**Senate Appropriations Subcommittee
On
Natural and Economic Resources**

Tuesday, April 1, 1997 at 3:30 p.m.

MINUTES

The Senate Appropriations Subcommittee on Natural and Economic Resources met on Tuesday, April 1, 1997 at 3:30 p.m. in Room 423 of the Legislative Office Building. Six Senate members attended the meeting, including the Chair, Senator R.L. "Bob" Martin, who presided.

Senator Martin, Chairman, called the meeting to order. The Chairman recognized Ms. Linda Rimer with the Department of Environment, Health and Natural Resources to continue with her request from the morning meeting. Ms. Rimer began with the Citizens Monitoring Program on page 62 of the Summary Budget which is Attachment A. She said the request would allow the Department to implement a program that educates the public on water quality monitoring and the importance of protecting the water resources.

The next item in the Environmental Program discussed was Dam Safety Inspection, page 63. She said this program had not seen any increase in inspectors in many years in spite of the fact that the number of dams had increased substantially. She said this request would greatly protect the people from the risk of a dam failure.

The next two items for discussion are on pages 64 and 65 of Attachment A. They are entitled Matching Requirements for Wastewater Programs and Environmental Permits Information Center.

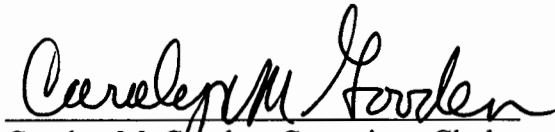
The last item on the Environmental Program was Regional Groundwater Management; page 66 of Attachment A.

Dr. Ron Levine was recognized to do the request for the Health Division. These request are found in Attachment A. The first request was found on page 61, item E. The next item; page 62, item I. The third request was on page 64, item 6. The last request in this area was on page 63, item 5.

Dr. Levine continued with the request for the Communicable Disease Control. The first request was on page 63, item 4. The second request was on page 66, item 14. Senator

Martin asked how the \$419,000 would be used. He said it would be used as a contract between DEHNR and Prevent Blindness. Prevent Blindness would administer the program. There would be no state positions added. The money is to provide a three hour training course in 100 counties for the teachers, teacher's assistant, PTA, and school nurses to do the vision screening for the children. The next item was on page 65, item 12. The next two items were found on page 64, items 9 and 8. The last request was found on page 65, item 11.

The meeting adjourned at 4:30 p.m.


Carolyn M. Gooden, Committee Clerk


Senator R.L. Martin, Chairman

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Natural and Economic Resources

4/1/97 afternoon

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

<u>NAME</u>	<u>FIRM OR AGENCY AND ADDRESS</u>
HARLAN BRITT	DWQ
John T. Tubb	DWQ
James Christensen	DHP
Michael Rhodes	DEH
BOB HAVELY	PRNC
DAVID HERLONG	State Planning
Tom Fransen	DEHNR - DWR
John Morris	EHNR
Edythe McKing	EHNR / Small Business
Harry Thum	EHNR
Malcolm Blacklock	EHNR / DEH
WILLIAM JETER	DEHNR DEH
Andy Ellen	NC Farm Bureau
Charles Gardner	EHNR / DLR
Bobbie Jo Moore	EHNR / DLR
FRANCIS M. NEVILLS JR	DEHNR / DLR / LQS
Jessica Miles	EHNR - DEH Public Water Supply
Lind Swall	DEH / DEHNR
Johnny Gray	OSBM
JW Reel	OSBM
Shelle W. Ameri	OSBM
Shirley Harris	DEHNR
PRESTON HOWARD	DEHNR
Cathey Cottle	DEHNR
Don Greene	DEHNR

**Senate Appropriations Subcommittee
On
Natural and Economic Resources**

Wednesday, April 2, 1997 at 8:30 a.m.

Minutes

The Senate Appropriations Subcommittee on Natural and Economic Resources met on Wednesday, April 2, 1997 at 8:30 a.m. in Room 423 of the Legislative Office Building. Six Senate members were present.

Senator Martin called the meeting to order and introduced Dr. Charles Sanders, M.D. to report to the Committee on the North Carolina Healthy Start Foundation Program (Attachment A). Dr. Sanders explained that in 1988 North Carolina had the highest infant mortality rate in the nation, but through the work of the Healthy Start Foundation much work had been done and the majority of North Carolina counties had made progress in lowering mortality rates. He further explained that the goal of the 1997 Community Grants Program was to continue the work of the Health Start Foundation's efforts to reduce infant morbidity and mortality in the State of North Carolina in order to reach the Year 2000 objective of reducing North Carolina's infant mortality rate to no more than 8.24 infant deaths per 1000 births. The goal will be accomplished through locally initiated programs that bring together financial and technical assistance resources with creative insights and programmatic initiatives at the local level. This cycle of grants will support those communities in greatest need, targeting resources so that they have the greatest chance of reducing infant morbidity and mortality.

Senator Martin called on Mr. Norris Tolson, Secretary of the Department of Commerce to address the Committee. The Secretary explained that the Department was asking for substantially more money to accomplish their goals of: Rural North Carolina, International Trade, and the Special Olympics (See Attachments B and C). Secretary Tolson also stated that the Department had plans for reopening the Canadian office that had been previously closed.

Senator Martin called on Mr. Leo Tilley, Department of Commerce, to explain and review the budget for the Department of Commerce, NC ACTs Program. NC ACT's helps fill the gaps in services by helping leverage other Federal, industry and university funds. To date these total 16 times the amount the State has invested in NC ACTs. (See Attachment B). Mr. Tilley stated that the Department wanted to be more aggressive in the trade shows area.

Mr. Tilley called on Mr. Gary Carlton, Director of the Business and Industry Division to speak to Senator Shaw's question of how the Department would go about putting together a package for an automobile manufacturer.

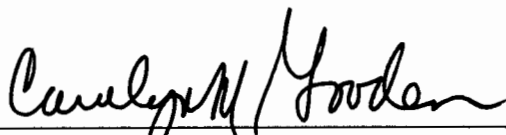
Senator Martin called on Mr. Rick Carlisle, Department of Commerce, to explain and review the budget for the International Trade Division of the Department of Commerce. (See Attachment C).

Senator Martin recognized Mr. Buck Lattimore of the Department of Commerce to speak on the budget for the Industrial Commission. (See Attachment B).

Senator Martin then asked the Department if they would agree to adding to the New and Emerging Industry Planning Budget the language, "business networks" on advice of Senator David Hoyle. They replied they would not mind.

Senator Martin asked Ms. Ruth Camp of the World Trade Center how many seminars they had in the past year. Ms. Camp replied, 43, at the introductory level, across the state. Senator Martin next asked Ms. Camp how they chose the location. She replied they try to go where companies show the most interest or where they are asked to go.. Senator Cochrane asked Ms. Camp about the attendance at these seminars. Ms. Camp replied that some seminars are limited for small groups, hands-on , others are aimed at large audiences, 80 to 150 participants. Senator Cochrane then asked how much non-state dollars in their budget. Ms. Camp replied about 60% of dollars come from membership fees and grants.

The Committee adjourned at 10:00 a.m.


Carolyn M. Gooden, Committee Clerk


Senator R.L. "Bob" Martin, Chairman

The North Carolina Healthy Start Foundation Continuing Program Meets a Continuing Need

Addressing a Statewide Problem

North Carolina in 1988 had the highest infant mortality rate in the nation - 12.6 deaths for every 1000 births. As a State and as a people, our high rates have been a mark against us and our economic development. The high costs in terms of human suffering, and health expenditures, take a heavy toll on our resources. The costs of poor birth outcomes can be measured in many different ways:

- Hospital costs of caring for critically-ill babies -- between \$14,000 and \$30,000;
- Treatment for children with developmental problems cause by low birth weight: (average of \$22,600/yr.);
- Lost productivity when parents cope with a seriously ill baby;
- Costs to employers for insurance coverage; or
- Overall societal costs for lost human potential.

Current research continues to show that comprehensive prenatal care and proper maternal health behavior lead to healthier babies, and that prenatal care saves money. Nearly 80% of women at risk of having a low birthweight baby can be identified during the first prenatal visit. The National Institute of Medicine documented that every \$1 spent on prenatal care saves \$3-\$4 in follow-up medical care.

The NC Healthy Start Foundation was initiated through a public-private partnership in 1989, when North Carolina was faced with one of the nation's highest rates of infant death. Since 1989, extensive efforts have been made to reduce infant mortality through the combined work of the North Carolina General Assembly, state and county initiatives, and continued public-private partnerships. Significant legislation, appropriations, and coordinated programming have been instrumental in reducing infant mortality in NC from one of the nation's highest rates in 1989 — 12.6 deaths for every 1000 babies born to a record low for North Carolina in 1995 — 9.2 deaths per 1000 births.

Much Work Has Been Done

The majority of NC counties made progress in lowering mortality rates.

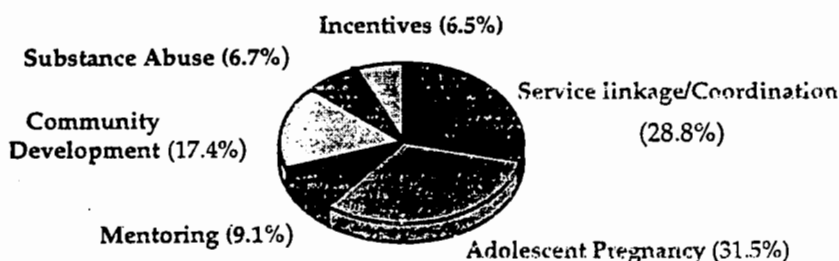
- The state-wide infant mortality rate dropped from 12.4 in the 1985-89 period to 10.0 per 1000 in 1990-94. In over half of North Carolina's counties (58), the rate decreased, and in 17 of these counties, the rate declined by 25% or more. In another 15 counties the rate decreased 10-24%, showing real progress.
- In 42 counties, the rates either stayed the same (21 counties) or increased. In 19 of the 21 counties where there was an increase, the rates are substantially above the 1994 state average of 10.0.

- Ten counties in North Carolina account for 43.3% of the state's total infant deaths (2316 of the 5349 deaths over the five year period, 1990-1994). Only one county, Pitt County, has both a high rate of infant deaths (16.5 per 1000 in 1994) and high numbers (131 from 1990-1994).

Supporting locally designed projects that match solutions to communities' needs has been a key to success.

- Through the efforts of the NC Healthy Start Foundation, over \$2 million dollars in grants were distributed to 144 public and private agencies in 96 North Carolina counties over a five year period, 1990 - 1994.
- One of the strengths of the grant program was its diversity and autonomy imparted to local communities to design and implement interventions that were uniquely suited to the needs of the local community. Strategies selected by the counties fell into six basic groups, as shown below:

Key Areas of Foundation Grant Support



Program Goals and Objectives for the 1997 Grants Program

We have learned much in our work since 1989, and have realized the importance of focusing scarce resources on the populations most in need. Coordinated, locally initiated programs that prioritize high-risk groups are a key component of this effort to reduce morbidity and mortality. It is the local community that often knows best how to address local barriers to accessing services and how to attract the hard-to-reach populations. It is with these trends and lessons learned that the Foundation moves ahead with another year of support for programs dedicated to improving the lives of women, children, families, and communities in North Carolina.

The goal of the 1997 Community Grants Program is to continue the work of the Healthy Start Foundation's efforts to reduce infant morbidity and mortality in the State of North Carolina in order to reach the Year 2000 objective of reducing North Carolina's infant mortality rate to *no more than 8.24 infant deaths per 1000 births*. The goal will be accomplished through locally initiated programs that bring together financial and technical assistance resources with creative insights and programmatic initiatives at the local level. This cycle of grants will support those communities in greatest need, targeting resources so that they have the greatest chance of reducing infant morbidity and mortality.



North Carolina Healthy Start Foundation

Report to the
North Carolina General Assembly
April 2, 1997

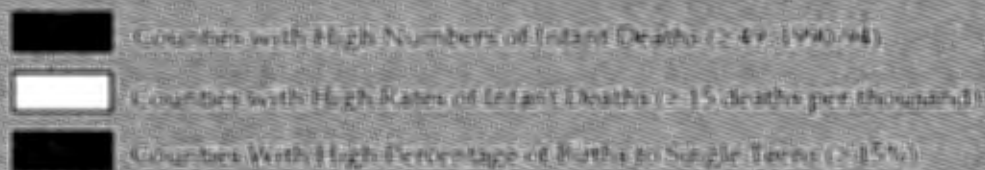
Stuart Bondurant, M.D.
Dean, UNC-CH School of Medicine

The North Carolina Healthy Start Foundation Board of Directors:
Charles A. Sanders, MD -- Chair

Stuart O. Bondurant, MD
Phillip J. Kirk, Jr.
Stephen A. Munshower

Howard Fitts, EdD
Glyn Young
W. Travis Porter, Esq.

High Priority Counties 1997 Community Grants Program



Cecil G. Sheps Center for Health Services Research
The University of North Carolina at Chapel Hill

North Carolina Healthy Start Foundation

Fifteen Counties Account for 50% of Mortalities Numbers of Infant Deaths, 1991-1995

Mecklenburg	391
Wake	333
Cumberland	314
Guilford	259
Franklin	256
Durham	159
Onslow	145
Gaston	140
Pitt	121
Robeson	106
Buncombe	91
Halifax	80
Rowan	78
Craven	77
Total	2626

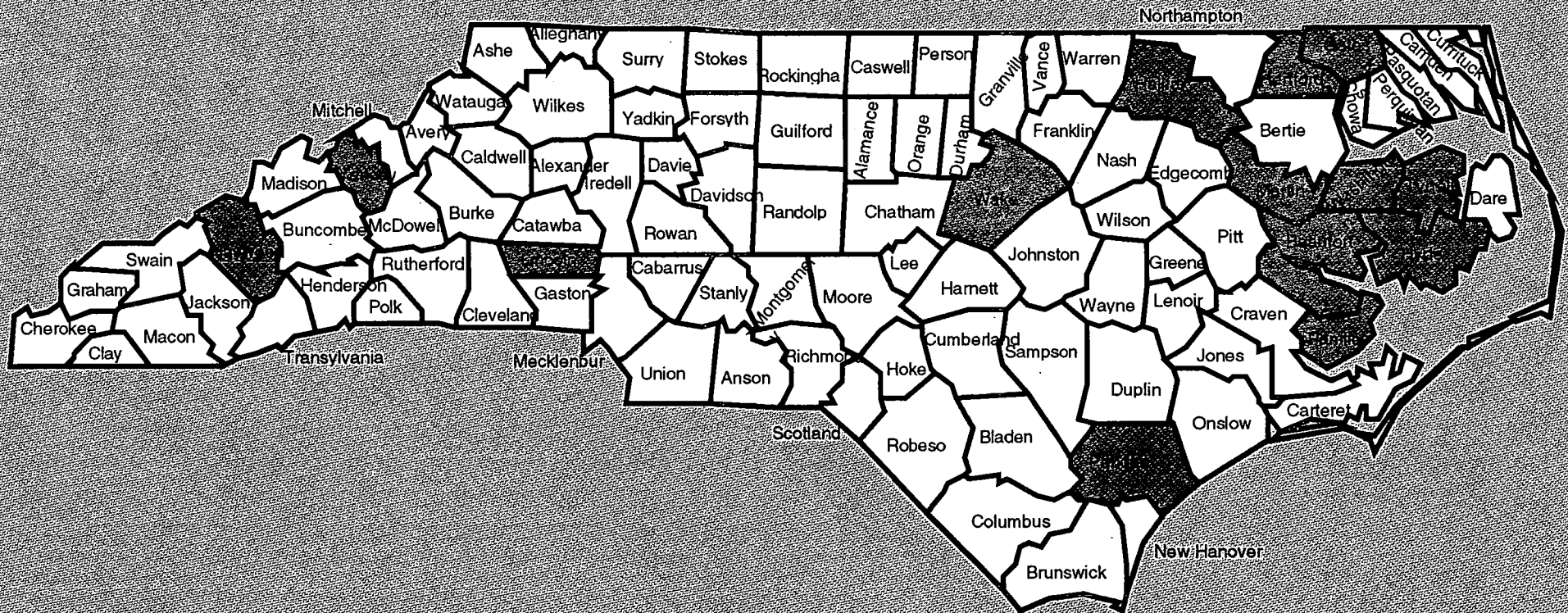
North Carolina Healthy Start Foundation

Community Grants Program

Funding to Date

Alamance	23,000	Forsyth	80,500	Onslow	75,000
Alexander	18,500	Franklin	none to date	Orange	66,000
Alleghany	13,000	Gaston	102,000	Pamlico	170,000
Anson	64,000	Gates	18,000	Pasquotank	1,300
Ashe	none to date	Graham	79,000	Pender	95,000
Avery	13,000	Granville	3,000	Perquimans	13,000
Beaufort	55,000	Greene	50,000	Person	15,000
Bertie	37,000	Guilford	45,000	Pitt	36,000
Bladen	none to date	Halifax	244,000	Polk	26,000
Brunswick	39,000	Harnett	29,000	Randolph	8,000
Buncombe	57,000	Haywood	52,000	Richmond	33,000
Burke	1,000	Henderson	43,000	Robeson	65,000
Cabarrus	49,000	Hertford	140,000	Rockingham	none to date
Caldwell	23,000	Hoke	44,000	Rowan	none to date
Camden	13,000	Hyde	98,000	Rutherford	26,000
Carteret	4,000	Iredell	15,000	Sampson	17,000
Caswell	10,000	Jackson	93,000	Scotland	none to date
Catawba	27,000	Johnston	46,000	Stanly	36,000
Chatham	87,000	Jones	15,000	Stokes	none to date
Cherokee	73,000	Lee	45,000	Surry	15,000
Chowan	26,000	Lenoir	20,000	Swain	108,000
Clay	47,000	Lincoln	41,000	Transylvania	26,000
Cleveland	66,000	McDowell	66,000	Tyrrell	41,000
Columbus	5,000	Macon	25,000	Union	4,400
Craven	none to date	Madison	62,000	Vance	18,000
Cumberland	79,500	Martin	26,000	Wake	192,000
Currituck	24,000	Mecklenburg	135,000	Warren	none to date
Dare	none to date	Mitchell	30,000	Washington	147,000
Davidson	3,000	Montgomery	16,000	Watauga	25,000
Davie	7,500	Moore	none to date	Wayne	none to date
Duplin	112,000	Nash	none to date	Wilkes	41,000
Durham	83,000	New Hanover	38,000	Wilson	20,000
Edgecombe	46,000	Northampton	2,500	Yadkin	none to date
				Yancey	25,000

Eleven Modular Units Expand Maternity Services in 14 North Carolina Counties, 1991



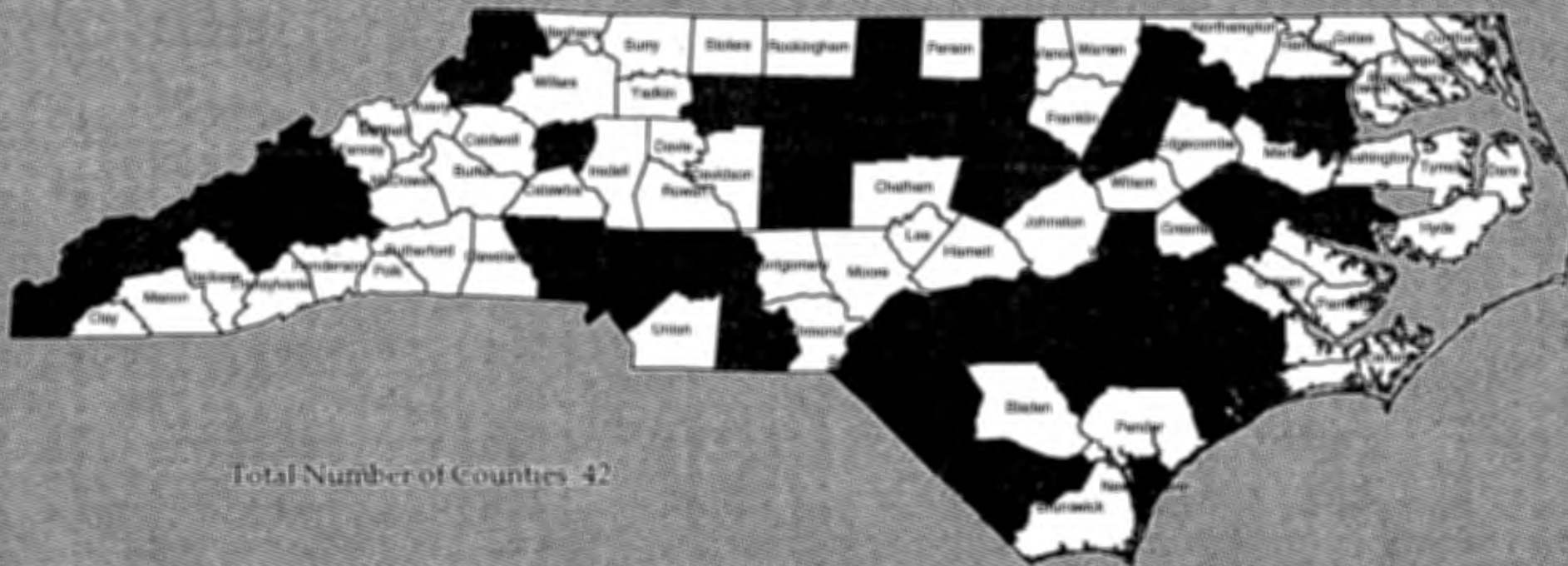
Improving Access to Maternity Care Services
 Changes in Prenatal Care Use in NC Counties Receiving Modular
 Units
 1989 - 1995

Percent of Live Births w/ Late or No Prenatal Care			
County	1989	1995	% Improvement
Beaufort	22.6%	15.7%	30.5%
Carter	15.6	18.2	(16.7)
Halifax	30.3	22.0	27.4
Haywood	21.3	11.3	46.9
Hertford	20.5	14.6	28.7
Hyde	36.5	19.0	47.9
Lincoln	25.9	13.1	49.4
Martin	18.8	18.0	.4
Pamlico	32.9	16.3	50.4
Pender	32.5	25.3	22.1
Tyrell	19.1	11.1	41.9
Wake	16.2	10.7	34.6
Washington	22.6	25.8	(14.2)
Yancey	15.3	6.1	60.1

North Carolina Healthy Start Foundation

1997 Community Grants Program

Distribution of Applicants, $n = 68$



Total Number of Counties 42

NC Healthy Start Foundation Community Grants Program 1997

Table of Top Contenders
Sample Portfolio Profiles

Program Area	Organization/County	Amt Suggested
<i>1. Service Coordination</i>		
Outreach/Minority	Sister Love/Lee	\$30,000
Transpo/Teens	Cumberland Co Health Dept	\$33,500
Transpo/MCC	Jones Co Health Dept	\$15,000
MCC/Minority	General Baptist State Convention/Bertie	\$17,000
Contraception/Baby Bucks	Graham-Swain District Health Department	\$10,000
Teens/Transpo/Minority	SPIRIT/Robeson County	\$30,000
<i>2. Peer Mentoring/Outreach</i>		
Teens/Transpo/Minority	SPIRIT/Robeson County	---
Teens/Transpo	Cumberland Co Health Dept	---
Teens/Minority	Today's Woman/Forsyth	\$23,500
<i>3. Workplace-Based Services</i>		
Prenatal/ Healthy Pregnancies	AME Zion Church/ Laurinburg Youth Hoke, Robeson, Cumberland, Scotland	\$25,000
<i>4. Sexually Transmitted Diseases</i>		
STDs/Infection/Minority	Preg, Infection, Nutrition Project/ UNC Wake, Orange, Alamance, Chatham, Caswell, Johnston	\$30,000
<i>5. Substance Abuse</i>		
Peer Outreach/Minority	Duke Univ Med Center/Durham	\$25,000
<i>6. Smoking Cessation</i>		
Prenatal Care	Watagua County Health Dept	\$25,000
<i>7. Minority Focus</i>		
Transpo/Transl	Alexander Co Health Dept	\$15,000
Outreach/AA	Sister Love/Lee	---
MIMR Expansion	Bertie/Gen Baptist State Convention	---
Peer Outreach/Minority	Duke Univ Med Center/Durham	\$25,000
<i>8. Year-One Wellness</i>		
Transpo/Transl	Alexander Co Health Dept	---

Total Available Funds, 1997: \$279,000

Healthy Start Foundation
Community Grants Program
Description of Recommended Projects

County	Organization Name	Suggested \$	Notes
Alexander	Alexander County Health Department Healthy Start Project	\$15,000	Expand services to minority women through contracted transportation services and translation for Hispanic women.
Bertie	General Baptist State Convention of NC, Inc Healthy Start Project	\$17,000	Expansion of Minority Infant Mortality Reduction Project initially targetted at Columbus, Northampton, and Bertie counties, but insufficient funds to cover Bertie County. This project would provide for Area Director to recruit and enroll pregnant women in service delivery plan. Lay health workers, volunteers, already have been identified and are ready to work. Stated goal is to contact 75% of at-risk mothers in Bertie County (n=140) and to "bring into" the health care system 33% of them (n=46).
Cumberland	Columbus County Health Department PHASE Healthy Start Project	\$33, 500	This is a dual purpose project, focusing on enhancement of maternity care coordination to high-risk women through transportation; and a teen outreach component that hires, trains, and fosters youth in eight of the local high schools to identify and refer their peers into the clinic for services. Incentives and prizes are awarded to the youth workers with the most monthly referrals. Services for teens include family planning, and responsible sexuality education. The project is targeting 450-500 teens from the surrounding community for the one year funding period.
Durham	Duke University Medical Center Healthy Start Project	\$25,000	Lay outreach and support for reduced fetal exposure to drugs, alcohol, and tobacco using peer counselors who are recovered substance abusers. Good linkage between Duke's treatment program and Lincoln Community Health Center where the high-risk women present for prenatal care.

Healthy Start Foundation
Community Grants Program
Description of Recommended Projects

County	Organization Name	Suggested \$	Notes
Forsyth	Forsyth Memorial Hospital, Inc. D/B/A Today's Woman	\$23,500	This project targets inner-city youth living in housing projects in Winston-Salem who are either pregnant or new parents with an aggressive outreach and referral program. Youth workers are identified through two local schools and local churches, trained in basic informational skills about local services and health risk appraisals; the youth outreach workers host sessions in their homes where they invite neighbors whom they identify as being in-need. Sessions are informational with incentives for successful referrals to clients who show up at the local clinic for services. This is a project of Carolina Medicorp Inc. which is the parent company of Forsyth Memorial Hospital.
Graham	Graham-Swain District Health Department	\$10,000	Enhanced maternitycare services to encourage women to come early in pregnancy for prenatal care. To increase effective contraceptive services for high-risk women with a history of pre-term labor, high parity, or short birth intervals.
Hoke	Laurinburg District Youth Center	\$25,000	Workplace setting service project in four of the major employers of the county. Screenings, pregnancy tests, basic primary care, and referrals to the Health Department. Excellent ties and community linkages. Focus on the high-risk population.
Jones	Jones County Health Department	\$15,000	Improved transportation and coordination of prenatal care services for high-risk women. Use of incentives (car seats) to encourage attendance at prenatal appointments. Improvement of tracking for prenatal care and referrals for high-risk cases.

Healthy Start Foundation
Community Grants Program
Description of Recommended Projects

County	Organization Name	Suggested \$	Notes
Lee	Lee County Health Department Coalition to Improve the Quality of Life in Lee County	\$30,000	Health Department, 40% of clients are hispanics and non-paying; need outreach workers for this population. Expansion of lay health advisor model to reach high-risk women in community. Good outgrowth of prior efforts.
Orange	UNC School of Medicine Department of Ob-Gyn	\$30,000	Pregnancy, Infection, and Nutrition Project (PIN) is an exploratory study investigating causes of preterm delivery. Funds are used for extension of research study investigating predictors of vaginal infections (critical topic for IM improvement) that will provide very useful screening criteria in Health Departments and other primary care settings.
Robeson	Center for Community Action	\$30,000	Project SPIRIT is a grass-roots project using Community Health Advisors and Youth Peer Health Advisors to identify pregnant women and refer them for care. Through these lay health workers, Community Watch Referral Networks are formed in four of the communities that are considered high-risk areas. The project also provides transportation for women identified through the Network for travel to local clinics.
Watauga	Watauga County Health Department	\$25,000	Community-based smoking cessation project for women of childbearing age, with special emphasis on women who are currently pregnant. Health Department-based, the project provides direct services to at-risk women as well as training for providers on tobacco use prevention and cessation techniques with pre-conceptual and pregnant patients. This county has one of the highest rates of smoking in the nation. Project has outreach component for school-based services in the local high-schools targeting youth.

North Carolina Alliance for Competitive Technologies (NC ACTs)

Roles and Responsibilities:

- Investment Advisor and Quality Control Manager for \$41 million in State funds dedicated to helping technology and manufacturing firms in the State
- Focus on deploying technology to existing and new firms
- Industry-led Board insures these investments are driven by industry needs

Examples of NC ACTs efforts to increase State's economic return on its \$41 million investment:

- **Expand Assistance to small and medium sized manufacturers**
 - Decentralized MEP program to field close to where industry is located
 - Establishing specialized engineers and expanding industry-designed technical assistance services that will be paid for on a fee basis
 - Involving other community colleges and universities and other state agencies with expertise in delivery
- **Seed Capital for Technology and Manufacturing Firms**
 - Provided incentive funds to TDA to expand efforts to increase our share of Federal SBIR awards
 - Increase NC's share of SBIR Federal funds helps address seed capital gap
- **Improve Access for Firms to Information**
 - Electronic Database established on services of 36 different state-supported organizations
 - Organized by problem, industry sector, or field of expertise
 - Supplemented by information on university facilities, federal labs, etc.
- **Identify Industries the various regions and counties should focus on for job growth**
 - Identified industry clusters by region and county based on strengths
 - Provided guidance in further analyzing local economies
- **Working with industries to help them improve their competitiveness**
 - Supported industry-led competitiveness strategies involving 1200 companies
 - Strategies also identify how each industry can best use existing state programs and services
 - Strategies completed or underway with 7 industries representing 31% of the State's total manufacturing and technology employment
 - Brings together entire industries to chart their future and better use of state resources in support of that future
 - Example of Results: Hosiery Industry: R & D Consortium -- prototype automated boarding device/Certification lab/dyeing and bleaching assistance

NC ACTs Tools:

- Obtain *information* on industry needs and priorities through:
 - statewide surveys of firms
 - focus groups
 - develop of industry competitiveness strategies
 - use of common investment/performance measures
 - selective studies and evaluation
- *Provide services directly when no other agency will undertake:*
 - Information Sciences and Technologies Matching Assistance Program
 - Referral Service for manufacturers on where to get assistance
 - Electronic Directory of Service Providers
- For all service providers, NC ACTs helps to insure that certain *standards* are met:
 - services are those that industry wants
 - that customer satisfaction levels remain high
 - they are decentralized and easily available to industry
 - industry is aware of the programs and services
 - there continues to be sufficient return on investment for industry and economic return for the State
- NC ACTs helps fills gaps in services by helping *leverage other Federal, industry and university funds* -- to date these total 16 times the amount the State has invested in NC ACTs.

**INTERNATIONAL TRADE DIVISION
EXPANSION BUDGET**

International Trade Specialists

\$192,736

This recommendation will allow us to put more "sales people" in the field, promoting the products and services of North Carolina. Export growth is expected to come from the Big Emerging Markets. Competition is keen, coming from all over the world, for this business. Proven statistics show that \$1 billion in export sales creates or saves 17,000 jobs. The funds requested include salaries for two positions (approximately \$75,000) with the balance covering travel expenses and equipment.

Foreign Trade Shows

\$200,000

The most effective method of introducing North Carolina companies to customers is through participation in trade shows. Companies report a success ratio (new sales) of over 95 percent from participation in a trade show. The funds are needed to introduce additional small companies in more industries to the global market. This increase in company exposure opens up more markets, with resulting export increases. Thus, more jobs are created or saved.

Global Offices

\$300,000

The foreign trade offices give North Carolina more direct ties with specific markets. These offices provide us with market research and customer contact on a continuing basis. With the growing Emerging Markets, the direct contact is vital in establishing and maintaining a creditable presence in each market. This presence serves all the agencies and businesses of North Carolina. This increased coverage will allow us to respond faster and take the lead in alliances with new customers.

Export Facts

- North Carolina companies exported \$17.5 billion worth of products and services in 1996. This equates to **297,500 jobs**.
- Exports to China grew 51.6 percent, moving up to number 10 for North Carolina export destinations.
- ITD assisted 359 companies in 28 trade events with 2,943 customer contacts in 1996.
- A representative trade show (Decosit in Brussels) for 1996 had seven small companies participating under the North Carolina umbrella producing \$2,680,000 in floor sales, \$11,650,000 projected sales for the next 12 months and five new agency agreements signed (This was one of 28 events).
- North Carolina has maintained its standing as the tenth largest export state in the nation.
- Export jobs generate over \$500 million in state income tax and \$300 million in sales tax.

North Carolina Department of Commerce

International Trade Division

EXPORTS FOR YEAR 1996

(Dollar Figures in Millions)

NC is the 10th largest export state in the U.S.

Total NC Exports \$17.5 Billion

1995-1996 Growth 4.4%

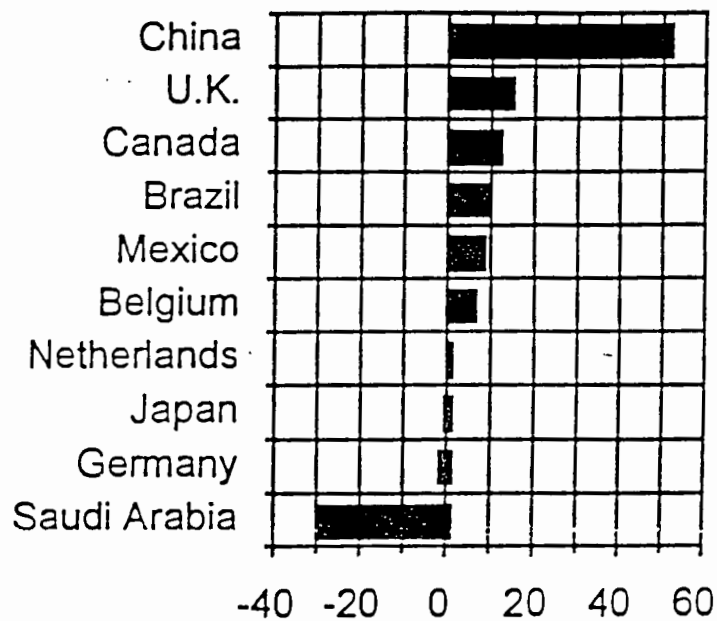
Leading NC Export Destinations, 1996		
Country	\$ Value	Growth %
1 Canada	4,149.9	11.9
2 Japan	1,655.8	-0.5
3 Saudia Arabia	1,068.7	-29.8
4 Mexico	967.8	7.4
5 United Kingdom	921.4	14.4
6 Germany	785.1	-1.6
7 Belgium	693.9	6.2
8 Netherlands	498.1	-0.1
9 Brazil	345.3	8.9
10 China (Mainland)	321.4	51.6

Leading NC Exports, 1996		
Industry	\$ Value	Growth %
1 Industrial Mach & Equip.	3,246.4	4.3
2 Chemicals & Allied Prod.	2,009.2	26.4
3 Electronic & Other Equip.	1,592.5	13.3
4 Transportation Equip.	1,588.4	7.4
5 Textile Mill Products	1,303.6	17.4
6 Apparel and Other Textile Prod.	1,222.9	6.8
7 Agricultural Products-Crops	1,185.1	2.3
8 Tobacco Products	973.4	-9.4
9 Primary Metal Industries	749.7	33.1
10 Paper & Allied Products	664.4	-23.4

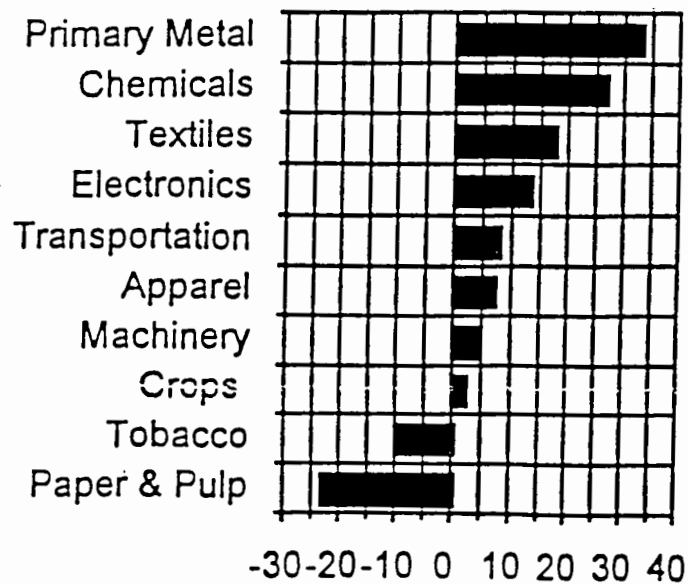
% GROWTH COLUMN SHOWS CHANGE RELATIVE TO 1995

Source: Dr. John Dutton, College of Management, North Carolina State University

Export Growth Rates, 1995 to 1996



Export Growth Rates, 1995 to 1996



VISITOR REGISTRATION SHEET

APPROPRIATIONS/Natural and Economic Resources

4/2/97

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

<u>NAME</u>	<u>FIRM OR AGENCY AND ADDRESS</u>
W. Travis Porter	Porter + Steel, PLLC
Leo Silley	Commerce
Angie Harris	"
Ruth Ingersoll Camp	World Trade Center North Carolina
John Lane	TSA
Joe Mc Clellan	TRA
Becky Brown	DOL
D. Lane	DOL
WALT PROSILA	NC ACTS
BILL KING	DEPT. OF COMMERCE
RICK CARLISLE	"
KEVIN RYAN	DMCH/DEHNR
Jon Levine	DEHNR
Andy Carlton	Dept. of Commerce
N. Johnson	Dept. of Commerce
Amanda Davis	Sierra Club
Paul Simmons	
James W. Clapp	Travel & Tourism Division
Kevin Minger	Travel & Tourism Division
Leanne Winger	EGHDS
Ron Abine	CANAC
Shirley Chavis	State Planning

**Senate Appropriations Subcommittee
On
Natural and Economic Resources**

Thursday, April 3, 1997 at 8:30.a.m.

MINUTES

The Senate Appropriations Subcommittee on Natural and Economic Resources met on Thursday, April 3, 1997 at 8:30 a.m.. in Room 423 of the Legislative Office Building. Six Senate members attended the meeting, including the Chair, Senator R.L. "Bob" Martin, who presided.

Senator Martin, Chairman, called the meeting to order. Senator Martin introduced Dr. Don Eaddy, Director of Agronomics with the Department of Agriculture, to speak on the request for Waste Disposal and Water Advisory Services. This is Attachment A of these minutes. This request can be found on page 49, item 1 in the Budget Summary Recommendations.

The next item on the agenda was a presentation from Mr. Robert Kucab, Executive Director Housing Finance Agency. His remarks are Attachment B of these minutes. He said the Housing Trust Fund was created in 1987 by the General Assembly. Mr. Kucab said since that time it has been a great success largely because of the support they have received from the General Assembly and particular from the Appropriations Subcommittee on NER. He said for this fiscal year, the Housing Trust Fund had requested of the Advisory Budget Commission a \$15 million appropriation. Mr. Kucab said Governor Hunt had requested a \$4 million appropriation from his Budget in nonrecurring funds. In Senate Bill 81, Senator Shaw requested an appropriation for \$22 million.

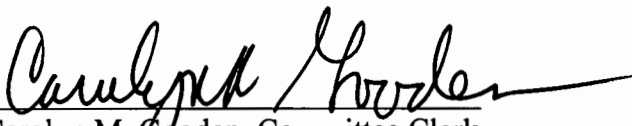
Senator Martin recognized Mr. Harry Payne, Jr., Commissioner of Labor to speak on the Governor's Expansion Budget. These are Attachments C of these minutes. Commissioner Payne said there were two items before the Committee during the process of considering the Expansion Budget. He said the number one item was the Elevator Division Staff Expansion. He wanted to note that this does not involve an appropriation; these are all receipt supported positions. He said the Department simply needed the authorization to expand the staff to meet the current need. The number two item was Establish Departmental Safety Officer/1-800 Operator. He said their priority was

occupational safety and help. He said they are an agency of 430 people and they do not have a full time dedicated safety officer. Commissioner Payne said these two issues are very pressing and important.

Commissioner Payne continued with request for the apprenticeship program in the Department of Labor. This is Attachment D of these minutes. He requested an expansion of 13 apprenticeship representative positions and 2 clerical positions.

The last item presented by Commissioner Payne was a request for Workers Compensation Technical Assistance. This is Attachment E of these minutes. He said the Department is proposing, in Senate Bill 652, a program to do education and training of these small businesses. Currently the Department serves 600 businesses in North Carolina per year. He said these are the two other very important items on the Department's agenda.

The meeting adjourned at 10:00 a.m.


Carolyn M. Gooden, Committee Clerk


Senator R.L. Martin, Chairman

AGRONOMIC SERVICES: Waste Disposal & Water Advisory Services

This request will increase waste-disposal and water-management advisory services provided by the Agronomic Division by helping us meet the demand for increased technical assistance from regional agronomists and section chiefs.

State Bill 1217 passed during the past session mandated increased soil, plant, and waste analysis in connection with animal-waste-application programs. In addition, Expansion of the Agricultural Cost-Share Program of DEHNR – designed to improve water quality and decrease soil erosion – also continues to place increased demands on the Agronomic Division for services. As if the higher demand for agronomic services were not enough, NCDA regional agronomists have taken on additional duties including:

- Helping development of educational materials for waste certification classes,
- Helping teach the agronomic section of waste-certification classes, and
- assisting farmers in developing their waste-management plans.

Another critical issue that demands the Agronomic Division's attention and services is salt-water intrusion into coastal plain aquifers. Over the past decade, high salt concentrations have been found 30 to 50 miles inland. This problem is already causing plant-growth problems and is potentially threatening to both human health and manufacturing efficiency. Identification of high soluble-salt concentrations by the Agronomic Division's solution advisory service plays a crucial role in establishing the extent of this problem and addressing the problem in the early stages.

To handle these increased demands, this proposal before you recommends the creation of six regional-agronomist positions, in addition to the eight positions currently funded, as well as a new section-chief position to coordinate the field advisory services. This additional support is needed to provide "timely responses" to growers "requesting assistance" in the areas of production, waste-management-plan development and/or environmental protection. Creation of these positions will reduce the territory covered by each regional agronomists from about twelve counties to roughly seven. With more personnel, there is the potential for a 75% increase in the number of direct consultations with farm producers.

How the Housing Trust Fund Works

A self-supporting
public agency

A. Robert Kucab
Executive Director

PO Box 28066
Raleigh, NC
27611-8066

3801 Lake Boone Trail
Suite 200
Raleigh, NC
27607-2926

TEL. 919-781-6115
FAX. 919-781-5623

Who Benefits?

The Trust Fund effectively builds healthy communities and strong families, by

- ▶ helping low-wage families buy homes
- ▶ financing affordable apartments with services for independent living--for elderly persons, families working their way out of public assistance, and persons with special needs
- ▶ rehabilitating substandard housing
- ▶ building transitional and emergency housing
- ▶ making emergency repairs to preserve the safety of elderly, rural homeowners

Accomplishments

The General Assembly has appropriated \$37 million to the Trust Fund since 1987.

Accomplishments include:

▶ Housing units built or rehabilitated	6,400
▶ Value of housing produced	\$187 million
▶ Counties served	100

Economic Development

▶ Jobs generated	3,000
▶ Local and state tax revenues generated	\$26 million

State Dollars Buy Bricks and Mortar Only

All the money the General Assembly invests in the Trust Fund goes directly into bricks and mortar. The self-supporting N.C. Housing Finance Agency pays all administrative costs.

Every \$1 the State invests produces \$5 in affordable housing.

National Recognition

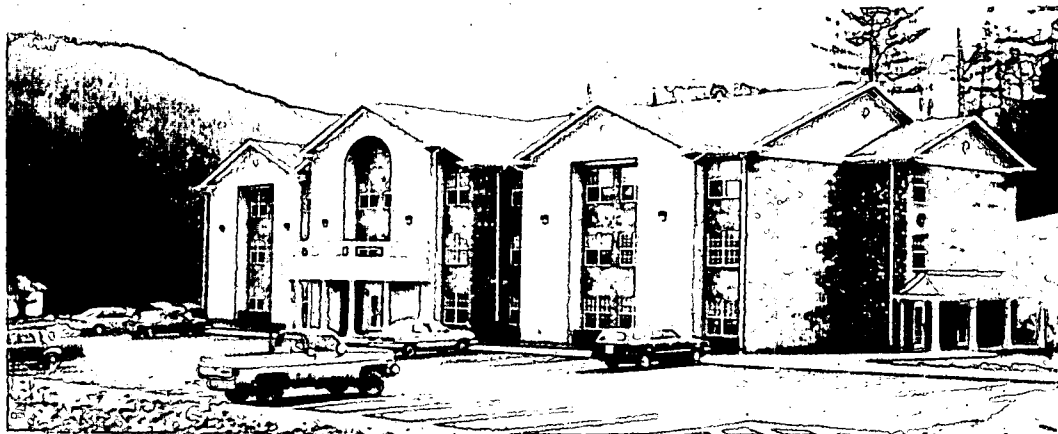
The Trust Fund's Urgent Repair Program and Special Needs Housing Program have each won a national award.

Governor's Recommendation

The \$4 million in the Governor's budget will build or rehabilitate 400 housing units. The \$22 million requested in SB81 would build or rehabilitate 2,200 housing units. The Housing Partnership, appointed by the General Assembly, will decide on the specific program allocations.

Housing Trust Fund In Action

For more information:
Bob Kucub, N.C. Housing Finance
Agency, 919.781.6115



Woodland Hills Apartments, Burnsville. This housing is linked with community services to help low-income elderly residents live independently.



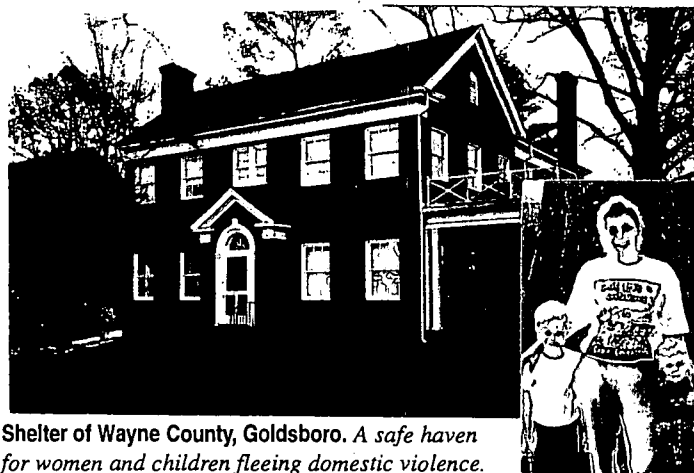
Fairmont Street, Monroe. 14 affordable homes by Monroe-Union County Community Development Corp. are part of a City revitalization area.



Construction Training, Charlotte, Raleigh, Rocky Mount. This N.C. Home Builders Assoc. course trains the unemployed—and places 75%.



Village at Stone Creek, Asheboro. 56 privately developed apartments for low-wage families.



Shelter of Wayne County, Goldsboro. A safe haven for women and children fleeing domestic violence.



Adventura East, Wilson. Wilson Community Improvement Assoc. and the City of Wilson developed this subdivision of 68 affordable homes.



Willow Pond Apartments, Wilmington. A self-sufficiency program helps families who once lived in public housing to save for a home.

NORTH CAROLINA DEPARTMENT OF LABOR GOVERNOR'S RECOMMENDED EXPANSION

I. <u>Elevator Division Staff Expansion</u>	<u>1997-98</u>	<u>1998-99</u>
GS 95-14A requires safety inspections on elevators as often as twice a year and the Elevator Code (ASME A17.1) as adopted requires routine inspections and testing if elevators shall be made at intervals not longer than six months. With the current inspection staff (24 inspectors/3 supervisors) we are unable to inspect <i>all</i> elevators on this schedule. With this additional manpower (4 inspectors/1 clerical) the division will be able to: make safety inspections on a six month basis, reduce violations, and enhance elevator safety for the riding public. This request is 100% receipt supported!		
Requirements	\$248,061	\$228,361
Elevator Receipts	<u>248,061</u>	<u>228,361</u>
Appropriation	\$ -0-	\$ -0-
Positions	5	5

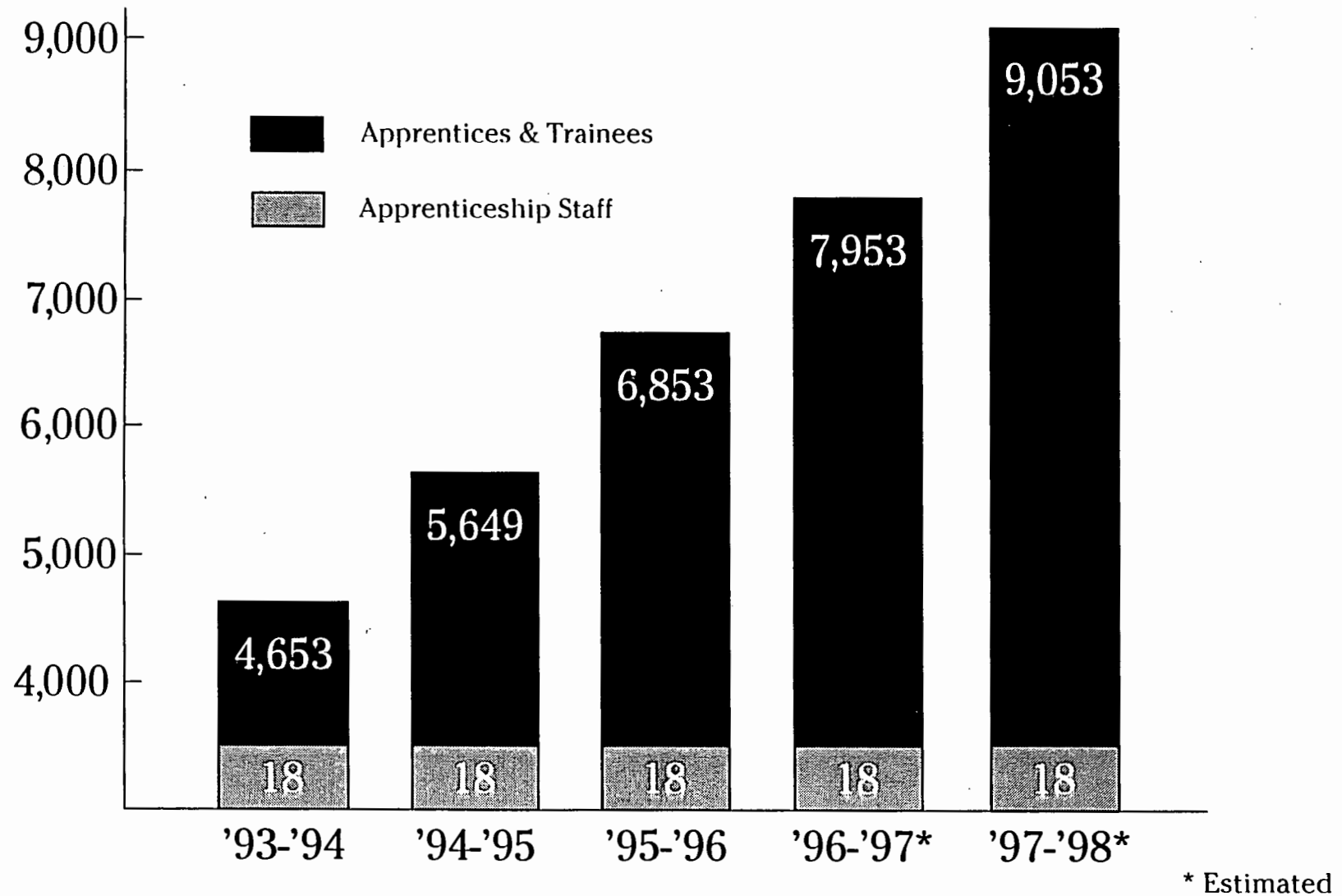
- II. Establish Departmental Safety Officer/1-800 Operator
 The Governor recommended monies to replace the loss of federal dollars for an annual federal grant. This was our number one priority and was critical to the on-going operation of the program. However, since this budget was prepared, the department has learned that federal funding will continue for this purpose. Therefore the department would like to use the appropriation for our top priority at this time:

Departmental Safety Officer	\$49,849	\$45,349
1-800 Operator	<u>42,325</u>	<u>42,325</u>
Appropriation	\$92,174	\$87,674
Positions	2	2

**NORTH CAROLINA DEPARTMENT OF LABOR
SB 566 - APPRENTICESHIP**

- ◆ Expansion of staff to meet the increased demand for service.
- ◆ Greater visibility through existing high school apprenticeship programs and DOL partnerships.
- ◆ Programs in three-fourths of NC counties.
- ◆ Continue to expand high school apprenticeship programs. (The number of apprentices has grown from 38 in 1993 to 541 in 1996.)
- ◆ 71% increase in apprentices and other OJT trainees since 1993-94.
- ◆ 70% completion rate!
- ◆ The number of positions within the division has remained constant over the past 8 years (11 apprenticeship representative/7 administrative clerical positions).
- ◆ Request state dollars to fund 13 apprenticeship representative and 2 clerical positions for a total cost of \$659,839 (1997-98) and \$586,559 (1998-99).
- ◆ Additional staff would allow greater service to all 100 NC counties.

State's Apprentices Increase 71% While Staff Remains The Same



**NORTH CAROLINA DEPARTMENT OF LABOR
SB 652/HB 447 - WORKERS COMPENSATION TECHNICAL ASSISTANCE**

RELEVANT FACTS REGARDING BILL

- The Department of Labor is inspecting small businesses with high experience rate modifiers as a result of legislation passed by the General Assembly after the Hamlet fire.
- These small businesses do not have the resources to hire private safety consultants to help them, and private consultants have confirmed to the Labor Department that they do not market to these small businesses because there is no profit in it.
- The small businesses frequently have safety problems that they do not have the expertise to fix, and they generally do not have the time to invest in finding out the requirements for their business under the OSHA Act.
- The Department of Labor already mails to each of these employers every year a letter informing them of their high experience rate modifier, but the department does not have the resources to provide technical assistance to the 1800 employers who have high rates.
- Rather than leaving the employers on their own to face a potential OSHA inspection, this bill requires the department to offer the employers technical assistance, with no fines or penalties, and provides the resources to do it through the Consultative Services Bureau of OSHA, which currently provides consultative assistance to 600 small and medium size employers each year who request their assistance.
- Employers who receive assistance through the Consultative Services Bureau are taken off that year's inspection list for OSHA unless OSHA receives a complaint or there is a catastrophe at the business.
- The technical assistance would include walking through the business and helping to identify hazards that need fixing, analyzing the injuries which have caused the high rates and offering advice on how to avoid those types of injuries, and helping the employer implement safety practices that will keep hazards from developing in the future.
- The \$1.3 million in the bill would fund 18 safety consultants, 2 supervisors, and three office staff. They would make 1800 technical assistance visits per year. For less than \$750 per employer, we may be saving someone's life.

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Natural and Economic Resources

4-3-57

Name of Committee

Date _____

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

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VISITOR REGISTRATION SHEET

APPROPRIATIONS/Natural and Economic Resources

Name of Committee

4/3/97
Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

<u>NAME</u>	<u>FIRM OR AGENCY AND ADDRESS</u>
Bill Thorpe	N.C. DL
David Simmons	Zeb Allen, PA
Sandy Johnson	Wake County Farm Bureau
Linda Boggis	Wake County Farm Bureau
Maurice Weasner	NCDA
Weldon Dorman	NCDA
Lee A. Jumper	NCFB
H. A. Haywood, Jr.	NCFB
John Allen	TAA
John McLean	TAA
W. Transponte	Parker & Steel
Barbara King	Parker & Steel
D. - Long	DOL
Ray + Deanna Perry	Farm Bureau
Becky Brown	DOL
Charles Johnson	Dept of Labor
Darrell Givens	NC Farm Bureau
Elise Harrington	N.C. Farm Bureau
Shirley Wooten	OSBM
JW Rued	OSBM
Louise Warner	Rowan County Farm Bureau
Bernie Warner	Rowan County Farm Bureau
Henry Sink	Davidson County Farm Bureau
Dorcas Sink	Davidson County Farm Bureau
JIM QUINN	NC Housing Finance Agency
Betty Berry	CCNC
Richard Parks	N.C. Farm Bureau

**Senate Appropriations Committee on
Natural and Economic Resources**

April 8, 1997

Room 423, Legislative Office Building

1. Chairman's Remarks

2. Committee Review of Block Grant Plans

A. Community Development Block Grant (CDBG)

Bill McNeil
Division of Community Assistance
Department of Commerce

B. Preventive Health Block Grant

Leslie Brown
Division of Health Promotion
Department of Environment, Health, and Natural Resources

C. Maternal and Child Health Block Grant

Ann Wolfe
Division of Maternal and Child Health
Department of Environment, Health, and Natural Resources

3. Committee Discussion

4. Instructions to Staff

**Senate Appropriations Subcommittee
On
Natural and Economic Resources**

Thursday, April 8, 1997 at 8:30 a.m.

Minutes

The Senate Appropriations Subcommittee on Natural and Economic Resources met on Thursday, April 8, 1997 at 8:30 a.m. in Room 423 of the Legislative Office Building. Six Senate members attended the meeting, including Senator Bob Martin, who presided.

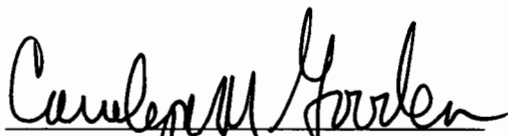
Senator Martin called Mr. Bill McNeil from the Division of Community Assistance, Department of Commerce to review and explain the budget for the Community Development Block Grant program. (See Attachment A).

Senator Martin called Mr. Leslie Brown, Division of Health Promotion, Department of Environment, Health, and Natural Resources to review and explain the budget for the Preventive Health Block Grant program. (See Attachment A).

Senator Martin called Dr. Ann Wolfe, Division of Maternal and Child Health, Department of Environment, Health, and Natural Resources to review and explain the budget for the Maternal and Child Health Block Grant program. (See Attachment A).

Senator Martin stated to the committee that if anyone had any ideas to incorporate in the line items to please bring them to the next meeting.

The meeting adjourned at 10:08 a.m.


Carolyn M. Gooden, Committee Clerk


Senator R. L. Martin, Chairman

Program and Funding Options for Federal Block Grants

Within block grant eligibility requirements, and as allowed under federal authorizing legislation, the following options are available for each block grant:

Block Grant Programs and Categories

1. Delete existing category(ies)
2. Combine existing categories
3. Add new category(ies)
4. Change funding amounts

Allocation of Decreases in Federal Block Grant Funding

1. Across the board
2. Targeted
 - Trigger by dollar amount or percentage
 - Specify which categories are decreased first and by how much
 - Exempt specific category(ies)

Allocation of Increases in Federal Block Grant Funding

1. Across the board
2. Targeted
 - Trigger by dollar amount or percentage
 - Specify which categories are decreased first and by how much
 - Exempt specific category(ies)

NER BLOCK GRANT FUNDS

Sec. 6.1 (a) Appropriations from federal block grant funds are made for the fiscal year ending June 30, 1997, according to the following schedule:

SP-76

COMMUNITY DEVELOPMENT BLOCK GRANT

01. State Administration	\$ 1,000,000
02. Urgent Needs and Contingency	2,177,500
03. Community Empowerment	2,613,000
04. Economic Development	8,710,000
05. Community Revitalization	29,178,500
06. State Technical Assistance	450,000
07. Housing Development	871,000

TOTAL COMMUNITY DEVELOPMENT BLOCK GRANT - 1997 Program Year	\$ 45,000,000

MATERNAL AND CHILD HEALTH BLOCK GRANT

01. Healthy Mother/Healthy Children Block Grants to Local Health Departments	\$ 9,838,074
02. High Risk Maternity Clinic Services, Perinatal Education and Training, SIDS, and Consultation/Technical Assistance	1,810,112
03. Services to Children With Special Health Care Needs	5,065,331

TOTAL MATERNAL AND CHILD HEALTH BLOCK GRANT	\$ 16,713,517

PREVENTIVE HEALTH SERVICES BLOCK GRANT

01. Emergency Medical Services	\$ 213,128
02. Hypertension Programs	711,813
03. Statewide Health Promotion Programs	2,568,940
04. Dental Health for Fluoridation of Water Supplies	210,269
05. Rape Prevention and Rape Crisis Programs	187,110
06. Rape Prevention and Rape Education	1,335,126
07. AIDS/HIV Education, Counseling, and Testing	66,939
08. Office of Minority Health and Minority Health Council	174,915

TOTAL PREVENTIVE HEALTH SERVICES BLOCK GRANT \$ 5,667,288

(b) Decreases in Federal Fund Availability

For JTPA and Community Development Block Grants: If federal funds are reduced below the amounts specified above after the effective date of this act, then every program in each of these federal block grants shall be reduced by the same percentage as the reduction in federal funds.

For the Maternal and Child Health Services and Preventive Health Services federal block grants: If federal funds are reduced less than ten percent (10%) below the amounts specified above after the effective date of this act, then every program in the Maternal and Child Health Services and in the Preventive Health Services block grants shall be reduced by the same percentage as the reduction in federal funds. If federal funds are reduced by ten percent (10%) or more below the amounts specified above after the effective date of this act, then for the Maternal and Child Health Services and the Preventive Health Services block grants the Department of Environment, Health, and Natural Resources shall allocate the decrease in funds after considering the effectiveness of the current level of services.

(c) Increases in Federal Fund Availability

Any block grant funds appropriated by the Congress of the United States in addition to the funds specified in this act shall be expended as follows:

- (1) For the Community Development Block Grant -- Each program category under the Community Development Block Grant shall be increased by the same percentage as the increase in federal funds.
- (2) For the Maternal and Child Health Services Block Grant -- Thirty percent (30%) of these additional funds shall be allocated to services for children with special health care needs and seventy percent (70%) shall be allocated to local health departments to assist in the reduction of infant mortality.
- (3) For the Preventive Health Block Grants -- If federal funds are increased by ten percent (10%) or more, then the Department shall allocate the increase in funds after considering the effectiveness of the current level of services and the effectiveness of services to be funded by the increase. If federal funds are increased by less than ten percent (10%), then these additional funds may be budgeted by the appropriate department, with the approval of the Office of State Budget and Management, provided the resultant increases are in accordance with federal block grant requirements and are within the scope of the block grant plan approved by the General Assembly.

(d) Changes to budgeted allocations to the Maternal and Child Health Services and the Preventive Health Services block grants due to increases or decreases in federal funds shall be reported to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division within 30 days of the allocation. All other increases shall be reported to the Joint Legislative Commission on Governmental Operations and to the Director of the Fiscal Research Division.

(e) Education Setaside of JTPA Funds

The Department of Commerce shall certify to the Joint Legislative Commission on Governmental Operations and to the Fiscal Research Division of the Legislative Services Office when Job Training Partnership Act funds have been distributed to each agency, the total amount distributed to each agency, and the total amount of eight percent (8%) Education Setaside funds received.

(f) Limitations on Community Development Block Grant Funds

Of the funds appropriated in this section for the Community Development Block Grant, the following shall be allocated in each category for each program year: up to one million dollars (\$1,000,000) may be used for State administration; up to two million one hundred seventy-seven thousand five hundred dollars (\$2,177,500) may be used for Urgent Needs and Contingency; up to two million six hundred thirteen thousand dollars (\$2,613,000) may be used for Community Empowerment; up to eight million seven hundred ten thousand dollars (\$8,710,000) may be used for Economic Development; not less than twenty-nine million one hundred seventy-eight thousand five hundred dollars (\$29,178,500) shall be used for Community Revitalization; up to four hundred fifty thousand dollars (\$450,000) may be used for State Technical Assistance; up to eight hundred seventy-one thousand dollars (\$871,000) may be used for Housing Development. If federal block grant funds are reduced or increased by the Congress of the United States after the effective date of this act, then these reductions or increases shall be allocated in accordance with subsection (b) or (c) of this section, as applicable.

**NORTH CAROLINA DEPARTMENT OF COMMERCE
DIVISION OF COMMUNITY ASSISTANCE**

**COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
(As submitted to General Assembly, April 1, 1997)**

GENERAL DESCRIPTION

The State of North Carolina's overall community development objectives are to expand jobs, build community assets, provide decent housing, improve living environments, and meet other local needs having a particular urgency, principally for persons of low-and-moderate income.

Annually the U.S. Department of Housing and Urban Development(HUD) provides Small Cities Community Development Block Grant(CDBG) funds to the state to invest in partnership with local governments in pursuit of these objectives. The Department of Commerce (DOC) administers these funds, distributing them primarily on a competitive basis because the demand for funds far exceeds the amount available. Local governments submit applications to DOC, describing their proposed projects and how they will carry out the project.

In order to carry out the objectives of the North Carolina CDBG program, local applicants may receive funding through five different categories: Community Revitalization, Community Empowerment, Housing Development, Urgent Needs/Contingency, and Economic Development. Local government applicants may also secure loans to finance economic development or housing developments through the Section 108 loan guarantee program, approved by the General Assembly in 1995 and amended in 1996.

All counties, except HUD-designated Urban Counties (Wake and Cumberland and their participating municipalities) are eligible to apply for Small Cities CDBG funds. All municipalities, except for 22 entitlement cities that receive funds directly from HUD, are also eligible to receive Small Cities CDBG funds.

Local governments may undertake a wide range of activities under the CDBG program. Eligible activities are listed under Section 105 of the Housing and Community Development Act of 1974, as amended, and include, among other activities:

- A. Acquisition of real property;
- B. Acquisition, construction, and reconstruction of public works and facilities and site or other improvements;
- C. Clearance, demolition, removal, and rehabilitation of buildings and improvements;
- D. Provision of public services;
- E. Planning activities; and
- F. Payment of reasonable administrative costs.

1998 RECOMMENDATIONS

In the 1998 program year North Carolina expects to award \$43,550,000 to eligible applicants, after administrative and technical assistance costs are deducted from the \$45 million grant expected from HUD. The exact amount of the 1998 Small Cities CDBG allocation is subject to Congressional appropriations for federal fiscal year 1997-98.

Out of the total amount of funds available, the Department of Commerce proposes to award up to 20 percent of the funds for Economic Development loans and grants, up to 5 percent for Community Empowerment projects, up to 3 percent for Housing Development, and up to 5 percent for Urgent Needs related to last year's hurricanes, other disasters and contingencies. The remaining funds, at least 67% of the total, will be awarded to Community Revitalization projects, using a competitive need-based statewide ranking of the 249 applications received in October 1996 for funding in Spring 1997 and 1998.

Community Revitalization will continue to fund three types of projects: concentrated needs, scattered site housing rehabilitation, and infrastructure. Projects will be chosen from the highest-rated applications that are not funded in 1997. Also in 1998, changes may be made that will affect the 1999 program based on recommendations from a Study Committee of CDBG professionals and elected officials appointed by the Community Development Council. The Department will also continue to monitor awards by geographic location and consider regional balance as directed by the General Assembly.

Economic Development activities will focus on job creation projects in concert with the State's 1996 *William S. Lee Quality Jobs and Business Expansion Act*. This Act governs the annual designation of Enterprise Tier Areas, and offers specific business incentives to improve job quality in general, and particularly within the counties that rank higher in rates of unemployment and lower per capita income levels. It is proposed that the Microenterprise Category for CDBG funding will be discontinued in 1998, due to decreased interest for that type of assistance.

Community Empowerment will invest in projects that promote self-sufficiency among low and moderate income families. These projects develop community assets by integrating jobs, small business support, housing, and services for a particular population or neighborhood. After three years of experience with this category, the program is under review and will be revised during 1997 which will affect the 1998 program. In 1998 emphasis will also be given to proposals from local governments and their private-sector and non-profit partners that help advance the state's Work First welfare reform strategies.

Housing Development will include projects that add to the supply of affordable housing through new construction or conversion of buildings. Funded activities may include public water or sewer installation, hazardous materials removal, and land acquisition by a non-profit organization.

Urgent Needs/Contingencies funds will address needs resulting from recent disasters. In the event that Congress appropriates supplemental CDBG funds in 1997 for local government efforts to recover from hurricanes Fran and Bertha, funds from the 1998 allocation may be deployed to other categories.

Section 108 loan guarantees will continue to be available under the CDBG program. This program may be expanded with one or more regional loan pools to supplement the statewide program.

As part of NC Connect, the state initiative that funded telecommunications plans in the western part of the state, in 1997 the CDBG **Telecommunications Demonstration** will fund exemplary local projects that benefit lower income people. In 1998 this demonstration may be expanded to the rest of the state using program income and deobligated funds.

Support for the **Work First** initiative is being considered under all CDBG program categories. In addition, a special effort is underway involving Commerce and other state agencies examining ways various housing and economic development programs can help people making the transition from welfare to work. The Department will continue to focus on assisting local community development priorities in Tier 1 **distressed counties** through all CDBG categories.

	<u>1996-97</u> <u>Final Budget*</u>		<u>1997-98</u> <u>Recommended</u>
1. Community Revitalization			
Funds to the Division of Community Assistance (DOC) to award to local governments to improve existing housing and infrastructure in residential areas that benefit primarily persons of low and moderate income.	\$29,285,734	at least	\$29,000,000
2. Economic Development			
Funds to the Commerce Finance Center to award to local government projects to promote the creation and/or retention of jobs.	\$ 8,742,010	up to	\$ 8,710,000
3. Community Empowerment			
Funds to the Division of Community Assistance (DOC) to award to local governments forming partnerships to undertake comprehensive, community-based economic revival, to increase jobs and small business opportunities, and foster economic self-sufficiency among low income persons, especially those involved in Work First welfare reform.	\$ 2,622,603	up to	\$2,000,000
4. Housing Development			
Funds to the Division of Community Assistance (DOC) to award to local governments to expand the supply of affordable housing for low and moderate income persons through approaches that leverage local support and other funds.	\$ 874,201	up to	\$1,662,500

5. Urgent Needs/Contingency

Funds to the Division of Community Assistance (DOC) to award to local governments a) for eligible projects submitted in other categories and b) for Urgent Needs projects based on conditions posing an imminent threat to public health or safety resulting from hurricanes or other events within the last 18 months, for which no other funds are available. Funds for such projects must remove the imminent threat.

\$ 2,185,503

up to \$2,177,500

6. Administration/Technical Assistance \$ 1,454,950

up to \$1,450,000

Notes: 1. Final Budget for 1996-97 reflects changes resulting from a final HUD allocation to the state of \$45,165,000, slightly higher than the \$45 million amount anticipated when the 1996 General Assembly approved the budget.

2. Three demonstrations may be undertaken in 1998: Telecommunications (up to \$300,000), Infrastructure Planning (up to \$200,000), both funded from program income, deobligated funds or contingencies; and an Individual Development Account demonstration funded from Community Empowerment funds.

3. Funds available for distribution but not awarded in categories 2-5 or to demonstration projects by December 31, 1997 may be distributed to ranked projects in the Community Revitalization (category 1 above) or to Urgent Needs projects. Such funds may be carried over to 1998 to aid in local disaster recovery projects.

Program Income

Since 1986, loan payments from local governments assisted with CDBG funds have been made to the State. Loan payments from projects funded by DCA prior to 1992 were used in 1994, 1995, and 1996 for housing development grants to assist local governments in expanding the supply of affordable housing for low-and-moderate income persons. In 1998 this program income may be used to fund Housing Development or Urgent Needs projects. Loan repayments from projects funded after 1992 by the Commerce Finance Center will be used to fund additional economic development projects.

In 1998, approximately \$800,000 in Program Income from loan repayments may be used for a loan loss reserve to support up to \$8 million in economic development or housing development loans guaranteed under the HUD Section 108 program. Consistent with state law, an amount equal to ten percent of the outstanding balance of Section 108 loans will be held in a loan loss reserve fund to protect the CDBG program from state and local governments from default losses.

State of North Carolina
Department of Environment,
Health and Natural Resources
Division of Health Promotion

James B. Hunt, Jr., Governor
Jonathan B. Howes, Secretary
Peter Andersen, MEd, MBA, Acting Director



TO: Dr. Devlin Correction Correction

FROM: Leslie Brown *[Signature]*

SUBJECT: FY 1997-98 Preventive Health Services Block Grant Plan

DATE: March 26, 1997

Attached is a revised PHSBG Plan for State Fiscal Year 1997-98. The plan has been revised to reflect the amount of Social Services Block Grant funds to be transferred by the Department of Human Resources to support HIV/AIDS Education, Testing, and Counseling (\$81,001) and to support EMS (\$280,984). The amount of the transfer for EMS was communicated to me this morning by Mary Greene, Division of Budget, Planning, and Analysis.

Please call if you have questions 5-3105

cc: Peter Andersen
Dr. Levine
Jane Smith
Mary Greene

March 27, 1997 Correction. *[Signature]*

I discovered an error in the Plan submitted on March 26. The indirect cost figure should read \$217,762 and the Statewide Health Promotion figure should read \$2,777,924. Corrected Plan is attached. Destroy the March 26 version.

EveryWhere. EveryDay. EveryBody.

3/27/97 SP-84

Department of Environment, Health, and Natural Resources
Division of Health Promotion
Summary of the 1998
PREVENTIVE HEALTH SERVICES BLOCK GRANT (PHSBG)

The Preventive Health Services Block Grant Plan assumes that federal financial assistance for Federal Fiscal Year (FFY) 1998 will be \$5,240,809. This is the same level of funding as available in Federal Fiscal Year 1997.

The Rape Crisis/Rape Prevention Program funding level of \$187,110 for FFY 1998 is set at the federal level consistent with a set aside provision in the PHSBG legislation.

The Rape Prevention and Education Program is authorized under the Violence Against Women Act (Crime Bill) which amended the PHHSBG authorizing legislation in 1996. The FFY 1998 funding level for this component of the plan is \$935,552.

State Fiscal Year 1998 continuation PHSBG funding is based on 25% of the State PHSBG allotment for FFY 1997 and 75% of the State allotment for FFY 1998. As in prior years, a transfer from the Social Services Block Grants will be used to support the plan. The plan assumes the transfer amount from the SSBG will be \$ 361,985. Of the total SSBG transfer, \$ 280,984 will provide support for the Department of Human Resources, Division of Facility Services, Emergency Medical Services program and \$ 81,001 will be used to support HIV/AIDS Education, Testing, and Counseling Services.

GENERAL DESCRIPTION

The Preventive Health Services Block Grant provides support for services which reduce preventable illness and early death and which improve the quality of life of North Carolina's residents through better health. Areas in which Preventive Health Services Block Grant funding are to be used are described in the following section.

RECOMMENDATIONSALLOCATIONS

1. Allocate funds to local health departments for screening and health education for persons with high blood pressure; for physician referral of patients experiencing high blood pressure; and for monitoring persons who are under treatment for high blood pressure. \$ 711,813
2. Allocate funds to support local health departments and agencies for health education, risk reduction programs and services to persons at risk of developing adverse health conditions or behavior patterns. Funds will also be used to develop and implement a health promotion and disease prevention training and resource development program to build a core capacity of central, regional, and local expertise in health promotion and disease prevention services. Increased emphasis will be placed on improving financial and service data collection and reporting, resource development, and improving access to services by older adults. \$ 2,777,924
3. Allocate funds to the Division of Dental Health to assist towns and schools to provide technical assistance and train local personnel in the development of fluoridated water systems, and to support basic preventive dental activities. \$ 224,170
4. Allocate funds to the N.C. Council on Women to support local governmental and private non-profit agencies to provide assistance and support to victims of rape and to provide education in rape prevention. \$ 187,110
5. Allocate funds to support rape prevention and education programs conducted by rape crisis centers or similar non-profit entities. Activities may include educational seminars, operation of hotlines, training of professionals, preparation of informational materials and efforts to increase awareness in underserved racial, ethnic, and language minority communities. Twenty-five percent of grant funds are to be devoted to education programs targeted for middle, junior high and high school students. \$ 935,552

3/27/97

6. Allocate funds to local health departments to support personnel and programs for AIDS/HIV education, counseling, and testing. The local health departments emphasize AIDS education and testing efforts to reach those at highest risk, persons in AIDS high prevalence groups, to ensure that these efforts will be maximally effective in controlling the epidemic. \$ 81,001
7. Allocate funds to the Division of Facility Services for Emergency Medical Services. These funds are used to provide grants and special services to rescue squads and local governments and to support the Regional EMS Councils and their programs. Funds will also be used to support the Statewide Trauma Registry. \$ 280,984
8. Allocate funds to support an Office of Minority Health and a Minority Health Advisory Council. \$ 186,478
9. Administrative and Indirect Costs.
The authorizing legislation for the block grant caps administrative costs at 10% of the state allocation. The administrative costs cap for Fiscal Year 1998 is \$524,081. Projected indirect costs for FY 1998 total \$209,001. \$ 217,762

TOTAL FOR STATE FISCAL YEAR 1997-98 **\$5,602,794**

SOURCE OF FUNDS:

FFY 97 Preventive Health Services Block Grant	\$1,310,202
FFY 98 Preventive Health Services Block Grant	\$3,930,607
Transfer from Social Services Block Grant	<u>\$ 361,985</u>

TOTAL FFY 1997-98 FUNDS **\$5,602,794**

3/27/97

**PREVENTIVE HEALTH AND HEALTH SERVICES BLOCK GRANT ANALYSIS SHEET
STATE FISCAL YEARS 1996, 1997 AND 1998**

PROGRAM COMPONENT	HOUSE BILL 53 SFY 1997	BUDGET SFY 1996	CERTIFIED/ AUTHORIZED BUDGET SFY 1997	BUDGET SFY 1998
Emergency Medical Services	\$213,128 (S)	\$452,375 (S)	\$213,128 (S)	\$280,984 (S)
Basic Public Health Services	\$0	\$180,753 (S)	\$0	\$0
Hypertension Services	\$711,813	\$727,161	\$711,813	\$711,813
Statewide Health Promotion	\$2,568,940	\$2,624,329	\$2,741,370	\$2,777,924
Dental Health	\$210,269	\$214,803	\$220,694	\$224,170
Rape Prevention & Rape Crisis	\$187,110	\$186,241	\$187,110	\$187,110
Rape Prevention & Education	\$1,335,126 *	\$0	\$1,464,593	\$935,552
AIDS/HIV Education, Counseling & Testing	\$66,939 (S)	\$81,001 (S)	\$66,939 (S)	\$81,001 (S)
Office of Minority Health & Minority Health Council	\$174,915	\$178,686	\$183,587	\$186,478
Administrative & Indirect Cost	\$199,048	\$203,340	\$199,048	\$217,762
TOTAL	\$5,667,288	\$4,848,689	\$5,988,282	\$5,602,794
RECEIPTS				
PHHSBG	\$5,387,221	\$4,134,560	\$5,708,215	\$5,240,809
SSBG (S)	\$280,067	\$714,129	\$280,067	\$361,985
TOTAL	\$5,667,288	\$4,848,689	\$5,988,282	\$5,602,794

* Includes four quarterly allotments of Federal Fiscal Year 1996 funding (\$762,929) and three quarterly allotments of estimated Federal Fiscal Year 1997 funding. The four quarterly allotments of FFY 1996 funding was budgeted in State Fiscal Year 1996-97 because the FFY 1996 Crime Bill funding was not allocated to the State until August of 1996. Thus, the State did not have any of these funds available in State Fiscal Year 1996.

SP-87

State of North Carolina
Department of Environment,
Health and Natural Resources
Division of Maternal and Child Health

James B. Hunt, Jr., Governor
Jonathan B. Howes, Secretary
Ann F. Wolfe, M.D., M.P.H., Director



SP-88

March 19, 1997

MEMORANDUM

TO: Jane Smith, Director
Division of Budget, Planning and Analysis

THROUGH: Ronald H. Levine, M.D., M.P.H.
State Health Director

FROM: Ann F. Wolfe, M.D., M.P.H.



SUBJECT: **FY 1996-97 MCH BLOCK GRANT PROPOSAL**

Attached for your review is our FY 1997-98 MCH Block Grant proposal. The proposed SSBG transfer amount was confirmed with Division of Social Services staff. Please note that the SSBG transfer includes funding for Adolescent Pregnancy Prevention Projects. In previous fiscal years, the APPP allocation was not treated as part of the MCH Block Grant transfer. For FY 1997-98, we requested that DSS combine the adolescent pregnancy allocation with the transfer to the MCH Block Grant. This provides DEHNR more flexibility in deciding how to use the total amount of SSBG funds available. DHR/DSS has agreed to the change. Therefore, their FY 97-98 SSBG plan will not reflect a separate allocation for APP Projects. Funds for APPP are reflected instead in item #2 of our MCH Block Grant plan.

Subject to your approval, please forward this document to the Fiscal Research Division. Should you have any questions, please call Barry Goldstein at 715-3662. Thank you.

BG:nr

Attachment

cc: Leah Devlin
Chris Hoke
Tom Vitaglione
Kevin Ryan

**DEPARTMENT OF ENVIRONMENT, HEALTH AND NATURAL RESOURCES
DIVISION OF MATERNAL AND CHILD HEALTH
MATERNAL AND CHILD HEALTH BLOCK GRANT**

SP-89

Funding for State Fiscal Year 1997-98 is projected at \$17,128,910. This represents \$415,393 more than the amount available in Fiscal Year 1996-97. The amount includes \$16,515,634 in MCH Block Grant funds, and a proposed transfer of \$613,276 from the Social Services Block Grant.

GENERAL DESCRIPTION

The purpose of the Maternal and Child Health Block Grant is to assist states in assuring that mothers and children, particularly those with low income or limited availability to health services have access to quality maternal and child health services. These services are aimed at (1) reducing maternal and infant mortality; (2) reducing the incidence of preventable disease and disabling conditions among children; (3) promoting the health of mothers and children; and (4) maximizing the health status of children with disabilities. The MCH Block Grant consolidated five programs for which the state received categorical funding. These five programs were (1) Maternal and Child Health, (2) Children's Special Health Services, (3) Supplemental Security Income for Disabled Children, (4) Sudden Infant Death Syndrome, and (5) Lead Based Paint Poisoning Prevention.

RECOMMENDATIONS	ALLOCATIONS
1. Allocate \$10,202,028 in Healthy Mothers/Healthy Children Block Grants to local health departments. The proposed allocation is \$363,954 more than the amount allocated in FY 1996-97. Under this funding concept, local health departments have responsibility for deciding how to use maternal and child health funds to best meet local needs. County and district health departments may use Healthy Mothers/Healthy Children Block Grants to provide prenatal care, preventive and primary care services for children and preventive health services for women of childbearing age. None of the proposed HEALTHY MOTHERS/HEALTHY CHILDREN BLOCK GRANT allocation is used for state level administrative costs.	\$10,202,028
2. Allocate \$1,972,191 to support high-risk maternity clinics, perinatal education and training, public information and education, childhood injury prevention, adolescent pregnancy prevention, and consultation and technical assistance to local health departments. The proposed allocation is \$162,079 more than the amount allocated in FY 1996-97. From the funds available, the Department proposes to use approximately \$115,000 for state level administrative costs. This amount includes the salary and fringe benefits, of accounting, personnel and computer support staff within the Division of Maternal and Child Health, and indirect cost charges.	\$ 1,972,191
3. Allocate \$4,954,691 for services to children with chronic illnesses, genetic disorders, or developmental disabilities. This also includes the identification, follow up and testing of infants and young children at risk for developmental delays. The proposed allocation is \$110,640 less than the amount allocated in FY 1996-97. From the funds allocated, the Department proposes to use approximately \$50,000 for state level administrative costs. This amount represents indirect cost charges.	\$ 4,954,691

3070
recovered
for
Children
& with
Chronic
illness

March 18, 1997

TOTAL FUNDS AVAILABLE - SFY 1997-98

\$ 17,128,910

SP-90

SOURCE OF FUNDS

MCH BLOCK GRANT FEDERAL FY 1997

\$ 4,128,909

MCH BLOCK GRANT FEDERAL FY 1998

\$ 12,386,725

SOCIAL SERVICES BLOCK GRANT TRANSFER

\$ 613,276

PROPOSAL FOR BUDGETING INCREASES IN FEDERAL FUNDS

Federal legislation requires states to allocate at least thirty percent (30%) of their total MCH Block Grant award to services for children with special health care needs. If additional MCH Block Grant funds are appropriated by Congress, the Department requests approval to allocate thirty percent (30%) of the increased amount to services for children with special health care needs and seventy percent (70%) for activities and services effective in reducing infant and childhood mortality and morbidity.

PROPOSAL FOR ALLOCATING DECREASES IN FEDERAL FUNDS

If federal funds are reduced less than 10% below the amounts specified, the Department requests approval to reduce every program area described above that receives MCH Block Grant funds by the same percentage as the reduction in federal funds. If federal funds are reduced by 10% or more below the amounts specified above, the Department proposes to allocate the decrease in funds after evaluating which reductions in program support would be the least detrimental to the health and well being of North Carolina mothers, infants and children.

March 18, 1997

**COMPARISON OF MCH BLOCK GRANT ALLOCATIONS/RECEIPTS
SFY 1993-94 TO SFY 1997-98**

CERTIFIED AMOUNT					PROPOSED
BLOCK GRANT ALLOCATIONS	SFY 93-94	SFY 94-95	SFY 95-96	SFY 96-97	SFY 97-98
1. HEALTHY MOTHERS/HEALTHY CHILDREN	\$ 11,600,877	\$ 11,600,877	\$ 11,303,377	\$ 9,838,074	\$ 10,202,028
2. HIGH RISK MATERNITY CLINICS/ PERINATAL EDUCATION AND TRAINING/ SIDS/TECHNICAL ASSISTANCE	1,383,538	1,565,313	1,810,112	1,810,112	1,972,191
3. SERVICES FOR CHILDREN WITH SPECIAL HEALTH CARE NEEDS	5,151,435	5,065,331	5,065,331	5,065,331	4,954,691
4. NUTRITION SERVICES	120,530	120,530	120,530	0	0
TOTALS	\$ 18,256,380	\$ 18,352,051	\$ 18,299,350	\$ 16,713,517	\$ 17,128,910

CERTIFIED AMOUNT					PROPOSED
BLOCK GRANT RECEIPTS	SFY 93-94	SFY 94-95	SFY 95-96	SFY 96-97	SFY 97-98
1. MATERNAL AND CHILD HEALTH	\$ 16,670,547	\$ 16,766,218	\$ 16,713,517	\$ 16,713,517	\$16,515,634
2. SOCIAL SERVICES	1,585,833	1,585,833	1,585,833	0	613,276
TOTALS	\$ 18,256,380	\$ 18,352,051	\$ 18,299,350	\$ 16,713,517	\$ 17,128,910

March 18, 1997

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VISITOR REGISTRATION SHEET

APPROPRIATIONS/Natural and Economic Resources

4/8/97

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
1. Joyce W. Allen	IOA, Council for Women
2. ~~Terrie Brown~~	DEHNR DHPD
3. David Simmons	Zeb Alley, PA
4. Michael Moser	DEHNR
5. Don Levine	DEHNR
6. Barbara Kullen-Smith	DEHNR / OMH
7. Pat Yarn	APPENC / SCSL
8. Becky Brown	Labor
9. David Case	Labor
10. Maurice Weaver	MCDA
11. Mary Greene	DEHNR
12. Patti Berry	CNC
13. M. K. D. S. M. S.	OSBM
14. J. W. Reel	OSBM
15. ~~Spencer Watson~~	OSBM
16. Phillip R. Wilson	Commerce
17. Steve Cline	Dental Health / DEHNR
18. Kevin Ryan	MCDA / DEHNR
19. CHERYL WALLER	MCDA / DEHNR
20. Barry Goldstein	DEHNR / DMCH
21. ~~Rene Wolfe~~	DEHNR / DMCH
22. Jane Smith	DEHNR / Budget
23. Thomas L. Fouts	WCU - Smolen Mt. Dev. Corp.
24. Joe McClees	TDA
25. ADAM SEARING	NC Health Access Coalition
26. Beckie Street	PPAB

**Senate Appropriations Subcommittee
On
Natural and Economic Resources**

Thursday, April 10, 1997 at 8:30 a.m.

Minutes

The Senate Appropriations Subcommittee on Natural and Economic Resources met on Thursday, April 10, 1997 at 8:30 a.m. in Room 423 of the Legislative Office Building. Five Senate members attended the meeting, including Senator Bob Martin, who presided.

Senator Martin recognized Ms. Jennifer Herrera of the Fiscal Research Division, to review and explain the continuation budget for the Housing Trust Fund, and the Department of Agriculture. (See Attachment A).

Senator Martin next called on Mr. Mark Trogdon of the Fiscal Research Division to review and explain the continuation budget for the Department of Labor. (See Attachment A).

Ms. Herrera and Ms. Mona Moon of the Fiscal Research Division then reviewed the continuation budget for the Department of Environment, Health, and Natural Resources. See Attachment A).

Ms. Herrera and Mr. Trogdon then reviewed and explained the continuation budget for the Department of Commerce. (See Attachment A).

Ms. Herrera and Mr. Trogdon then reviewed and explained the recommended continuation budget for State Aid to Non-State Entities, the NC Biotechnology Center and the Rural Economic Development Center. (See Attachment A).

Senator Martin then stated the committee's recommendations should be in the hands of the Appropriation Chairs that afternoon.

The committee then discussed pay grades, classifications, and span of control reductions for the Department of Environment, Health, and Natural Resources. (See Attachment B).

After some committee discussion about the span reductions for the Department of Environment, Health, and Natural Resources, Senator Martin stated that they had not received all the information they had requested from the department and requested the information for Monday's meeting.

Next the committee reviewed the span of control/salary reductions for the Department of Commerce. (See Attachment C).

The meeting adjourned at 9:33 a.m.


Carolyn M. Gooden, Committee Clerk


Senator R. L. Martin, Chairman

DRAFT

Handout #4/10/97 8:30am
Senate NER

Senate Subcommittee on Natural and Economic Resources

Housing Finance Agency

GENERAL FUND

	FY 97-98	FY 98-99
Recommended Continuation Budget	\$2,300,000	\$2,300,000

Legislative Changes

Housing Finance Agency

1 Housing Trust Fund

Support for the Housing Trust Fund.

\$4,000,000 NR

Total Legislative Changes

\$4,000,000 NR

Position Changes

Revised Budget

\$6,300,000

\$2,300,000

Agriculture

GENERAL FUND

	FY 97-98	FY 98-99
Recommended Continuation Budget	\$49,480,730	\$49,688,983

Legislative Changes

Agricultural Finance Authority

2 Reduce General Fund Appropriation

(\$10,000)	R	(\$10,000)	R

- Reduce the general fund appropriation to the Authority by utilizing the interest income earned by the Farm Reserve Loan Fund for the Authority's operating expenses.

Agronomic Services

3 Agronomic Advisory Services

\$314,767	R	\$445,117	R

Funds to increase waste disposal and water management services provided by the Agronomics Division to meet the demand for increased technical assistance from regional agronomists and section chiefs.

\$217,151	NR		
7.00		8.00	

Grant-in-Aid

4 North Carolina Tobacco Museum

Grant-in-aid to support the North Carolina Tobacco Museum in Kenly.

\$25,000	NR

Maritime Museum

5 Transfer Maritime Museum to Cultural Resources

(\$792,227)	R	(\$786,713)	R

Transfer positions, equipment, and operating support for the North Carolina Maritime Museum to the Department of Cultural Resources.

-17.25		-17.25	

	FY 1997-98	FY 1998-99
Requirements	\$792,527	\$787,013
Receipts	(\$ 300)	(\$ 300)
Appropriation	\$792,227	\$786,713

Marketing

6 Grant-in-Aid

\$37,000	R	\$37,000	R

Increase grant-in-aid to the Western North Carolina Development Association.

Plant Industry - Plant Protection

7 Bee Regulatory Support

\$170,212	R	\$170,212	R

Funds for expanded regulatory support to protect the North Carolina bee and honey industry from parasitic mites, bee disorders and the Africanized bee.

\$45,894	NR		
2.00		2.00	

Senate Subcommittee on Natural and Economic Resources

Total Legislative Changes	(\$280,248)	R	(\$144,384)	R
	\$288,045	NR		
Position Changes	-8.25		-7.25	
Revised Budget	\$49,488,527		\$49,544,599	

Labor**GENERAL FUND**

	FY 97-98	FY 98-99
Recommended Continuation Budget	\$16,068,855	\$15,986,184

Legislative Changes**Boiler and Pressure Vessel Bureau****8 Expand Inspection Staff with Receipt Support**

Adds four boiler and pressure vessel inspection staff to conduct safety inspections in accordance with the inspection intervals required in statute. Funding support will be provided with increased receipts generated by inspections conducted with these additional positions.

	FY 1997-98	FY 1998-99
Requirements	\$ 211,316	\$ 196,316
Receipts	(211,316)	(196,316)
Appropriation	0	0

Elevator and Amusement Device Bureau**9 Expand Inspection Staff with Receipt Support**

Adds four elevator inspection staff and one administrative support position to conduct safety inspections -- at six month intervals -- of all elevators in the state. Funding support will be provided with increased receipts generated by these positions assisting in the increased frequency of elevator inspections from an average of every 10 months to every 6 months.

	FY 1997-98	FY 1998-99
Requirements	\$ 248,061	\$ 228,361
Receipts	(248,061)	(228,361)
Appropriation	0	0

Information Office

10 1-800-LABOR-NC	\$12,000	R	\$14,500	R
Provide additional operating support for the Department's toll-free telephone number.				

Total Legislative Changes	\$12,000	R	\$14,500	R

Position Changes

Revised Budget	\$16,080,855	\$16,000,684

Environment, Health, and Natural Resources

GENERAL FUND

	FY 97-98	FY 98-99
Recommended Continuation Budget	\$253,269,888	\$252,502,338

Legislative Changes**(2.00) Forest Resources**

11 Defer Equipment Replacement	(\$500,000)	R	(\$500,000)	R
Defer replacement of certain property, plant and equipment items in forestry field operations.				
12 Reduce equipment	(\$200,000)	R	(\$200,000)	R
Reduce communications equipment budget.				
13 Increase Receipts	(\$120,000)	R	(\$120,000)	R
Increase receipts collected by counties. Counties share in the cost of forestry operations with a match based on the tax base of the county.				

(2.00) Marine Fisheries

14 Moratorium Steering Committee	(\$25,000)	R	(\$25,000)	R
Eliminate funding for the Fisheries Moratorium Steering Committee, which submitted its final report to the Joint Legislative Commission on Seafood and Aquaculture in October 1996.				
15 Reduce Marine Fisheries Patrol Equipment	(\$187,321)	R	(\$187,321)	R
Reduce equipment budget to reflect reduced equipment needs associated with the Marine Fisheries law enforcement expansion request funded in 1995, in accordance with the five year fiscal estimate submitted by the division.				
16 Operating Reserve for Patrol Vessel			\$97,436	R
Fund vessel operating reserve for the 1998-99 fiscal year. The reserve is for a patrol vessel funded with a 1996-97 capital improvement appropriation and was omitted from the continuation budget by error.				

(2.00) Museum of Natural Sciences

17 Grassroots Science Museums	\$50,000	R	\$50,000	R
Funds for one additional Grassroots Science Museum located in Statesville.				

Senate Subcommittee on Natural and Economic Resources

(2.00) Parks and Recreation

18 Reduce Operating Reserve

Reduce operating reserve for State Parks System. (\$300,000) NR

(2.00) Soil and Water Conservation

19 Soil Survey

Funds to continue two temporary soil survey specialist positions to update existing soil surveys in Buncombe County. \$100,000 NR

(3.00) Air Quality

20 Increase Receipts

Increase the budgeted amount of program receipts and reduce the general fund appropriation by an equal amount. (\$200,000) R (\$200,000) R

(3.00) Land Resources

21 Dam Safety Inspection and Assistance

Funds to establish additional positions to increase the number of dam inspections and to provide technical assistance to owners in the areas of design and construction planning, maintenance, repairs, and emergency action plans. \$255,336 R \$255,336 R
\$19,000 NR
5.00 5.00

(3.00) Water Quality

22 Wastewater Treatment System Operator Training

Funds to provide training, certification and continuing education courses for wastewater treatment system operators for one year. \$474,795 NR
5.00

23 Federal Wastewater Assistance Matching Funds

Funds to provide the 20% state match required to receive federal wastewater assistance through US EPA's Water Pollution Control Program. Funds will be used to provide low interest loans to local units of government for wastewater construction and improvement projects. \$4,001,775 NR

24 Basinwide Data Management System Development

Funds for a program delivery initiative to focus on consolidating all existing databases and facilitating access to environmental programs and data. Support staff and equipment needed to maintain the system will be phased in. \$260,846 R \$375,153 R
1.00 3.00

25 Citizens' Monitoring Program

Funds to establish a citizens' water quality monitoring program. State program staff will be responsible for training volunteers in water quality monitoring and quality assurance activities, coordinating local efforts, and providing program oversight. \$286,950 R \$286,950 R
\$6,900 NR
2.00 2.00

(3.00) Water Resources

Senate Subcommittee on Natural and Economic Resources

26 Regional Groundwater Management	\$150,000	R	\$150,000	R
Funds for monitoring in the Black Creek and Upper Cape Fear aquifers and for maintenance of monitoring wells in the area. The effective date for these positions is October 1, 1997.	3.00		3.00	
(4.00) Environmental Health				
27 Assistance to Local On-Site Wastewater Programs	\$113,016	R	\$113,016	R
Funds to provide additional training, technical assistance and regulatory oversight to local programs in the areas of plan review, septic tank design, manufacture, installation and performance.	\$11,900	NR		
	2.00		2.00	
28 Support for Local Environmental Health Programs	\$473,870	R	\$473,870	R
Funds to provide training, continuing education and technical assistance to local environmental health specialists performing food, lodging and institution inspections, and other regulatory activities to ensure the sanitation and safety of swimming pools, spas and tatoo artists.	\$26,130	NR		
	8.00		8.00	
29 Food Sanitation Training Funds				
Funds to provide training and continuing education to persons who conduct food and lodging inspections for county health departments.	\$100,000	NR		
30 Federal Water Supply Assistance Matching Funds				
Funds to provide the 20% state match required to receive a federal capitalization grant through US EPA's Drinking Water State Revolving Fund Program. Funds will be used to provide low interest loans to public water systems for capital expenditures associated with drinking water regulations and compliance.	\$9,222,820	NR		
(4.00) Epidemiology				
31 Rabies Detection and Prevention Program	\$50,000	R	\$50,000	R
Funds to provide additional professional consultation and education services to help prevent the spread of rabies.	1.00		1.00	
(4.00) Health Promotion				
32 State Games of North Carolina				
Funds for the Governor's Council on Physical Fitness to support the State Games.	\$200,000	NR		
33 Heart Disease & Stroke Prevention Awareness	\$170,500	R	\$170,500	R
Funds to develop and maintain a database of existing cardiovascular disease related services and to conduct a statewide media campaign to raise awareness about cardiovascular disease, as recommended by the Heart Disease and Stroke Prevention Task Force established in 1995.	\$29,500	NR		

Senate Subcommittee on Natural and Economic Resources

34 Arthritis Program

Continue grant-in-aid for private local project providing services to arthritis patients in Mecklenburg County.

\$15,000 NR

(4.00) Maternal and Child Health

35 Children's Vision Screening Program

Funds to support a statewide training and certification program for school-based vision screeners. The department will contract with Prevent Blindness, Inc. to implement the program.

\$419,000 R \$419,000 R

36 Maternal Outreach Worker Program

Funds to expand the maternal outreach worker program by providing funding for 63 additional home visitors employed by local service providers. Total expansion funding also includes \$600,000 in federal funds and \$200,000 in local funds.

\$825,000 R \$825,000 R
1.00 1.00

(5.00) Reserves and Special Funds

37 Water Conservation and Infrastructure District

Nonrecurring funds appropriated for the District by the 1995 General Assembly were not eliminated from the 1997-99 continuation budget in error.

(\$500,000) R (\$500,000) R

38 Healthy Start Foundation

Funds to provide statewide planning, promotion, and coordination for the First Step Campaign and to support other programs and activities aimed at reducing infant mortality.

\$650,000 NR

(6.00) Department Wide

39 Salary Reductions/Span of Control

Represents the Department's allocated share of this overall reduction.

(\$2,335,425) R (\$2,335,425) R

Total Legislative Changes	(\$1,013,228)	R	(\$801,485)	R
	\$14,557,820	NR		
Position Changes	28.00		25.00	
Revised Budget	\$266,814,480		\$251,700,853	

Commerce**GENERAL FUND**

	FY 97-98		FY 98-99	
Recommended Continuation Budget	\$37,221,648		\$37,240,885	
Legislative Changes				
Administrative Services				
40 Budget Indirect Cost Receipts	(\$52,000)	R	(\$52,000)	R
Increase the budgeted amount of indirect costs receipts and reduce general fund appropriation by an equal amount.				
Business and Industry Division				
41 Marketing Missions and Trade Shows	\$80,000	R	\$120,000	R
Increases funding support for the Division's participation at industry trade shows and for conducting national marketing missions.				
42 Regional Office Staff Support	\$22,100	R	\$26,000	R
Provides an administrative support position for the Piedmont Triad Regional Office. The effective date of the position is September 1, 1997.				
	\$5,900	NR		
	1.00		1.00	
43 Fund Industrial Recruitment Competitive Fund				
Provides nonrecurring funding support for the Industrial Recruitment Competitive Fund.				
	\$1,000,000	NR		
Department Wide				
44 Salary Reductions/Span of Control Study	(\$672,485)	R	(\$672,485)	R
Represents the Department's allocated share of this overall reduction.				
	-17.00		-17.00	
Economic Development Program				
45 Reduce Support for Data Processing & Subscriptions	(\$29,000)	R	(\$29,000)	R
Reduce funding support for data processing services, subscriptions, and membership dues.				
46 New and Emerging Industry Planning	\$300,000	R	\$300,000	R
Provides recurring funding for contracts and operating support to target high growth and emerging technology industries for recruitment to the state, promote technology transfer and entrepreneurship and to develop business support networks within the state.				

Executive Aircraft

Senate Subcommittee on Natural and Economic Resources

47 Reduce Repair Funds	(\$188,000)	R	(\$188,000)	R
Reduce funding support for aircraft repair.				

Film Office

48 Reduce Travel	(\$25,000)	R	(\$25,000)	R
Reduce budget for board and nonemployee transportation.				

Industrial Commission

49 Budget Hearing Cost Receipts	(\$202,000)	R	(\$202,000)	R
Increase the budgeted amount of the Commission's Hearing Cost receipts and reduce general fund appropriations by an equal amount.				

50 Temporary Positions	\$100,000	NR		
Provides nonrecurring funds to support temporary positions to assist with the Commission's backlog of claims, hearings, and appeals.				

51 Case Management System	\$638,571	R	\$638,571	R
Provides funds for operating and maintenance costs, staff support to maintain hardware and software, and to develop system applications.	\$17,700	NR		
	3.00			
			3.00	

Industrial Finance Center

52 Increase Industrial Development Fund	\$1,000,000	NR		
Provides a \$1 million nonrecurring expansion for the Industrial Development Fund.				

53 Fund Utility Account (Industrial Development Fund)	\$3,000,000	NR		
Provides nonrecurring funding support for economic development related water and sewer infrastructure projects in tier one enterprise counties.				

54 Increase Operating Support	\$50,000	R	\$50,000	R
Provides additional operating support for the Industrial Finance Center.	\$20,000	NR		

International Trade

55 Foreign Trade Shows	\$200,000	R	\$200,000	R
Increase recurring funding for trade shows and missions to expose small and medium sized companies to the international marketplace.				

56 International Trade Specialists	\$180,736	R	\$196,044	R
Increase the number of international trade specialists to enhance the state's marketability to potential customers in "Big Emerging Markets" (BEM). The effective date of these positions is September 1, 1997.	\$12,000	NR		
	2.00			
			2.00	

Senate Subcommittee on Natural and Economic Resources

57 Global Offices	\$300,000	R	\$300,000	R
Funds to contract with representatives to expand the division's foreign offices into 4 new and emerging markets.				

Reserves and Transfers

58 Reduce Support for the Regional Commissions	(\$225,000)	R	(\$225,000)	R
Reduces grant-in-aid support for the seven Regional Economic Development Commissions from \$4.68 million to \$4.455 million.				

59 Special Olympics 1999 World Summer Games	\$700,000	NR		
Nonrecurring funds to support the Special Olympics 1999 World Summer Games.				

Travel and Tourism

60 Budget Additional Receipts	(\$12,000)	R	(\$12,000)	R
Increase the amount of budgeted receipts and reduce general fund appropriation by an equal amount.				

61 Advertising Funds	\$1,000,000	R	\$1,000,000	R
Expand current promotional advertising funds and associated expenses to promote North Carolina as a travel destination.				

62 International Marketing	\$950,000	R	\$950,000	R
Funds to continue and expand the promotion of North Carolina as a travel destination in the international arena.				

Total Legislative Changes	\$2,315,922	R	\$2,375,130	R
	\$5,855,600	NR		

Position Changes	-11.00		-11.00	

Revised Budget	\$45,393,170		\$39,616,015	

State Aid to Non-State Entities

GENERAL FUND

Recommended Continuation Budget		FY 97-98	FY 98-99
		\$1,475,000	\$1,475,000
Legislative Changes			
Grants-in-Aid			
63 Land Loss Prevention Project		(\$275,000) R	(\$275,000) R
Eliminate recurring appropriation for the Land Loss Prevention Project and defer consideration to expansion.			
64 Coalition of Farm and Rural Families		(\$145,000) R	(\$145,000) R
Eliminate recurring appropriation to the Coalition of Farm and Rural Families and defer consideration to expansion.			
65 Institute of Minority Economic Development		(\$780,000) R	(\$780,000) R
Eliminate recurring appropriation and defer consideration to expansion.			
66 North Carolina Minority Support Center		(\$275,000) R	(\$275,000) R
Eliminate recurring appropriation and defer consideration to expansion.			
67 Land Loss Prevention Project		\$275,000 NR	
Funds to provide free legal representation to low-income, financially distressed farmers.			
68 Coalition of Farm and Rural Families		\$145,000 NR	
Funds to foster economic development within the state's rural farm communities by offering marketing and technical assistance to small and limited resource farmers.			
69 Institute for Minority Economic Development		\$780,000 NR	
Funds to foster economic development within the state through policy analysis, information and technical assistance, resource expansion, and support of community-based initiatives.			
70 North Carolina Minority Support Center		\$275,000 NR	
Funds to provide technical assistance to community-based minority credit unions.			
71 Technological Development Authority		\$3,000,000 NR	
Grant-in-aid to the N.C. Technological Development Authority, Inc. for entrepreneurial support and infrastructure including creating new incubators, enhancing existing incubators, developing capital formation initiatives, supporting research commercialization programs and matching federal grant and loan funds.			

Senate Subcommittee on Natural and Economic Resources

72 Center for Community Self-Help

Provide funds to further a statewide program of lending for home ownership.

\$1,000,000 NR

Total Legislative Changes

(\$1,475,000) R (\$1,475,000) R

\$5,475,000 NR

Position Changes

Revised Budget

\$5,475,000

\$0

NC Biotechnology Center

GENERAL FUND

	FY 97-98	FY 98-99
Recommended Continuation Budget	\$7,664,396	\$7,664,396

Legislative Changes

NC Biotechnology Center

73 Economic Development Investment Fund

Nonrecurring funding increase for the N.C. Biotechnology Center's Economic Development Investment Fund. Funds are to be used for loans for recruiting and developing emerging bioscience companies.

\$3,000,000 NR

Total Legislative Changes

\$3,000,000 NR

Position Changes

Revised Budget	\$10,664,396	\$7,664,396

Rural Economic Development Center

GENERAL FUND

Recommended Continuation Budget

FY 97-98

\$5,870,000

FY 98-99

\$5,870,000

Legislative Changes

Rural Economic Development Center

74 Supplemental Funding Program

Additional funds to support the Supplemental Funding Program
for economic development in rural communities.

\$1,500,000 NR

Total Legislative Changes

\$1,500,000 NR

Position Changes

Revised Budget

\$7,370,000

\$5,870,000

DEPARTMENT OF ENVIRONMENT, HEALTH & NATURAL RESOURCES

SPAN REDUCTIONS

Division	Fund Number	Position Number	Classification	FTE	Pay Grade	Other	Salary	S.S.	Retirement	Hospital.	Total	Status	Supervisor Non-Sup. (
Administration													
Controller	1140		Accounting Clerk IV	1	59		\$21,780	\$1,666	\$2,359	\$1,736	\$27,541	V	N
Gen. Svcs.	1140		Printing Equipt. Operator II	1	57		\$20,109	\$1,538	\$2,178	\$1,736	\$25,561	V	N
ITS	1140		Computing Consultant III	1	72		\$32,016	\$2,449	\$3,467	\$1,736	\$39,669	V	N
Personnel	1140		Personnel Supervisor I	1	76		\$38,226	\$2,924	\$4,140	\$1,736	\$47,026	F	S
Total Administration				4.00			\$112,131	\$8,578	\$12,144	\$6,944	\$139,797		
Health													
Comm.	1425		PH Education Prod. Coord.	1	70T		\$36,837	\$2,818	\$3,989	\$1,736	\$45,380	F	N
Local Hlth.	1410		Adm. Officer III	1	72		\$25,208	\$1,928	\$2,730	\$1,736	\$31,602	F	S
Env. Hlth.	1490		Word Processor III	1	57		\$19,033	\$1,456	\$2,061	\$1,736	\$24,286	F	N
Dental	1435		Dentist I	1	82		\$80,553	\$6,162	\$8,724	\$1,736	\$97,175	V	S
State Ctr.	1160		Data Entry Spec.	1	58		\$21,055	\$1,611	\$2,280	\$1,736	\$26,682	F	N
MCH	1510		PH Soc. Work Consultant	1	70		\$30,895	\$2,363	\$3,346	\$1,736	\$38,340	V	N
	1535		PH Nurse Consultant II	1	75		\$43,890	\$3,358	\$4,753	\$1,736	\$53,737	F	N
	1510		PH Nurse Consultant II	1	75		\$42,124	\$3,222	\$4,562	\$1,736	\$51,645	F	N
	1540		Nutrition Prog. Consultant	1	74		\$54,145	\$4,142	\$5,864	\$1,736	\$65,887	F	N
	1540		Nutrition Prog. Consultant	1	74		\$41,657	\$3,187	\$4,511	\$1,736	\$51,091	F	N
	1520		PH Prog. Supv. II	1	72		\$54,947	\$4,203	\$5,951	\$1,736	\$66,837	F	S
	1570		PH Prog. Consultant I	1	75		\$29,845	\$2,283	\$3,232	\$1,736	\$37,096	F	N
	1530	Care Funds	Cystic Fibrosis Purchase of Care			\$148,699					\$148,699		
Hlth. Prom.	1555		PH Prog. Mgr. I	1	75		\$45,613	\$3,489	\$4,940	\$1,736	\$55,778	F	S
	1550		PH Nurs. Consult. II	1	75		\$43,651	\$3,339	\$4,727	\$1,736	\$53,454	F	N
	1550		*Office Assistant III	1	57		\$22,893	\$1,751	\$2,479	\$1,736	\$28,860	F	N
Total - Health				15.00			\$148,699	\$592,346	\$45,314	\$64,151	\$26,040	\$876,551	

SPAN REDUCTIONS

Division	Fund Number	Position Number	Classification	FTE	Pay Grade	Other	Salary	S.S.	Retirement	Hospital.	Total	Status	Supervisor Non-Sup.(
Natural Resources													
Mar. Fisher	1320	Sal. Res.	(from position # 08372)				\$5,355	\$410	\$580		\$6,345		
	1320		(from position # 08372)				\$6,344	\$485	\$687		\$7,516		
	1320	Operating	Reduce Oyster Rehab. Program			\$133,655					\$133,655		
Soil & Wat	1310		Soils Survey Supervisor	1	71		\$30,713	\$2,350	\$3,326	\$1,736	\$38,125	V	N
	1310	Operating	Equipment, Supplies, Travel			\$56,875					\$56,875		
Forest Res.	1210	Operating	Communications Equipment			\$140,000					\$140,000		
	1210		**Assistant County Ranger	0.6	60		\$13,521	\$1,034	\$1,464	\$1,042	\$17,061	V	N
	1210		**Forest Fire Equipment Operator	0.6	63		\$14,502	\$1,109	\$1,571	\$1,042	\$18,224	V	N
	1210		**Forestry Technician III	0.65	64		\$15,946	\$1,220	\$1,727	\$1,128	\$20,021	V	S
	1210		**Forestry Technician I	0.6	60		\$12,291	\$940	\$1,331	\$1,042	\$15,604	V	N
	1210		**Forestry Technician I	0.6	60		\$17,046	\$1,304	\$1,846	\$1,042	\$21,238	V	N
	1240		Accounting Clerk IV	1	59		\$20,768	\$1,589	\$2,249	\$1,736	\$26,342	V	N
	1260		Forestry Technician IV	1	66		\$30,517	\$2,335	\$3,305	\$1,736	\$37,893	V	S
Env. Ed.	1120	Operating	Project Tomorrow Grants, Contracts			\$25,000					\$25,000		
Aquariums	1355	Operating	Supplies, Materials			\$41,777					\$41,777		
Museum	1360	Operating	Temporary Wages			\$50,000					\$50,000		
Parks	1280&1290	Operating	Increase Receipts			\$140,000					\$140,000		
Zoo	1305		Tram Asst. Supervisor	0.85	58		\$15,289	\$994	\$1,407	\$1,476	\$19,166	V	S
	1305		Sales Clerk II	0.4	53		\$6,328	\$484	\$685	\$694	\$8,192	V	N
	1305		Cook II	0.3	55		\$4,826	\$369	\$523	\$521	\$6,239	V	N
	1305		Processing Asst. III	1	57		\$17,552	\$1,343	\$1,901	\$1,736	\$22,532	V	N
	1305		Artist Illustrator	1	64		\$22,903	\$1,752	\$2,480	\$1,736	\$28,871	V	N
Total - Natural Resources				9.60		\$587,307	\$233,901	\$17,718	\$25,083	\$16,666	\$880,675		

DEPARTMENT OF ENVIRONMENT, HEALTH & NATURAL RESOURCES

SPAN REDUCTIONS

Division	Fund Number	Position Number	Classification	FTE	Pay Grade	Other	Salary	S.S.	Retirement	Hospital.	Total	Status	Supervisor Non-Sup. (
Environment													
Air Quality	1770		*Processing Assist. III	1	57		\$14,660	\$1,121	\$1,588	\$1,736	\$19,105	V	N
DWQ	1635		Chemistry Technician III	1	68		\$27,017	\$2,067	\$2,926	\$1,736	\$33,746	V	N
	1655		Chemist I	1	72		\$32,016	\$2,449	\$3,467	\$1,736	\$39,669	F	N
	1655		Artist Illustrator II	1	64		\$26,033	\$1,992	\$2,819	\$1,736	\$32,580	V	N
	1690	Sal.Res.	(from #31528)		75		\$7,124	\$545	\$772	\$1,736	\$10,177	V	S
	1695	Sal.Res.	(from #31517)		77		\$26,943	\$2,061	\$2,918	\$1,736	\$33,658	V	S
	1680	Sal.Res.	(from #31515)		75		\$20,302	\$1,553	\$2,199	\$1,736	\$25,790	F	S
	1630	Operating	Wetlands Fund			\$14,449					\$14,449		
Coastal	1625		Community Development Planner I	1	70		\$19,693	\$1,507	\$2,133	\$1,736	\$25,068	V	N
Land Res.	1740		Environmental Engineer I	1	73		\$35,063	\$2,682	\$3,797	\$1,736	\$43,279	F	N
	1740	Operating				\$12,124					\$12,124		
DWR	1620		Environmental Tech III	1	65		\$23,831	\$1,823	\$2,581	\$1,736	\$29,971	V	N
DPPEA	1615		Environmental Biologist II	1	70		\$16,000	\$1,224	\$1,733	\$843	\$19,800	V	N
	1615	Operating				\$2,332					\$2,332		
Rad. Prot.	1755	Contracts				\$25,094					\$25,094		
Waste Mg	1760		Environmental Supervisor	1	76T		\$47,966	\$3,669	\$5,195	\$1,736	\$58,566	F	S
	1760	Operating				\$12,996					\$12,996		
			Total - Environment	9.00		\$66,995	\$296,648	\$22,694	\$32,127	\$19,939	\$438,403		

SPAN OF CONTROL / SALARY REDUCTIONS *Handout C*

COMMERCE REDUCTIONS

Fund #1111	Chief Deputy	\$82,125		S
	Hospital Insurance	1,736		
	SS & Retirement	<u>15,177</u>	\$ 99,038	
Fund #1511 (Vacant)	Information & Comm Spe. III	\$32,016		
	Hospital Insurance	1,736		
	SS & Retirement	<u>5,917</u>	39,669	
Fund #1541	Director of International Mktg	\$42,636		S
	Hospital Insurance	1,736		
	SS & Retirement	<u>7,879</u>	52,251	
Fund #1531	Industrial Development Manager	\$62,700		
	Hospital Insurance	1,736		
	SS & Retirement	<u>11,587</u>	76,023	S
Fund #1541	Secretary III	\$20,151		
	Hospital Insurance	1,736		
	SS & Retirement	<u>3,724</u>	25,611	
Fund #1511 (Vacant)	Social Research Asst II	\$25,742		
	Hospital Insurance	1,736		
	SS & Retirement	<u>4,757</u>	32,235	
(Move position to Federal Funds) Fund #1651	Administrative Officer III	\$34,008		
	Hospital Insurance	1,736		
	SS & Retirement	<u>6,285</u>	42,029	
(Move position to Federal Funds) Fund #1620	Social Research Associate II	\$44,335		
	Hospital Insurance	1,736		
	SS & Retirement	<u>8,193</u>	54,264	
Fund #1551	Processing Asst III	\$18,846		
	Hospital Insurance	1,736		
	SS & Retirement	<u>3,483</u>	<u>24,065</u>	
	Subtotal (Commerce)		\$445,185	

INDUSTRIAL COMMISSION

FUND #1831

	Processing Unit Supervisor V	\$28,518		
	Hospital Insurance	1,736		
	SS & Retirement	<u>5,270</u>	35,524	S
	Processing Assistant IV	\$20,068		
	Hospital Insurance	1,736		
	SS & Retirement	<u>3,708</u>	25,512	
(Vacant)	Processing Assistant IV	\$21,640		
	Hospital Insurance	1,736		
	SS & Retirement	<u>4,000</u>	27,376	
(Vacant)	Processing Unit Supervisor IV	\$20,067		
	Hospital Insurance	1,736		
	SS & Retirement	<u>3,708</u>	25,511	S
(Vacant)	Processing Assistant II	\$17,717		
	Hospital Insurance	1,736		
	SS & Retirement	<u>3,274</u>	22,727	
	Claims Examiner V	\$22,722		
	Hospital Insurance	1,736		
	SS & Retirement	<u>4,199</u>	28,657	
(Vacant)	Applications Programmer I	\$32,016		
	Hospital Insurance	1,736		
	SS & Retirement	<u>5,916</u>	39,668	
(Vacant)	Statistical Assistant III	\$17,378		
	Hospital Insurance	1,736		
	SS & Retirement	<u>3,211</u>	<u>22,325</u>	
	Subtotal (Industrial Commission)		\$227,300	
	TOTAL REDUCTIONS		\$672,485	

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Natural and Economic Resources

4/10/97

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Cathy Cottle	DEHNR
HARLAN BRITT	DWQ
Jane Smith	DEHNR
LINDA RIMM	DEHNR
John Lee	TAA
Jamie Freedman	NC Healthy Start Foundation
Bob SAUNDERS	NC Healthy Start Foundation
T. C. Adams	Div of Employment & TRAINING / Commerce
Bill McNeil	Commerce - Division of Community Assistance
Charles Gardner	DEHNR
Thomas M. Nash Jr	DEHNR - DER - LQS
Frank Borden	NCAFA
Johnny Gary	OSBM
John Kauf	OSBM
Shelli Whitten	OSBM
Denny Best	DEHNR
Tom Lawrence	DEHNR
Lee Sillen	Commerce
Phillip R. Williams	"
Buck Lattimore	Industrial Commerce
John Morris	EHNR
LEE Hunter	EHNR
Michael Moser	EHNR
WALT PLOSKA	NCAFS
June Brotherton	UNC General Admin - NC State Univ of Program
Loane Tamber	DEHNR
Shirri Crawford	"

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Natural and Economic Resources

4/10/97

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Becky Brown Labor

R. Roberts EHR

Christy Russell North Carolina Biotechnology Center

Charles Hammer N.C. Biotech. Ctr.

Steven Burke North Carolina Biotechnology Center

Deanna Wilson EGRAS

Stan Adams EHR, DFR

Bob Hawley PBNC

Chuck Horsbooms STATE COMMISSION

Andy Elk NC Farm Bureau

**Senate Appropriations Subcommittee
On
Natural and Economic Resources**

Monday, April 14, 1997 at 4:30 p.m.

Minutes

The Senate Appropriations Subcommittee on Natural and Economic Resources met on Monday 14, 1997 at 8:30 a.m. in Room 423 of the Legislative Office Building. Six Senate members were present. Senator Bob Martin presided.

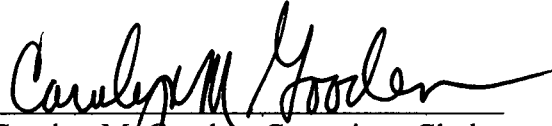
Senator Martin asked Mr. Mark Trogon of the Fiscal Research Division to present and review the budget for the Worker Training Trust Fund. The Worker Training Trust Fund was created in 1987 as part of the statutory authorization for the Employment Security Commission Reserve Fund. The Worker Training Trust Fund operates as a fund account to which the State Treasurer deposits the annual interest earnings generated by the \$200.4 million in principal held in the Employment Security Commission Reserve Fund. Mr. Trogon stated the \$2.4 million recommended for the Employment and Training Grant program is not being fully utilized by all the Service Delivery Areas receiving these funds. Over the last 5 fiscal years, the program has averaged a carry forward balance of \$1.3 million in unspent funds. Therefore, he suggested the committee may wish to reduce the recommended Working Training Trust Fund support for this program from \$2.4 million to \$1.1 million. The \$1.53 million recommended appropriation for the JOBS/Work First program is not currently incorporated in the Department of Human Resources' business plan for Work First. In addition, the proposed funding is not required for drawing down federal funds for maintenance of effort. The Department proposes to keep the funds to use as a block grant to counties for assisting clients with obtaining employment. The committee may wish to discuss the need to continue the proposed \$1.53 million in Worker Training Trust Fund support to the Department of Human Resources given the current \$500 million funding level in place for welfare reform. (See Attachment A and B).

Mr. Trogon reviewed the changes by the Appropriations Committee Chairs, starting with the Department of Labor transferring six OSHA enforcement positions from 100% state funded to a combination of 50% federally funded and 50% state supported. The next change was with the Department of Environmental Health and Natural Resources. The Environmental Education Grant Fund expansion. The Committee approved the \$200 thousand dollars to expand this program. The next item under DEHNR was the straight pipe elimination program. The change provided two additional positions. The next item was within the Epidemiology Division, the Alcohol Chemical Testing Certification Program. This program was reduced to more accurately reflect expenditures. Next was Maintenance of existing Water Quality Programs, to establish a reserve and will be non-recurring. The next item was for Soils Survey in Buncombe County, \$100 thousand. That item was removed from the report. Ms. Jennifer Herrera then reviewed the Department of Commerce, Division of Community Assistance to reduce the funding to Councils of Government by \$180 thousand. The next item was to reduce the Global Transpark Marketing by \$150 thousand. The next item was the Fund Utility Account, being reduced by \$2 million. The next item was the International Visitors Center, eliminating the \$20 thousand grant. The next item was the Institute for Aeronautical Technology, a new item adding \$1 million for planning, design and land acquisition. There was a hold placed on this item. The Wanchese Seafood Industrial Park was the next item. This item was taken out due to the level of their receipt earnings and restored the general fund appropriation to \$122,594 thousand. (See Attachment C).

Senator Shaw requested the committee's support for the Housing Trust Fund, Housing Coalition, and Self Help. The committee decided to hear from these programs the next morning.

Ms. Mona Moon of the Fiscal Research Division submitted the Span of Control for DEHNR. (See Attachment D).

The Committee adjourned at 5:53 p.m.


Carolyn M. Gooden, Committee Clerk


Senator Bob Martin, Chairman

WORKER TRAINING TRUST FUND

AUTHORIZATION

The Worker Training Trust Fund was created in 1987 as part of the statutory authorization for the Employment Security Commission Reserve Fund. The Worker Training Trust Fund operates as a fund account to which the State Treasurer deposits the annual interest earnings generated by the \$200.4 million in principal held in the Employment Security Commission Reserve Fund.

These interest earnings are appropriated each biennium by the General Assembly through a special provision in the Budget Bill. The purposes identified in statute for which these funds may be appropriated are as follows:¹

- 1) Fund programs specifically for the benefit of unemployed workers or workers who have received notice of long-term layoff or permanent unemployment, which will enhance the employability of workers, including but not limited to, adult basic education, adult high school or equivalency programs, occupational skills training programs, assessment, job counseling and placement programs;
- 2) Continue operation of local Employment Security offices throughout the state;
- 3) Provide refunds to employers.

PROJECTED AVAILABILITY

Since the amount of annual interest earnings will fluctuate with interest rates in any given fiscal year, appropriation of these funds are made on a forward basis. For example, programs funded from the Worker Training Trust Fund in the current fiscal year (FY 1996-97) are being supported with interest earnings from the previous fiscal year (FY 1995-96). Funds not utilized in a given fiscal year revert to the trust fund notwithstanding other applicable laws.²

The Trust Fund's projected recurring availability for the 1997-98 fiscal year is approximately \$13 million; the projected nonrecurring availability is \$600,000.

FUNDING HISTORY – PLEASE SEE TABLE 1

¹ As provided under G.S. 96-5(f). See attachment 1 to this handout.

² For example, funds appropriated to the "Employment and Training Grant Program" remain available for expenditure in multiple fiscal years as provided in G.S. 143B-438.6 (e).

GOVERNOR'S RECOMMENDED PROGRAM FUNDING FOR THE 1997-99 BIENNIUM**Employment Security Commission (ESC)****Local Office Support****Funding Level****FY 97-98**
\$5,839,964**FY 98-99**
\$5,839,964

Local ESC offices provide job placement and unemployment claims benefit assistance at the local level. Worker Training Trust Funds are used to provide additional operating and personnel support for job placement assistance at ESC's network of 88 local offices.

State Occupational Information Coordinating Committee**Funding Level****FY 97-98**
\$370,000**FY 98-99**
\$370,000

Worker Training Trust Funds are used to support the State Occupational Information Coordinating Committee to provide oversight and development of the "Common Follow-up System." The Common Follow-up System is being developed to track former participants of state education and job training programs to determine the efficacy of these programs on job placement in the marketplace. The Governor's proposal increases the funding for this program from its previous funding level of \$225,000 to \$370,000.

Community Colleges**Focused Industrial Training (FIT)****Funding Level****FY 97-98**
\$1,746,000**FY 98-99**
\$1,746,000

The Focused Industrial Training program provides customized training assistance to the state's traditional manufacturing industries. Training typically involves upgrading the skills of an industrial client's workers to meet changes in manufacturing processes due to technological advancements and other similar production process related changes. Funding for the FIT program is provided from the Worker Training Trust Fund in addition to \$1.96 million in general fund support.

Leave as is -

SP-94

REAL Program

Funding Level

FY 97-98
\$300,000

FY 98-99
\$300,000

Rural Entrepreneurship through Action Learning (REAL) is a nonprofit organization that operates at selected rural high schools and Community Colleges around the state providing courses in small business development.

Department of Human Resources

JOBS/Work First program

Cut These monies -

Funding Level

FY 97-98
\$1,528,067

FY 98-99
\$1,528,067

The Work First program is designed to assist welfare recipients in obtaining education, training, supportive services, and employment in order to avoid long-term welfare dependency.

Department of Commerce

Employment and Training Division

Funding Level

FY 97-98
\$2,400,000

FY 98-99
\$2,400,000

Worker Training Trust Funds are used to implement the state's Employment and Training Grant Program. The program serves as an enhancement to federal Job Training Partnership Act funds allocated for disadvantaged adults. The program by statute targets adults 18 years of age and older who do not qualify for assistance under the federal JTPA definition of an adult (age 22).

Department of Labor

SP-95

Bureau for Training Initiatives

Funding Level

FY 97-98
\$1,000,000

FY 98-99
\$1,000,000

Funds are used for customized training programs targeted to the unemployed, disadvantaged, or dislocated for specific jobs needed by employers. The program also provides technical assistance to employers in the areas of recruitment, evaluation, and training.

ITEMS FOR POSSIBLE COMMITTEE DISCUSSION

- 1) The \$2.4 million recommended for the Employment and Training Grant program is not being fully utilized by all the Service Delivery Areas receiving these funds. Over the last 5 fiscal years, the program has averaged a carry forward balance of \$1.3 million in unspent funds. Therefore, the committee may wish reduce the recommended Worker Training Trust Fund support for this program from \$2.4 million to \$1.1 million.
- 2) The \$1.53 million recommended appropriation for the JOBS/Work First program is not currently incorporated in the Department of Human Resources' business plan for Work First. In addition, the proposed funding is not required for drawing down federal funds for maintenance of effort. The Department proposes to keep the funds to use as a block grant to counties for assisting clients with obtaining employment. The committee may wish to discuss the need to continue the proposed \$1.53 million in Worker Training Trust Fund support to the Department of Human Resources given the current \$500 million funding level in place for welfare reform.

Requested by: Senator Martin of Pitt

WORKER TRAINING TRUST FUND APPROPRIATIONS

1 Section @. (a) There is appropriated from the Worker
2 Training Trust Fund to the Employment Security Commission of
3 North Carolina the sum of five million eight hundred thirty-nine
4 thousand nine hundred sixty-four dollars (\$5,839,964) for the
5 1997-98 fiscal year and the sum of five million eight hundred
6 thirty-nine thousand nine hundred sixty-four dollars (\$5,839,964)
7 for the 1998-99 fiscal year for the operation of local offices.

8 (b) Notwithstanding the provisions of G.S. 96-5(f),
9 there is appropriated from the Worker Training Trust Fund to the
10 following agencies the following sums for the 1997-98 and the
11 1998-99 fiscal years for the following purposes:

12 (1) \$2,400,000 for the 1997-98 fiscal year and
13 \$2,400,000 for the 1998-99 fiscal year to the
14 Department of Commerce, Division of Employment and
15 Training, for the Employment and Training Grant
16 Program;

17 (2) \$1,000,000 for the 1997-98 fiscal year and
18 \$1,000,000 for the 1998-99 fiscal year to the
19 Department of Labor for customized training of the
20 unemployed and the working poor for specific jobs
21 needed by employers through the Department's Pre-
22 Apprenticeship Division;

23 (3) \$1,528,067 for the 1997-98 fiscal year and
24 \$1,528,067 for the 1998-99 fiscal year to the
25 Department of Human Resources to assist welfare
26 recipients in gaining employment through the
27 federally funded Job Opportunities and Basic Skills
28 Program in such a way as to gain the maximum match
29 of federal funds for the State dollars
30 appropriated;

31 (4) \$1,746,000 for the 1997-98 fiscal year and
32 \$1,746,000 for the 1998-99 fiscal year to the
33 Department of Community Colleges to continue the
34 Focused Industrial Training Program;

35 (5) \$370,000 for the 1997-98 fiscal year and \$370,000
36 for the 1998-99 fiscal year to the Employment
37 Security Commission for the Occupational
38 Information Coordinating Committee to develop and
39 operate an interagency system to track form

SP-98

1 participants in State education and training
2 programs; and
3 (6) \$300,000 for the 1997-98 fiscal year and \$300,000
4 for the 1998-99 fiscal year to the Department of
5 Community Colleges for a training program in
6 entrepreneurial skills to be operated by North
7 Carolina REAL Enterprises.

Exhibit B -

SP-99

TABLE 1

Appropriations From the Worker Training Trust Fund
FY 1988-89 to FY 1996-97

										By Program	
	FY 1988-89	FY 1989-90	FY 1990-91	FY 1991-92	FY 1992-93	FY 1993-94	FY 1994-95	FY 1995-96	FY 1996-97	Totals	%
Employment Security Commission											
Local Office Operations	1,642,685	4,537,708	6,459,673	5,459,673	5,839,964	5,539,964	5,839,964	5,839,964	5,839,964	46,999,559	46.14%
Worker Readjustment Program	0	1,200,000	0	0	0	0	0	0	0	1,200,000	1.18%
Tracking System	0	0	0	0	225,000	225,000	225,000	225,000	225,000	1,125,000	1.10%
Voter Registration	0	0	0	0	0	0	300,000	600,000	0	900,000	0.88%
Department of Commerce											
Division of Employment and Training	0	0	2,000,000	3,000,000	2,400,000	2,400,000	2,400,000	2,400,000	2,618,500	17,218,500	16.90%
Department of Labor											
Pre-Apprenticship Training	0	0	500,000	500,000	1,000,000	1,000,000	1,000,000	1,000,000	1,300,000	6,300,000	6.18%
Department of Human Resources											
Job Opportunities & Basic Skills (JOBS)	0	0	2,000,000	2,000,000	2,489,036	2,826,658	1,528,067	1,528,067	1,528,067	13,899,895	13.64%
Department of Community Colleges											
Focused Industrial Training (FIT)	500,000	850,000	1,000,000	1,250,000	1,746,000	1,746,000	1,746,000	1,746,000	1,746,000	12,330,000	12.10%
REAL	0	0	0	0	150,000	300,000	300,000	300,000	400,000	1,450,000	1.42%
Department of Public Instruction	0	0	250,000	0	150,000	0	0	0	0	400,000	0.39%
Job Training Study Commission	0	0	0	0	0	0	0	25,000	25,000	50,000	0.05%
Totals By Fiscal Year	2,142,685	6,587,708	12,209,673	12,209,673	14,000,000	14,037,622	13,339,031	13,664,031	13,682,531	101,872,954	100.00%
101,872,954											

REVISED DRAFT Carolyn 4/14/97
Hondert C

Senate Subcommittee on Natural and Economic Resources

Housing Finance Agency

GENERAL FUND

	FY 97-98	FY 98-99
Recommended Continuation Budget	\$2,300,000	\$2,300,000
Legislative Changes		
Housing Finance Agency		
1 Housing Trust Fund		
Support for the Housing Trust Fund.	\$4,000,000	NR
Total Legislative Changes	\$4,000,000	NR
Position Changes		
Revised Budget	\$6,300,000	\$2,300,000

Agriculture

GENERAL FUND

	FY 97-98	FY 98-99
Recommended Continuation Budget	\$49,480,730	\$49,688,983

Legislative Changes

Agricultural Finance Authority

2 Reduce General Fund Appropriation

(\$10,000)	R	(\$10,000)	R

Reduce the general fund appropriation to the Authority by utilizing the interest income earned by the Farm Reserve Loan Fund for the Authority's operating expenses.

Agronomic Services

3 Agronomic Advisory Services

\$314,767	R	\$445,117	R

Funds to increase waste disposal and water management services provided by the Agronomics Division to meet the demand for increased technical assistance from regional agronomists and section chiefs.

\$217,151	NR		
7.00		8.00	

Grant-in-Aid

4 North Carolina Tobacco Museum

Grant-in-aid to support the North Carolina Tobacco Museum in Kenly.

\$25,000	NR

Maritime Museum

5 Transfer Maritime Museum to Cultural Resources

(\$792,227)	R	(\$786,713)	R

Transfer positions, equipment, and operating support for the North Carolina Maritime Museum to the Department of Cultural Resources.

-17.25		-17.25	

	FY 1997-98	FY 1998-99
Requirements	\$792,527	\$787,013
Receipts	(\$ 300)	(\$ 300)
Appropriation	\$792,227	\$786,713

Marketing

6 Grant-in-Aid

\$37,000	R	\$37,000	R

Increase grant-in-aid to the Western North Carolina Development Association.

Plant Industry - Plant Protection

7 Bee Regulatory Support

\$170,212	R	\$170,212	R

Funds for expanded regulatory support to protect the North Carolina bee and honey industry from parasitic mites, bee disorders and the Africanized bee.

\$45,894	NR		
2.00		2.00	

Total Legislative Changes	(\$280,248)	R	(\$144,384)	R
	\$288,045	NR		
Position Changes	-8.25		-7.25	
Revised Budget	\$49,488,527		\$49,544,599	

Labor**GENERAL FUND**

	FY 97-98	FY 98-99
Recommended Continuation Budget	\$16,068,855	\$15,986,184

Legislative Changes**Boiler and Pressure Vessel Bureau****8 Expand Inspection Staff with Receipt Support**

Adds four boiler and pressure vessel inspection staff to conduct safety inspections in accordance with the inspection intervals required in statute. Funding support will be provided with increased receipts generated by inspections conducted with these additional positions.

	FY 1997-98	FY 1998-99
Requirements	\$ 211,316	\$ 196,316
Receipts	(211,316)	(196,316)
Appropriation	0	0

Elevator and Amusement Device Bureau**9 Expand Inspection Staff with Receipt Support**

Adds four elevator inspection staff and one administrative support position to conduct safety inspections -- at six month intervals -- of all elevators in the state. Funding support will be provided with increased receipts generated by these positions assisting in the increased frequency of elevator inspections from an average of every 10 months to every 6 months.

	FY 1997-98	FY 1998-99
Requirements	\$ 248,061	\$ 228,361
Receipts	(248,061)	(228,361)
Appropriation	0	0

Information Office**10 1-800-LABOR-NC**

\$12,000	R	\$14,500	R

Provide additional operating support for the Department's toll-free telephone number.

OSHNC Division**11 Transfer Enforcement Positions to Federal Support**

(\$192,546)	R	(\$192,546)	R

Shifts six OSH Enforcement Positions from 100% state funded support to a combination of 50% federal and 50% state funded support.

-6.00		-6.00	

Total Legislative Changes	(\$180,546)	R	(\$178,046)	R
Position Changes	-6.00		-6.00	
Revised Budget	\$15,888,309		\$15,808,138	

Environment, Health, and Natural Resources

GENERAL FUND

	FY 97-98	FY 98-99
Recommended Continuation Budget	\$253,269,888	\$252,502,338

Legislative Changes

(2.00) Environmental Education

12 Environmental Education Grant Fund

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

Funds to provide grants to schools, community organizations and environmental education centers to develop environmental education libraries.

(2.00) Forest Resources

13 Increase Receipts

(\$120,000)	R	(\$120,000)	R

Increase receipts collected by counties. Counties share in the cost of forestry operations with a match based on the tax base of the county.

14 Reduce equipment

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

Reduce communications equipment budget.

15 Defer Equipment Replacement

(\$500,000)	R	(\$500,000)	R

Defer replacement of certain property, plant and equipment items in forestry field operations.

(2.00) Marine Fisheries

16 Moratorium Steering Committee

(\$25,000)	R	(\$25,000)	R

Eliminate funding for the Fisheries Moratorium Steering Committee, which submitted its final report to the Joint Legislative Commission on Seafood and Aquaculture in October 1996.

17 Reduce Marine Fisheries Patrol Equipment

(\$187,321)	R	(\$187,321)	R

Reduce equipment budget to reflect reduced equipment needs associated with the Marine Fisheries law enforcement expansion request funded in 1995, in accordance with the five year fiscal estimate submitted by the division.

18 Operating Reserve for Patrol Vessel

\$97,436	R

Fund vessel operating reserve for the 1998-99 fiscal year. The reserve is for a patrol vessel funded with a 1996-97 capital improvement appropriation and was omitted from the continuation budget by error.

Senate Subcommittee on Natural and Economic Resources

(2.00) Museum of Natural Sciences

19 Grassroots Science Museums

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

Funds for one additional Grassroots Science Museum located in Statesville.

(2.00) Parks and Recreation

20 Reduce Operating Reserve

(\$300,000) NR

Reduce operating reserve for State Parks System.

(3.00) Air Quality

21 Increase Receipts

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

Increase the budgeted amount of program receipts and reduce the general fund appropriation by an equal amount.

(3.00) Land Resources

22 Dam Safety Inspection and Assistance

\$255,336 R \$255,336 R

Funds to establish additional positions to increase the number of dam inspections and to provide technical assistance to owners in the areas of design and construction planning, maintenance, repairs, and emergency action plans.

\$19,000 NR
5.00 5.00

(3.00) Water Quality

23 Wastewater Treatment System Operator Training

Funds to provide training, certification and continuing education courses for wastewater treatment system operators for one year.

\$474,795 NR
5.00

24 Federal Wastewater Assistance Matching Funds

Funds to provide the 20% state match required to receive federal wastewater assistance through US EPA's Water Pollution Control Program. Funds will be used to provide low interest loans to local units of government for wastewater construction and improvement projects.

\$4,001,775 NR

25 Basinwide Data Management System Development

Funds for a program delivery initiative to focus on consolidating all existing databases and facilitating access to environmental programs and data. Support staff and equipment needed to maintain the system will be phased in.

\$260,846 R \$375,153 R
1.00 3.00

26 Citizens' Monitoring Program

Funds to establish a citizens' water quality monitoring program. State program staff will be responsible for training volunteers in water quality monitoring and quality assurance activities, coordinating local efforts, and providing program oversight.

\$286,950 R \$286,950 R
\$6,900 NR
2.00 2.00

(3.00) Water Resources

Senate Subcommittee on Natural and Economic Resources

27 Regional Groundwater Management	\$150,000	R	\$150,000	R
Funds for monitoring in the Black Creek and Upper Cape Fear aquifers and for maintenance of monitoring wells in the area. The effective date for these positions is October 1, 1997.	3.00		3.00	
(4.00) Environmental Health				
28 Assistance to Local On-Site Wastewater Programs	\$113,016	R	\$113,016	R
Funds to provide additional training, technical assistance and regulatory oversight to local programs in the areas of plan review, septic tank design, manufacture, installation and performance.	\$11,900 2.00	NR		2.00
29 Support for Local Environmental Health Programs	\$473,870	R	\$473,870	R
Funds to provide training, continuing education and technical assistance to local environmental health specialists performing food, lodging and institution inspections, and other regulatory activities to ensure the sanitation and safety of swimming pools, spas and tatoo artists.	\$26,130 8.00	NR		8.00
30 Food Sanitation Training Funds	\$100,000	NR		
Funds to provide training and continuing education to persons who conduct food and lodging inspections for county health departments.				
31 Straight Pipe Elimination Program	\$87,500	R	\$87,500	R
Funds to provide additional staff to identify and eliminate straight pipe sewage and wastewater discharges and failing septic systems throughout the state.	\$12,500 2.00	NR		2.00
32 Federal Water Supply Assistance Matching Funds	\$9,222,820	NR		
Funds to provide the 20% state match required to receive a federal capitalization grant through US EPA's Drinking Water State Revolving Fund Program. Funds will be used to provide low interest loans to public water systems for capital expenditures associated with drinking water regulations and compliance.				
(4.00) Epidemiology				
33 Alcohol Chemical Testing Certification Program	(\$200,000)	R	(\$200,000)	R
Reduce general fund support for the alcohol chemical testing training and certification program to more accurately reflect actual expenditures.				
34 Rabies Detection and Prevention Program	\$50,000	R	\$50,000	R
Funds to provide additional professional consultation and education services to help prevent the spread of rabies.	1.00		1.00	
(4.00) Health Promotion				
35 Arthritis Program	\$15,000	NR		
Continue grant-in-aid for private local project providing services to arthritis patients in Mecklenburg County.				

Senate Subcommittee on Natural and Economic Resources

36 State Games of North Carolina

Funds for the Governor's Council on Physical Fitness to support the State Games.

\$200,000 NR

37 Heart Disease & Stroke Prevention Awareness

Funds to develop and maintain a database of existing cardiovascular disease related services and to conduct a statewide media campaign to raise awareness about cardiovascular disease, as recommended by the Heart Disease and Stroke Prevention Task Force established in 1995.

\$170,500 R
\$29,500 NR

\$170,500 R

(4.00) Maternal and Child Health

38 Children's Vision Screening Program

Funds to support a statewide training and certification program for school-based vision screeners. The department will contract with Prevent Blindness, Inc. to implement the program.

\$419,000 R

\$419,000 R

39 Maternal Outreach Worker Program

Funds to expand the maternal outreach worker program by providing funding for 63 additional home visitors employed by local service providers. Total expansion funding also includes \$600,000 in federal funds and \$200,000 in local funds.

\$825,000 R
1.00

\$825,000 R
1.00

(5.00) Reserves and Special Funds

40 Water Conservation and Infrastructure District

Nonrecurring funds appropriated for the District by the 1995 General Assembly were not eliminated from the 1997-99 continuation budget in error.

(\$500,000) R

(\$500,000) R

41 Healthy Start Foundation

Funds to provide statewide planning, promotion, and coordination for the First Step Campaign and to support other programs and activities aimed at reducing infant mortality.

\$650,000 NR

42 Maintenance of Existing Water Quality Programs

Reserve to maintain the existing level of staff in the Water Quality Section to continue water quality programs and activities at the current level of service for one year.

\$1,000,000 NR

(6.00) Department Wide

43 Salary Reductions/Span of Control

Represents the Department's allocated share of this overall reduction.

(\$2,335,425) R

(\$2,335,425) R

Total Legislative Changes	(\$925,728)	R	(\$713,985)	R
	\$15,470,320	NR		
Position Changes	30.00		27.00	
Revised Budget	\$267,814,480		\$251,788,353	

NOTE: Remove Soil Survey Item ^{\$100,000 NR}
 → This item removed from
 report -

Commerce

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Continuation Budget	\$37,221,648		\$37,240,885	
Legislative Changes				
Administrative Services				
44 Budget Indirect Cost Receipts	(\$52,000)	R	(\$52,000)	R
Increase the budgeted amount of indirect costs receipts and reduce general fund appropriation by an equal amount.				
Business and Industry Division				
45 Marketing Missions and Trade Shows	\$80,000	R	\$120,000	R
Increases funding support for the Division's participation at industry trade shows and for conducting national marketing missions.				
46 Regional Office Staff Support	\$22,100	R	\$26,000	R
Provides an administrative support position for the Piedmont Triad Regional Office. The effective date of the position is September 1, 1997.				
	\$5,900	NR		
	1.00		1.00	
47 Fund Industrial Recruitment Competitive Fund				
Provides nonrecurring funding support for the Industrial Recruitment Competitive Fund.				
	\$1,000,000	NR		
Community Assistance				
48 Reduce Councils of Government (COGs) Funding	(\$180,000)	R	(\$180,000)	R
Reduce general fund support for Councils of Government/Lead Regional Organizations across the state.				
Department Wide				
49 Salary Reductions/Span of Control Study	(\$672,485)	R	(\$672,485)	R
Represents the Department's allocated share of this overall reduction.				
	-17.00		-17.00	
Economic Development Program				
50 Reduce Support for Data Processing & Subscriptions	(\$29,000)	R	(\$29,000)	R
Reduce funding support for data processing services, subscriptions, and membership dues.				

Senate Subcommittee on Natural and Economic Resources

51 New and Emerging Industry Planning

\$300,000 R \$300,000 R

Provides recurring funding for contracts and operating support to target high growth and emerging technology industries for recruitment to the state, promote technology transfer and entrepreneurship and to develop business support networks within the state.

Executive Aircraft

52 Reduce Repair Funds

(\$188,000) R (\$188,000) R

Reduce funding support for aircraft repair.

Film Office

53 Reduce Travel

(\$25,000) R (\$25,000) R

Reduce budget for board and nonemployee transportation.

Global TransPark Marketing

54 Reduce Support for Global TransPark Marketing

(\$150,000) R (\$150,000) R

Reduce General Fund transfer from the Department of Commerce to the Global TransPark Authority in the Department of Transportation for marketing the Global TransPark.

Industrial Commission

55 Budget Hearing Cost Receipts

(\$202,000) R (\$202,000) R

Increase the budgeted amount of the Commission's Hearing Cost receipts and reduce general fund appropriations by an equal amount.

56 Case Management System

\$638,571 R \$638,571 R

Provides funds for operating and maintenance costs, staff support to maintain hardware and software, and to develop system applications.

\$17,700 NR
3.00 3.00

57 Temporary Positions

Provides nonrecurring funds to support temporary positions to assist with the Commission's backlog of claims, hearings, and appeals.

\$100,000 NR

Industrial Finance Center

58 Increase Operating Support

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

Provides additional operating support for the Industrial Finance Center.

\$20,000 NR

59 Fund Utility Account (Industrial Development Fund)

Provides nonrecurring funding support for economic development related water and sewer infrastructure projects in tier one enterprise counties.

\$2,000,000 NR

Senate Subcommittee on Natural and Economic Resources

60 Increase Industrial Development Fund

Provides a \$1 million nonrecurring expansion for the Industrial Development Fund.

\$1,000,000 NR

International Trade

61 Global Offices

Funds to contract with representatives to expand the division's foreign offices into 4 new and emerging markets.

\$300,000 R \$300,000 R

62 Foreign Trade Shows

Increase recurring funding for trade shows and missions to expose small and medium sized companies to the international marketplace.

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

63 International Trade Specialists

Increase the number of international trade specialists to enhance the state's marketability to potential customers in "Big Emerging Markets" (BEM). The effective date of these positions is September 1, 1997.

\$180,736 R \$196,044 R
\$12,000 NR
2.00 2.00

64 Research Triangle International Visitors Center

Eliminate grant-in-aid to the Research Triangle International Visitors Center.

(\$20,000) R (\$20,000) R

Reserves and Transfers

65 Special Olympics 1999 World Summer Games

Nonrecurring funds to support the Special Olympics 1999 World Summer Games.

\$700,000 NR

66 Reduce Support for the Regional Commissions

Reduces grant-in-aid support for the seven Regional Economic Development Commissions from \$4.68 million to \$4.455 million.

(\$225,000) R (\$225,000) R

67 Institute for Aeronautical Technology

Provides \$1 million in nonrecurring funding for the Institute for Aeronautical Technology. Funds are to be used for planning, design, and land acquisition.

\$1,000,000 NR

Travel and Tourism

68 Budget Additional Receipts

Increase the amount of budgeted receipts and reduce general fund appropriation by an equal amount.

(\$12,000) R (\$12,000) R

69 Advertising Funds

Expand current promotional advertising funds and associated expenses to promote North Carolina as a travel destination.

\$1,000,000 R \$1,000,000 R

70 International Marketing

Funds to continue and expand the promotion of North Carolina as a travel destination in the international arena.

\$950,000 R \$950,000 R

Wanchese Seafood Industrial Park

Senate Subcommittee on Natural and Economic Resources

71 Restore Governor's Reduction

Restore Governor's continuation budget reduction.

\$122,594	R	\$122,594	R
3.00		3.00	

Total Legislative Changes

\$2,088,516	R	\$2,147,724	R
\$5,855,600	NR		

Position Changes

-8.00	-8.00

Revised Budget

\$45,165,764	\$39,388,609

State Aid to Non-State Entities

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Continuation Budget	\$1,475,000		\$1,475,000	
Legislative Changes				
Grants-in-Aid				
72 Land Loss Prevention Project	(\$275,000)	R	(\$275,000)	R
Eliminate recurring appropriation for the Land Loss Prevention Project and defer consideration to expansion.				
73 Coalition of Farm and Rural Families	(\$145,000)	R	(\$145,000)	R
Eliminate recurring appropriation to the Coalition of Farm and Rural Families and defer consideration to expansion.				
74 Institute of Minority Economic Development	(\$780,000)	R	(\$780,000)	R
Eliminate recurring appropriation and defer consideration to expansion.				
75 North Carolina Minority Support Center	(\$275,000)	R	(\$275,000)	R
Eliminate recurring appropriation and defer consideration to expansion.				
76 Land Loss Prevention Project	\$300,000	NR		
Funds to provide free legal representation to low-income, financially distressed farmers.				
77 Coalition of Farm and Rural Families	\$145,000	NR		
Funds to foster economic development within the state's rural farm communities by offering marketing and technical assistance to small and limited resource farmers.				
78 Institute for Minority Economic Development	\$830,000	NR		
Funds to foster economic development within the state through policy analysis, information and technical assistance, resource expansion, and support of community-based initiatives.				
79 North Carolina Minority Support Center	\$375,000	NR		
Funds to provide technical assistance to community-based minority credit unions.				
80 Floyd McKissick Center	\$75,000	NR		
Grant-in-Aid to the Floyd McKissick Center				

increase
of 25,000

increase
50,000

request
information
on 80 -
held

Senate Subcommittee on Natural and Economic Resources

81 Technological Development Authority

Grant-in-aid to the N.C. Technological Development Authority, Inc. for entrepreneurial support and infrastructure including creating new incubators, enhancing existing incubators, developing capital formation initiatives, supporting research commercialization programs and matching federal grant and loan funds.

\$3,000,000 NR

82 World Trade Center North Carolina

Grant-in-Aid to the World Trade Center North Carolina to support international trade education programs to small and medium sized businesses.

\$200,000 NR

83 Center for Community Self-Help

Provide funds to further a statewide program of lending for home ownership.

\$1,000,000 NR

Total Legislative Changes

(\$1,475,000) R (\$1,475,000) R

\$5,925,000 NR

Position Changes

Revised Budget

\$5,925,000

\$0

NC Biotechnology Center**GENERAL FUND**

	FY 97-98	FY 98-99
Recommended Continuation Budget	\$7,664,396	\$7,664,396

Legislative Changes**NC Biotechnology Center****84 Economic Development Investment Fund**

Nonrecurring funding increase for the N.C. Biotechnology Center's Economic Development Investment Fund. Funds are to be used for loans for recruiting and developing emerging bioscience companies.

\$3,000,000 NR**Total Legislative Changes****\$3,000,000 NR****Position Changes****Revised Budget****\$10,664,396****\$7,664,396**

Rural Economic Development Center

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Continuation Budget	\$5,870,000		\$5,870,000	
Legislative Changes				
N.C. Association of CDCs				
85 N.C. Association of CDCs	(\$150,000)	R	(\$150,000)	R
Eliminate recurring funding for the North Carolina Association of Community Development Corporations, Inc. and defer consideration to expansion.				
86 N.C. Association of CDCs	\$200,000	NR		
Funding for the North Carolina Association of Community Development Corporations, Inc. to provide training and technical assistance to community development corporations statewide.				
N.C. Community Development Initiative				
87 Additional Funds	\$200,000	R	\$200,000	R
Additional funds for the North Carolina Community Development Initiative to support operating and program activity grants to mature community development corporations.				
Rural Economic Development Center				
88 Supplemental Funding Program	\$2,400,000	NR		
Additional funds to support the Supplemental Funding Program for economic development in rural communities.				
Total Legislative Changes				
	\$50,000	R	\$50,000	R
	\$2,600,000	NR		
Position Changes				
Revised Budget	\$8,520,000		\$5,920,000	

State of North Carolina
Department of Environment,
Health and Natural Resources
Division of Budget, Planning & Analysis

James B. Hunt, Jr., Governor
Jonathan B. Howes, Secretary
Jane Q. Smith, Director

Handout D



EHNR 300

April 11, 1997

TO: Mona Moon
Fiscal Analyst

FROM: Jane Smith *[Signature]*

RE: Span of Control

Attached is information that reflects the information submitted in February with respect to the Department's Span of Control ratios and levels, along with current ratios and levels, and the ratios after the Span of Control reductions. The Department is continuing to work to increase our span ratios, and to reduce levels where possible. Please call should you have questions regarding this information.

JQS/

Attachment

cc: Henry Lancaster
Assistant Secretaries
Richard Rogers
J.W. Reel

SPAN OF CONTROL - SUMMARY

EHNR 302

	Feb., 97	April, 97	After Span Reduction
Natural Resources			
With Forestry and Parks	3.45	4.34	4.32
Without Forestry and Par	3.71	5.41	5.39
Health	5.22	6.02	5.97
Environmental Protection	5.75	6.13	6.2
Administration	5.07	5.16	4.87
Department Total			
With Forestry and Parks	4.53	5.27	5.24
Without Forestry and Par	5.01	5.85	5.82

SPAN OF CONTROL STATUS - AFTER SPAN REDUCTIONS

EHNR-303

SUMMARY

	Number - Supervised Occurrences	Total Supervisors	Span Ratio
Natural Resources			
With Forestry & Parks	1619	375	4.32
Without Forestry & Parks	684	127	5.39
Health	1487	249	5.97
Environmental Protection	1216	196	6.20
Administration	292	60	4.87
Department Total			
With Forestry & Parks	4614	880	5.24
Without Forestry & Parks	3679	632	5.82

SUMMARY

	Number - Supervised Occurrences	Total Supervisors	Span Ratio
Natural Resources			
With Forestry & Parks	1649	380	4.34
Without Forestry & Parks	687	127	5.41
Health	1500	249	6.02
Environmental Protection	1225	200	6.13
Administration	294	57	5.16
Department Total			
With Forestry & Parks	4668	886	5.27
Without Forestry & Parks	3706	633	5.85

SPAN OF CONTROL STATUS - FEBRUARY, 1997

EHNR 306

SUMMARY

	Total Employees	Total Supervisor	Span Ratio
Natural Resources			
With Forestry & Parks	1572	456	3.45
Without Forestry & Parks	660	178	3.71
Health	1498	287	5.22
Environmental Protection	1288	224	5.75
Administration	233	46	5.07
Department Total			
With Forestry & Parks	4591	1013	4.53
Without Forestry & Parks	3679	735	5.01

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Natural and Economic Resources

4/14/97

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

<u>NAME</u>	<u>FIRM OR AGENCY AND ADDRESS</u>
Gary Carlton	Dept. of Commerce
Don Henning	
Paula Gupta	NC Farm Bureau
Angie Harris	Commerce
Don Lipp	DOI
Rebecca Bauer	DOI
Patricia Yarnes	LLPP/APPCNC
John Linn	TQA
Dee McClure	TQA
Joan Wolf	DEHNR / DMCH
Sharonne	DSS
R. L. Atkins-Murray	DEHNR
Jane Smith	DEHNR
John Bakst	NCACT
Katie O'Leary	REAL
Rich Lane	REAL
Linda Shaw	NC Low Income Housing Coalition
Joel Chen	
Pat McQuillan	DEHNR / DPR
Linda Gunn	REDC
Billy Ray Hall	Rural Center
Jennifer A. Beisser	NC Association of CDC's
Mary Heenan	DEHNR
Michael Mosore	DEHNR
Steven Burke	NORTH CAROLINA BIOTECHNOLOGY CENTER
Charles Hamner	N.C. Biotech. Ctr.
Lori Greenstein	NC Biotechnology

APPROPRIATIONS/Natural and Economic Resources

4/14/97
Date

[illegible]

**SENATE APPROPRIATIONS SUBCOMMITTEE ON
NATURAL AND ECONOMIC RESOURCES**

TUESDAY, APRIL 15, 1997 at 8:30 a.m.

MINUTES

The Senate Appropriations Subcommittee on Natural and Economic and Resources met on Tuesday, April 15, 1997 at 8:30 a.m. in Room 423 of the Legislative Office Building. Six Senate members were present including Senator R.L. "Bob" Martin, Chairman.

Senator Martin, Chairman, called the meeting to order. Mr. Mark Trogon, Fiscal Research Division, was recognized to continue with the Worker Training Trust Fund. The Committee had asked for a variety of information for this meeting. They particular asked for more information on the Common Follow-up Evaluation Project Report. This is Attachment A of these minutes. The Committee asked the Office of State Budget and Management and the Employment Security Commission to come back to the Committee to discuss this system. In addition, they asked for the agencies being proposed to being funded out of the Worker Training Trust Fund come back and provide the Committee with some performance information. Mr. Jim Davies, Office of State Budget, was recognized to talk about a report he recently submitted to the General Assembly. This report is Attachment A. He briefed the Committee about the objectives of the Common Follow-up Project. He said the Common Follow-up provides a comprehensive look at who is being enrolled in education, training, and employment programs. Senator Martin asked why couldn't community college presidents determine what happens to their students? He said it could be done much better at that level than having someone in Raleigh doing it. Senator Martin asked if the Common Follow-up was working? Mr. Davies said no it is not working because it is not getting the information back to the agencies as well as they could. Senator Martin said the Committee could not settle this issue today.

The next item on the agenda was the agencies recommended by the Governor to be funded out of the Worker Training Trust Fund. The Committee asked them to come back and respond briefly on what activities they were carrying out so the Committee could make their funding decision. The first agency recommended to be funded out of the Worker Training Trust Fund was the Employment Security Commission. Mr. Trogon referred the Committee to the handout from yesterday's meeting, SP-93. He said there was a recommended funding level of over \$5 million; this would fund 138 positions within the Employment Security Commission. The positions were located in the Commission's 88 local offices around the State. Mr. Trogon asked Mr. Tom Whitaker, Employment Security Commission, to respond to any questions the Committee might have. He said they needed more funding. He said they were not a General Fund agency.

He said they had gotten the same amount of money since 1992. Senator Martin asked where they got their other funds? He said the Federal Government. Mr. Whitaker referred to the handout entitled Worker Training Trust Fund Supplemental Increase Justification. This is Attachment B of these minutes. He said this handout tracks what they allocate to their local offices. He said they have approximately 90 local offices. Senator Martin said there was a motion to continue at the same funding level that the Governor recommended. Motion carried.

Mr. Trogon said the next item for discussion was the Industrial Training Program which is located in the community colleges. This is the program that helps existing manufacturers retrain workers when they are putting in manufacturing equipment with technology improvements. The Governor's recommended funding level is \$1.7 million. The Committee approved this recommendation.

The next item on the agenda was the REAL Program which is a non-profit organization. This is Attachment C of these minutes. The proposed funding was \$300,000. The Committee approved this recommendation.

The next item under the Department of Human Resources was the Jobs/Work First Program. Recommended funding level for this was \$1.5 million. Ms. Pheon Beal, Division of Social Services, responded to the recommended funding level. The Committee discussed the change in the use of funds. Senator Horton made a motion to cut the \$1.5 million. Motion carried.

The next item discussed was the North Carolina Employment and Training Grant Program. This Program is administered by the Division of Employment and Training, which is a Division in the Department of Commerce. This is Attachment D of these minutes. These were funds put into the State's Employment Training Grant Program which served as a supplement to the Federal Job Training Partnership Act Funds the Department receives. Staff raised the issue concerning the utilization of these funds. Over the last five fiscal years, there had been a carry forward balance on an average of \$1.3 million in unspent funds. Therefore, the Committee may wish to reduce the level of funding for this Program. The Committee moved to cut the \$1.3 million.

SP-95 was the Department of Labor Bureau for Training Initiatives. This was a \$1 million recommendation to the Department of Labor for their customized Training Programs. The Committee approved the funding.

Ms. Jennifer Herrera, Fiscal Research Division, presented the housing issues requested by Senator Larry Shaw. Ms. Herrera said the Committee was interested in hearing from some agencies that are devoted to housing developments. She said Senator Shaw was particular interested in Senate Bill 278, Center for the Community Self Help for Home Ownership Funds, Senate Bill 81, Housing Finance Agency for North Carolina Housing Trust Fund, and Senate Bill 567, also for the agency dealing with the Non-profit Housing Fund. This is Attachment E of these minutes. Ms. Herrera said there were

representatives from these organizations at the meeting this morning to speak on behalf of these bills. Senator Martin said the Committee could hear them speak, but he had no authority to include them in the NER Budget. He said if the Committee voted to put these in, he could take it to the Appropriation Chairs.

Ms. Mona Moon, Fiscal Research Division, then moved into the Special Provisions with the Block Grants. This is Attachment F of these minutes. Ms. Moon said there were some corrections to be made to SP-100. Senator Martin said subject to the corrections that will be made, he asked the Committee if they wanted to approve this Provision? Ms. Moon said a couple of the members who requested some additional language or some changes and staff incorporated those into the second version of the Provision beginning on SP -103. She said everything was the same in the Block Grant plans until page 105 and 106. She explained the changes on page 106, beginning on line 3. She said item number 1 related to the 25% set aside for Rape Prevention and Rape Education Funds. The Federal authorizing legislation requires the 25% of these funds be allocated as grants to Rape Prevention and Education Programs. This is targeted for junior high and high school students. Senator Cochrane had asked about getting some language to direct that priority be given to applicants with an abstinence-based curriculum. Senator Martin said the Committee accepted this item.

She said there had been another request for a change in item number 2. A member requested that of the funds allocated for Statewide Health Promotion Programs, \$500,000 be allocated to community-based organizations for AIDS prevention programs. The Committee rejected the language in this item.

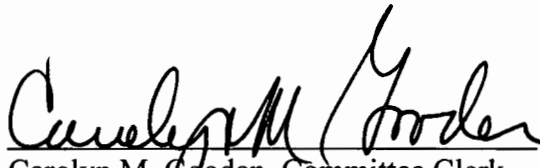
Ms. Herrera said there was an additional item on SP-105 that deals with the Community Development Block Grant Program. She noted that this item was on the bottom of page 105, beginning on line 47. She said this expresses the wish of the Committee to address straight piping and pit privy problems. This does not effect the allocation of the Block Grant dollars. Mr. Bill McNeil, Division of Community Assistance, was recognized to answer questions from the Committee. Senator Martin asked what kind of plan would be innovated to discontinue straight piping? Senator Cochrane asked why couldn't the Health Department tell people that the law doesn't allow this? Senator Jenkins responded by saying some of these houses have been on the creek a long time and these people can't afford a septic tank. The Committee approved the language as written on SP-105 and 106.

Mr. Herrera said staff would now move into another package of Special Provisions. This is Attachment G of these minutes. These begin with SP-107. The Committee approved the Special Provision package.

The meeting adjourned at 10:30 a.m.



Senator R.L. "Bob" Martin, Chairman



Carolyn M. Gooden, Committee Clerk



Handwritten A

State of North Carolina
Office of State Budget and Management

James B. Hunt Jr.
Governor and Director
of the Budget

Marvin K. Dorman, Jr.
State Budget Officer

March 17, 1997

MEMORANDUM:

TO: Senator Marc Basnight, President Pro Tempore
Representative Harold J. Brubaker, Speaker of the House of Representatives
Senator Tony Rand, 24th District
Representative Julia C. Howard, 74th District
Mark Trogon, Fiscal Research Analyst
Legislative Library

FROM: Marvin K. Dorman, Jr.

RE: Common Follow-up Evaluation Project Report

Enclosed is a copy of the Common Follow-up Evaluation Project Report for 1996. The report suggests approaches to analyzing enrollment and wage information, but stops short of evaluating the effectiveness of education and training programs. We think the proposed approaches produce excellent descriptions of the state's training and education programs and point to probable strengths and weaknesses, but definitive evaluation of programs will require more in-depth analysis.

Enrollment and wage information for 1995-96 became available to us last week, and we plan to have the data processed and ready for analysis by the first of April. I hope you will give thorough consideration to evaluation stages outlined in this report and work with Jim Davies of my staff in getting the analyses which best meet your needs.

Common Follow-up Evaluation Project Report

Conducted by
Office of State Budget and Management
March 1997

Common Follow-up Evaluation Project Report

Conducted by
Office of State Budget and Management
March 11, 1997

Contents

Background

Getting the Picture	1
What Questions can the Common Follow-up Answer	3

Analysis Stages

Stage 1: Self Analysis (Making comparative data available to local programs)	3
Stage 2: Program Admission, Activity, and Outcome Description	5
Stage 3: Progress of Target Groups	8

Example Analyses

Analysis 1: Admission Characteristics	9
Analysis 2: Progress of Students	14
Analysis 3: Progress of Specific Target Group	17

Conclusions and Recommendations	20

In the 1995 appropriations bill, the legislature directed the Office of State Budget and Management to employ the Common Follow-up Management Information System to evaluate the effectiveness of the state's job training, education, and placement programs. **Because of the limits of time, available data, and evaluative criteria this report does not go so far as to draw evaluative conclusions about the effectiveness of programs.** It does, however, suggest and demonstrate approaches for employing Common Follow-up information for describing the characteristics of students enrolling in programs and the income and subsequent service use of those dropping-out and those completing programs. The report presents a processing of the Common Follow-up data which makes it easier to use and suggests several analysis approaches. The report concludes with specific suggestions for using the data to evaluate programs.

Background

The Common Follow-up Management Information System is a complete collection of records of individual enrollments in education, training, and placement programs plus demographics and Unemployment Insurance wages for these individuals before, during, and after training. These records have been collected since 1991-92 though only since 1993-94 have the records identified the institution in which individuals were enrolled.

The Common Follow-up System is not a precision measuring tool. It is a massive database of enrollment and wage records of hundreds of thousands of students and employment service clients. Many of the students and clients have incomplete records because they moved out of state, left the labor market, or became self-employed and are not subject to North Carolina unemployment taxes from which wage records are drawn. However, the vast majority of students and clients have complete records and analyses based on them are useful for individual programs within institutions, for parent institutions and agencies, and for interagency planning and evaluation.

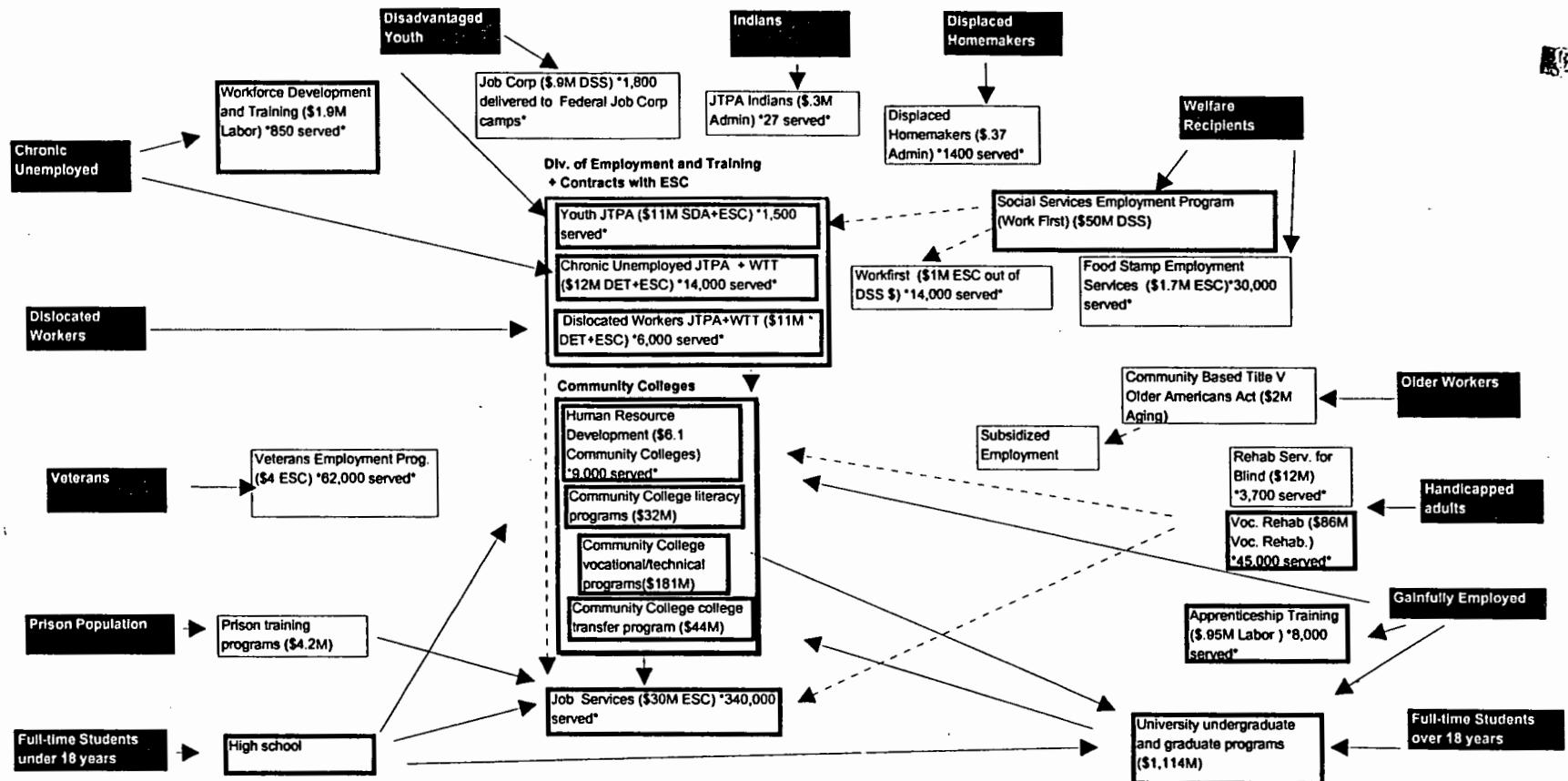
The Common Follow-up information system has been providing participating agencies (UNC system, Department of Public Instruction - students taking one or more vocational courses, Community College system, Vocational Rehabilitation, Social Services, Department of Labor, Division of Employment and Training, and Employment Security Commission) with information on the wages and other agency involvement of their students/customers for five years. There has been some broad analysis by the Department of Community Colleges and the university system, but no known cases where common follow-up data was used in studying individual programs within an institution.

The lack of analysis can be attributed to two problems. First, the Common Follow-up database is very large, complicated and difficult to use. Second, almost all analyses produce some findings which raise questions. Often the questions have good answers, but agencies prefer not to have the questions raised, and without the analysis, the questions are avoided.

Getting the Picture

The state's employment and training/education effort has four major agencies, the public schools, the community college system, the university system, and the Employment Security Commission plus numerous smaller programs designed to serve target populations. A display of these programs is shown on the following page.

Target Groups and State Supported Employment and Training Services with Approximate 1996-97 Budget Totals



DET Division of Employment and Training
 ESC Employment Security Commission
 WTT Worker Training Trust Fund

The target group service display above highlights two issues in analyzing programs. First, the programs serve people with major differences in their limitations and potentials. Two years after completing their programs the earnings of disadvantaged JTPA clients cannot be expected to equal those of UNC graduates, but what can be expected? A realistic answer requires some point of reference. That point can be comparison with similar programs in other states or with previous outcomes in this state. The second issue is that many people use multiple programs and realistic analyses require noting this. For example, analyses has shown that many JTPA clients are still in community college programs a year after finishing their JTPA program. Not recognizing this leads to the conclusion that inadequate employment progress was made when in fact it might be another year before this group of clients is ready for substantive employment.

What questions can the Common Follow-up Answer?

The common follow-up data lends itself to several relevant descriptions of programs.

Who is admitted to a program?

(What is the age, sex, race, and recent income distribution? What other schools/agencies were previously used by program enrollees.)

What changes occur to students/client while in programs?

(How many "graduate" versus "leave without graduating"? What happens to wages during training? What other agencies provide simultaneous service?)

What happens to graduates and those who leave without graduating 1 to 7 years out?

(What are the wage gains and what other agencies are used?)

This report recommends three analysis stages. The first is "self analysis" by institutions based on Common Follow-up databases provided to them by the Office of State Budget and Management or their parent agency. The second is the development of program admission, activity and outcome descriptions. The descriptions are intended for two audiences -- prospective clients and appropriations decision makers. The third analysis stage describes how over longer periods of time (3 to 7 years) target groups such as high school dropouts, AFDC recipients or handicapped individuals are availing themselves of services/training/education and with what apparent impact.

Analysis Stages

Stage 1: Self Analysis (Making comparative data available to local programs)

The advantage of analyzing wage and service information for individual programs within individual institutions is that such information can help institutions pinpoint their strengths and weaknesses in terms of the success of their students/clients. Schools and agencies with a clear picture of the impact of their programs, knowing that the information is also available to parent agencies, the Office of State Budget and Management, and the legislature, are likely to initiate changes to counter weaknesses to preempt criticism. Such changes are generally less disruptive and more effective than system wide changes which are generally costly with less guarantee for improvement.

Across the nine participating agencies there are hundreds of institutions, and within each there are multiple programs. As a result, it is impossible for the Office of State Budget and Management, at this time, to develop complete evaluations on each.

It is, however, possible to process the common follow-up information and produce PC based subset databases which allow institutions and programs within them to perform their own analyses. Local institutions (schools and agencies) and parent agencies may choose to look at the progress of students in local programs with the intent of learning how successful completers and non-completers are and spotting programs which are particularly successful and those which are not.

The first PC subset databases developed were for students/clients enrolled in 1993-94 and 1994-95. These databases have a record for each student/client and identifies their institution and program within the agency. They also identify the age, sex, and race of the individual plus other agencies serving the individual plus UI wages for the individual from the year they were first reported in the Common Follow-up.

Because of the relatively small number of clients served and because the agency does not report by offices (institutions) all client records for the Departments of Labor and Vocational Rehabilitation were reported back to the parent agency in a single PC subset database. Other agencies had records of their clients broken into subsets according to locale, or in the case of the universities, the Carnegie classification. For the community colleges, social services, public schools, Employment Security, and Division of Employment and Training, four subset databases were created. - (a) urban counties, (b) manufacturing counties (non-urban with 50% or more of the labor force in manufacturing), (c) eastern counties (rural with little manufacturing), (d) western counties (rural with little manufacturing).

The subset databases were made available to the participating agencies. None of the agencies chose to use the databases in 1996 for the reasons below.

Universities - Do their own analysis using SOICC data (same source as subsets)

Community Colleges - Objected to the design and like the universities do their own processing

Division of Employment and Training - Needed to make changes to correct a misinterpretation of what information was to be included in the client records.

Public Schools - Uses other sources for evaluation of vocational programs

Labor - Not ready to do analysis

Employment Security Commission - Relies on other sources for analysis

Vocational Rehabilitation - Relies on other sources for analysis

The SOICC has decided to collect enrollment information on a semi-annual basis. When this begins in January of 1997 the Office of State Budget and Management will again create the subset databases and make them available to the participating agencies within a month after ESC has completed compiling the wage and enrollment data. It is anticipated that the subset databases

for the three years 1993-96 will be ready by the end of March 1997. Later in 1997 it is anticipated that all high school students and all inmates and parolees will be added.

Stage 2: Program admission, activity, outcome descriptions

Individuals who consider applying to a education/training program do so with expectations about the admissions requirements, their progress through the program, and the employment benefits of having been in the program. Similarly, programs are initiated, continue to exist, and are cut in large measure based on what the school/agency and legislature see as the population served and benefits.

The Common Follow-up database provides a basic, though not comprehensive, picture of who gets admitted (see Analysis 1 - pages 10-13), what happens in the program (see Analysis 2 - pages 16-15), and what benefits accrue to participants (see Analysis 3 - pages 18-19). In 1997, the subset databases will include query programs which will allow agencies to produce reports on these topics for programs in each institution. Because the information in the Common Follow-up does not tell the whole story about who is admitted and what happens to them, it will be proposed that each program supplement Common Follow-up data with additional information on admissions and denials, progress of students and post program success.

A proposed format for this information is shown on the following pages with data elements which can be drawn from the Common Follow-up identified by shading.

Proposed Program Admission/Activity/Outcome Description

Data for shaded cells is available in the Common Follow-up databases

Institution

Program in institution

Admission Characteristics of students/clients

Number transferring from other program in institution

Newly enrolled

Employment
past year

% employed full-time

% employed part-time

% unemployed

Annual earnings

Over \$27,000 \$15,000 to \$27,000 \$10,000 to \$15,000 \$6,000 to \$10,000 \$2,000 to \$6,000 Under \$2,000 No Report

Race/Sex

Asian Black Hispanic Indian White Unknown Male Female

Other Agency enrollment
past year percent enrolled in:

Com. Col Univ. Soc. Ser. Pub Sch. ESC JTPA Prison Labor Voc Reha No Report

Age

under 19 19 to 25 26 to 30 31 to 40 Over 40

Performance on admission standard (measure appropriate to program)

% SAT under 800 800-900 900-1000 1000-110 1100-120 1200-130 1300-140 1400+

% Placement Scores Under 41 41-50 51-60 61-70 71-80 81-90 91-100

% of applicants rejected for failing to meet admission requirements

Narrative to provide additional description of who is admitted

Characteristics of program participants

% Employed

35+ hours 20 to 35 10 to 20 0 to 10 not employed

or

Annual earnings

Over \$27,000 \$15,000 to \$27,000 \$10,000 to \$15,000 \$6,000 to \$10,000 \$2,000 to \$6,000 Under \$2,000 No Report

% taking "full-load"

% transferring to other program

Other Agency enrollment
% also enrolled in:

Com. Col Univ. Soc. Ser. Pub Sch. ESC JTPA Prison Labor Voc Reha No Report

Narrative to provide additional description of characteristics of program participants

Proposed Program Admission/Activity/Outcome Description

(continued)

Data for shaded cells is available in the Common Follow-up databases

Not completing (not enrolled for 1 year)

Annual earnings	Over \$27,000	\$15,000 to \$27,000	\$10,000 to \$15,000	\$6,000 to \$10,000	\$2,000 to \$6,000	Under \$2,000	No Report			
Other Agency enrollment percent enrolled in:	Com. Col	Univ.	Soc. Ser.	Pub Sch.	ESC	JTPA	Prison	Labor	Voc Reha	No Report

Narrative to describe what happens to those who don't complete.

Completing the program

After one year

Annual earnings	Over \$27,000	\$15,000 to \$27,000	\$10,000 to \$15,000	\$6,000 to \$10,000	\$2,000 to \$6,000	Under \$2,000	No Report			
Other Agency enrollment percent enrolled in:	Com. Col.	Univ.	Soc. Ser.	Pub Sch.	ESC	JTPA	Prison	Labor	Voc Reha	No Report

After 2 years

Annual earnings		\$15,000 to	\$10,000 to	\$6,000 to	\$2,000 to	Under				
	Over \$27,000	\$27,000	\$15,000	\$10,000	\$8,000	\$2,000	No Report			
Other Agency enrollment percent enrolled in:										
	Com. Col	Univ.	Soc. Ser.	Pub Sch.	ESC	JTPA	Prison	Labor	Voc Reha	No Report

Narrative to describe what happens to those who complete.

Stage 3: Progress of Target Groups

There is limited knowledge about the paths taken by students and clients of employment programs. It is known that high school dropouts are much more likely to end up in prison and on welfare. However, it is not known how many people skip between welfare programs and educational programs without getting permanent employment or what proportion of high school dropouts going on to community colleges are successful.

One finding from the first analysis of the Common Follow-up data is that in the first year after leaving or "stopping out" of community college program, non-graduates have about the same income distribution as graduates. How true this equity is three or five years later will be revealed by the common follow-up data when more years of data are available.

By seeing the paths students and clients take through employment and subsequent education/service it is anticipated that better strategies and more relevant services can be developed. For example, if high school dropouts who enroll in community colleges are found to be successful in gaining skills and employment, an elevated high school dropout rate may be acceptable as long as schools are successful in routing dropouts into community colleges. Of particular concern are target groups with members who commonly have prolonged problems including high school dropouts, welfare recipients, ex-convicts, and hard core unemployed.

Maintaining Confidentiality

A major directive in the legislation was to insure confidentiality for individuals with records in the common follow-up system. Confidentiality is considered violated if information about an individual can readily be deduced from distributed information. Information distributed back to the parent agency does not need to meet this requirement as the agency is obligated not to violate the confidentiality of its clients. Information distributed outside the parent agency with attached social security number is considered a violation. To prevent this from ever happening, the Employment Security Commission replaces all social security numbers with codes only ESC can link back to social security numbers before making it available to the Office of State Budget and Management. A further consideration is that information with sufficient detail to identify an individual should never be presented. For example, if wage information were presented by school, program, and sex and there was only one female in the auto mechanics program at Wake Tech, the presentation would be considered to violate confidentiality because it would reveal the earnings of an identifiable individual.

To avoid individual identification, no identifying numbers are included on any of the records handled by the project, databases which identify institutions are only distributed to the parent institution, and graphic displays are monitored to insure that wage and other service information about individuals or very small groups is not distributed.

Example Analyses

The data in the Common Follow-up might be considered bare bones. It does not provide detail about readiness for training, courses taken, course load, services received or achievement. It does not describe family characteristics which may significantly affect success or failure. Furthermore, it only records income from wages which are subjected to Unemployment Insurance taxes. What it contains is information for seeing the broad paths people take through education, services, and employment.

Analysis 1: Admission Characteristics

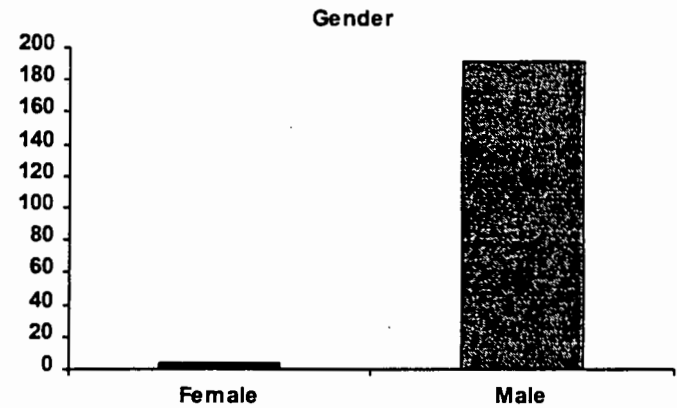
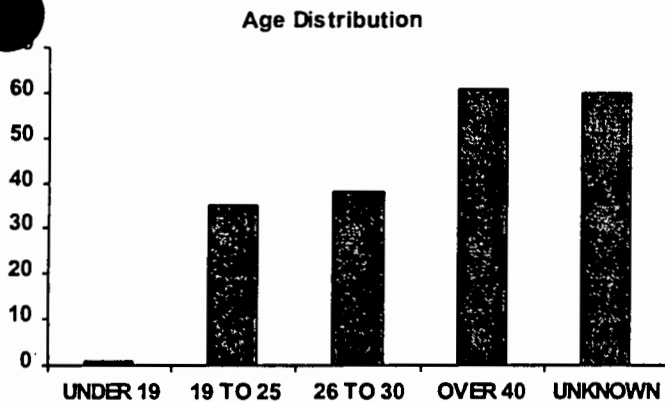
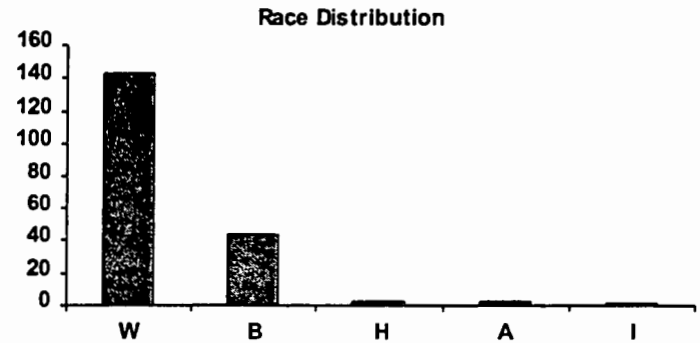
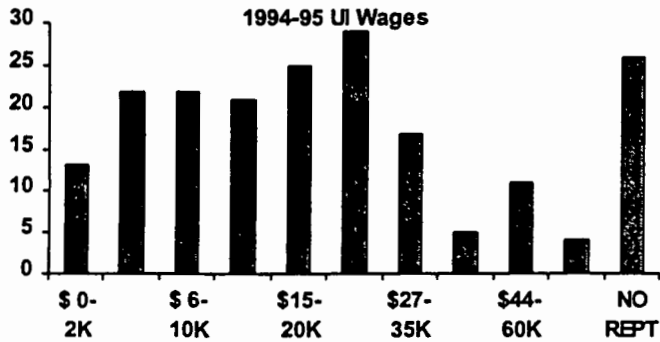
The Common Follow-up provides a comprehensive look at who is being enrolled in education, training, and employment programs. The following pages describe the characteristics of urban community college students broken down by program. Using the subset databases, individual schools can compare their enrollment population with that of other similar colleges.

Enrollment Characteristics (example 1)

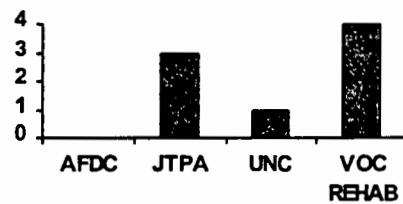
Characteristics of Urban Community College Students Enrolling in 1994-95 Who weren't Enrolled in 1993-94

A/C, HEATING, &

N= 195



Students Served by Other Agencies in 1994-95

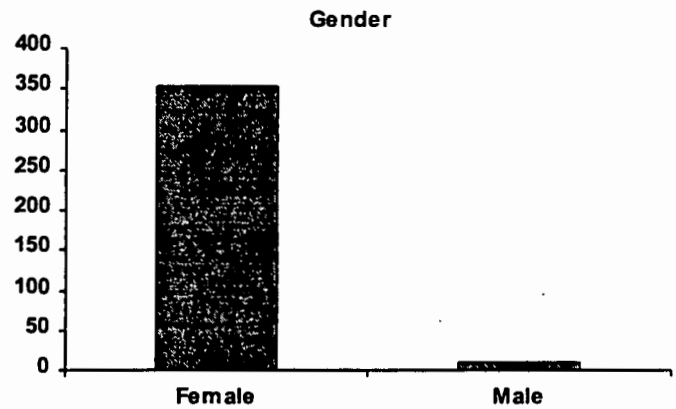
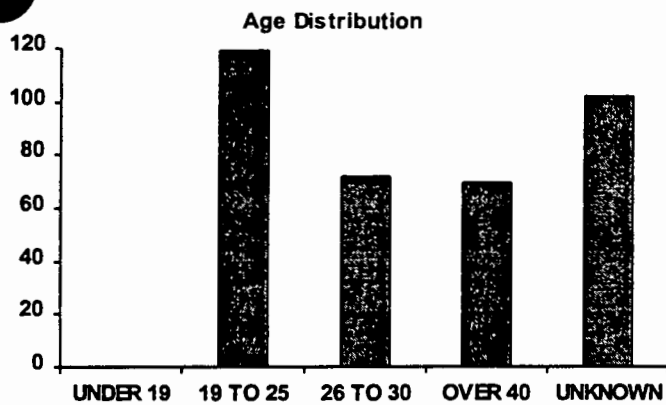
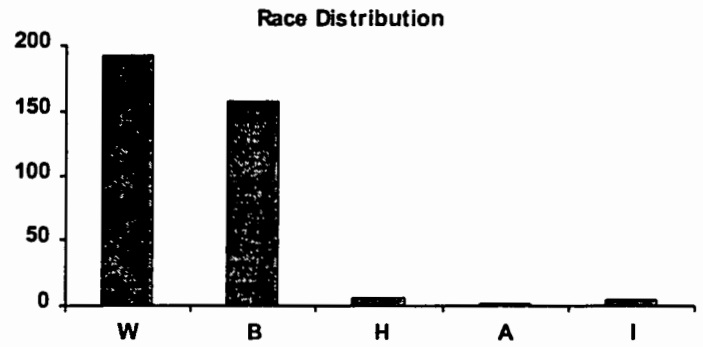
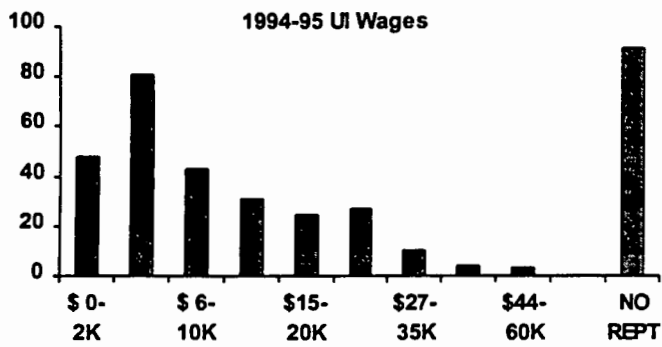


Enrollment Characteristics (example 2)

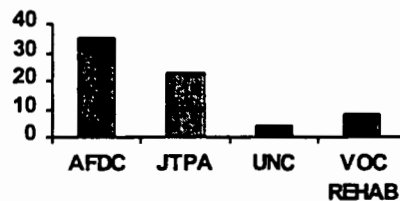
Characteristics of Urban Community College Students Enrolling in 1994-95 Who weren't Enrolled in 1993-94

ADMINIS OFFICE T

N= 363



Students Served by Other Agencies in 1994-95

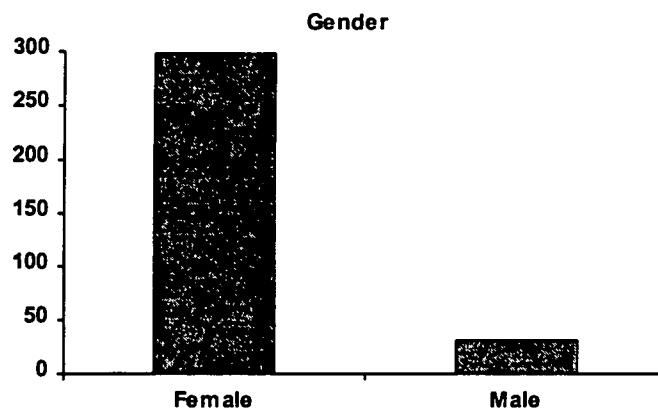
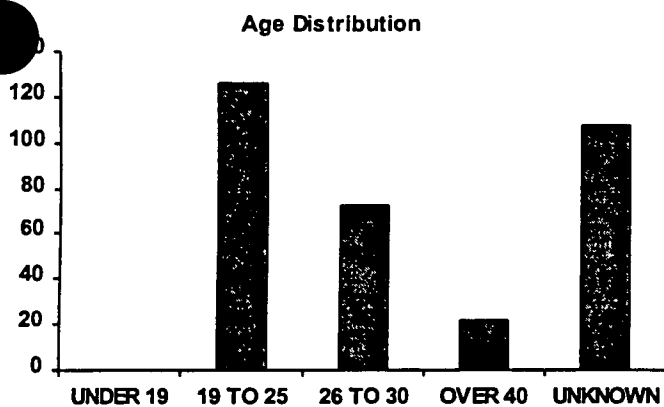
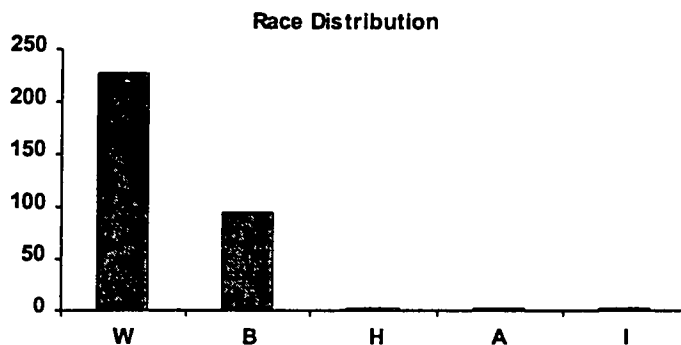
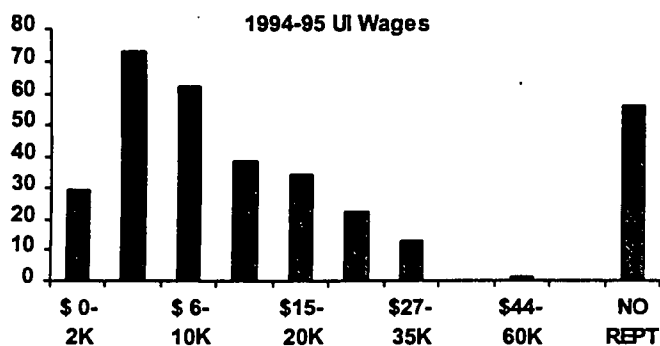


Enrollment Characteristics (example 3)

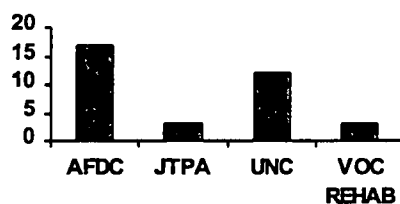
Characteristics of Urban Community College Students Enrolling in 1994-95 Who weren't Enrolled in 1993-94

ASSOC. DEGREE NU

N= 329



Students Served by Other Agencies in 1994-95

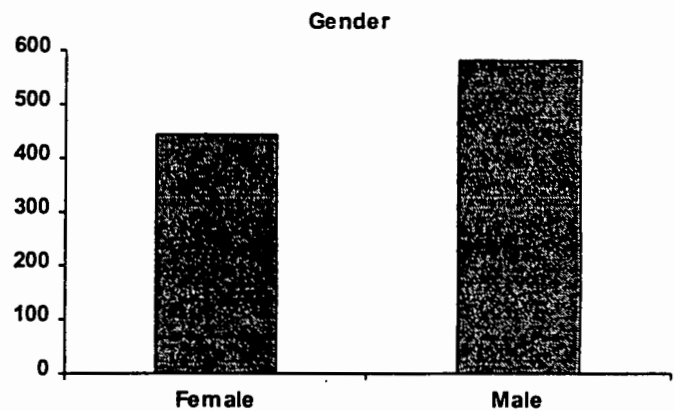
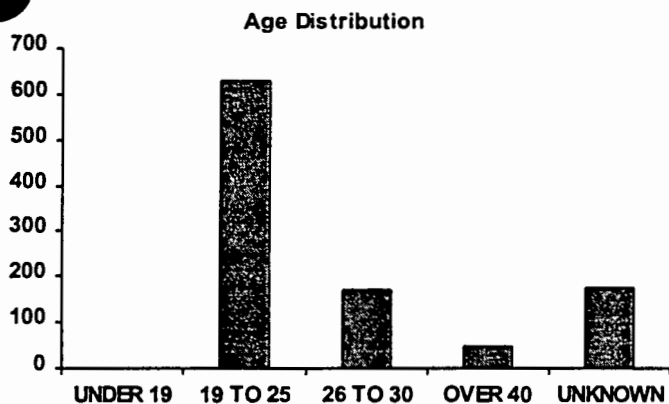
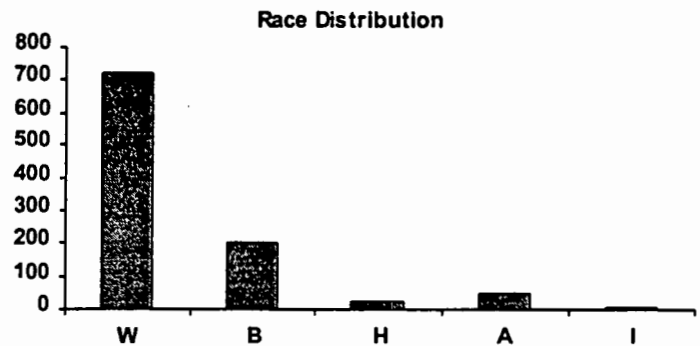
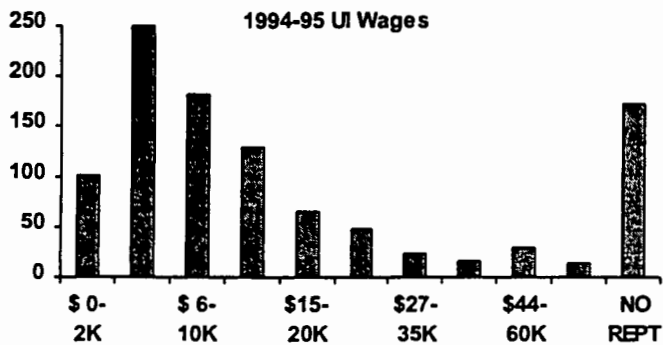


Enrollment Characteristics (example 4)

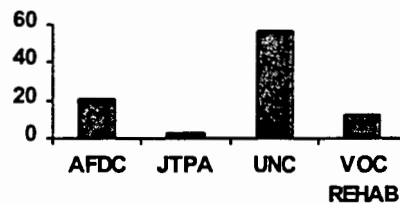
Characteristics of Urban Community College Students Enrolling in 1994-95 Who weren't Enrolled in 1993-94

ASSOCIATE IN SCI

N= 1028



Students Served by Other Agencies in 1994-95



Analysis 2: Progress of Students

The major strength of the Common Follow-up system is that it allows users to see the movement of students/clients through the system and their earnings progress. For this report only two years of program information, 1993-94 and 1994-95, was available limiting the analysis. The first example, which follows, focuses on wage gains of community college students while the second presents demographic characteristics of university students, their use of other programs and earnings distributions. Again individual schools can use the subset databases to compare their student movements and progress with that of other similar institutions.

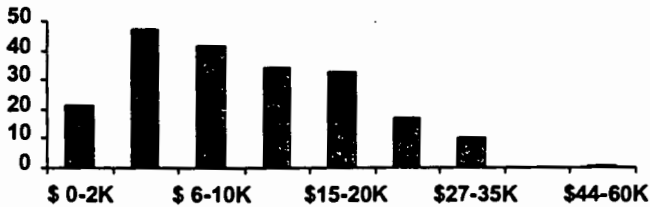
Year to Year Movement (example 1)

1994-95 Wages and Enrollment Status of 1993-94 Urban Community College Students

ACCOUNTING

Number in
Program in
1993-94
3236

1992-93 UI Wages*

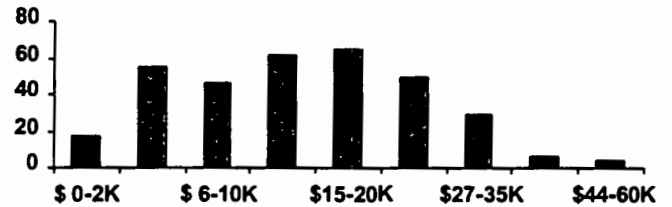


Change from 93-94 to 94-95*

Changed Programs

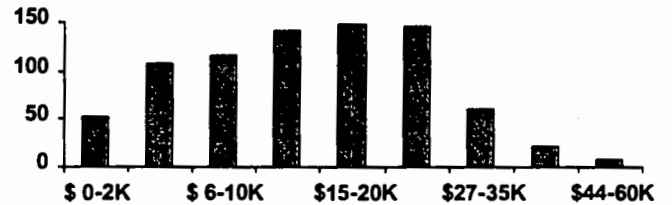
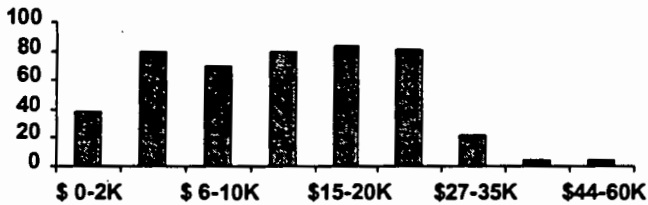
N= 394

1994-95 UI Wages*



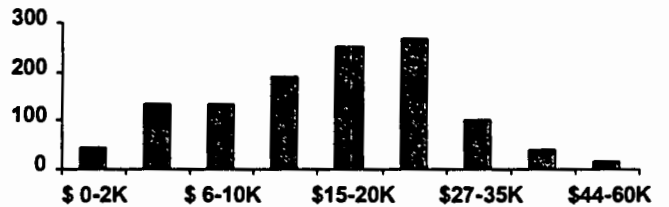
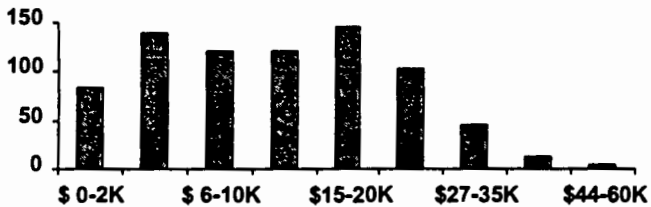
Continuing in Same Program

N= 964



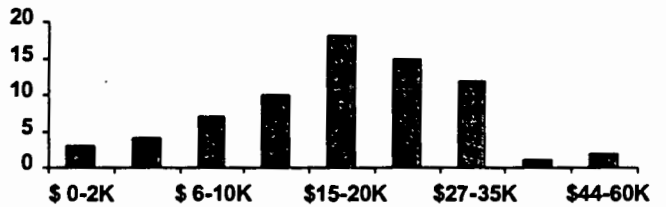
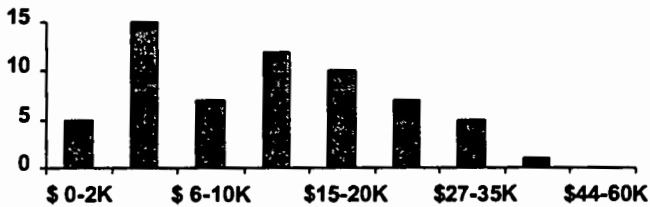
Drop/Stop Out

N= 1553



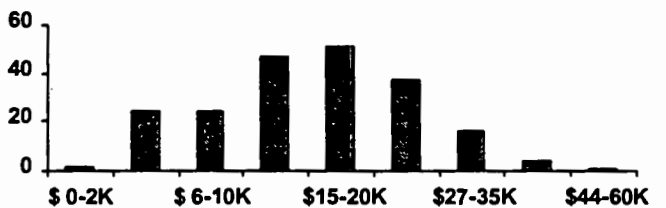
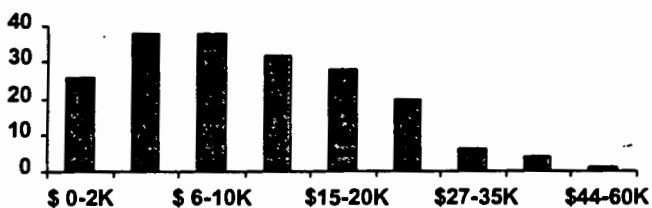
Graduated - enrolled again in 94-95

N= 79



Graduated - not enrolled 94-95

N= 246



*No accounting for students and graduates with no reported UI wages.

Year to Year Movement (example 2)

What Happened to 1993-94 Students of N.C. Comprehensive Universities

ACCOUNTING

2,698

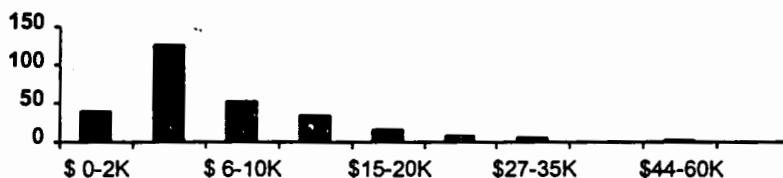
1994-95: Other agencies services as wages subject to N.C. UI withholding

Continuing in Different Major

382

ESC: 63 Com. College 18 Voc Rehab. 4 AFDC: 1 JTPA: 0 Apprentic.: 0

Age	Sex	Race
UNKNOWN	9% M	41% W 78%
OVER 40	2% F	59% N 1%
26 TO 30	11%	H 1%
19 TO 25	78%	B 18%
		A 2%

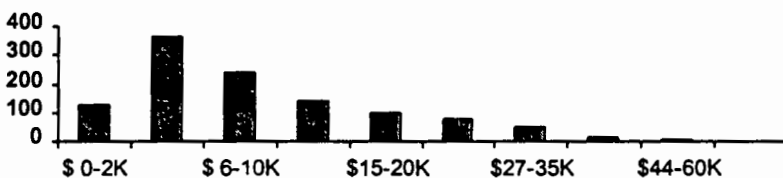


Continuing in Same Major

1,461

ESC: 240 Com. College 58 Voc Rehab. 10 AFDC: 9 JTPA: 7 Apprentic.: 0

Age	Sex	Race
UNKNOWN	12% M	39% W 62%
OVER 40	4% F	61% N 1%
26 TO 30	15%	I 0%
19 TO 25	68%	H 0%
		B 35%
		A 2%

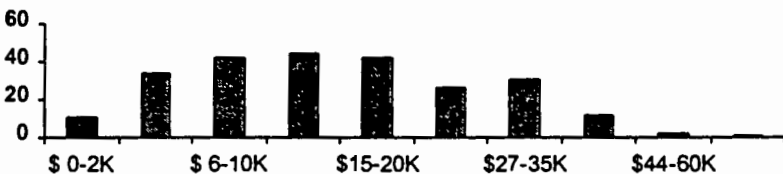


Dropped/Stopped - Out

322

ESC: 67 Com. College 60 Voc Rehab. 2 AFDC: 3 JTPA: 2 Apprentic.: 1

Age	Sex	Race
UNKNOWN	19% M	41% W 62%
OVER 40	6% F	59% N 1%
26 TO 30	22%	H 1%
19 TO 25	54%	B 34%
		A 2%

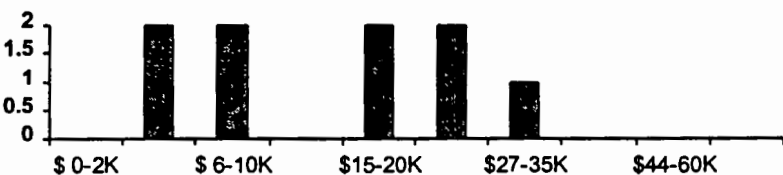


Graduated (Enrolled in 94-95)

15

ESC: 3 Com. College 1 Voc Rehab. 0 AFDC: 0 JTPA: 0 Apprentic.: 0

Age	Sex	Race
UNKNOWN	13% M	60% W 80%
OVER 40	7% F	40% B 13%
26 TO 30	40%	A 7%
19 TO 25	40%	

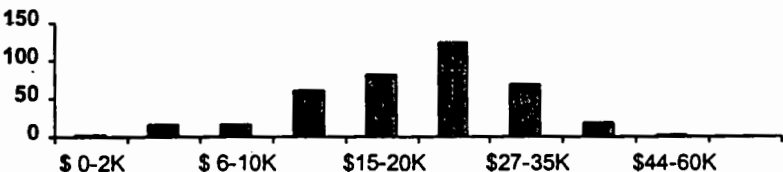


Graduated (Not Enrolled in 94-95)

518

ESC: 138 Com. College 36 Voc Rehab. 3 AFDC: 2 JTPA: 3 Apprentic.: 0

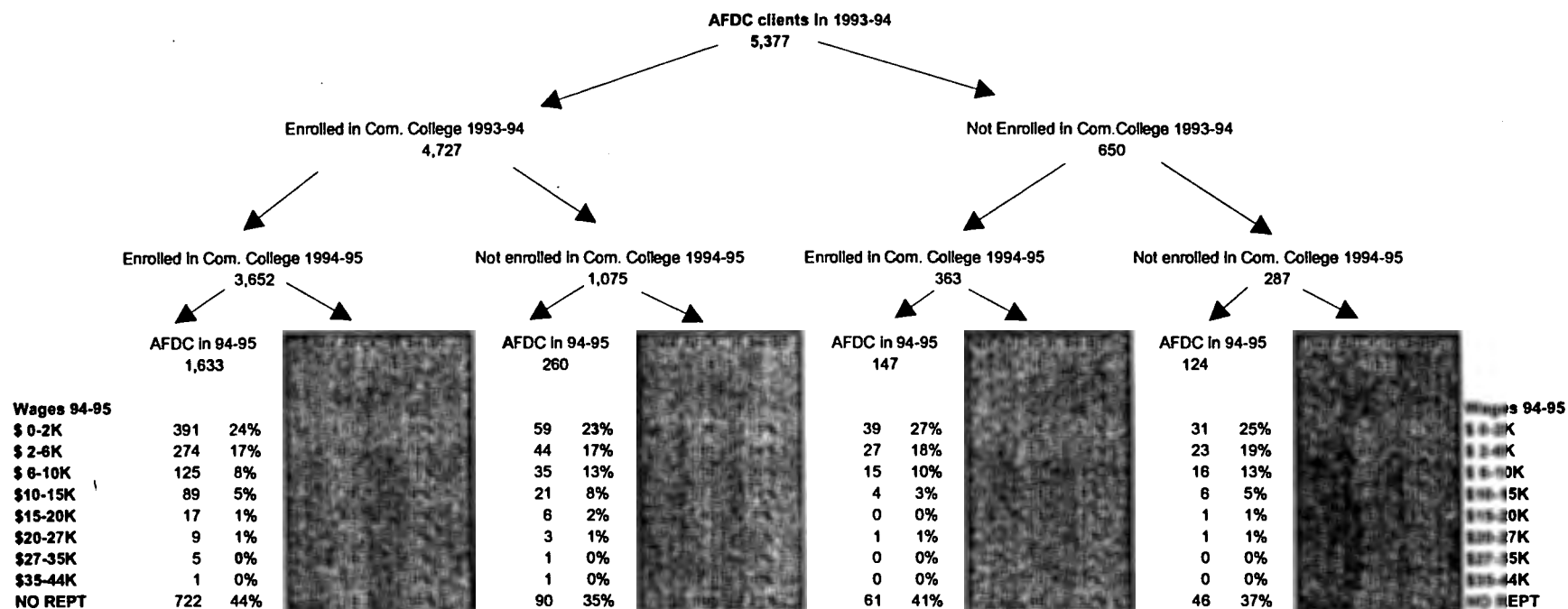
Age	Sex	Race
UNKNOWN	19% M	40% W 71%
OVER 40	5% F	60% N 2%
26 TO 30	35%	I 0%
19 TO 25	41%	H 0%
		B 25%
		A 1%



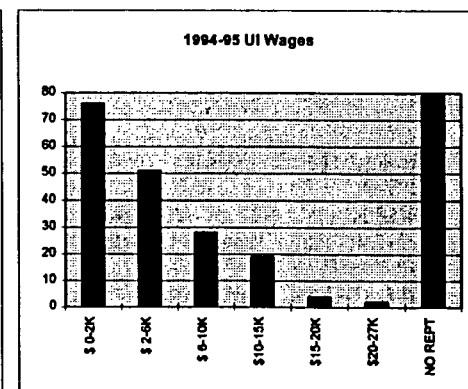
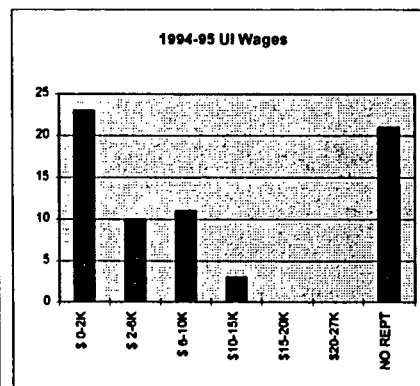
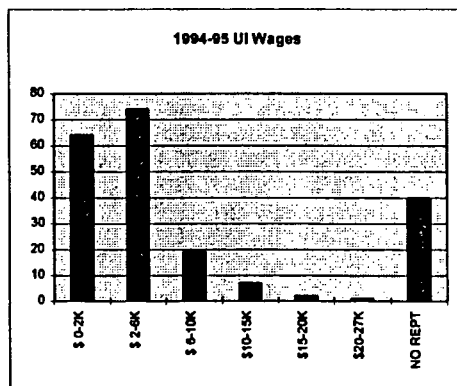
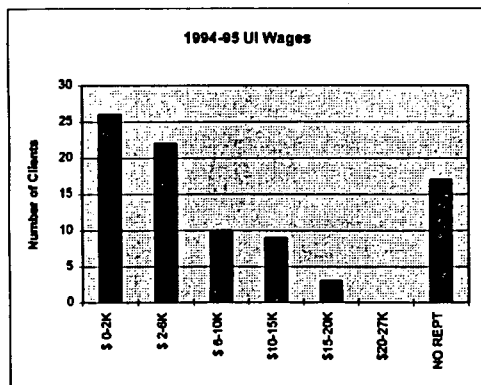
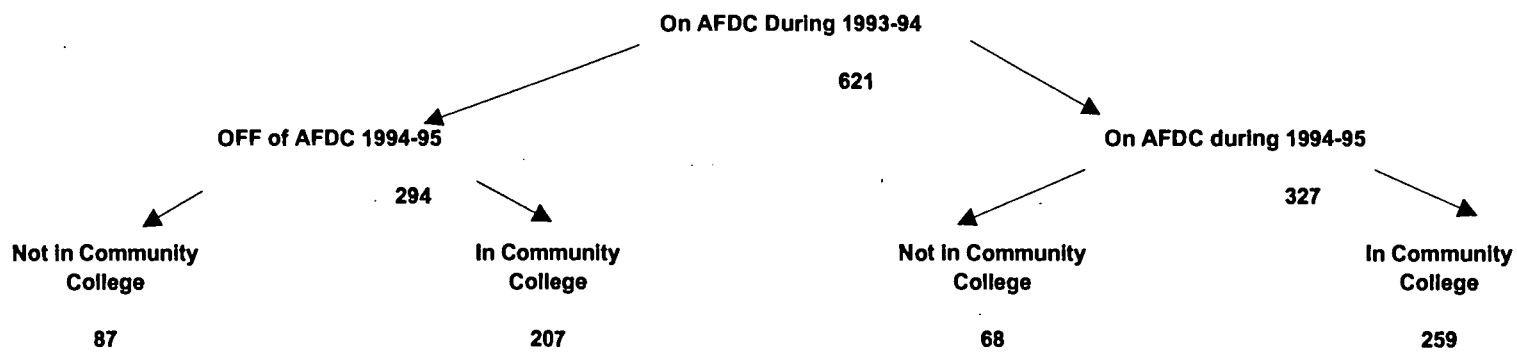
Analysis 3: Progress of a specific target group

Again, these analyses extended beyond the two year limits of the available database will be richer, but to demonstrate an analysis of the movement of a target group, consider the following descriptions of the wages and community college enrollment of 1) AFDC clients who were served by JTPA in the Eastern North Carolina counties and 2) 1993-94 Eastern county JOBS clients.

Community College Enrollment and 1994-95 Wages of 1993-94 Eastern County JOBS Clients



What Happened in 1994-95 to Eastern County Clients who were Enrolled in JTPA in 1993-94?



Conclusion and Recommendations

The Common Follow-up System is not a precision measuring tool. It is a massive database of enrollment and wage records of hundreds of thousands of students and employment service clients. Many of the students and clients have incomplete records because they move out of state, leave the labor market, or become self-employed and are not subject to N.C. unemployment taxes which are the basis for wage records in the system. However, the vast majority of students and clients have complete records, and analyses based on them is useful for individual programs within institutions, for parent institutions and agencies, and for interagency planning and evaluation.

Observation 1

A problem inhibiting the use of the Common Follow-up has been the difficulty in dealing with the mainframe databases which house the data.

Recommendation

The data should be processed into PC databases for distribution to individual institutions as described in this report and parent agencies should provide technical assistance in using the databases.

Observation 2

Disagreement on what enrollment information should be collected and how to establish common definitions, such as termination date, across programs has delayed analysis by the Performance Management Team. Common definitions create an expense for agencies who need to modify their records accordingly. The benefit of common definitions to analysis has not been demonstrated and a more serious problem seems to be defining data in a way that contributes to meaningful analyses by parent agencies and institutions. For the analyses presented in this report, inconsistencies in agency definitions has not proved to be a hindrance.

Recommendation

The advantage of consistent data definition across agencies should be weighed against the cost of generating the information and loss of interpretation to the agency changing its definition. Analyses such as those presented in this report should be evaluated against proposed analyses which rely on consistent definitions to decide if such analyses are more meaningful.

Observation 3

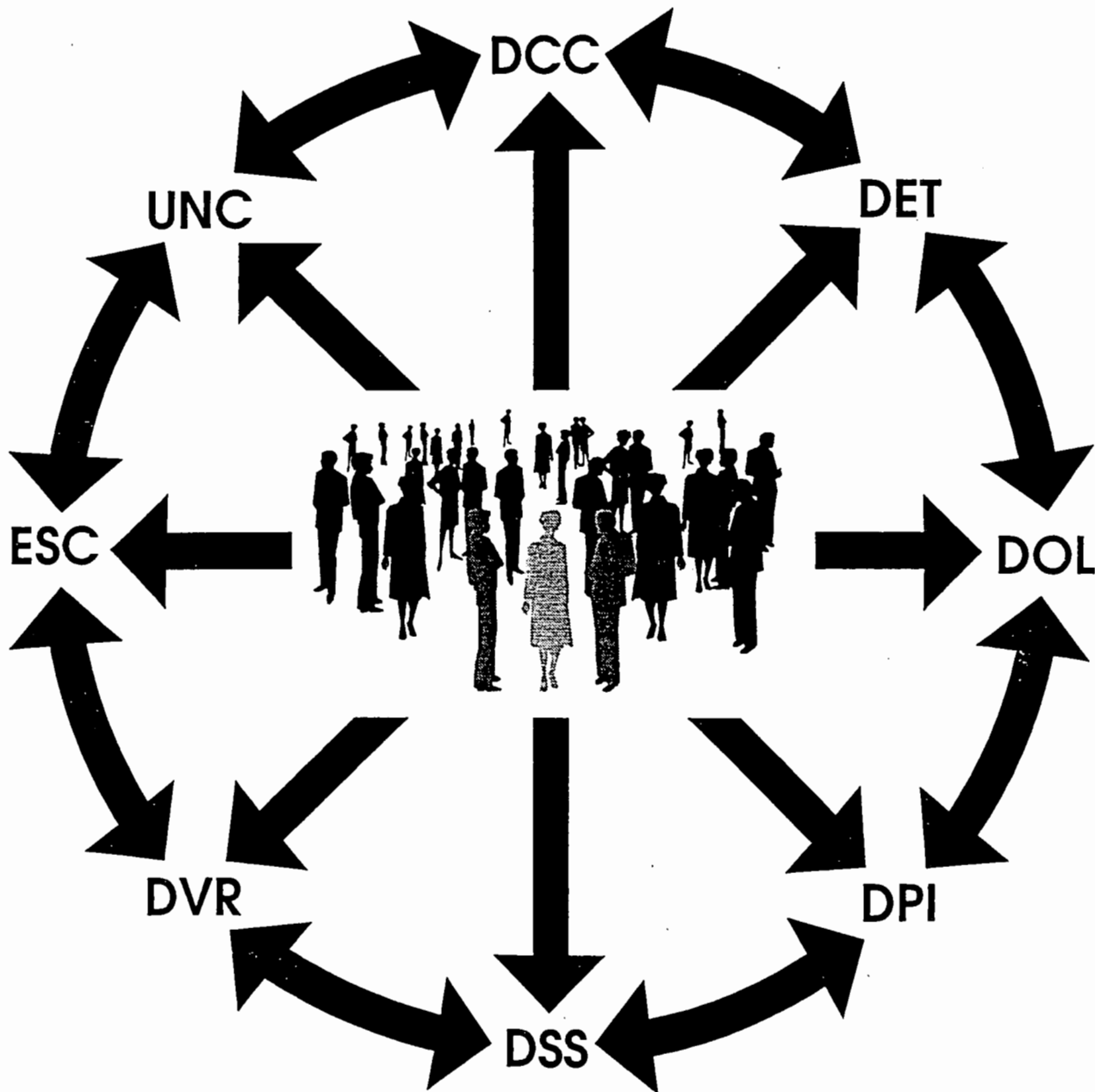
There is no existing comprehensive descriptions of the characteristics of individuals entering programs and their paths into other programs. Without such information it is difficult to establish realistic expectations for the impact of programs. In the P/PB planning and budgeting process for the 1997-99 budget, all state programs submitted objectives and corresponding measures. The most common objective was to place clients in jobs (the required federal reporting requirement) but none of the objective measures considered wage gains or service dependency. In the legislative review of the objectives, more in-depth measures may be sought including measures of the characteristics of those being served and longer term measures of the wage gains and independence from welfare. The Common Follow-up offers the information necessary for such measurement.

Recommendation

Agencies should experiment with compiling descriptions of who gets into their program, what happens to them while in the program and the wage and subsequent service usage of those who complete and those who leave without completing their program (see stage 2 on page 5). These initial descriptors should be considered for use as baseline data for setting objectives and for consideration as to the value of a program.

The Common Follow-Up System of North Carolina

1996 Report



Employment Security Commission of North Carolina
Labor Market Information Division
Raleigh, North Carolina 27611

**The Common Follow-up System
of North Carolina:
1996 Report**

April 30, 1996

**Employment Security Commission
of North Carolina**

The Common Follow-up System of North Carolina: 1996 Report

PURPOSE AND HISTORY

The concept of the Common Follow-up System (CFS) grew out of the recognition by a group of state agencies that higher quality information regarding the outcomes for completers of educational, employment and training programs was needed for planning, evaluation and resource management. Though all of the agencies conducted independent follow-up programs as a result of agency specific programmatic, regulatory or other requirements, neither the informational content nor the collection procedures were consistent across the various agencies and programs. Existing collection methods often were expensive and no mechanism existed to allow sharing of information among agencies. In short, there was no way to view the operation of the employment and training community consistently across agencies, or for the system as a whole.

The initial system design was developed through the cooperation of the participating agencies under the auspices of the North Carolina Occupational Information Coordinating Committee (NC OICC). Original participants included: (1) The University of North Carolina, General Administration (UNC); (2) the Community College System (DCC); (3) the N.C. Department of Public Instruction (DPI), Vocational Education; (4) the N.C. Employment Security Commission (ESC); (5) the N.C. Department of Commerce, Division of Employment and Training (DET); (6) the N.C. Department of Human Resources, Division of Vocational Rehabilitation Services (DVR) and (7) the N.C. Department of Labor (DOL). The participating agencies selected the Employment Security Commission to carry out the implementation of the system and its continued maintenance and operation.

As the CFS has evolved and matured, additional data elements have been added and the CFS has been converted from a point-in-time or snapshot view to a longitudinal data base. This type of longitudinal data base tracks an individual's progress through the workforce system across time, as well as allows comparisons to be made at specific intervals or points in time. The system follows enrollees as well as completers because the completer of one program may then be the enrollee of a different program. Such information allows individuals to be tracked across agencies and/or programs thereby assisting policy makers in understanding the different paths clients take in their educational and job training. Additional agencies have also been incorporated into the system, both internal and external to the state, to provide information regarding career paths that are otherwise excluded from North Carolina unemployment insurance employment data. Agreements have been made with the U.S. Postal Service (USPS), the U.S. Department of Defense (DOD), the U.S. Office of Personnel Management (OPM) and the N.C. Office of State Personnel (OSP) to provide cross-match files to enhance the CFS data base. A limited one year pilot project was conducted in 1993 with five private

institutions of higher learning. The pilot project investigated the possibilities of including these institutions as regular participants into the system. To further broaden the coverage of earnings data, negotiations are underway regarding the exchange of data with neighboring states and a formal request for data sharing has been sent to the Social Security Administration by UNC on behalf of the system.

A new chapter in the history of the system was initiated in the 1995 Session of the North Carolina General Assembly. Section 25.6 (a) Chapter 96 of the General Statutes was amended to:

- Establish a Common Follow-up System by statute
- Define system participation
- Establish operational responsibility with ESC
- Establish programmatic evaluative responsibility with the Office of State Budget and Management (OSBM)
- Mandate data integrity and confidentiality
- Outline reporting and schedules

SYSTEM OPERATION

The participating agencies supply ESC with administrative records for enrollees and completers which contain demographic data, enrollment information, and completion status. The records from each agency are matched against the data from all participating agencies and from other sources including ESC wage record, job registration, and unemployment insurance files and the cross-match files discussed above. Pilot studies have been conducted to collect information on current employment status, job title, and location of work through a supplemental survey of employers. The resultant computerized match and survey data are compiled and returned to the respective participating agencies for use in planning, program evaluation, and internal statistical research. System operational reports are prepared and a series of output files and reports are generated for use by OSBM, Commission on Workforce Preparedness, and Performance Measures Taskforce. Determination of the data elements needed for consumer reports information to be used in the One-Stop Career Centers has begun.

SYSTEM DEVELOPMENT

The system currently operates on a CFS year which begins on the first of July and ends on the thirtieth of June. The first two years of the CFS mainly involved the design, development, and practical uses of the system by the participating agencies, resulting in a workable policy tool. The last three years, including the current year, have experienced tremendous growth in total clients served and agency coverage.

During CFS Year 1991-92, a prototype matching system was developed and a successful limited-scale pilot was conducted. The system attempted matching of 674,305 administrative records for program enrollees and completers, and conducted a survey of the employers of 2,155 Community College System completers to collect occupational information and place of work data. The results were distributed to the participating agencies during the summer of 1993.

During CFS Year 1992-93, a high volume test of the system was conducted. Administrative records for 787,671 enrollees and completers were included in the electronic match portion of the program and surveys were sent to 15,960 employers requesting occupational and employment information for 76,664 completers. Over 13,800 employers responded, providing information on over 66,000 individuals. The distribution of the resultant data files was completed in May 1994 to the participating agencies.

During CFS Year 1993-94, information for 1,162,292 enrollees and completers was input through the computerized match process and status updates were prepared for all individuals who had entered the system since its inception. Employment and wage data were located for over 688,000 of these participants. Output files were distributed in early June 1995 to the participating agencies.

For the current CFS Year 1994-95, data files have been received from eight participating agencies, the most extensive agency coverage to date. The computerized matching processed information for 2,869,582 enrollees and completers, including updates for all individuals who had entered the system since its inception. North Carolina employment and wage data were located for over 1,530,900 of these participants. Due to expansion of the system this year with the addition of two new agencies, the reentry of DOL and direct matching of ESC clients, all agency data files were not received until March 29, 1996. As a result of the sequential nature of the processing, external cross match files could not be requested until all internal data files were processed. These external files have not been received as of yet. Therefore, the results of this report are preliminary and subject to revision. When the additional data is processed, a revised 1996 CFS Report will be produced. Below is a summary table of the last three CFS years.

Participation Summary

CFS Year	<u>1992-1993</u>	<u>1993-1994</u>	<u>1994-1995</u>
Total Clients processed by Agencies	767,255	1,162,292	2,869,582
Number of Clients with earnings collected	546,131	688,861	1,530,935
Number of Agencies Participating	7	6	8

Number of Client records submitted for CFS

CFS Year			<u>1992-1993</u>	<u>1993-1994</u>	<u>1994-1995</u>
Community College System	DCC	*	397,453		769,458
Department of Employment and Training	DET	*	26,998		33,226
Department of Labor	DOL	0	0		2,908
Department of Public Instruction	DPI	*	71,996		190,542
Division of Social Services	DSS	*	16,046		62,894
Division of Vocational Rehabilitation	DVR	*	37,453		38,073
Employment Security Commission	ESC	0	0		947,113
Independent Colleges	IND	6,916	0		0
Universities of North Carolina	UNC	*	176,905		177,472
Total		*	<u>726,851</u>		<u>2,221,686</u>

Note: The * indicates that counts not available.

ESC became a direct participant in 94-95 instead of a cross-match file, and therefore zeros in other years.

SYSTEM FUTURE PLANS AND IMPACTS

With the increased demand for CFS type information, the Employment Security Commission is working with the Office of State Budget and Management, the participating agencies and potential participants to develop and implement enhancements. Discussion is currently underway with the Department of Corrections to incorporate that agency into the CFS in the near future. Additionally, discussion with DPI suggests that all high school students would eventually be tracked, rather than only vocational education students. These two changes alone would enhance the CFS by extending coverage not only in the amount of clients, but in agency scope and location of individuals in the state. Such an extension of coverage occurred this year with the inclusion of the ESC client file as a direct input rather than a supplemental cross-match. This change alone resulted in the addition of nearly one million clients to the system. In addition, the ESC and OSBM are actively engaged in the incorporation of the other agencies and/or institutions covered by North Carolina law.

The following system changes will be incorporated for next year's CFS processing and analysis. These changes are seen as necessary so that the CFS can be sufficiently flexible to meet the new and changing needs of users of the data.

- (1) Currently wage data are annualized as new data are added to the system. This would be changed to allow storage of all wage data by quarter thus maintaining up to eleven years of quarterly wage data per participant. This will provide the detailed data necessary to create common reports.

- (2) The collection frequency of agency CFS extracts will change from annual to semi-annual. In essence, data would be submitted to the ESC for two periods during any given year; the January to June file and the July to December file. This will enhance the availability of the CFS data and allow the agencies to conduct a continuous and timely review.
- (3) Pre-enrollment wages for all new enrollments will be collected such that the Wage File would contain all historical wage information for up to eight quarters before enrollment. This would allow storage of wage data by quarter for up to 13 years for each participant. This will allow pre-enrollment to post completion wage comparison.
- (4) Adjust the current structure to allow the system to accept additional data elements to the CFS database as appropriate to meet requirements of external users such as the Office of State Budget & Management, Governors Commission on Workhorse Preparedness, and One Stop Career Centers.
- (5) A general approval and/or commitment for the CFS staff to work with additional agencies to bring them into the system and thereby enhance the scope of the CFS. One system would allow the different users to examine the same shared data in the most efficient manner.
- (6) Renew contact with and incorporate the private educational institutions within the state of North Carolina into the CFS. This enhancement would fill potential gaps in an individual's education and training history.

SYSTEMATIC REPORTS

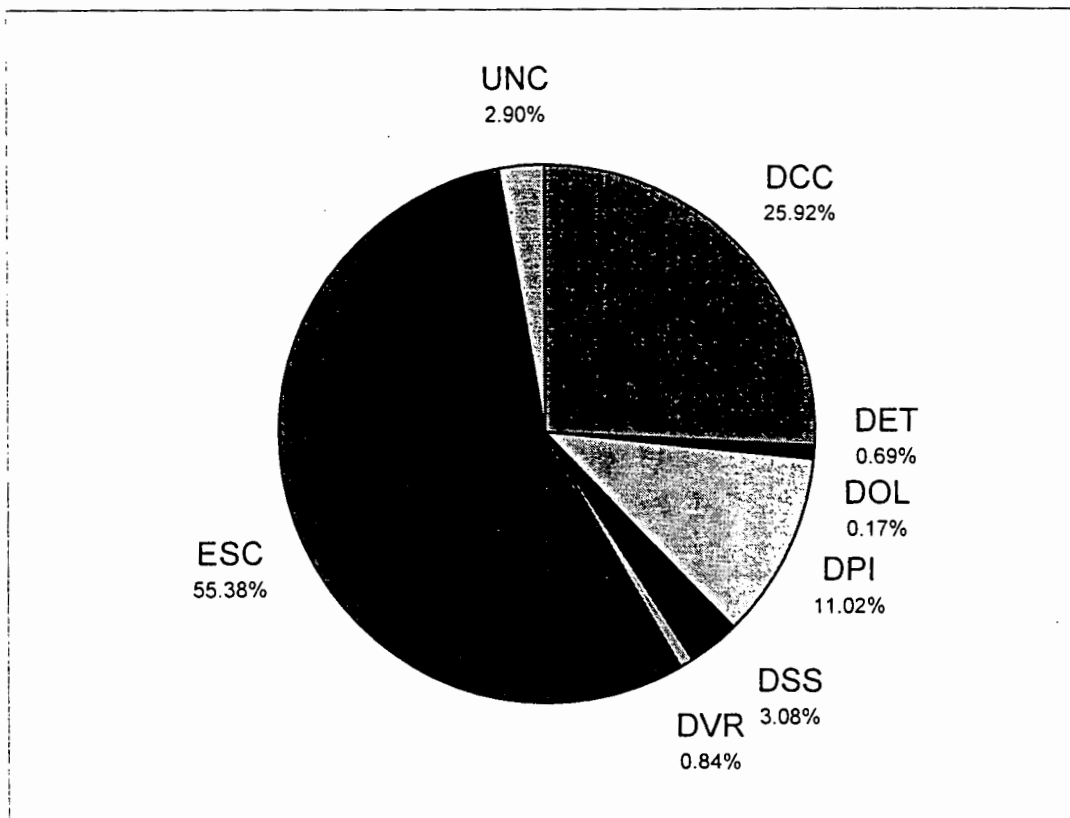
Two sets of tables and graphs are presented in this section. This report highlights system wide results at the agency level and the reclassification of all clients by Standard Industry Classification (SIC) groups and by firm Size Class. Analysis of the CFS data at more defined levels within an agency is to be conducted by the OSBM. Each participating agency also receives enhanced data from the CFS for each client record submitted by that agency.

The first set of tables and graphs accentuates CFS Year 1994-1995 clients only. The second set is based on all clients within the CFS since its inception. The four types of tables, which follow next, are generally referred to as Agency, Profile, SIC, or Size Class results.

1996 CFS Report

Clients Tracked by Agency, for CFS Year 1994-1995.

<u>Agency Identification</u>	<u>Number of Clients</u>	<u>Percent of Total Tracked</u>
Community College System	443,228	25.92%
Division of Employment and Training	11,723	0.69%
Department of Labor	2,871	0.17%
Department of Public Instruction	188,446	11.02%
Division of Social Services	52,757	3.08%
Division of Vocational Rehabilitation	14,449	0.84%
Employment Security Commission	947,113	55.38%
Universities of North Carolina	49,574	2.90%
Total	1,710,161	100.00%



Source: Employment Security Commission; Labor Market Information; CFS Unit

**1996 CFS Report
Clients Tracked by Agency Profile,
for CFS Year 1994-1995**

	Community College System	Division of Employment and Training	Dept. of Labor	Dept. of Public Instruction	Division of Social Services	Division of Vocational Rehabilitation	Employment Security Commission	Universities of North Carolina
Percent Wage Earners	61.90%	54.10%	70.70%	46.60%	46.60%	47.10%	69.40%	61.60%
Percent Claims Filed	19.60%	44.90%	23.90%	2.40%	43.00%	28.00%	60.40%	6.10%
Percent Registered with Job Services	38.10%	73.30%	45.50%	14.90%	70.90%	57.10%	88.90%	24.10%
Percent with DCC Programs	100.00%	53.20%	35.50%	5.10%	22.90%	25.80%	16.10%	13.80%
Percent with UNC Programs	1.90%	1.10%	0.80%	0.20%	1.20%	2.00%	2.40%	100.00%
Percent in Military	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Number of Clients	443,228	11,723	2,871	188,446	52,757	14,449	947,113	49,574

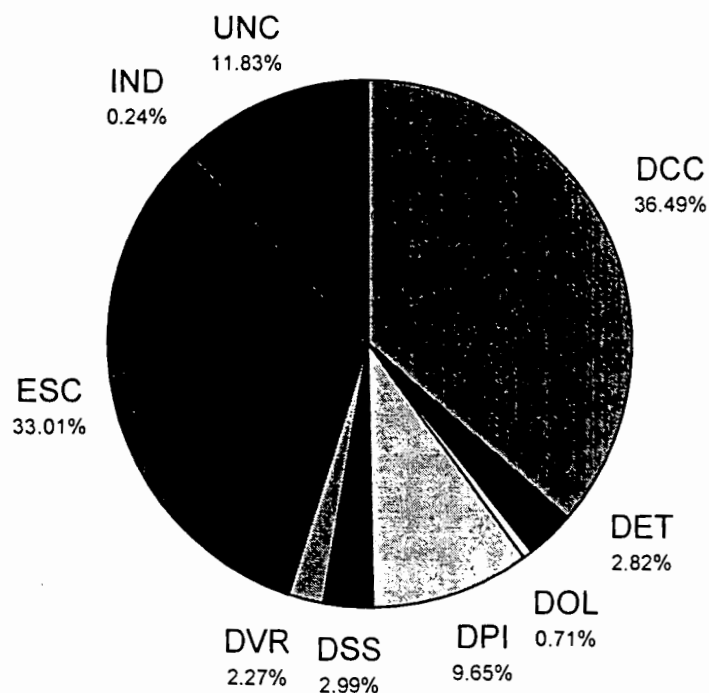
Note: Percent in Military is 0.00% for all agency because the DOD data file has not been received for processing.

Wage Earners are based on wages in 2-95 and 3-95.
Source: Employment Security Commission; Labor Market Information; CFS Unit

1996 CFS Report

Clients Tracked by Agency, as of May 1, 1996

<u>Agency Identification</u>	<u>Number of Clients</u>	<u>Percent of Total Tracked</u>
Community College System	1,047,046	36.49%
Division of Employment and Training	80,894	2.82%
Department of Labor	20,416	0.71%
Department of Public Instruction	276,782	9.65%
Division of Social Services	85,858	2.99%
Division of Vocational Rehabilitation	65,041	2.27%
Employment Security Commission	947,113	33.01%
Independent Colleges	6,916	0.24%
Universities of North Carolina	339,516	11.83%
Total	2,869,582	100.00%



Source: Employment Security Commission; Labor Market Information; CFS Unit

**1996 CFS Report
Clients Tracked by Agency Profile,
as of May 1, 1996***

	Community College System	Division of Employment and Training	Dept. of Labor	Dept. of Public Instruction	Division of Social Services	Division of Vocational Rehabilitation	Employment Security Commission	Independent Colleges	Universities of North Carolina
Percent Wage Earners	62.50%	58.10%	41.50%	52.90%	49.70%	47.50%	69.40%	53.90%	60.80%
Percent Claims Filed	20.50%	37.00%	30.00%	6.90%	42.60%	30.40%	60.40%	5.40%	7.60%
Percent Registered with Job Services	42.20%	75.60%	54.10%	25.30%	73.90%	62.10%	88.90%	22.50%	30.80%
Percent with DCC Programs	59.90%	27.70%	12.10%	12.70%	28.30%	21.40%	16.10%	7.80%	10.90%
Percent with UNC Programs	4.20%	2.50%	0.60%	5.70%	1.70%	2.90%	2.40%	4.20%	52.30%
 Total Number of Clients	 1,047,046	 80,894	 20,416	 276,782	 85,858	 65,041	 947,113	 6,916	 339,516

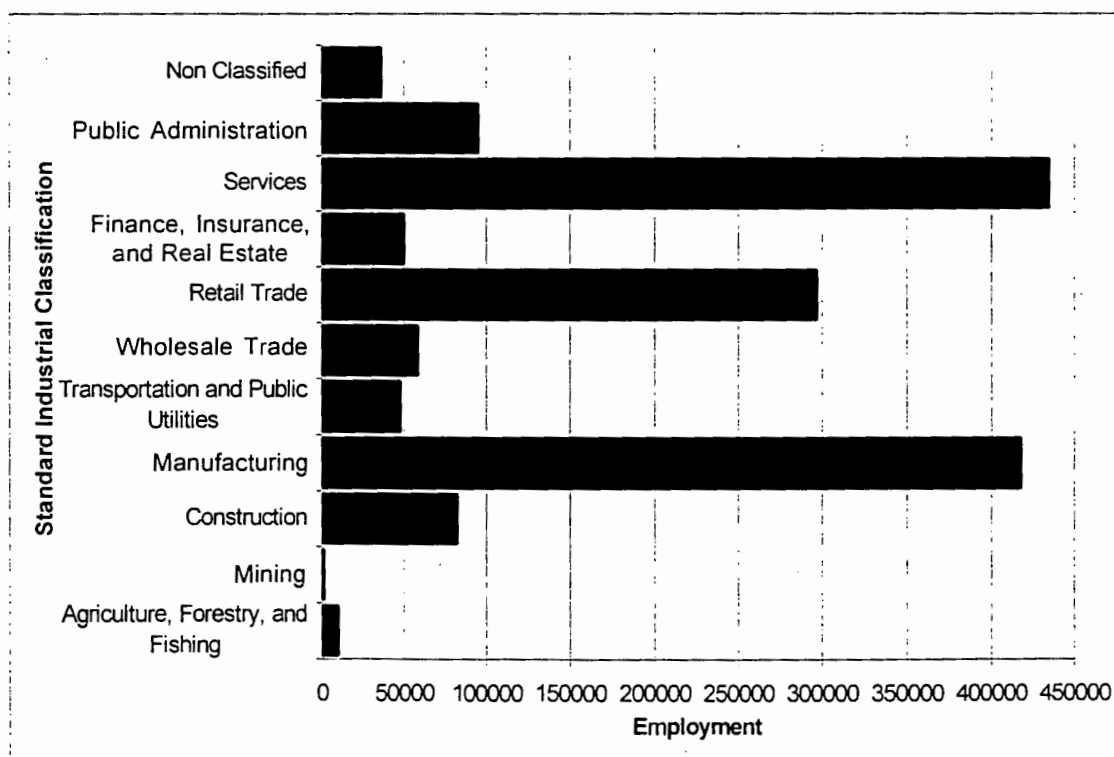
* These totals represent a summary of clients for all years of system operation. Individual clients may be anywhere from one to three years from the point of program completion.

Wage Earners are based on wages in 2-95 and 3-95.
ESC Services (Claims and Job Services) are based on the most recent since 1-2-92
Source: Employment Security Commission; Labor Market Information; CFS Unit

1996 CFS Report

Clients Tracked by Standard Industrial Classification, as of May 1, 1996

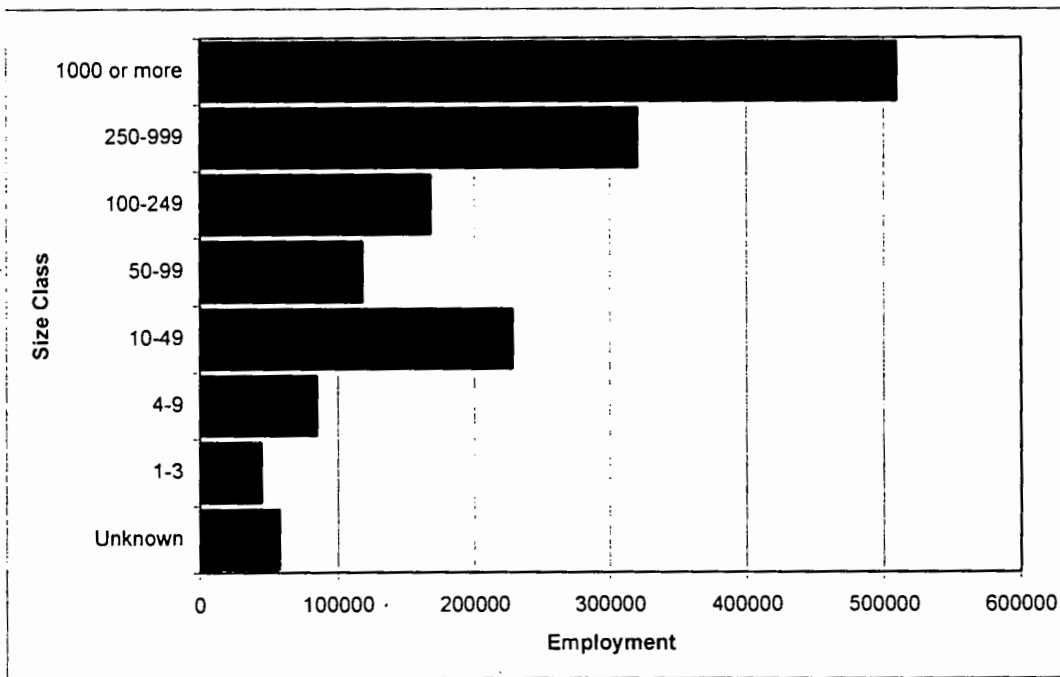
<u>Standard Industrial Classification</u>	<u>Number of Clients</u>	<u>Percent of Total Tracked</u>
Agriculture, Forestry, and Fishing	10,048	0.66%
Mining	1,306	0.09%
Construction	82,285	5.37%
Manufacturing	417,699	27.28%
Transportation and Public Utilities	47,819	3.12%
Wholesale Trade	58,525	3.82%
Retail Trade	296,984	19.40%
Finance, Insurance, and Real Estate	50,217	3.28%
Services	434,529	28.38%
Public Administration	95,179	6.22%
Non Classified	36,344	2.37%
Total	1,530,935	100.00%



Wage Data Reference Quarter is 3-95
Source: Employment Security Commission; Labor Market Information; CFS Unit

1996 CFS Report **Clients Tracked by Size of Firm,** **as of May 1, 1996**

<u>Firm Size</u>	<u>Number of Clients</u>	<u>Percent of Total Tracked</u>
Unknown	57,909	3.78%
1-3	44,979	2.94%
4-9	84,747	5.54%
10-49	228,133	14.90%
50-99	117,976	7.71%
100-249	167,589	10.95%
250-999	320,341	20.92%
1000 or more	509,259	33.26%
Total	1,530,933	100.00%



For Clients with multiple employers, Firm Size was determined by the employer who paid the highest wage in the Reference or Previous quarter

"Unknown" Means Either that the Employer could not be found in the ESC Employer File, or that the Firm Size was zero.

Wage Data Reference Quarter is 3-95

Source: Employment Security Commission; Labor Market Information; CFS Unit

Employment Security Commission of North Carolina
Labor Market Information Division
Common Follow-up System Unit
700 Wade Avenue
Post Office Box 25903
Raleigh, North Carolina 27611-5903
Telephone: (919) 733-2936
FAX: (919) 733-8662

Employment Security Commission

**Worker Training Trust Fund
Supplemental Increase Justification**

Since fiscal year 1993-94 the level of Wagner-Peyser federal funding for Employment Service operations has declined \$1,086,615 in terms of real dollars. This decline, combined with inflation and cost of living adjustments granted by the General Assembly, has reduced staff available to provide customer services by 79.34 equivalent positions. Actual budget figures by year are:

Fiscal Year	1993-94	1994-95	1995-96	1996-97	1997-98E
Funding	\$18,684,595	\$18,922,063	\$18,930,129	\$17,255,915	\$17,597,980
Positions	430.40	424.14	403.11	359.80	351.06

While Wagner-Peyser has been reduced, the Worker Training Trust Fund (WTF) appropriation for ESC has remained stable since a \$300,000 increase for salary adjustments in 1994-95. Actual appropriations by year are:

Fiscal Year	1993-94	1994-95	1995-96	1996-97	1997-98E
Funding	\$5,539,964	\$5,839,964	\$5,839,964	\$5,839,964	\$5,839,964

During this same period, demand for employment services has increased due to growth in the civilian labor force and an increase in dislocated workers because of national economic conditions and trade policies. ESC has been able to maintain a high level of service with the help of innovative technology and the dedication of local office staff; however, the continuing demand for sustained, new and innovative employment services will be difficult to meet with declining revenues. ESC local offices are an essential partner in making the Work First program successful. The emphasis on putting welfare clients into jobs will place increased responsibilities on ESC staff.

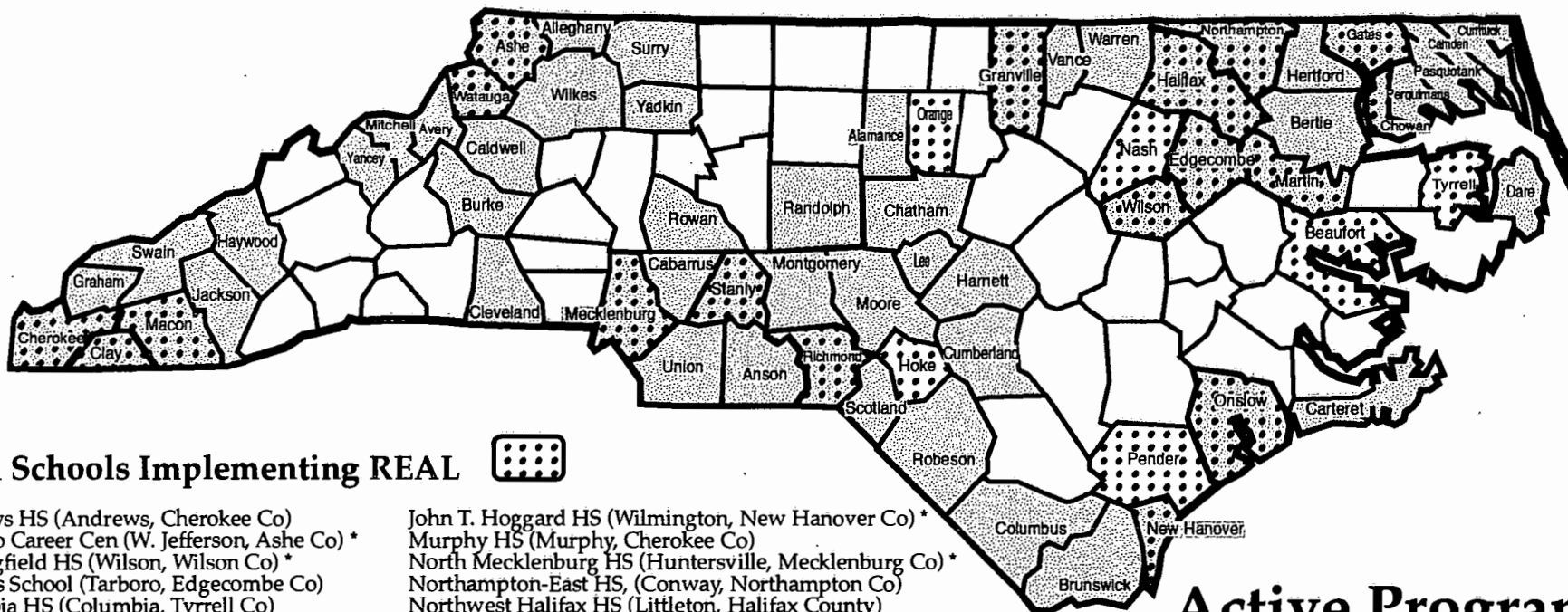
Supplemental resources to replace all or at least a portion of reduced federal funding would enhance the agency's ability to maintain a high level of service. An increase in the WTF appropriation of \$500,000 would mitigate the loss of positions in local offices in 1997-98; however, ESC would still need to absorb remaining position reductions sustained since 1993-94.

North Carolina REAL Enterprises

Community Colleges Implementing REAL

Alamance CC (Graham & Burlington)
Anson CC (Wadesboro)
Brunswick CC (Supply)
Caldwell CC & Technical Institute (Hudson & Boone)
Cape Fear CC (Wilmington)
Carteret CC (Morehead City)
Central Carolina CC (Sanford & Pittsboro)
Cleveland CC (Shelby)
Coastal Carolina CC (Jacksonville)
College of the Albemarle (Elizabeth City)
Edgecombe CC (Tarboro & Rocky Mount)
Fayetteville Technical CC (Fayetteville)
Halifax CC (Weldon)
Haywood CC (Clyde)
Martin CC (Williamston)
Montgomery CC (Troy) *

Mayland CC (Spruce Pine)
Randolph CC (Asheboro)
Richmond CC (Hamlet & Laurinburg)
Roanoke-Chowan CC (Ahoskie)
Robeson CC (Lumberton)
Rowan-Cabarrus CC (Salisbury & Concord)
Sandhills CC (Pinehurst) *
Southeastern CC (Whiteville)
Southwestern CC (Sylva)
Stanly CC (Albemarle)
Surry CC (Dobson)
Tri-County CC (Murphy)
Vance-Granville CC (Henderson) *
Western Piedmont CC (Morganton)
Wilkes CC (Wilkesboro)
Wilson Technical College (Wilson)



High Schools Implementing REAL

Andrews HS (Andrews, Cherokee Co)
Ashe Co Career Cen (W. Jefferson, Ashe Co) *
Beddingfield HS (Wilson, Wilson Co) *
Bridgers School (Tarboro, Edgecombe Co)
Columbia HS (Columbia, Tyrrell Co)
Dixon HS (Holly Ridge, Onslow Co) *
Fike HS (Wilson, Wilson Co)
Gates County HS (Gatesville, Gates Co)
Hayesville HS (Hayesville, Clay Co)
Highlands HS (Highlands, Macon Co) *
Hiwassee Dam HS (Murphy, Cherokee Co)
Hoke County HS (Raeford, Hoke Co) *
J. F. Webb HS (Oxford, Granville Co)
John A. Holmes HS (Edenton, Chowan Co)

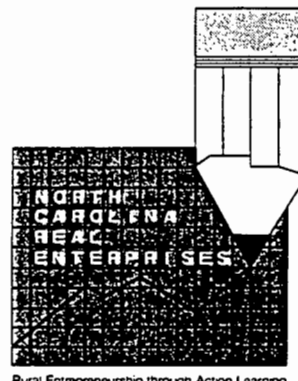
John T. Hoggard HS (Wilmington, New Hanover Co) *
Murphy HS (Murphy, Cherokee Co)
North Mecklenburg HS (Huntersville, Mecklenburg Co) *
Northampton-East HS, (Conway, Northampton Co)
Northwest Halifax HS (Littleton, Halifax County)
Orange HS (Hillsborough, Orange Co)
Richmond County HS (Rockingham, Richmond Co) *
Roanoke Rapids HS (Roanoke Rapids, Halifax Co)
Rocky Mount Senior HS (Rocky Mount, Nash Co)
South Granville HS (Creedmoor, Granville Co)
Topsail HS (Hampstead, Pender Co)
Washington HS (Washington, Beaufort Co) *
West Stanly HS, (Oakboro, Stanly Co)
Williamston HS (Williamston, Martin Co)

Active Programs March, 1997

*accepted March, 1997

Attachment

NORTH CAROLINA REAL ENTERPRISES Entrepreneurship Program Overview



What is REAL?

REAL stands for Rural Entrepreneurship through Action Learning.

REAL Entrepreneurship, a course offered in high schools and community colleges, guides students through the process of creating small businesses of their own design. The process includes:

- self-assessment to determine students' potential and existing marketable strengths,
- community analysis to identify needs and trends in the local economy,
- research and writing of a comprehensive business plan for a student's chosen enterprise, and
- start-up support (including loan capital) if students choose to open and operate enterprises.

North Carolina REAL Enterprises is the non-profit organization which developed the concept and curriculum for REAL Entrepreneurship. The organization partners with participating schools and provides:

- curriculum materials
- instructor training
- Revolving Loan Fund for students
- on-site support
- technical assistance
- evaluation

Why is REAL important?

In REAL Entrepreneurship, students use their communities and businesses as "labs" in which to:

- learn about entrepreneurship as a career option,
- develop skills and understanding necessary for successful employment, and
- create job opportunities for themselves and others by starting or expanding viable enterprises.

REAL contributes to the goals of the larger state and national school reform movement by providing:

- preparation for the transition from school to work in small businesses,
- academically rigorous curricula with an integrated technology component,
- meaningful student interaction with the local community and the global economy,
- partnerships with business and civic leaders (through REAL Community Support Teams), and
- compatibility with School-to-Work, Tech Prep and articulation efforts.

What has REAL accomplished?

- In 1996-97, NC REAL serves 58 of 100 NC counties through 47 high schools and community colleges.
- Between 1990 and 1996, REAL participants started or expanded 189 businesses ranging from manufacturing to retail to service. For the period 1991-94, these businesses generated additional sales revenue of \$2.5 million and created 71 full or part-time positions.
- 2550 youth and adults have received intensive training in entrepreneurship since 1990.
- Over 500 entrepreneurs, bankers, accountants, etc. serve on REAL Community Support Teams.
- 76 North Carolina high school and community college educators have received intensive training.

What funding is required for expansion?

- Between 1992-96, REAL enrollment grew 800%; the number of sites requiring support quadrupled.
- REAL's Worker Training Trust Fund allocation has remained constant at \$300,000 (w/a one-time addition of \$100,000 in 1996).
- An additional \$320,000 is needed for 1997-98 (\$620,000 total to serve 60 schools/community colleges).
- An additional \$550,000 is needed for 1998-99 (\$850,000 total to serve 90 schools/community colleges).

Developing entrepreneurial talent through action learning and fostering the creation of sustainable enterprises throughout North Carolina, with special emphasis on rural communities.

North Carolina REAL Enterprises Board of Directors April, 1997

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Management Fundamentals, Inc.
(formerly Associate Dean, School of Education, UNC-CH)

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French Broad Electric Co-op

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Small Business and
Technology Development Center

Jeanne Meiggs, Board Treasurer
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Loretta Martin
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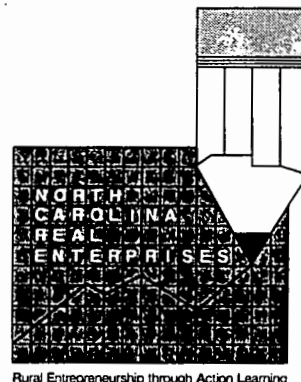
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Haywood Community College

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Wachovia Bank of North Carolina

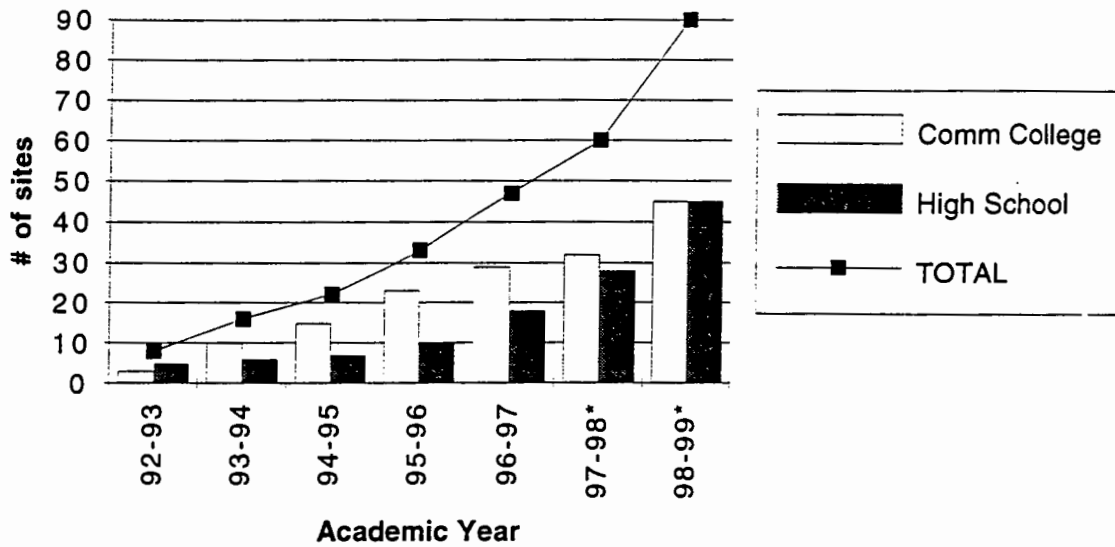
Deborah Torain
Greensboro Area Chamber of Commerce

NC REAL Enterprises Founder:
Dr. Jonathan Sher
NC Child Advocacy Institute

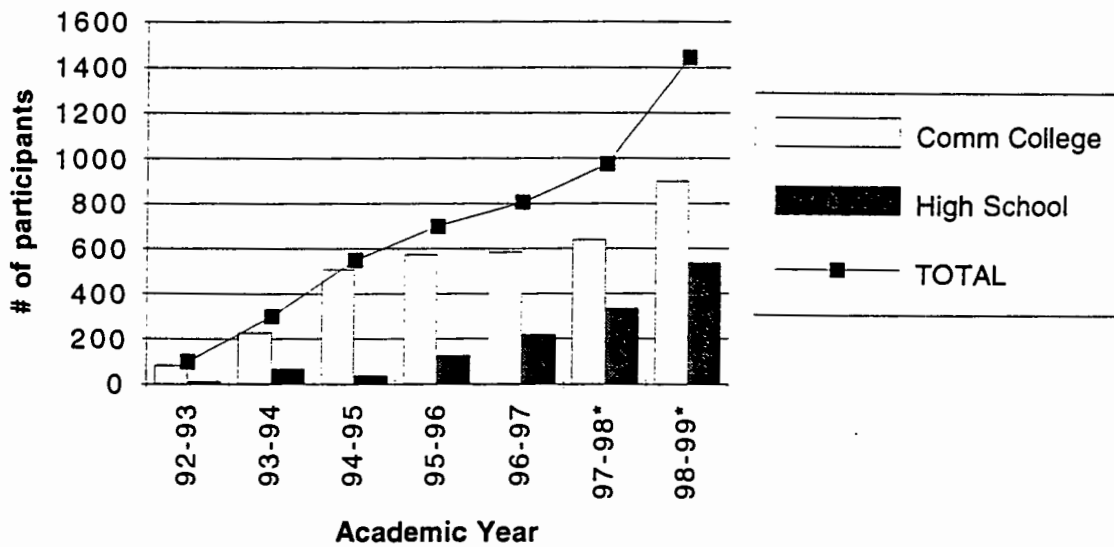


(Organizational affiliation for identification purposes only)

NC REAL Enterprises Sites



NC REAL Enterprises Enrollment



* projected

North Carolina REAL Entrepreneurship Program
Potential entrepreneurs trained and business results
1990-1997

Academic Year	PARTICIPANTS			BUSINESSES			Start-ups as %	Exp's as %	Start-ups & exp's as %
	Comm College	High School	Total	Start-ups	Expansions	Purchases	of Comm Coll participants	of Comm Coll participants	of Comm Coll participants
90-91	17	30	47	8	0	0	47%	0%	47%
91-92	13	36	49	10	0	0	77%	0%	77%
92-93	85	14	99	12	3	2	14%	4%	18%
93-94	229	71	300	19	18	0	8%	8%	16%
94-95	510	40	550	34	24	1	7%	5%	11%
95-96*	575	125	700	40	21	0	7%	4%	11%
96-97*	587	218	805	18	14	2	3%	2%	5%
TOTAL	2016	534	2550	141	80	5	7%	4%	11%

123 66

*1995 - 1997 business data represents preliminary results -- data still being collected and analyzed

HIGHLIGHTS:

- From 1991 - 1994, sales revenue from start-ups and expansions = \$2.5 million
- From 1991 - 1994, these start-ups and expansions created 71 new full-time or part-time jobs
- Since its inception in 1992, the NC REAL Revolving Loan Fund has lent \$145,266 to 15 borrowers (default rate: 4.7%)

Business Results from two mature REAL Entrepreneurship Programs

EDGECOMBE COMMUNITY COLLEGE

REAL ENTREPRENEURSHIP PROGRAM: CONTINUING EDUCATION DEPARTMENT (Rocky Mount & Tarboro campuses)

BUSINESS RESULTS, 1992 - 1997

YEAR	ENROLLED	GRADUATED	START-UPS	EXPANSIONS	PURCHASED	OPERATING	% OF BUSINESSES STILL IN OPERATION	PARTIC'S STARTING/ EXPANDING BUSINESSES
92-93	38	18	10	1	1	11	92%	29%
93-94	31	15	4	6	1	10	91%	32%
94-95	28	15	2	2		4	100%	14%
95-96	41	30	13	4		15	88%	41%
96-97	35	24	5	4		9	100%	26%
TOTAL	173	102	34	17	2	49	92%	29%

Highlights:

- includes course offered on-site for dislocated workers at Tarboro Black & Decker facility in 1996
- businesses include: daycare serving local industries, lawn/garden equipment, bookstore, toner/cartridge recycling

HAYWOOD COMMUNITY COLLEGE

REAL ENTREPRENEURSHIP PROGRAM: PRODUCTION CRAFTS DEPARTMENT

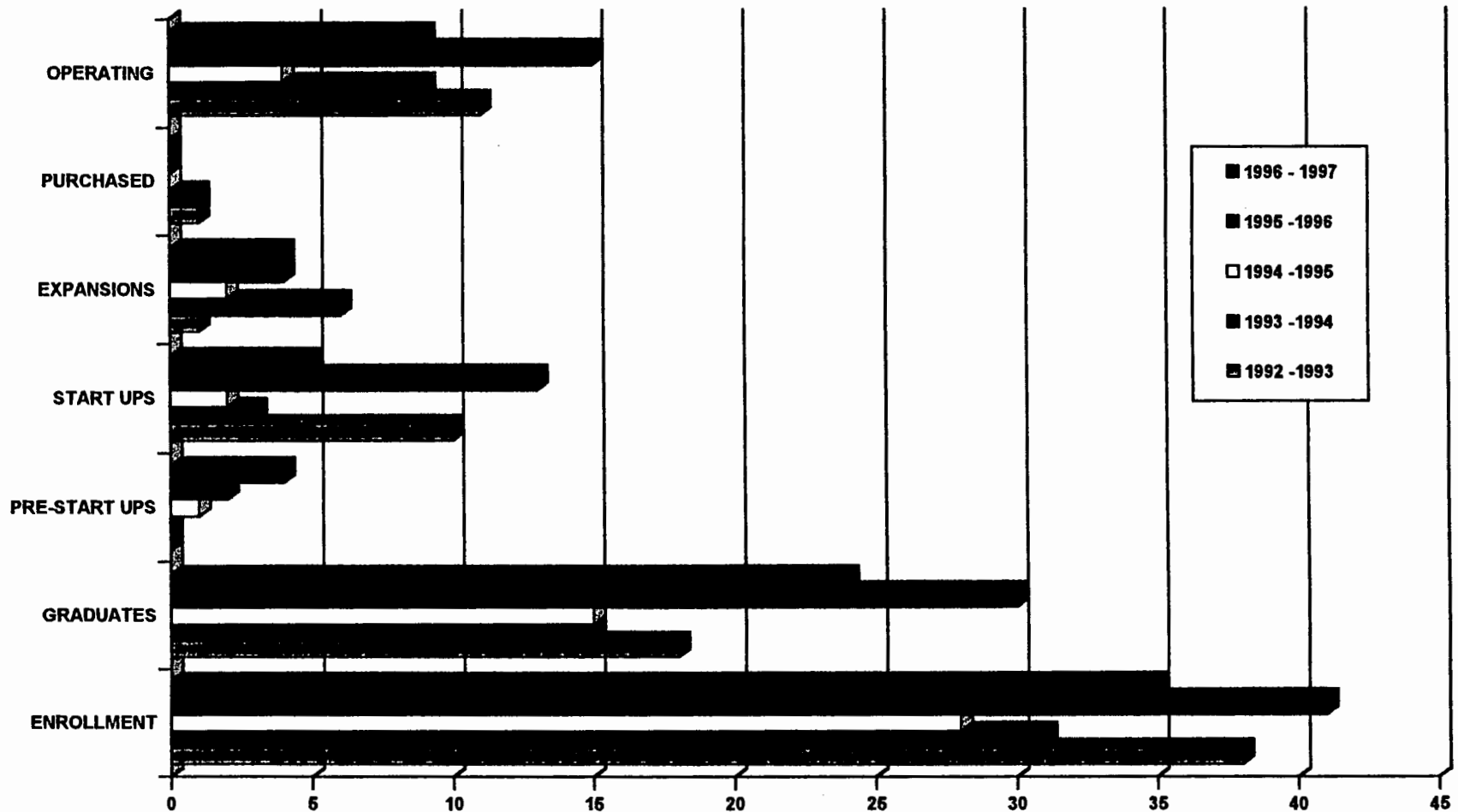
BUSINESS RESULTS, 1990 - 1996

YEAR	ENROLLED	START-UPS	EXPANSIONS	PURCHASED	OPERATING	% OF BUSINESSES STILL IN OPERATION	PARTIC'S STARTING/ EXPANDING BUSINESSES
90-91	17	8		0	7	88%	47%
91-92	13	10		0	10	100%	77%
92-93	9	5	1	0	6	100%	67%
93-94	8	3	2	0	3	60%	63%
94-95	14	6	2	0	7	88%	57%
95-96	12	6	4	0	10	100%	83%
TOTAL	73	38	9	0	43	91%	64%

Highlights:

- program contributing to growth of craft industry in western NC
- "Since implementing the REAL program, the Production Crafts Department has helped more people open their businesses in the past 6 years than in the previous 12" --Gary Clontz, Department Chair

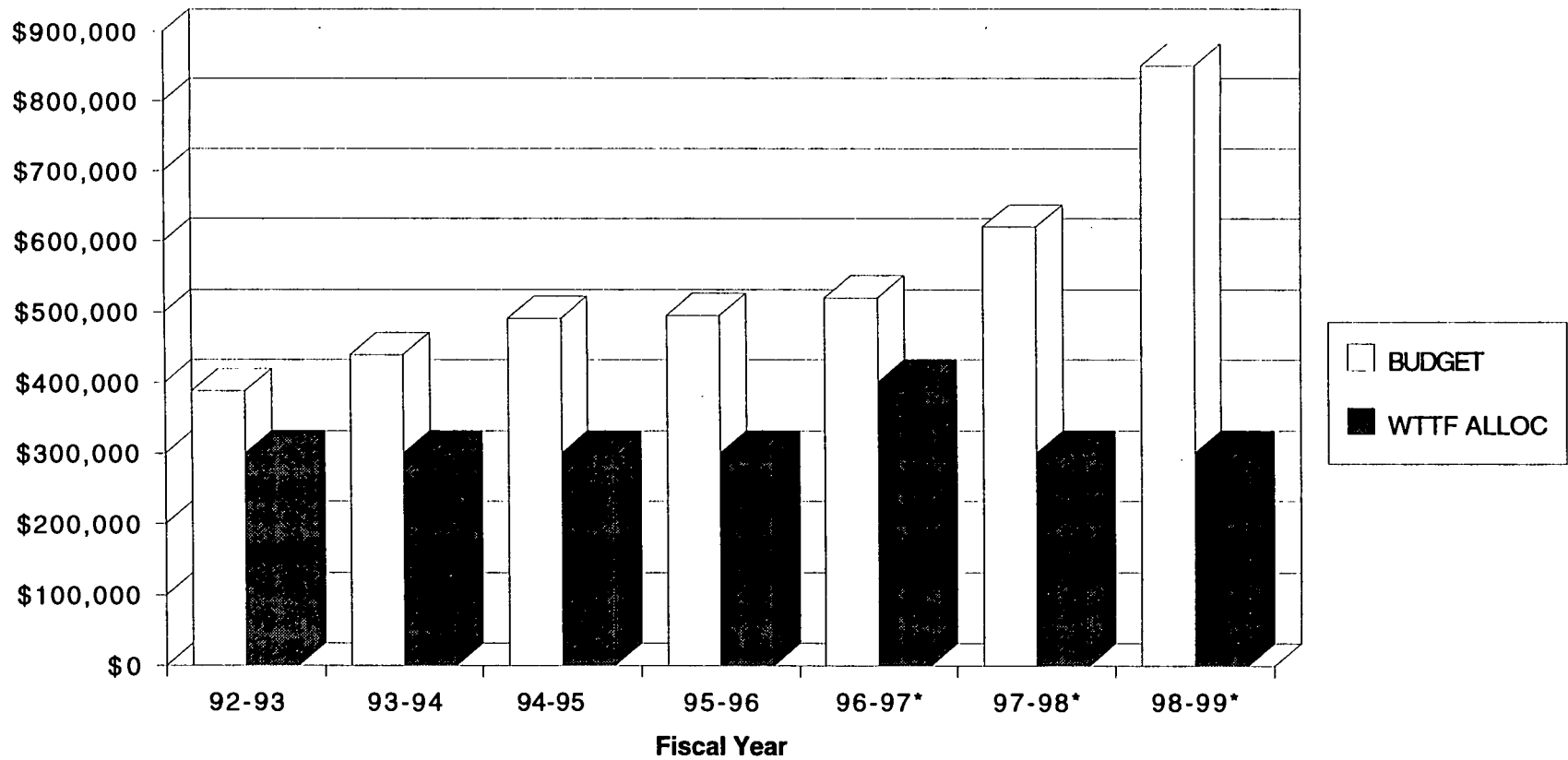
Edgecombe Community College REAL Program Evidence



Submitted by:

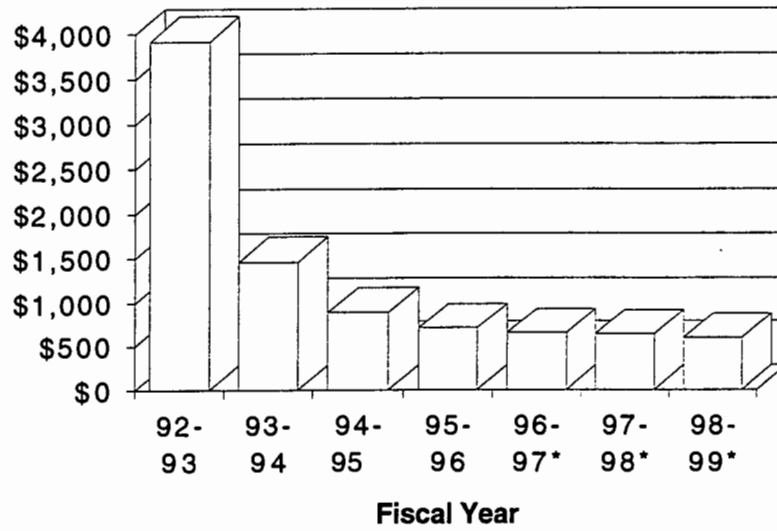
Marie Inscore, Coordinator
Johnny Williams, Lead Instructor

**NC REAL Total Budget compared to Worker Training Trust Fund Allocation
1992 - 1999**

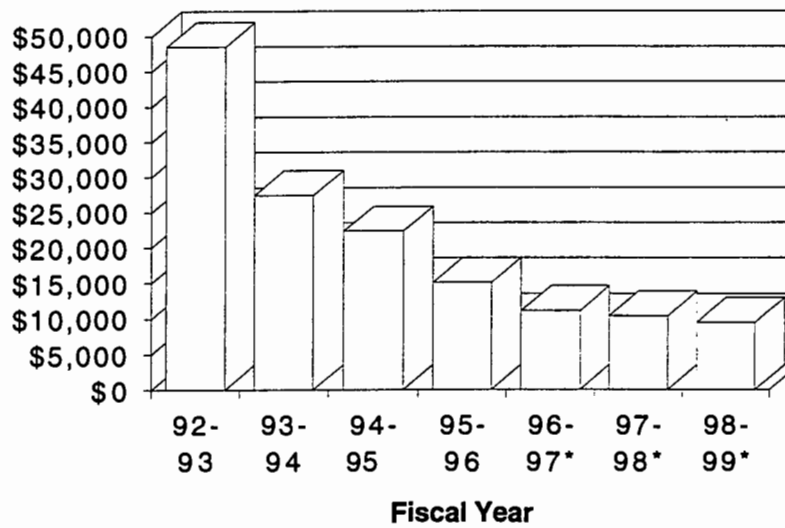


* projected

NC REAL Enterprises Cost per Participant

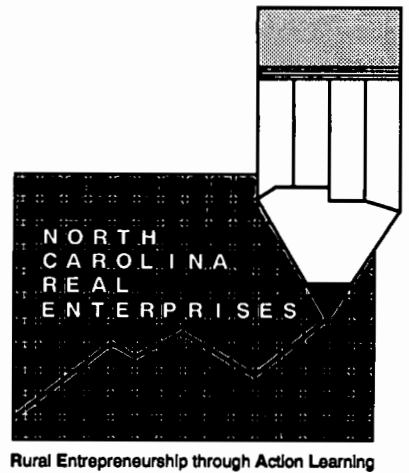


NC REAL Enterprises Cost per Site



* projected

North Carolina REAL Enterprises Revolving Loan Fund Guidelines for Borrowers



Who is eligible to apply for a loan?

The NC REAL Enterprises Revolving Loan Fund (NCRE RLF) accepts loan applications from students who have received the written endorsement of their REAL instructor and have prepared and submitted a comprehensive business plan which follows the REAL Enterprises Business Plan Outline. Applicants from participating North Carolina post-secondary institutions must have successfully completed at least two quarters of the REAL Entrepreneurship course. Applicants from participating North Carolina high schools must have successfully completed the course, as defined by grading and attendance requirements established by the REAL instructor and the school.

Loans may be made to start a new enterprise (either profit businesses or non-profit organizations) or to expand or purchase an existing enterprise. Loans may be used for working capital, equipment, inventory, or other assets.

What does NCRE RLF require of a borrower?

- A comprehensive business plan, including projected cash flow statements for the first 3 years.
- An equity investment in the business. Normally, this must be equal to 10% of the amount to be borrowed and may be in the form of cash and equipment. In any case, the amount invested by the borrower must be enough so that he/she feels "at risk."
- A personal guarantee (and a co-signer if the borrower is under 18 years of age).
- A personal financial statement and credit report. The borrower must agree to submit monthly financial statements and annual tax returns to the NCRE Revolving Loan Fund.
- The borrower must be a resident of NC, and the business must be physically located in NC.
- Collateral for the loan. Assets purchased with the loan may be used as collateral. Collateral may also include personal possessions of the borrower.

What may NC REAL require of a borrower?

- A co-signer of the loan. Co-signers must be 18 years of age or older.
- That the borrower continue his/her education in the area of small business management/operations.

How much can be borrowed? On what terms?

- NCRE RLF may make loans as small as \$250. Students are strongly encouraged to submit proposals of \$5,000 or less. NCRE RLF makes every effort to lend the minimum required to adequately capitalize a business.
- Loans larger than \$5,000 may be made, but they require strong supporting documentation for financial projections (e.g., a letter of commitment or a contract to purchase products or services.) The maximum loan amount is \$25,000.
- NCRE RLF lends at market rates (4% above prime). Loan terms are based on the proposed use of the loan, up to three years amortization. Lines of credit may be established.

How does the loan approval process work?

- The NCRE RLF Loan Officer decides on requests for less than \$500.
- For requests of \$500 or more, the student submits his/her business plan and the complete loan application package (as required by the Microenterprise Loan Program) to the Loan Officer at least three weeks prior to the NCRE RLF credit committee's scheduled meeting for review by the NCRE RLF and Microenterprise Loan Program staff.
- The applicant presents his/her loan request to the credit committee in person. The credit committee considers three factors: the borrower's capability and character, the cash flow potential and soundness of the business, and the collateral offered to back the loan.
- On behalf of the credit committee, NCRE staff will respond to the borrower within one week of the credit committee meeting regarding his/her request. The committee (or the Loan Officer for loans less than \$500) may take one of several actions:
 - turn down the loan request
 - ask for additional information that might permit approval at a later date
 - approve a loan for the amount requested or for a lesser amount.

North Carolina Employment & Training Grant Program
administered by
Division of Employment and Training
North Carolina Department of Commerce
prepared for the General Assembly
April 14, 1997

- Established in 1985 by General Assembly as a locally directed, state administered program
- No state administrative monies, completely local appropriation
- No state re-capture or reallocation authority
- Workforce Development Board and SDA appointed and approved by locally elected officials
- Funds remain from year to year in each SDAs account, moved only via SDA to SDA generosity

Employment and Training Grant Program

April 14, 1997

How is the money spent?

- 100 percent expenditure last two years, 90 percent expenditures prior two years
- Currently, three SDAs account for \$900,000 of the unspent allocation
- An additional three SDAs had their allocations spent before January 1997 and have asked for more money to meet increased demand from Work First clients and multiple plant closures in their area
- No state authority to re-capture or re-allocate, must rely on SDA to SDA generosity



North Carolina Department of Commerce

James B. Hunt Jr., Governor

S. Davis Phillips, Secretary

August 20, 1996

The Honorable Marc Basnight
President Pro Tempore of the Senate
North Carolina Senate
Legislative Building - Room 2007
Raleigh, North Carolina 27601-2808

Dear Senator Basnight:

As required by The General Statutes of North Carolina, Volume 18, Chapter 143B-438.6, enclosed is the Quarterly Report on the North Carolina Employment and Training Grant Program. This report was prepared by the Department of Commerce, Division of Employment and Training and covers the period July 1, 1995 through June 30, 1996.

If you have any questions regarding this report, please contact Scott Ralls, Director, Division of Employment and Training at 733-6383.

Sincerely,

A handwritten signature in cursive script, appearing to read "S. Davis Phillips".

S. Davis Phillips

Enclosure

cc: Susan Perry Cole
Scott Ralls
Mark Trogden
Brad Woodhouse

301 North Wilmington Street, P. O. Box 29571, Raleigh, North Carolina 27626-0571

Tel: 919-733-4962 • Fax: 919-733-8356

An Equal Opportunity/Affirmative Action Employer



NORTH CAROLINA DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

DIVISION OF EMPLOYMENT AND TRAINING

NORTH CAROLINA EMPLOYMENT AND TRAINING GRANT PROGRAM

JULY 1, 1995 THROUGH JUNE 30, 1996

Program Enrollments and Terminations

ETGP Participants	
Total PY95 Enrollment	1675
Carryover	353
New Enrollments	1322
Left Program Since July 1	1091
Employed	766
Achieved Other Positive Outcome	51
Currently Enrolled	584

Program Outcomes

Performance Measures	Performance
Adult	
Entered Employment Rate	70.2%
Average Wage at Placement	\$7.13

Selected Participant Characteristics

Characteristics	Percent
Female	1,280 76.4%
55 Years Old & Older	25 1.5%
Black	841 50.2%
Other Minority	49 2.9%
Less Than 9th Grade Reading Level	639 38.1%
Dropout	365 21.8%
High School Graduate	1,288 76.9%
Disabled	113 6.7%
UI Claimant	239 14.3%
Welfare Recipient	563 33.6%
Food Stamp Recipient	810 48.4%
Single Head of Household	750 44.8%

Expenditure Data

Fund Availability	\$3,854,514	% of	
Total Expenditures	\$2,281,024	Total Avail.	59.2%
Limit on Expenditures for Admin.	\$198,559	% of	
Expenditures for Admin.	\$102,647	Admin. Avail.	51.7%

EMPLOYMENT & TRAINING GRANT PROGRAM

(a) State Name: North Carolina Department
 Address: of Commerce
Division of Employment of Training
441 N. Harrington Street
Raleigh, North Carolina 27603

(b) Report Period:
 From: July 1, 1995 to June 30, 1996

Page 1 of 1

ETA CODE (A)	SDA NAME (B)	SDA AVAILABILITY (D)	SDA EXPENDITURES (E)	PERCENT EXPENDED (F)
37055	CENTRALINA	\$175,393	\$134,857	76.89%
37140	CENTRAL PIEDMONT	\$100,181	\$57,130	57.03%
37045	CHARLOTTE/MECKLENBURG	\$149,938	\$149,024	99.39%
37015	CUMBERLAND	\$106,494	\$78,696	73.90%
37020	DAVIDSON	\$31,159	\$10,411	33.41%
37035	GASTON COUNTY	\$62,708	\$46,128	73.56%
37040	GREENSBORO	\$158,754	\$109,773	69.15%
37165	CAPITAL AREA	\$167,001	\$134,986	80.83%
37030	WINSTON-SALEM	\$92,297	\$65,790	71.28%
37065	SOUTHWESTERN	\$99,153	\$73,096	73.72%
37075	REGION C	\$141,585	\$81,312	57.43%
37080	REGION D	\$83,668	\$66,213	79.14%
37150	WESTERN PIEDMONT	\$137,823	\$47,689	34.60%
37090	REGION H	\$259,786	\$91,755	35.32%
37095	NORTHWEST PIEDMONT	\$111,044	\$111,044	100.00%
37100	KERR-TAR	\$110,991	\$99,974	90.07%
37105	REGION L	\$215,726	\$173,936	80.63%
37170	MID-CAROLINA	\$98,128	\$50,026	50.98%
37115	LUMBER RIVER	\$312,818	\$205,301	65.63%
37120	CAPE FEAR	\$383,805	\$156,537	40.79%
37125	NEUSE RIVER	\$324,700	\$19,022	5.86%
37130	ALBEMARLE	\$116,931	\$40,143	34.33%
37160	REGION Q	\$163,596	\$128,372	78.47%
37190	MOUNTAIN AREA	\$130,525	\$66,445	50.91%
37205	REGIONAL CONSOLIDATED	\$95,108	\$83,364	87.65%
	UNOBLIGATED	\$25,203	\$0	0.00%
	TOTALS	\$3,854,514	\$2,281,024	59.18%

USE AS MANY FORMS AS NECESSARY

(c) R. Scott Ralls (Signature)
 (d) August 8, 1996 (Date Signed)
 Director (Title)
 (e) (919) 733 - 6383 (Telephone Number)



CREATING OWNERSHIP AND ECONOMIC OPPORTUNITY

Statewide Home Ownership Funds

97 Senate Sponsors: Rand, Bob Martin, Ballance, Ballantine, Cochrane, Bill Martin, Gulley, Hartsell, Jordan, Albertson, Allran, Blust, Carpenter, Carrington, Clark, Cooper, Dalton, Dannelly, Foxx, Horton, Hoyle, Kinnaird, Ledbetter, Lucas, Perdue, Rucho, Larry Shaw, Warren, Weinstein, and Winner

95-96 House Sponsors: Weatherly, Mitchell, Black, Blue

Summary of 1997-1998 Appropriation Request

- \$10 million appropriation
- \$100 million of loans annually to create 20,000 low-wealth home owners over 10 years
- \$10 non-state matching loan funds for every \$1 state funds
- Minorities, women, rural and low-wealth North Carolinians as target borrowers
- Regional loan offices in Greenville, Durham, Greensboro, Charlotte, and Asheville
- No duplication -- using 2,000 existing branches statewide to reach potential home owners
- Audited annually by State Credit Union Division, federal insurer, and Peat-Marwick
- Reduced crime and community decay through homes, jobs and wealth creation
- No state \$ used for operations; 100% used for program capital
- State appropriation recouped in three years from increased state and local taxes

Self-Help's Track Record

- Recognized nationally as the country's leading nonprofit development bank
- Recognized as the model of statewide development bank by Congress, Presidents Clinton and Reagan, Federal Reserve Banks of Atlanta and Richmond
- Over \$120 million of economic development loans in all parts of North Carolina
 - Over 1,150 small business owners assisted with loans
 - Over 1,450 home ownership loans to minority and other underserved families
 - Financed child care expansions for more than 2,000 children
- In 1996, \$14.5 million loaned to 169 small businesses and nonprofits
 - 41% to rural businesses
 - 55% to minority-owned businesses
 - 53% to women-owned businesses
 - 1,460 jobs were created, saved or stabilized
- In 1996, \$6.6 million in home ownership loans to 113 families
 - 27% to rural families
 - 58% to minority families
 - 33% to female-headed households
- In 1996 and early 1997, \$40 million (800 families) of new home loan commitments
 - \$10 million of home loan dollars recycled through First Union Bank
 - \$12 million of home loan dollars recycled through Centura Bank
 - \$18 million loan purchase commitment to enable State Employees' Credit Union to launch first of its kind, no down-payment 102% loan-to-value home loans
 - SECU program has potential for \$50 million per year to 1,000 families per year
- Loan losses of less than 1% for more than \$120 million of development loans



How the Housing Trust Fund Works

A self-supporting
public agency

A. Robert Kucab
Executive Director

PO Box 28066
Raleigh, NC
27611-8066

3801 Lake Boone Trail
Suite 200
Raleigh, NC
27607-2926

919-781-6115
FAX: 919-781-5623

Who Benefits?

The Trust Fund effectively builds healthy communities and strong families, by

- ▶ helping low-wage families buy homes
- ▶ financing affordable apartments with services for independent living--for elderly persons, families working their way out of public assistance, and persons with special needs
- ▶ rehabilitating substandard housing
- ▶ building transitional and emergency housing
- ▶ making emergency repairs to preserve the safety of elderly, rural homeowners

Accomplishments

The General Assembly has appropriated \$37 million to the Trust Fund since 1987.

Accomplishments include:

▶ Housing units built or rehabilitated	6,400
▶ Value of housing produced	\$187 million
▶ Counties served	100

Economic Development

▶ Jobs generated	3,000
▶ Local and state tax revenues generated	\$26 million

State Dollars Buy Bricks and Mortar Only

All the money the General Assembly invests in the Trust Fund goes directly into bricks and mortar. The self-supporting N.C. Housing Finance Agency pays all administrative costs.

Every \$1 the State invests produces \$5 in affordable housing.

National Recognition

The Trust Fund's Urgent Repair Program and Special Needs Housing Program have each won a national award.

Governor's Recommendation

The \$4 million in the Governor's budget will build or rehabilitate 400 housing units. The \$22 million requested in SB81 would build or rehabilitate 2,200 housing units. The Housing Partnership, appointed by the General Assembly, will decide on the specific program allocations.

Housing Trust Fund In Action

For more information:
Bob Kucab, N.C. Housing Finance
Agency, 919.781.6115



Woodland Hills Apartments, Burnsville. This housing is linked with community services to help low-income elderly residents live independently.



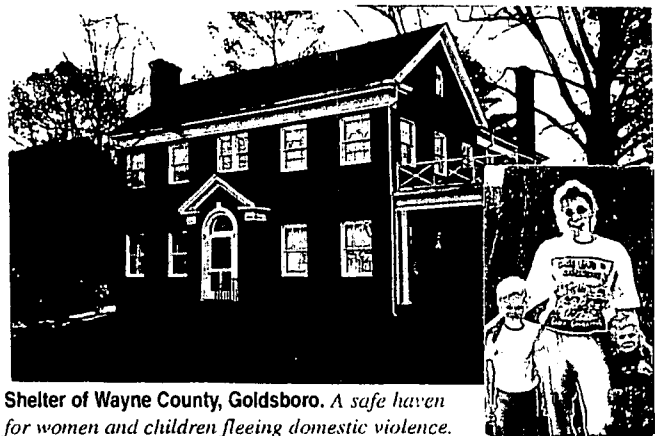
Fairmont Street, Monroe. 14 affordable homes by Monroe-Union County Community Development Corp. are part of a City revitalization area.



Construction Training, Charlotte, Raleigh, Rocky Mount. This N.C. Home Builders Assoc. course trains the unemployed—and places 75%.



Village at Stone Creek, Asheboro. 56 privately developed apartments for low-wage families.



Shelter of Wayne County, Goldsboro. A safe haven for women and children fleeing domestic violence.



Adventura East, Wilson. Wilson Community Improvement Assoc. and the City of Wilson developed this subdivision of 68 affordable homes.



Willow Pond Apartments, Wilmington. A self-sufficiency program helps families who once lived in public housing to save for a home.



North Carolina Low Income Housing Coalition. . .WORKS FOR YOU!

MISSION

The Coalition is a membership organization working for decent, safe and affordable housing opportunities that promote self-determination and stable communities for low-income North Carolinians because housing is a basic human need.

ACTIVITIES

The Coalition provides leadership, expertise and support to develop affordable housing programs and strategies for the people of North Carolina. It serves as an advocate and repository of information about affordable housing for public officials, the business community, nonprofits and low-income housing consumers.

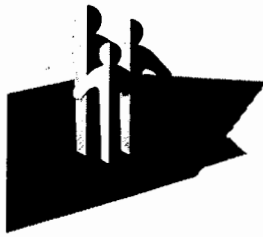
Public Service, Advocacy, and Education—The Coalition's outreach efforts touch people's lives in communities from Manteo to Murphy:

- Leads a broad-based "Campaign for Housing" to elevate housing in the public arena and direct resources to ensure access to decent, safe, affordable housing for all North Carolinians within 10 years. Approximately 9,000 units to date have been developed or rehabilitated with resources the Coalition has helped secure.
- Builds critical public-private partnerships in support of affordable housing through statewide conferences and meetings as well as corporate and housing industry-related advisory councils.
- Sponsors AmeriCorps® members who work hands-on to build and develop low-income housing and help low-income tenants, homeless persons and communities improve their own living conditions.
- Provides technical assistance and training through workshops, research and publications including: *Housing Hotline*, *Legislative Letter*, *Homeless Network Notes*, *the Yellow Page*, *Continuum*, *Index of NC Low Income Housing Stock*, and the HandsNet/NCexCHANGE telecommunications network.
- Serves as the primary advocate for low-income housing needs by developing and monitoring housing policies and programs on the national, state and local levels.
- Offers information and assistance to housing organizations throughout the state.

General sponsorship of the Coalition is provided through its Investors' Council. Current members include Wachovia Bank of NC, NationsBank, BB&T, Sara Lee Corporation, Centura Bank, Central Carolina Bank & Trust Company, First Union National Bank, United Carolina Bank, Carolina Power & Light and GE Capital Mortgage Corporation.

Additional funding is provided by the Z. Smith Reynolds Foundation, Mary Reynolds Babcock Foundation, NC Community Shares, Corporation for National Service and NC Commission on National and Community Service, Mary Norris Preyer Fund and individual and organizational memberships.

North Carolina Low Income Housing Coalition
3901 Barrett Drive, Suite 200 • Raleigh, NC 27609 • 919 881-0707



**North Carolina
Low Income Housing Coalition**

Membership Application

Name _____

Title _____

Organization _____

Address _____

City, State, Zip _____

Phone _____ Fax _____

e-mail _____

Legislative Districts

U.S. House of Representatives _____

NC House of Representatives _____

NC Senate _____

Dues

☐ \$10	Low-income individual
☐ \$25	Individual
☐ \$50	Small organization (budget < \$100,000)
☐ \$100	Organization
☐ \$500	Sustaining member
☐ \$1,000	Benefactor member

Special Area of Interest

- | |
|---|
| ☐ Homeless |
| ☐ Development |
| ☐ Rural housing |
| ☐ Legislative issues |
| ☐ Other |

I want to do more. Enclosed is an extra contribution of \$_____ to further the Coalition's work.

Please make check payable to: **North Carolina Low Income Housing Coalition**
3901 Barrett Drive, Suite 200
Raleigh, NC 27609

Contributions are tax deductible to the extent allowed by law.

CODE NO. 97HLTH-S016A

Requested by: Senator Martin of Pitt

NER BLOCK GRANT FUNDS

1 Sec. @. (a) Appropriations from federal block grant
 2 funds are made for the fiscal year ending June 30, 1998,
 3 according to the following schedule:

4

5 COMMUNITY DEVELOPMENT BLOCK GRANT

6

7 01. State Administration \$ 1,000,000

8

9 02. Urgent Needs and Contingency 2,177,500

10

11 03. Community Empowerment 2,000,000

12

13 04. Economic Development 8,710,000

14

15 05. Community Revitalization 29,000,000

16

17 06. State Technical Assistance 450,000

18

19 07. Housing Development 1,662,500

20

21 TOTAL COMMUNITY DEVELOPMENT
 22 BLOCK GRANT - 1998 Program Year \$ 45,000,000

23

24 MATERNAL AND CHILD HEALTH BLOCK GRANT

25

26 01. Healthy Mother/Healthy Children
 27 Block Grants to Local Health
 28 Departments \$ 10,202,028

29

30 02. High Risk Maternity Clinic Services,
 31 Perinatal Education and Training,
 32 Childhood Injury Prevention,
 33 Adolescent Pregnancy Prevention, and
 34 Technical Assistance to Local Health
 35 Departments 1,972,191

36

37 03. Services to Children With Special Health
 38 Care Needs 4,954,691

39

40 TOTAL MATERNAL AND CHILD
 41 HEALTH BLOCK GRANT \$ 17,128,910

42

43 PREVENTIVE HEALTH SERVICES BLOCK GRANT

44

45 01. Emergency Medical Services \$ 280,984

1
2 02. Hypertension Programs 711,813
3
4 03. Statewide Health Promotion Programs 2,777,924
5
6 04. Dental Health for Fluoridation
7 of Water Supplies 224,170
8
9 05. Rape Prevention and Rape
10 Crisis Programs 187,110
11
12 06. Rape Prevention and Rape Education 935,552
13
14 07. AIDS/HIV Education, Counseling,
15 and Testing 81,001
16 66,939
17 08. Office of Minority Health and
18 Minority Health Council 186,478
19
20 09. Administrative and Indirect Cost 217,762
21
22 TOTAL PREVENTIVE HEALTH SERVICES BLOCK GRANT \$ 5,602,794
23
24 (b) Decreases in Federal Fund Availability
25 Decreases in federal fund availability shall be
26 allocated as follows:
27 (1) For the Community Development Block Grants -- If
28 federal funds are reduced below the amounts
29 specified above after the effective date of this
30 act, then every program in each of these federal
31 block grants shall be reduced by the same
32 percentage as the reduction in federal funds.
33 (2) For the Maternal and Child Health and Preventive
34 Health Services federal block grant -- If federal
35 funds are reduced less than ten percent (10%) below
36 the amounts specified above after the effective
37 date of this act, then every program in the
38 Maternal and Child Health and in the Preventive
39 Health Services block grants shall be reduced by
40 the same percentage as the reduction in federal
41 funds. If federal funds are reduced by ten percent
42 (10%) or more below the amounts specified above
43 after the effective date of this act, then for the
44 Maternal and Child Health and the Preventive Health
45 Services block grants the Department of
46 Environment, Health, and Natural Resources shall
47 allocate the decrease in funds after considering
48 the effectiveness of the current level of services.
49 (c) Increases in Federal Fund Availability
50 Any block grant funds appropriated by the Congress of
51 the United States in addition to the funds specified in this act
52 shall be expended as follows:

- 1 (1) For the Community Development Block Grant -- Each
2 program category under the Community Development
3 Block Grant shall be increased by the same
4 percentage as the increase in federal funds.
- 5 (2) For the Maternal and Child Health Block Grant --
6 Thirty percent (30%) of these additional funds
7 shall be allocated to services for children with
8 special health care needs and seventy percent (70%)
9 shall be allocated to local health departments to
10 assist in the reduction of infant mortality.
- 11 (3) For the Preventive Health Block Grants -- These
12 additional funds may be budgeted by the appropriate
13 department, with the approval of the Office of
14 State Budget and Management, after considering the
15 effectiveness of the current level of services and
16 the effectiveness of services to be funded by the
17 increase, provided the resultant increases are in
18 accordance with federal block grant requirements
19 and are within the scope of the block grant plan
20 approved by the General Assembly.
- 21 (d) Changes to budgeted allocations to the Maternal and
22 Child Health and the Preventive Health Services block grants due
23 to increases or decreases in federal funds shall be reported to
24 the Joint Legislative Commission on Governmental Operations and
25 the Fiscal Research Division within 30 days of the allocation.
26 All other increases shall be reported to the Joint Legislative
27 Commission on Governmental Operations and to the Director of the
28 Fiscal Research Division.
- 29 (e) Limitations on Community Development Block Grant
30 Funds
- 31 Of the funds appropriated in this section for the
32 Community Development Block Grant, the following shall be
33 allocated in each category for each program year: up to one
34 million dollars (\$1,000,000) may be used for State
35 administration; up to two million one hundred seventy-seven
36 thousand five hundred dollars (\$2,177,500) may be used for Urgent
37 Needs and Contingency; up to two million dollars (\$2,000,000) may
38 be used for Community Empowerment; up to eight million seven
39 hundred ten thousand dollars (\$8,710,000) may be used for
40 Economic Development; not less than twenty-nine million dollars
41 (\$29,000,000) shall be used for Community Revitalization; up to
42 four hundred fifty thousand dollars (\$450,000) may be used for
43 State Technical Assistance; up to one million six hundred sixty-
44 two thousand five hundred (\$1,662,500) may be used for Housing
45 Development. If federal block grant funds are reduced or
46 increased by the Congress of the United States after the
47 effective date of this act, then these reductions or increases
48 shall be allocated in accordance with subsection (b) or (c) of
49 this section, as applicable.
50
51
52

CODE NO. 97HLTH-S016B

Requested by: Senator Martin of Pitt

NER BLOCK GRANT FUNDS

1 Sec. @. (a) Appropriations from federal block grant
2 funds are made for the fiscal year ending June 30, 1998,
3 according to the following schedule:

4

5 COMMUNITY DEVELOPMENT BLOCK GRANT

6

7 01. State Administration \$ 1,000,000

8

9 02. Urgent Needs and Contingency 2,177,500

10

11 03. Community Empowerment 2,000,000

12

13 04. Economic Development 8,710,000

14

15 05. Community Revitalization 29,000,000

16

17 06. State Technical Assistance 450,000

18

19 07. Housing Development 1,662,500

20

21 TOTAL COMMUNITY DEVELOPMENT

22 BLOCK GRANT - 1998 Program Year \$ 45,000,000

23

24 MATERNAL AND CHILD HEALTH BLOCK GRANT

25

26 01. Healthy Mother/Healthy Children
27 Block Grants to Local Health
28 Departments \$ 10,202,028

29

30 02. High Risk Maternity Clinic Services,
31 Perinatal Education and Training,
32 Childhood Injury Prevention,
33 Adolescent Pregnancy Prevention, and
34 Technical Assistance to Local Health
35 Departments 1,972,191

36

37 03. Services to Children With Special Health
38 Care Needs 4,954,691

39

40 TOTAL MATERNAL AND CHILD

41 HEALTH BLOCK GRANT \$ 17,128,910

42

43 PREVENTIVE HEALTH SERVICES BLOCK GRANT

44

45 01. Emergency Medical Services \$ 280,984

1		
2	02. Hypertension Programs	711,813
3		
4	03. Statewide Health Promotion Programs	2,777,924
5		
6	04. Dental Health for Fluoridation	
7	of Water Supplies	224,170
8		
9	05. Rape Prevention and Rape	
10	Crisis Programs	187,110
11		
12	06. Rape Prevention and Rape Education	935,552
13		
14	07. AIDS/HIV Education, Counseling,	
15	and Testing	81,001
16		
17	08. Office of Minority Health and	
18	Minority Health Council	186,478
19		
20	09. Administrative and Indirect Cost	217,762
21		
22	TOTAL PREVENTIVE HEALTH SERVICES BLOCK GRANT	\$ 5,602,794

23
24 (b) Decreases in Federal Fund Availability
25 Decreases in federal fund availability shall be
26 allocated as follows:

27 (1) For the Community Development Block Grants -- If
28 federal funds are reduced below the amounts
29 specified above after the effective date of this
30 act, then every program in each of these federal
31 block grants shall be reduced by the same
32 percentage as the reduction in federal funds.

33 (2) For the Maternal and Child Health and Preventive
34 Health Services federal block grant -- If federal
35 funds are reduced less than ten percent (10%) below
36 the amounts specified above after the effective
37 date of this act, then every program in the
38 Maternal and Child Health and in the Preventive
39 Health Services block grants shall be reduced by
40 the same percentage as the reduction in federal
41 funds. If federal funds are reduced by ten percent
42 (10%) or more below the amounts specified above
43 after the effective date of this act, then for the
44 Maternal and Child Health and the Preventive Health
45 Services block grants the Department of
46 Environment, Health, and Natural Resources shall
47 allocate the decrease in funds after considering
48 the effectiveness of the current level of services.

49 (c) Increases in Federal Fund Availability
50 Any block grant funds appropriated by the Congress of
51 the United States in addition to the funds specified in this act
52 shall be expended as follows:

- 1 (1) For the Community Development Block Grant -- Each
2 program category under the Community Development
3 Block Grant shall be increased by the same
4 percentage as the increase in federal funds.
- 5 (2) For the Maternal and Child Health Block Grant --
6 Thirty percent (30%) of these additional funds
7 shall be allocated to services for children with
8 special health care needs and seventy percent (70%)
9 shall be allocated to local health departments to
10 assist in the reduction of infant mortality.
- 11 (3) For the Preventive Health Block Grants -- These
12 additional funds may be budgeted by the appropriate
13 department, with the approval of the Office of
14 State Budget and Management, after considering the
15 effectiveness of the current level of services and
16 the effectiveness of services to be funded by the
17 increase, provided the resultant increases are in
18 accordance with federal block grant requirements
19 and are within the scope of the block grant plan
20 approved by the General Assembly.
- 21 (d) Changes to budgeted allocations to the Maternal and
22 Child Health and the Preventive Health Services block grants due
23 to increases or decreases in federal funds shall be reported to
24 the Joint Legislative Commission on Governmental Operations and
25 the Fiscal Research Division within 30 days of the allocation.
26 All other increases shall be reported to the Joint Legislative
27 Commission on Governmental Operations and to the Director of the
28 Fiscal Research Division.
- 29 (e) Limitations on Community Development Block Grant
30 Funds
- 31 Of the funds appropriated in this section for the
32 Community Development Block Grant, the following shall be
33 allocated in each category for each program year: up to one
34 million dollars (\$1,000,000) may be used for State
35 administration; up to two million one hundred seventy-seven
36 thousand five hundred dollars (\$2,177,500) may be used for Urgent
37 Needs and Contingency; up to two million dollars (\$2,000,000) may
38 be used for Community Empowerment; up to eight million seven
39 hundred ten thousand dollars (\$8,710,000) may be used for
40 Economic Development; not less than twenty-nine million dollars
41 (\$29,000,000) shall be used for Community Revitalization; up to
42 four hundred fifty thousand dollars (\$450,000) may be used for
43 State Technical Assistance; up to one million six hundred sixty-
44 two thousand five hundred (\$1,662,500) may be used for Housing
45 Development. If federal block grant funds are reduced or
46 increased by the Congress of the United States after the
47 effective date of this act, then these reductions or increases
48 shall be allocated in accordance with subsection (b) or (c) of
49 this section, as applicable. If funds are available from program
50 income, unobligated funds, or urgent needs and contingency, then
51 the Department of Commerce shall use up to five hundred thousand
52 dollars (\$500,000) for an Infrastructure Demonstration Project

1 that will focus on innovative approaches to straight piping and
2 pit privy problems.

3 (f) Limitations on Preventive Health Service Block Grant Funds

4 (1) 25% of funds allocated for Rape Prevention and Rape
5 Education shall be allocated as grants to rape
6 prevention and education programs targeted for
7 middle, junior high, and high school students. In
8 awarding and allocating grants under this section,
9 priority shall be given to applicants with an
10 abstinence-based curriculum.

11 (2) Of the funds allocated for Statewide Health
12 Promotion Programs, \$500,000 shall be allocated to
13 community-based organizations for AIDS prevention
14 programs.
15
16
17
18

1-2

ANNUAL HIV/AIDS SPENDING IN NORTH CAROLINA
(Current year figures unless otherwise noted)

1. National Institutes of Health funded research:

According to the National Institutes of Health, in federal fiscal year 1996, they awarded **\$55.895 million** to North Carolina universities and research institutions

2. HIV/AIDS Care programs:

a. Ryan White HIV C.A.R.E. Program (federal funds)	\$7.053 million
b. Housing Opportunities for Persons with AIDS (federal funds)	\$1.707 million
c. HIV Medications Program (state funded portion)	\$.750 million
d. Medicaid Case Management program	
1. Foundation Grant	\$.100 million
2. DMA transfer	\$.075-.100 million

3. HIV/AIDS Prevention programs:

a. HIV Prevention Grant (federal funds)	\$3.175 million
b. HIV/AIDS Prevention funding (state funds)	\$1.228 million
c. DHR transfer funds	
1. Social Services Block Grant (federal funds)	\$.081 million
2. Substance Abuse Block Grant (federal funds)	\$.209 million
3. AIDS and Injecting Drug Users projects (federal funds)	\$.449 million

4. Other

a. HIV/AIDS Surveillance Grant (federal funds)	\$.343 million
b. Pediatric Spectrum of Disease Study (federal funds)	\$.209 million
c. Survey of Childbearing Women (federal funds)	\$.377 million

Note: since 1994, funds awarded for the Survey of
Childbearing Women have been frozen by the
U.S. Department of Health and Human Services

The above figures do not take into account the following:

- a. Medicaid or Medicare reimbursements provided for care to persons with HIV/AIDS
- b. Private insurance payments for medical care of HIV and AIDS
- c. Private foundation or charitable group spending for HIV/AIDS related activities
- d. Research carried out by private industry (i.e., pharmaceutical research)

CODE NO. 97AGRIC-S004A

Requested by: Senator Martin of Pitt

WESTERN NORTH CAROLINA DEVELOPMENT ASSOCIATION

- 1 Section @. The Western North Carolina Development
2 Association shall:
3 (1) By January 15, 1998, and more frequently as
4 requested, report to the Joint Legislative
5 Commission on Governmental Operations and the
6 Fiscal Research Division the following information:
7 a. State fiscal year 1996-97 program activities,
8 objectives, and accomplishments;
9 b. State fiscal year 1996-97 itemized
10 expenditures and fund sources;
11 c. State fiscal year 1997-98 planned activities,
12 objectives, and accomplishments, including
13 actual results through December 31, 1997; and
14 d. State fiscal year 1997-98 estimated itemized
15 expenditures and fund sources, including
16 actual expenditures and fund sources through
17 December 31, 1997.
18 (2) By January 15, 1999, and more frequently as
19 requested, report to the Joint Legislative
20 Commission on Governmental Operations and the
21 Fiscal Research Division the following information:
22 a. State fiscal year 1997-98 program activities,
23 objectives, and accomplishments;
24 b. State fiscal year 1997-98 itemized
25 expenditures and fund sources;
26 c. State fiscal year 1998-99 planned activities,
27 objectives, and accomplishments, including
28 actual results through December 31, 1998; and
29 d. State fiscal year 1998-99 estimated itemized
30 expenditures and fund sources, including
31 actual expenditures and fund sources through
32 December 31, 1998.
33 (3) Provide a copy of the Association's annual audited
34 financial statement to the Fiscal Research Division
35 within 30 days of issuance of the statement.

CODE NO. 97AGRIC-S006

Requested by: Senator Kerr

GRAPE GROWERS EARMARKING CHANGE

1 Section @. G.S. 105-113.81A reads as rewritten:

2 "\$ 105-113.81A. Distribution of part of wine taxes attributable
3 to North Carolina wine.

4 The Secretary shall on a quarterly basis credit to the
5 Department of Agriculture ninety-four percent (94%) of the net
6 proceeds of the excise tax collected on unfortified wine bottled
7 in North Carolina during the previous quarter and ninety-five
8 percent (95%) of the net proceeds of the excise tax collected on
9 fortified wine bottled in North Carolina during the previous
10 ~~quarter, provided that the amount credited to the Department of~~
11 ~~Agriculture under this section shall not exceed ninety thousand~~
12 ~~dollars (\$90,000) per fiscal year.~~ quarter. The Department of
13 Agriculture shall allocate the funds received under this section
14 to the North Carolina Grape Growers Council to be used to promote
15 the North Carolina grape and wine industry and to contract for
16 research and development services to improve viticultural and
17 enological practices in North Carolina. Any funds credited to
18 the Department of Agriculture under this section that are not
19 expended by June 30 of any fiscal year may not revert to the
20 General Fund, but shall remain available to the Department for
21 the uses set forth in this section."

CODE NO. 97NATRES-S001A

Requested by: Senator Martin of Pitt

GRASSROOTS SCIENCE PROGRAM

Section @. Of the funds appropriated in this act to the Department of Environment, Health, and Natural Resources for the Grassroots Science Program, the sum of five hundred fifty thousand dollars (\$550,000) for fiscal year 1997-98 and the sum of five hundred fifty thousand dollars (\$550,000) for fiscal year 1998-99 are allocated as grants-in-aid for each fiscal year as follows:

Catawba Science Center	\$50,000
Discovery Place	\$50,000
Imagination Station	\$50,000
North Carolina Museum of Life and Science	\$50,000
Rocky Mount Children's Museum	\$50,000
Schiele Museum of Natural History	\$50,000
Sci Works Science Center and Environmental Park of Forsyth County	\$50,000
Natural Science Center of Greensboro	\$50,000
Western North Carolina Nature Center	\$15,000
The Health Adventure Museum of Pack Place Education, Arts and Science Center, Inc.	\$35,000
Cape Fear Museum	\$50,000
Iredell County Children's Museum	\$50,000

CODE NO. 97ENV-S012

Requested by: Senator Martin of Pitt

ENVIRONMENTAL EDUCATION GRANTS

1 Section @. (a) Of the funds appropriated in this act
2 to the Department of Environment, Health, and Natural Resources,
3 the sum of two hundred thousand dollars (\$200,000) for the 1997-
4 98 fiscal year and the sum of two hundred thousand dollars
5 (\$200,000) for the 1998-99 fiscal year shall be used to encourage
6 and support the development of environmental education library
7 collections throughout the State by providing grants to schools;
8 community organizations, and environmental education centers.
9 (b) The Department shall report to the Joint
10 Legislative Commission on Governmental Operations, the
11 Environmental Review Commission, and the Fiscal Research Division
12 by January 1, 1998, and again by January 1, 1999 on the grant
13 program. The report shall include a list of amounts awarded and
14 project descriptions for each grant recipient.

Requested by: Senator Martin of Pitt

ANIMAL WASTE COMPLIANCE PROGRAM REPORT

- 1 Section @. (a) No later than October 15, 1997, and
2 quarterly thereafter, the Department of Environment, Health, and
3 Natural Resources shall submit status reports to the
4 Environmental Review Commission and the Fiscal Research Division.
5 Each report shall include, but not be limited to:
- 6 (1) The number of permits for animal waste management
7 systems, itemized by type of animal subject to such
8 permits, issued since the last report and a total
9 for that calendar year.
- 10 (2) The number of operations reviews of animal waste
11 management systems that the Division of Soil and
12 Water Conservation has conducted since the last
13 report and a total for that calendar year.
- 14 (3) The number of operations reviews of animal waste
15 management systems conducted by agencies other than
16 the Division of Soil and Water Conservation that
17 have been conducted since the last report and a
18 total for that calendar year.
- 19 (4) The number of reinspections associated with
20 operations reviews conducted by the Division of
21 Soil and Water Conservation since the last report
22 and a total for that calendar year.
- 23 (5) The number of reinspections associated with
24 operations reviews conducted by agencies other than
25 the Division of Soil and Water Conservation since
26 the last report and a total for that calendar year.
- 27 (6) The number of compliance inspections of animal
28 waste management systems that the Division of Water
29 Quality has conducted since the last report and a
30 total for that calendar year.
- 31 (7) The number of follow-up inspections associated with
32 compliance inspections conducted by the Division of
33 Water Quality since the last report and a total for
34 that calendar year.
- 35 (8) The average length of time for each category of
36 reviews and inspections under subdivisions (2)
37 through (7) of this subsection.
- 38 (9) The number of violations found during each category
39 of review and inspection under subdivisions (2)

1 through (7) of this subsection, the status of
2 enforcement actions taken and pending, and the
3 penalties imposed, collected, and in the process of
4 being negotiated for each such violation.

5 (b) The information to be included in the reports
6 pursuant to subsection (a) of this section shall be itemized by
7 each regional office of the Department, with totals for the State
8 indicated.

CODE NO. 97ENV-S008C

Requested by: Senator Martin of Pitt

TOWN FORK CREEK SOIL CONSERVATION PROJECT

1 Section @. (a) The funds placed in a reserve account in
2 the Department of Environment, Health, and Natural Resources
3 pursuant to Section 26.3(c) of Chapter 507 of the 1995 Session
4 Laws shall not revert until June 30, 1999. Those funds are
5 reallocated as follows:

- 6 (1) Five hundred four thousand five hundred sixty
7 dollars (\$504,560) to the Stokes County Water and
8 Sewer Authority, Inc., for the Germanton Water
9 Project.
- 10 (2) Nine hundred thirty thousand six hundred eighty
11 dollars (\$930,680) to the Stokes County Water and
12 Sewer Authority, Inc., for the Madison Connection
13 Project.
- 14 (3) Eighty thousand dollars (\$80,000) to the Stokes
15 County Water and Sewer Authority, Inc., for the Dan
16 River Project.
- 17 (4) Thirty thousand dollars (\$30,000) to the Department
18 of Environment, Health, and Natural Resources for
19 the Limestone Creek small watershed project in
20 Duplin County.
- 21 (5) Three hundred forty thousand six hundred forty
22 dollars (\$340,640) to the Department of
23 Environment, Health, and Natural Resources for the
24 Deep Creek small watershed project.

25 (b) The Department of Environment, Health, and Natural
26 Resources and the Stokes County Water and Sewer Authority, Inc.,
27 shall report by October 1, and March 1, of each fiscal year to
28 the Joint Legislative Commission on Governmental Operations, the
29 Fiscal Research Division of the General Assembly, and the Office
30 of State Budget and Management regarding the use of the funds
31 reallocated by this section. Each report shall include all of
32 the following:

- 33 (1) The estimated cost of each project.
- 34 (2) The date that work on each project began or is
35 expected to begin.
- 36 (3) The date that work on each project was completed or
37 is expected to be completed.
- 38 (4) The actual cost of each project.

39

CODE NO. 97ENV-S003B

Requested by: Senator Martin of Pitt

SUPERFUND PROGRAM FUNDS

1 Sec. @. (a) The Department of Environment, Health,
2 and Natural Resources may use available funds, with the approval
3 of the Office of State Budget and Management, in order to provide
4 the ten percent (10%) cost share required for Superfund cleanups
5 on the National Priority List sites and to pay the operating and
6 maintenance costs associated with these cleanups. These funds
7 may be in addition to those appropriated for this purpose.
8 (b) The Department of Environment, Health, and Natural
9 Resources and the Office of State Budget and Management shall
10 report to the Joint Legislative Commission on Governmental
11 Operations the amount and the source of the funds used pursuant
12 to subsection (a) of this section within 30 days of the
13 expenditure of these funds.

SP-115

CODE NO. 97ENV-S011

Requested by: Senator Martin of Pitt

PERMIT INFORMATION CENTER

1 Section @. The Department of Environment, Health, and
2 Natural Resources may use any available funds to operate a permit
3 information center within the Department to improve permit
4 applications, guidance materials, applicant and citizen training,
5 and for other related purposes.

CODE NO. 97HLTH-S012

Requested by: Senator Martin of Pitt

EXTEND HEART DISEASE AND STROKE PREVENTION TASK FORCE

1 Sec. @. Subsections (l) and (m) of Section 26.9 of
2 Chapter 507 of the 1995 Session Laws read as rewritten:
3 "(l) The Task Force shall submit to the Governor and to the
4 General Assembly a preliminary report by January 1, 1996; an
5 interim report within the first week of the convening of the 1997
6 General Assembly; a second interim report within the first week
7 of the convening of the 1997 General Assembly, Regular Session
8 1998; a third interim report within the first week of the
9 convening of the 1999 General Assembly, and a final report by
10 ~~October 1, 1997.~~ June 30, 1999. The reports shall address the
11 Plan, actions and resources needed to fully implement the Plan,
12 and progress in achieving implementation of the Plan to reduce
13 the occurrence of and burden from heart disease and stroke in
14 North Carolina. The reports shall include an accounting of funds
15 expended and anticipated funding needs for full implementation of
16 recommended plans and programs.
17 (m) Upon submission of its final report to the Governor and
18 the ~~1997~~ 1999 General Assembly, the Task Force shall expire."
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20
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SP-117

CODE NO. 97HLTH-S011

Requested by: Senator Martin of Pitt

PREVENT BLINDNESS, INC./REPORTING

- 1 Section @. Prevent Blindness, Inc. shall:
- 2 (1) By January 15, 1998, and more frequently as
- 3 requested, report to the Joint Legislative
- 4 Commission on Governmental Operations and the
- 5 Fiscal Research Division the following information:
- 6 a. State fiscal year 1996-97 program activities,
- 7 objectives, and accomplishments;
- 8 b. State fiscal year 1996-97 itemized
- 9 expenditures and fund sources;
- 10 c. State fiscal year 1997-98 planned activities,
- 11 objectives, and accomplishments including
- 12 actual results through December 31, 1997; and
- 13 d. State fiscal year 1997-98 estimated itemized
- 14 expenditures and fund sources including actual
- 15 expenditures and fund sources through December
- 16 31, 1997.
- 17 (2) By January 15, 1999, and more frequently as
- 18 requested, report to the Joint Legislative
- 19 Commission on Governmental Operations and the
- 20 Fiscal Research Division the following information:
- 21 a. State fiscal year 1997-98 program activities,
- 22 objectives, and accomplishments;
- 23 b. State fiscal year 1997-98 itemized
- 24 expenditures and fund sources;
- 25 c. State fiscal year 1998-99 planned activities,
- 26 objectives, and accomplishments including
- 27 actual results through December 31, 1998; and
- 28 d. State fiscal year 1998-99 estimated itemized
- 29 expenditures and fund sources including actual
- 30 expenditures and fund sources through December
- 31 31, 1998.
- 32 (3) Provide to the Fiscal Research Division a copy of
- 33 the Coalition's annual audited financial statement
- 34 within 30 days of issuance of the statement.

CODE NO. 97HLTH-S010

Requested by: Senator Martin of Pitt

NORTH CAROLINA HEALTHY START FOUNDATION/REPORTING

- 1 Section @. The North Carolina Healthy Start Foundation
2 shall:
3 (1) By January 15, 1998, and more frequently as
4 requested, report to the Joint Legislative
5 Commission on Governmental Operations and the
6 Fiscal Research Division the following information:
7 a. State fiscal year 1996-97 program activities,
8 objectives, and accomplishments;
9 b. State fiscal year 1996-97 itemized
10 expenditures and fund sources;
11 c. State fiscal year 1997-98 planned activities,
12 objectives, and accomplishments including
13 actual results through December 31, 1997; and
14 d. State fiscal year 1997-98 estimated itemized
15 expenditures and fund sources including actual
16 expenditures and fund sources through December
17 31, 1997.
18 (2) Provide to the Fiscal Research Division a copy of
19 the Coalition's annual audited financial statement
20 within 30 days of issuance of the statement.

SP-119

CODE NO. 97COMM-S352A

Requested by: Senator Martin of Pitt

INDUSTRIAL RECRUITMENT COMPETITIVE FUND

1 Sec. @. Funds appropriated in this act to the
2 Department of Commerce for the Industrial Recruitment Competitive
3 Fund shall be used to continue the Fund. The purpose of the Fund
4 is to provide financial assistance to those businesses or
5 industries deemed by the Governor to be vital to a healthy and
6 growing State economy and that are making significant efforts to
7 establish or expand in North Carolina. Monies allocated from the
8 Fund shall be used for the following purposes:
9 (1) Installation or purchase of equipment;
10 (2) Structural repairs, improvements, or renovations of
11 existing buildings to be used for expansion; and
12 (3) Construction of or improvements to new or existing
13 water, sewer, gas or electric utility distribution
14 lines or equipment for existing buildings.
15 Monies may also be used for construction of or
16 improvements to new or existing water, sewer, gas or electric
17 utility distribution lines or equipment to serve new or proposed
18 industrial buildings used for manufacturing and industrial
19 operations. The Governor may adopt guidelines and procedures for
20 the commitment of monies from the Fund.
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SP-120

CODE NO. 97LAB-S003A

Requested by: Senator Martin of Pitt

SPECIAL EMPLOYMENT SECURITY ADMINISTRATION FUND

1 Section e. (a) Notwithstanding G.S. 96-5(c), there is
2 appropriated from the Special Employment Security Administration
3 Fund to the Employment Security Commission of North Carolina, the
4 sum of two million dollars (\$2,000,000) for the 1997-98 fiscal
5 year and the sum of two million dollars (\$2,000,000) for the
6 1998-99 fiscal year for administration of the Employment Services
7 and Unemployment Insurance Programs.
8 (b) Supplemental federal funds or other additional
9 funds received by the Employment Security Commission for similar
10 purposes shall be expended prior to the expenditure of funds
11 appropriated by this section.

5R121

CODE NO. 97COMM-S023

Requested by: Senator Martin of Pitt

TECHNOLOGICAL DEVELOPMENT AUTHORITY REPORT

1 Sec. @. The Technological Development Authority, Inc.
2 shall do the following:

3 (1) By January 15, 1998, and more frequently as
4 requested, report to the Joint Legislative
5 Commission on Governmental Operations and the
6 Fiscal Research Division the following information:

- 7 a. State fiscal year 1996-97 program activities,
8 objectives, and accomplishments;
9 b. State fiscal year 1996-97 itemized
10 expenditures and fund sources;
11 c. State fiscal year 1997-98 planned activities,
12 objectives, and accomplishments including
13 actual results through December 31, 1997; and
14 d. State fiscal year 1997-98 estimated itemized
15 expenditures and fund sources including actual
16 expenditures and fund sources through December
17 31, 1997;

18 (2) By January 15, 1999, and more frequently as
19 requested, report to the Joint Legislative
20 Commission on Governmental Operations and the
21 Fiscal Research Division the following information:

- 22 a. State fiscal year 1997-98 program activities,
23 objectives, and accomplishments;
24 b. State fiscal year 1997-98 itemized
25 expenditures and fund sources;
26 c. State fiscal year 1998-99 planned activities,
27 objectives, and accomplishments including
28 actual results through December 31, 1998; and
29 d. State fiscal year 1998-99 estimated itemized
30 expenditures and fund sources including actual
31 expenditures and fund sources through December
32 31, 1998; and

33 (3) Provide to the Fiscal Research Division a copy of
34 the organization's annual audited financial
35 statement within 30 days of issuance of the
36 statement.

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CODE NO. 97COMM-S019

Requested by: Senator Martin of Pitt

WORLD TRADE CENTER FUNDS

1 Sec. @. Of the funds appropriated in this act to the
2 Department of Commerce, the sum of two hundred thousand dollars
3 (\$200,000) for the 1997-98 fiscal year shall be allocated to the
4 World Trade center North Carolina (WTCNC) to support
5 international trade education programs for small and medium-sized
6 businesses. The World Trade Center North Carolina shall:

- 7 (1) By January 15, 1998, and more frequently as
8 requested, report to the Joint Legislative
9 ComMISSION on Governmental Operations and the
10 Fiscal Research Division the following information:
11 a. State fiscal year 1996-97 program activities,
12 objectives, and accomplishments;
13 b. State fiscal year 1996-97 itemized
14 expenditures and fund sources;
15 c. State fiscal year 1997-98 planned activities,
16 objectives, and accomplishments including
17 actual results through December 31, 1997;
18 d. State fiscal year 1997-98 estimated itemized
19 expenditures and fund sources including actual
20 expenditures and fund sources through December
21 31, 1997.
22 (2) Provide to the Fiscal Research Division a copy of
23 the Center's annual audited financial statement
24 within 30 days of issuance of the statement.
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SP-124

1 request shall include a commitment of the leveraged funds by the
2 Center for Community Self-Help or its affiliates.

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#1 m

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Natural and Economic Resources

4/15/97

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

<u>NAME</u>	<u>FIRM OR AGENCY AND ADDRESS</u>
Leo Lilley	Commerce
TCA dam	DET - Commerce
Becky Brown	Labor
Darby Cope	Labor
John Ham	TAA
Joe Mc Clees	IDA
Linda Hum	REDC
Shannese Ransome	DSS
Phean Beal	DSS
ADAM SEARING	NC Health Access Coalition
Travis Porter	Porter and Steel PLCC
Sandra Long	Porter & Steel
Loanna Knobe	ELHDS
Lois Antia-Murray	DEHNR
Diana Olegg	ESC
T.S. Whitaker	ESC
Robert Lattimore	ESC
Barry Goldstein	DEHNR/DMA
Katie Early	REAL
Harlan Britt	DEHNR - DWQ
DAVID HERLONG	State Planning
Mary Green	DEHNR
Shirrell Ham	DEHNR
~~4/15/97~~	DOC, DET
~~4/15/97~~	DOC, DET
Doug Polbroth	DOC - Energy
Barry Lattimore	NC INDUSTRIAL COMMISSION

12

4/15/97
Date

Date _____

[illegible][illegible]

**Senate Appropriations Subcommittee
On
Natural and Economic Resources**

Tuesday, April 15, 1997 at 5:00 p.m.

MINUTES

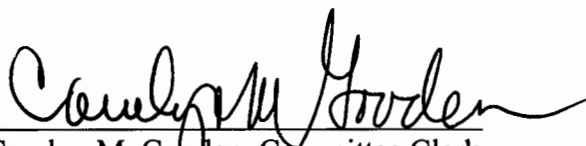
The Senate Appropriations Subcommittee on Natural and Economic Resources met on Tuesday, April 15, 1997 at 5:00 p.m.. in Room 423 of the Legislative Office Building. Six Senate members attended the meeting, including the Chair, Senator R.L. "Bob" Martin, who presided.

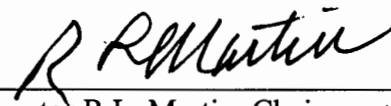
Senator Martin, Chairman, called the meeting to order. He announced that the Committee would take a look at some Special Provisions that were not available at the morning meeting.

Mr. Mark Trogon, Fiscal Research Division, started the presentation of Special Provisions. Ms. Mona Moon and Ms. Jennifer Herrera, Fiscal Research Division, also presented some of these Special Provisions. This is Attachment A of these minutes. Ms. Moon reported to the Committee that these were all of the Special Provisions for this meeting; however, staff would have another package for consideration at the next meeting.

Senator Martin said the Committee had eliminated, at the Governor's request, an appropriation for \$20,000 for the International Visitor Center; however, he wanted the Committee to consider reinstating this appropriation. A motion was made by Senator Shaw to reinstate the \$20,000. Motion carried.

The meeting adjourned at 6:00 p.m.


Carolyn M. Gooden, Committee Clerk


Senator R.L. Martin, Chairman

Handwritten A

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CODE NO. 97LAB-S002C

Requested by: Senator Martin of Pitt

WORKER TRAINING TRUST FUND APPROPRIATIONS

1 Section @. (a) There is appropriated from the Worker
2 Training Trust Fund to the Employment Security Commission of
3 North Carolina the sum of five million eight hundred thirty-nine
4 thousand nine hundred sixty-four dollars (\$5,839,964) for the
5 1997-98 fiscal year and the sum of five million eight hundred
6 thirty-nine thousand nine hundred sixty-four dollars (\$5,839,964)
7 for the 1998-99 fiscal year for the operation of local offices.

8 (b) Notwithstanding the provisions of G.S. 96-5(f),
9 there is appropriated from the Worker Training Trust Fund to the
10 following agencies the following sums for the 1997-98 and the
11 1998-99 fiscal years for the following purposes:

12 (1) \$1,100,000 for the 1997-98 fiscal year and
13 \$1,100,000 for the 1998-99 fiscal year to the
14 Department of Commerce, Division of Employment and
15 Training, for the Employment and Training Grant
16 Program;

17 (2) \$1,000,000 for the 1997-98 fiscal year and
18 \$1,000,000 for the 1998-99 fiscal year to the
19 Department of Labor for customized training of the
20 unemployed and the working poor for specific jobs
21 needed by employers through the Department's Bureau
22 for Training Initiatives;

23 (3) \$1,746,000 for the 1997-98 fiscal year and
24 \$1,746,000 for the 1998-99 fiscal year to the
25 Department of Community Colleges to continue the
26 Focused Industrial Training Program;

27 (4) \$225,000 for the 1997-98 fiscal year and \$225,000
28 for the 1998-99 fiscal year to the Employment
29 Security Commission for the Occupational
30 Information Coordinating Committee to develop and
31 operate an interagency system to track former
32 participants in State education and training
33 programs; and

34 (5) \$300,000 for the 1997-98 fiscal year and \$300,000
35 for the 1998-99 fiscal year to the Department of
36 Community Colleges for a training program in
37 entrepreneurial skills to be operated by North
38 Carolina REAL Enterprises.

CODE NO. 97LAB-S005

Requested by: Senator Martin of Pitt

JOB TRAINING STUDY COMMISSION

1 Section @. (a) The General Assembly intends to
2 reorganize its workforce development system to improve the
3 delivery of job training programs and services in North Carolina.

4 (b) There is created a Legislative Study Commission on
5 Job Training Programs. The purpose of the Commission is to
6 review State and federally funded job training programs and
7 services currently in existence to determine the feasibility of
8 eliminating or consolidating those which are duplicative,
9 inefficient, or ineffective in carrying out their purposes and
10 activities.

11 (c) The Commission shall consist of six members
12 appointed by the Speaker of the House of Representatives, at
13 least three of whom shall be members of the House of
14 Representatives, and six members appointed by the President Pro
15 Tempore of the Senate, at least three of whom shall be members of
16 the Senate. The Speaker shall designate one Representative as
17 cochair and the President Pro Tempore shall designate one Senator
18 as cochair. Vacancies on the Commission shall be filled by the
19 same appointing officer who made the initial appointment. The
20 Commission shall expire upon delivering its final report to the
21 1997 General Assembly (1998 Regular Session).

22 The Commission, while in the discharge of official
23 duties, may exercise all powers provided for under the provisions
24 of G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4. The
25 Commission may meet at any time upon the joint call of the
26 cochairs. The Commission may meet in the Legislative Building or
27 the Legislative Office Building. The Commission may contract for
28 professional, clerical, or consultant services as provided by
29 G.S. 120-32.02.

30 The Legislative Services Commission, through the
31 Legislative Administrative Officer, shall assign professional
32 staff to assist the Commission in its work. The House of
33 Representatives' and the Senate's Supervisors of Clerks shall
34 assign clerical staff to the Commission, and the expenses
35 relating to the clerical employees shall be borne by the
36 Commission. Members of the Commission shall receive subsistence
37 and travel expenses at the rates set forth in G.S. 120-3.1, 138-
38 5, or 138-6, as appropriate.

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- 1 (d) The Commission shall have the following powers and
2 duties:
3 (1) To review State and federal laws, rules, and
4 regulations pertaining to job training programs to
5 determine the purpose of each program, the
6 population served, and each program's annual
7 outcomes in terms of type of training received,
8 work search efforts, and job placement;
9 (2) To ascertain as far as possible the intention of
10 the United States Congress with respect to
11 continued funding of federally mandated job
12 training programs and any changes in funding
13 formulae;
14 (3) To review the amount of State and federal dollars
15 appropriated for each job training program
16 conducted in this State and to review federal
17 requirements for continuous federal funding of the
18 programs;
19 (4) To review the number of different State agencies
20 that administer State and federal job training
21 programs, the number of persons employed to
22 implement each job training program, and the amount
23 of State dollars needed annually to implement the
24 program;
25 (5) To determine whether federally funded job training
26 programs in this State may lawfully be abolished or
27 reduced in size by the General Assembly, and the
28 impact of such reduction or elimination;
29 (6) To conduct public hearings to receive citizen,
30 State agency, and local government comment and
31 experience with the job training programs;
32 (7) To conduct other studies or activities to aid the
33 Commission in carrying out its purpose and duties,
34 including reviewing reorganization and
35 consolidation efforts in other states; and
36 (8) To ensure program evaluation and accountability for
37 all workforce development programs and to create a
38 comprehensive statewide focus on workforce
39 development.
40 (e) The Commission shall report to the 1997 General
41 Assembly (1998 Regular Session), the Joint Legislative Commission
42 on Governmental Operations, and the Joint Legislative Education
43 Oversight Committee not later than May 1, 1998. The report shall
44 identify each job training program operating in the State and

1 recommend whether each program should be expanded, continued
2 without change, abolished, consolidated with another program, or
3 otherwise modified, including implementation components.

4 (f) All State departments and agencies and local
5 governments and their subdivisions shall furnish the Commission
6 with any information in their possession or available to them.

7 (g) Notwithstanding G.S. 96-5(f), there is appropriated
8 from the Worker Training Trust Fund to the General Assembly the
9 sum of fifty thousand dollars (\$50,000) for the 1997-98 fiscal
10 year to implement this section.

SP-129

CODE NO. 97LAB-S004

Requested by: Senator Martin of Pitt

NC REAL ENTERPRISES REPORTING

- 1 Section @. NC REAL Enterprises shall do the following:
- 2 (1) By January 15, 1998, and more frequently as
- 3 requested, report to the Joint Legislative
- 4 Commission on Governmental Operations and the
- 5 Fiscal Research Division the following information:
- 6 a. State fiscal year 1996-97 program activities,
- 7 objectives, and accomplishments;
- 8 b. State fiscal year 1996-97 itemized
- 9 expenditures and fund sources;
- 10 c. State fiscal year 1997-98 planned activities,
- 11 objectives, and accomplishments including
- 12 actual results through December 31, 1997; and
- 13 d. State fiscal year 1997-98 estimated itemized
- 14 expenditures and fund sources including actual
- 15 expenditures and fund sources through December
- 16 31, 1997;
- 17 (2) By January 15, 1999, and more frequently as
- 18 requested, report to the Joint Legislative
- 19 Commission on Governmental Operations and the
- 20 Fiscal Research Division the following information:
- 21 a. State fiscal year 1997-98 program activities,
- 22 objectives, and accomplishments;
- 23 b. State fiscal year 1997-98 itemized
- 24 expenditures and fund sources;
- 25 c. State fiscal year 1998-99 planned activities,
- 26 objectives, and accomplishments including
- 27 actual results through December 31, 1998; and
- 28 d. State fiscal year 1998-99 estimated itemized
- 29 expenditures and fund sources including actual
- 30 expenditures and fund sources through December
- 31 31, 1998; and
- 32 (3) Provide to the Fiscal Research Division a copy of
- 33 the organization's annual audited financial
- 34 statement within 30 days of issuance of the
- 35 statement.

SP-130

CODE NO. 97COMM-S020A

Requested by: Senator Martin of Pitt

WANCHESE SEAFOOD INDUSTRIAL PARK FUNDS

1 Sec. @. Funds appropriated in this act to the
2 Department of Commerce for the Wanchese Seafood Industrial Park
3 the sum of one hundred twenty-two thousand five hundred ninety-
4 four dollars (\$122,594) for the 1997-98 fiscal year and the sum
5 of one hundred twenty-two thousand five hundred ninety-four
6 dollars (\$122,594) for the 1998-99 fiscal year may be expended by
7 the North Carolina Seafood Industrial Park Authority for
8 operations, maintenance, repair, and capital improvements in
9 accordance with Article 23C of Chapter 113 of the General
10 Statutes.
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SP-131

CODE NO. 97COMM-S025B

Requested by: Senator Martin of Pitt

INDUSTRIAL DEVELOPMENT FUND

1 Sec. @. (a) Of the funds appropriated in this act to
2 the Department of Commerce for the 1997-98 fiscal year, the sum
3 of two million dollars (\$2,000,000) shall be deposited to and
4 used for the Utility Account established under G.S. 143B-
5 437A(b1).

6 (b) In addition to the reporting requirements of G.S. 143B-
7 437A, the Department of Commerce shall report annually to the
8 General Assembly concerning the payments made from the Utility
9 Account and the impact of the payments on job creation in the
10 State. The Department of Commerce shall also report quarterly to
11 the Joint Legislative Commission on Governmental Operations and
12 the Fiscal Research Division on the use of the moneys in the
13 Utility Account including information regarding to whom payments
14 were made, in what amounts, and for what purposes.

15 (c) Of the funds appropriated in this act to the Department of
16 Commerce for the 1997-98 fiscal year, the sum of one million
17 dollars (\$1,000,000) shall be allocated to Martin County as a
18 grant-in-aid for a water and sewer project.

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Requested by: Senator Martin of Pitt

COUNCIL OF GOVERNMENT FUNDS

1 Sec. @. (a) Of the funds appropriated in this act to
2 the Department of Commerce six hundred eighty-four thousand two
3 hundred seventy dollars (\$684,270) for the 1997-98 fiscal year
4 and six hundred eighty-four thousand two hundred seventy dollars
5 (\$684,270) for the 1998-99 fiscal year shall only be used as
6 provided by this section. Each regional council of government or
7 lead regional organization is allocated up to thirty-eight
8 thousand fifteen dollars (\$38,015) for each fiscal year, with the
9 actual amount calculated as provided in subsection (b) of this
10 section.

11 (b) The funds shall be allocated as follows: A share
12 of the maximum thirty-eight thousand fifteen dollars (\$38,015)
13 each fiscal year shall be allocated to each county and smaller
14 city based on the most recent annual estimate of the Office of
15 State Planning of the population of that county (less the
16 population of any larger city within that county) or smaller
17 city, divided by the sum of the total population of the region
18 (less the population of larger cities within that region) and the
19 total population of the region living in smaller cities. Those
20 funds shall be paid to the regional council of government for the
21 region in which that city or county is located upon receipt by
22 the Department of Commerce of a resolution of the governing board
23 of the county or city requesting release of the funds. If any
24 city or county does not so request payment of funds by June 30 of
25 a State fiscal year, that share of the allocation for that fiscal
26 year shall revert to the General Fund.

27 (c) A regional council of government may use funds
28 appropriated by this section only to assist local governments in
29 grant applications, economic development, community development,
30 support of local industrial development activities, and other
31 activities as deemed appropriate by the member governments.

32 (d) Funds appropriated by this section may not be used
33 for payment of dues or assessments by the member governments and
34 may not supplant funds appropriated by the member governments.

35 (e) As used in this section, "Larger City" means an
36 incorporated city with a population of 50,000 or over. "Smaller
37 City" means any other incorporated city.

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Requested by: Senator Martin of Pitt

RURAL ECONOMIC DEVELOPMENT CENTER

1 Section @. (a) Of the funds appropriated in this act to
2 the Rural Economic Development Center, Inc., the sum of one
3 million two hundred seventy thousand dollars (\$1,270,000) for the
4 1997-98 fiscal year and the sum of one million two hundred
5 seventy thousand dollars (\$1,270,000) for the 1998-99 fiscal year
6 shall be allocated as follows:

	<u>1997-98 FY</u>	<u>1998-99 FY</u>
7 Research and Demonstration Grants	\$475,864	\$475,864
8 Technical Assistance and Center		
9 Administration of Research		
10 and Demonstration Grants	444,136	444,136
11 Center Administration, Oversight,		
12 and Other Programs	350,000	350,000

14 (b) The Rural Economic Development Center, Inc., shall
15 provide a report containing detailed budget, personnel, and
16 salary information to the Office of State Budget and Management
17 in the same manner as State departments and agencies in
18 preparation for biennium budget requests.

19 (c) Not more than fifty percent (50%) of the interest
20 earned on State funds appropriated to the Rural Economic
21 Development Center, Inc., may be used by the Center for
22 administrative purposes, including salaries and fringe benefits.

23 (d) For purposes of this section, the term "community
24 development corporation" means a nonprofit corporation:

- 25 (1) Chartered pursuant to Chapter 55A of the General
26 Statutes;
- 27 (2) Tax-exempt pursuant to section 501(c)(3) of the
28 Internal Revenue Code of 1986;
- 29 (3) Whose primary mission is to develop and improve
30 low-income communities and neighborhoods through
31 economic and related development;
- 32 (4) Whose activities and decisions are initiated,
33 managed, and controlled by the constituents of
34 those local communities; and
- 35 (5) Whose primary function is to act as deal-maker and
36 packager of projects and activities that will
37 increase their constituencies' opportunities to
38 become owners, managers, and producers of small

1 businesses, affordable housing, and jobs designed
2 to produce positive cash flow and curb blight in
3 the targeted community.

4 (e) Of the funds appropriated in this act to the Rural
5 Economic Development Center, Inc., the sum of five million
6 dollars (\$5,000,000) for the 1997-98 fiscal year and the sum of
7 two million four hundred thousand dollars (\$2,400,000) for the
8 1998-99 fiscal year shall be allocated as follows:

9 (1) \$1,400,000 in fiscal year 1997-98 and \$1,200,000 in
10 fiscal year 1998-99 for community development
11 grants to support development projects and
12 activities within the State's minority communities.
13 Any community development corporation as defined in
14 this section is eligible to apply for funds. The
15 Rural Economic Development Center, Inc., shall
16 establish performance-based criteria for
17 determining which community development corporation
18 will receive a grant and the grant amount. Funding
19 shall also be allocated to the North Carolina
20 Association of Community Development Corporations,
21 Inc. The Rural Economic Development Center, Inc.,
22 shall allocate these funds as follows:

- 23 a. \$900,000 in each fiscal year for direct grants
24 to the local community development
25 corporations that have previously received
26 State funds for this purpose to support
27 operations and project activities;
- 28 b. \$250,000 in each fiscal year for direct grants
29 to local community development corporations
30 that have not previously received State funds;
31 of these funds, \$100,000 in fiscal year 1997-
32 98 shall be allocated to the Cumberland
33 Regional Improvement Association;
- 34 c. \$200,000 in fiscal year 1997-98 to the North
35 Carolina Association of Community Development
36 Corporations, Inc., to provide training,
37 technical assistance, resource development,
38 and support for local community development
39 corporations statewide; and
- 40 d. \$50,000 in each fiscal year to the Rural
41 Economic Development Center, Inc., to be used
42 to cover expenses in administering this
43 section.

- 1 (2) \$250,000 in each fiscal year to the Microenterprise
- 2 Loan Program to support the loan fund and
- 3 operations of the Program; and
- 4 (3) \$3,350,000 for the 1997-98 fiscal year and \$950,000
- 5 for the 1998-99 fiscal year shall be used for a
- 6 program to provide supplemental funding for
- 7 matching requirements for economic development in
- 8 economically depressed areas. The Center shall use
- 9 these funds to make grants to local governments and
- 10 nonprofit corporations to provide funds necessary
- 11 to match federal grants or other grants for
- 12 necessary economic development projects and
- 13 activities in economically depressed areas. The
- 14 grant recipients shall be selected on the basis of
- 15 need.
- 16 (f) The Rural Economic Development Center, Inc., shall:
- 17 (1) By January 15, 1998, and more frequently as
- 18 requested, report to the Joint Legislative
- 19 Commission on Governmental Operations and the
- 20 Fiscal Research Division the following information:
- 21 a. State fiscal year 1996-97 program activities,
- 22 objectives, and accomplishments;
- 23 b. State fiscal year 1996-97 itemized
- 24 expenditures and fund sources;
- 25 c. State fiscal year 1997-98 planned activities,
- 26 objectives, and accomplishments including
- 27 actual results through December 31, 1997; and
- 28 d. State fiscal year 1997-98 estimated itemized
- 29 expenditures and fund sources including actual
- 30 expenditures and fund sources through December
- 31 31, 1997.
- 32 (2) By January 15, 1999, and more frequently as
- 33 requested, report to the Joint Legislative
- 34 Commission on Governmental Operations and the
- 35 Fiscal Research Division the following information:
- 36 a. State fiscal year 1997-98 program activities,
- 37 objectives, and accomplishments;
- 38 b. State fiscal year 1997-98 itemized
- 39 expenditures and fund sources;
- 40 c. State fiscal year 1998-99 planned activities,
- 41 objectives, and accomplishments including
- 42 actual results through December 31, 1998; and
- 43 d. State fiscal year 1998-99 estimated itemized
- 44 expenditures and fund sources including actual

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- 1 expenditures and fund sources through December
- 2 31, 1998.
- 3 (3) Provide to the Fiscal Research Division a copy of
- 4 each grant recipient's annual audited financial
- 5 statement within 30 days of issuance of the
- 6 statement.

SP-137

CODE NO. 97COMM-S013D

Requested by: Senator Martin of Pitt

FUNDS FOR ECONOMIC DEVELOPMENT

1 Section @. (a) Of the funds appropriated in this act to
2 the Department of Commerce, the sum of one million six hundred
3 fifty thousand dollars (\$1,650,000) for the 1997-98 fiscal year
4 shall be allocated as follows:

- 5 (1) \$300,000 to the Land Loss Prevention Project, Inc.,
6 to provide free legal representation to low-income,
7 financially distressed small farmers. The Land
8 Loss Prevention Project, Inc., shall not use these
9 funds to represent farmers who have income and
10 assets that would make them financially ineligible
11 for legal services pursuant to Title 45, Part 1611
12 of the Code of Federal Regulations;
13 (2) \$145,000 to the North Carolina Coalition of Farm
14 and Rural Families, Inc., for its Small Farm
15 Economic Development Project. These funds shall be
16 used to foster economic development within the
17 State's rural farm communities by offering
18 marketing and technical assistance to small and
19 limited resource farmers;
20 (3) \$830,000 to the North Carolina Institute for
21 Minority Economic Development, Inc., to foster
22 minority economic development within the State
23 through policy analysis, information and technical
24 assistance, resource expansion, and support of
25 community-based demonstration initiatives; and
26 (4) \$375,000 to the North Carolina Minority Support
27 Center (formerly known as the Minority Credit Union
28 Support Center) for technical assistance to
29 community-based minority credit unions.

30 (b) Each of the nonprofit organizations receiving funds
31 under this section shall:

- 32 (1) By January 15, 1998, and more frequently as
33 requested, report to the Joint Legislative
34 Commission on Governmental Operations and the
35 Fiscal Research Division the following information:
36 a. State fiscal year 1996-97 program activities,
37 objectives, and accomplishments;
38 b. State fiscal year 1996-97 itemized
39 expenditures and fund sources;

- 1 c. State fiscal year 1997-98 planned activities,
2 objectives, and accomplishments including
3 actual results through December 31, 1997; and
- 4 d. State fiscal year 1997-98 estimated itemized
5 expenditures and fund sources including actual
6 expenditures and fund sources through December
7 31, 1997.
- 8 (2) Provide to the Fiscal Research Division a copy of
9 the organization's annual audited financial
10 statement within 30 days of issuance of the
11 statement.

Requested by: Senator Martin of Pitt

COMMUNITY DEVELOPMENT INITIATIVE

1 Section @. Of the funds appropriated in this act to the
2 Rural Economic Development Center, Inc., the sum of two million
3 dollars (\$2,000,000) for fiscal year 1997-98 and the sum of two
4 million dollars (\$2,000,000) for fiscal year 1998-99 shall be
5 used to support the grant and loan fund and operations of the
6 North Carolina Community Development Initiative, Inc. Of these
7 funds, the sum of one hundred fifty thousand dollars (\$150,000)
8 for the 1997-98 fiscal year shall be allocated to the Cape Fear
9 Community Development Corporation. The Initiative shall provide
10 operating and project activity grants to mature community
11 development corporations that have demonstrated project and
12 organizational capacity.

13 The North Carolina Community Development Initiative,
14 Inc., shall:

- 15 (1) By January 15, 1998, and more frequently as
16 requested, report to the Joint Legislative
17 Commission on Governmental Operations and the
18 Fiscal Research Division the following information:
19 a. State fiscal year 1996-97 program activities,
20 objectives, and accomplishments;
21 b. State fiscal year 1996-97 itemized
22 expenditures and fund sources;
23 c. State fiscal year 1997-98 planned activities,
24 objectives, and accomplishments including
25 actual results through December 31, 1997;
26 d. State fiscal year 1997-98 estimated itemized
27 expenditures and fund sources including actual
28 expenditures and fund sources through December
29 31, 1997.
- 30 (2) By January 15, 1999, and more frequently as
31 requested, report to the Joint Legislative
32 Commission on Governmental Operations and the
33 Fiscal Research Division the following information:
34 a. State fiscal year 1997-98 program activities,
35 objectives, and accomplishments;
36 b. State fiscal year 1997-98 itemized
37 expenditures and fund sources;

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- 1 c. State fiscal year 1998-99 planned activities,
- 2 objectives, and accomplishments including
- 3 actual results through December 31, 1998;
- 4 d. State fiscal year 1998-99 estimated itemized
- 5 expenditures and fund sources including actual
- 6 expenditures and fund sources through December
- 7 31, 1998.
- 8 (3) Provide to the Fiscal Research Division a copy of
- 9 the Initiative's annual audited financial statement
- 10 within 30 days of issuance of the statement.

SP-141

CODE NO. 97NATRES-S002C

Requested by: Senator Martin of Pitt

LAW ENFORCEMENT SALARIES EQUALIZED

1 Section @. (a) Of the funds appropriated in this act
2 to the Department of Environment, Health, and Natural Resources
3 the sum of one million five hundred three thousand two hundred
4 twenty-eight dollars (\$1,503,228) for the 1997-98 fiscal year
5 and the sum of one million five hundred three thousand two
6 hundred twenty-eight dollars (\$1,503,228) for the 1998-99 fiscal
7 year to equalize the salaries of law enforcement officers in the
8 Department as provided by subsection (b) of this section.
9 (b) The Office of State Personnel shall adjust the
10 grades of law enforcement positions in the Department of
11 Environment, Health, and Natural Resources so that the grades of
12 law enforcement positions in the Division of Parks and Recreation
13 are equal to the grades of law enforcement positions in the
14 Division of Marine Fisheries and Wildlife Resources Commission.
15 (c) The Department of Environment, Health, and Natural
16 Resources shall adjust the average salaries of law enforcement
17 positions in the Division of Parks and Recreation to the average
18 salaries of law enforcement positions in the Division of Marine
19 Fisheries and Wildlife Resources Commission. Within each salary
20 grade, each position shall receive the same percentage increase,
21 except that no salary shall be increased above the top range.

included in report

SP-142

CODE NO. 97ENV-S009A

Requested by: Senator Martin of Pitt

CITIZENS WATER QUALITY MONITORING PROGRAM

1 Section @. Article 21 of Chapter 143 of the General
2 Statutes is amended by adding a new section to read:

3 "§ 143-215A. Citizen Water Quality Monitoring Program.

4 The Department shall establish the Citizen Water Quality
5 Monitoring Program to provide an avenue for individuals to play a
6 role in and to take personal responsibility for protecting the
7 State's water quality. The goals of the Citizen Water Quality
8 Monitoring Program are to coordinate monitoring activities among
9 volunteers by river basins; to provide adequate training of
10 volunteers and quality assurance of all data collected; and to
11 incorporate the data collected by volunteers into the State's
12 overall management of water quality."

13

SP. 143

CODE NO. 97NATRES-S017

Requested by: Senator Plyler

DEFER SOME ANIMAL WASTE MANAGEMENT SYSTEM REQUIREMENTS

1 Section @. Section 19(c)(4) of Chapter 626 of the 1995
2 Session Laws reads as rewritten:
3 "(4) Notwithstanding G.S. 143-215.10C (a) through (d), a
4 dry litter animal waste management system involving
5 30,000 or more birds shall continue to operate on a
6 deemed permitted basis by rule under 15A N.C.A.C.
7 2H.0217 and shall comply with the animal waste
8 management plan testing and record-keeping
9 requirements by January 1, ~~1998~~, 2000."

SP-144

CODE NO. 97NATRES-S018

Requested by: Senator Plyler

ODOR CONTROL STUDY FUNDS

1 Sec. @. (a) Of the funds appropriated to the
2 Department of Environment, Health and Natural Resources for the
3 1996-97 fiscal year and transferred to the Board of Governors of
4 The University of North Carolina for the North Carolina
5 Agricultural Research Service at North Carolina State University
6 for research into economically feasible odor control technologies
7 and for a detailed economic analysis of odor management
8 alternatives, the sum of six hundred thousand dollars (\$600,000)
9 shall not revert to the General Fund on June 30, 1997. These
10 funds shall remain in the budget of North Carolina State
11 University for expenditure by the North Carolina Agricultural
12 Research Service during the 1997-98 fiscal year. These funds may
13 be used for capital expenditures to construct current technology
14 swine production facilities for the purpose of research in
15 adapting or developing new odor control technologies. The use of
16 these funds for capital expenditures shall be authorized without
17 any requirement of matching funds from private sources.
18

CODE NO. 97ENV-S020

Requested by: Senator Martin of Pitt

REISSUE CERTAIN WASTEWATER PERMITS

1 Section @. Notwithstanding the provisions of Article 11
2 of Chapter 130A of the General Statutes to the contrary, the
3 Department of Environment, Health, and Natural Resources or the
4 local health department shall issue an improvement permit and an
5 authorization for wastewater system construction for any
6 wastewater system that was the subject of an improvement permit
7 issued by a local health department between July 1, 1982 and
8 September 30, 1995 that expired prior to the installation of that
9 wastewater system, upon a showing satisfactory to the Department
10 or the local health department, respectively, that all of the
11 following conditions are satisfied:

- 12 (1) The site and soil conditions are unaltered.
- 13 (2) The facility, design wastewater flow, and
14 wastewater characteristics are not increased since
15 the expired permit was issued.
- 16 (3) A wastewater system can be installed that meets the
17 permitting requirements in effect on the date the
18 expired improvement permit was issued.
- 19 (4) The intended use has not changed.
- 20 (5) There is no current technology that can reasonably
21 be expected to improve the performance of the
22 system.
- 23 (6) But for the issuance of an authorization for
24 wastewater system construction under this act, the
25 proposed site cannot be developed for the purpose
26 for which the expired permit was issued.

27

afternoon

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Natural and Economic Resources

4/15/97

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
J & M Cless	TDH
John Lamb	TD A
Richard [unclear]	MCH - [unclear]
Joe Parker	GHSP
Bill Stont	GHSP
PA	NC 78
Jack Savell	DEHNR / DEN
Patricia Yancy	APPC NC / LLPP
Debbie [unclear]	DEHNR / MCN
Phillip R. Wilson	Commerce
Leo Miller	"
Doug Culbreth	"
Quintel McNeil	DEHNR
Joe Smith	DEHNR
Seacrest [unclear]	OGBM
JW Reed	"
Johnny Gray	"
HARLAN BRIT	DEHNR - DWG
DAVID HERLONG	State Planning
David [unclear]	DEHNR
Mike Kelly	DWM
John Morris	EAHR
Charles Cardenas	EHNR
Alison Davis	EHNR - DCM
Alan Klineil	EHNR - DAQ
PM [unclear]	" - DRP
Tom Whitel	ESC
Donna Clegg	ESC

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Natural and Economic Resources

4/15/97

Name of Committee

Date _____

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS[illegible]

**SENATE APPROPRIATIONS SUBCOMMITTEE ON
NATURAL AND ECONOMIC RESOURCES**

WEDNESDAY, APRIL 16, 1997 at 8:30 a.m.

MINUTES

The Senate Appropriations Subcommittee on Natural and Economic and Resources met on Wednesday, April 16, 1997 at 8:30 a.m. in Room 423 of the Legislative Office Building. Six Senate members were present including Senator R.L. "Bob" Martin, Chairman.

Senator Martin, Chairman, called the meeting to order. He recognized Ms. Mona Moon, Fiscal Research Division, to review the Special Provision package, handout SP-145. This is Attachment A of these minutes. These are additional Special Provisions.

SP 155 was the DWI Test Changes Provision that the Committee had flagged until additional information was given to the Committee. SP 156-159 provided the additional information for the members. Senator Martin asked the total amount of money transferred to the Governor's Highway Safety Program? This was found on SP-158 of the handout. DWI funding request were allocated to counties based on the most DWI abuse per county. This Special Provision package was approved by the Committee.

Senator Martin asked for the recommendations of cuts in the Forestry Division. Mr. Henry Lancaster, Assistant Secretary DHNER, said the figures were being worked on at this time. He said the proposal was to take \$56,000 out of equipment and \$100,000 out of contracts in Forestry. Senator Martin said he thought this was an effort to get the level of management straightened out, not to cut equipment. Senator Horton said he had done an analysis of the span of reduction. He said they were eliminating four positions and of those four, only one was a supervisor. He said they were getting people in the trenches. He reported that in the Department of Health, of the fifteen people slated, only eight were over \$40,000; four of them were supervisors and five of the positions were vacant. In the Division of Environment, of the nine slated, only one earned over \$40,000. He said there were four supervisors of the nine, less than half, and eight positions were vacant. He further reported that in Natural Resources, of the nine positions slated, none of them were over \$40,000; only three were supervisors and every one of the positions were vacant. Senator Horton commented that the Department seemed to be having difficulty getting the span of control under control; therefore, what if the Committee simply eliminated all of the so called legislative liaisons and lobbyists from the Department. Senator Cochrane asked what kind of money were you talking about? The Department said they would furnish the Committee with a dollar amount. Senator Martin asked them to report back to the Committee at the afternoon meeting.

Senator Shaw sent forward a Special Provision for Committee approval; Committee approved the Provision.

The meeting adjourned at 10:00 a.m.



Senator R.L. "Bob" Martin, Chairman



Carolyn M. Gooden, Committee Clerk

CODE NO. 97ENV-S007E

Requested by: Senator Martin of Pitt

WATER QUALITY PERMIT PROGRAMS/RESERVE FUNDS

1 Section @. (a) Of the funds appropriated to the
2 Department of Environment, Health, and Natural Resources by this
3 act for the 1997-98 fiscal year, the sum of one million dollars
4 (\$1,000,000) shall be held in reserve within the Department.

5 (b) Of those funds held in reserve the sum of one hundred fifty
6 thousand dollars (\$150,000) shall be used to replace federal
7 construction grant funds when the federal funds cease for the
8 support of three positions in the Division of Water Quality,
9 Department of Environment, Health, and Natural Resources.

10 (c) The remaining eight hundred fifty thousand dollars
11 (\$850,000) held in reserve is to offset a possible permit receipt
12 shortfall for the water quality programs for unrealized revenue
13 up to two million nine hundred fifty thousand dollars
14 (\$2,950,000).

15 Subject to approval by the Office of State Budget and
16 Management, the Department may use the reserve funds during the
17 1997-98 fiscal year in accordance with this subsection. The
18 eight hundred fifty thousand dollars (\$850,000) in reserve may be
19 used to provide the necessary cash flow for the water quality
20 programs during the fiscal year if receipts during the fiscal
21 year are insufficient to cover water quality program
22 expenditures. The reserve funds shall be used only for the
23 water quality programs administered by the Water Quality Section
24 of the Water Quality Division.

25 At the end of the 1997-98 fiscal year:

26 (1) If the receipts generated by the water quality
27 permit programs for the 1997-98 fiscal year are
28 less than two million nine hundred fifty thousand
29 dollars (\$2,950,000), then the Water Quality
30 Section may retain from the reserve an amount equal
31 to the difference between two million nine hundred
32 fifty thousand dollars (\$2,950,000) and actual
33 water quality permit receipts for the 1997-98
34 fiscal year, not to exceed eight hundred fifty
35 thousand dollars (\$850,000).

36 (2) If the receipts generated by the water quality
37 permit programs for the 1997-98 fiscal year are two
38 million nine hundred fifty thousand dollars
39 (\$2,950,000) or more, then the Water Quality

1 Section shall not retain any funds from the
2 reserve.

3 (d) All receipts, State funds, and federal funds that are
4 budgeted for the Water Quality Section of the Water Quality
5 Division, Department of Environment, Health, and Natural
6 Resources shall be used only for the Water Quality Section and
7 the water quality programs administered by that Section and may
8 not be transferred or used for any other purpose.

9 (e) For purposes of this section, "water quality permits" means
10 all permits issued under Part 1 of Article 21 of Chapter 143 of
11 the General Statutes that are administered by the Water Quality
12 Section of the Water Quality Division, Department of Environment,
13 Health, and Natural Resources.

CODE NO. 97ENV-S017B

Requested by: Senator Martin of Pitt

FEDERAL FUNDS FOR WATER QUALITY INDIRECT COSTS USED FOR WATER QUALITY

1 Section @. Federal funds received by the Department of
2 Environment, Health, and Natural Resources as federal indirect
3 cost receipts associated with the federal Environmental
4 Protection Agency "106" water quality grant may be used by the
5 Water Quality Section of the Water Quality Division for the
6 permit programs and activities administered by that Section.

CODE NO. 97HLTH-S015A

Requested by: Senator Martin of Pitt

STATE TRAINING/ENVIRONMENTAL HEALTH SPECIALISTS

1 Sec. @. The Department of Environment, Health, and
2 Natural Resources shall improve the initial training provided to
3 environmental health specialists serving as agents of the State.
4 The Department shall utilize modern technology and training
5 techniques for improving the training program. The Department
6 shall make a progress report on the training program to the Joint
7 Legislative Commission on Governmental Operations and the Fiscal
8 Research Division not later than July 1, 1998.

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CODE NO. 97HLTH-S014B

Requested by: Senator Martin of Pitt

TRAINING FOR ENVIRONMENTAL HEALTH SPECIALISTS

1 Sec. @. The Department of Environment, Health, and
 2 Natural Resources and the Department of Community Colleges shall
 3 establish a plan to provide initial training and orientation for
 4 county employees performing permitting and compliance activities,
 5 including inspections, as agents of the State, for food and
 6 lodging establishments, State-owned institutions, swimming pools,
 7 spas, tattoo parlors, and septic tanks, as required by State law.
 8 The training may be provided by community colleges either through
 9 the Occupational Extension or Curriculum programs. The plan
 10 should include a strategy for assuring that consistency in
 11 training statewide is maintained, that courses are available with
 12 sufficient frequency to maximize efficient use of personnel, and
 13 should also provide for continuing education requirements. The
 14 Department of Environment, Health, and Natural Resources, and the
 15 Department of Community Colleges, shall report to the Joint
 16 Legislative Commission on Governmental Operations and the Fiscal
 17 Research Division by November 1, 1997 on development and
 18 implementation of the plan, including a time line to begin course
 19 offerings.
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 21
 22

PERFORMANCE AUDIT OF

THE FOOD SANITATION INSPECTION PROGRAM

within the

DEPARTMENT OF ENVIRONMENT, HEALTH AND NATURAL RESOURCES

SEPTEMBER 1996



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

AUDITOR'S TRANSMITTAL

September 23, 1996

The Honorable James B. Hunt, Jr., Governor
Secretary Jonathan B. Howes,
Department of Environment, Health and
Natural Resources
Members of the North Carolina General Assembly

Ladies and Gentlemen:

We are pleased to submit this performance audit report of the food sanitation inspection program administered by the Food, Lodging, and Institutional Sanitation Branch, Environmental Health Services Section, Division of Environmental Health, Department of Environment, Health and Natural Resources. The objectives of this audit were to review current organization and evaluate the efficiency and effectiveness of the program at the state level.

This report consists of an executive summary, program overview, and operational findings and recommendations. The Secretary of the Department of Environment, Health and Natural Resources has reviewed a draft copy of this report and written comments are included.

We wish to express our appreciation to Secretary Howe and his staff for the courtesy, cooperation, and assistance provided us during this performance audit.

Respectfully submitted,

A handwritten signature in cursive script that reads "Ralph Campbell, Jr.".

Ralph Campbell, Jr.
State Auditor



usually downloaded to Forsyth the next day. Forsyth can print a hardcopy of data transmitted, and can view the inspection history of an establishment on the computer screen. Interviews with county personnel revealed that the reports generated by CDP are very accurate, but there is some "down-time" or "slow-time" because of problems with telephone lines and demand during peak times. While county management was not able to provide us with specific cost information, they stated that it would probably only be cost effective for larger counties.

Based on data supplied to us during the audit, we believe Buncombe County's system may be the more efficient, cost effective alternative for accomplishing the objectives of the computerized data collection project.

RECOMMENDATION

The Branch should evaluate the operation of Buncombe's system. If this program fits the needs of the Branch, it should be copied and distributed to the other counties free of charge. We also recommend that a full-time programmer be hired for the Environmental Health Services Section at an approximate cost of \$39,300 in salary and benefits. This person would be able to work out any "bugs" in the system and serve as a support resource for the counties when the system is distributed. This programmer would also be responsible for modifying programs and troubleshooting problems for all programs under the Environmental Health Services Section. (See Exhibit 4, page 17 for proposed organizational placement.)

THE CENTRALIZED TRAINING PROGRAM IS NOT OPERATING EFFICIENTLY.

The Division of Environmental Health offers "Orientation and Initial Internship Training" classes for new county employees twice per year. The training classes cover such topics as the Public Health Mission and the Principles of Prevention, as well as covering the rules that govern the inspections of restaurants, lodging establishments, swimming pools, tattoo parlors, state institutions, etc. During the training class for the spring of 1996, forty-five contact hours of 216 total hours were dedicated to food sanitation.

A new environmental health specialist is not permitted to conduct inspections until he/she has received training and has been authorized. We found that some counties had new employees on their payrolls for up to four months waiting for the spring class of 1996. It is possible that an employee could have to wait up to six months to be enrolled in a class since the class is only offered twice a year. Additionally, the class is only offered in Raleigh. We noted that the total budget for Orientation and Initial Internship Training for the 1995-96 fiscal year was \$171,667. Of this amount, \$112,000 (65%) was spent for travel and subsistence for students and trainers (regional specialists). For the fiscal year, sixty-nine students attended class at a cost of \$2,488 per student. (Costs for the spring class were \$3,283 per student.)

We contacted the Department of Community Colleges (DCC) to discuss the possibility of community colleges offering the Orientation and Initial Internship Training classes. DCC personnel indicated the department was willing to work with the Division to develop and offer courses. All students would be taught from a core curriculum of classes to assure consistency. Also, since environmental health specialists have to pass a standardized exam administered by a professional board, their core knowledge would be verified. The class could be offered at any of the fifty-eight community colleges. DCC requires an enrollment of fifteen students in order to offer a class at any time during the year. Costs are approximately \$35 per student for a community college class. DCC has experience in offering similar types of "core knowledge" programs such as those for nursing and accounting. Classes offered through DCC could also serve as continuing professional education for county environmental health specialists and private industrial hygienists. The Board of Sanitarian Examiners requires fifteen hours of continuing education each year. Travel costs to the state should also be reduced if students don't have to travel as far.

RECOMMENDATION

The Division of Environmental Health should work with DCC to explore the possibilities of offering the Orientation and Initial Internship Training classes at local community colleges. The Division would need to provide a coordinator to ensure that the classes are taught as designed and to ensure that any new rule changes/interpretations are incorporated into the curriculum. The classes could be offered to all qualified citizens as well as newly hired employees in county environmental health departments. These classes could also be offered as continuing professional education for environmental health specialists and industrial hygienists.

THERE ARE NOT ADEQUATE INTERNAL CONTROLS OVER THE SANITATION GRADE CARDS.

Sanitation grade cards are posted in facilities to display sanitation grades to the public. The cards indicate the inspection date, the inspector's name, and alphabetical and numeric grades. During our review we observed that these sanitation grade cards are not pre-numbered. The grade cards are an important part of the sanitation program's checks and balances and should be carefully accounted for in order to prevent misuse. In visiting restaurants across North Carolina, we found instances where the restaurant was displaying blank "Grade A" cards. An explanation offered by local environmental health specialists for a blank card was that the ink on the card had faded from sunlight. Another possible explanation is that the unused side of the double sided grade card was mistakenly posted. (Currently, the Grade "A" cards are printed on both the front and back.) The local environmental health specialists receive batches of cards from the Raleigh Office. In the event they run out of cards, they can obtain additional cards from another county. Without accounting for the cards, individuals could obtain unused cards and post a higher sanitation grade than the actual sanitation of the facility warrants, thereby misleading the public.

RECOMMENDATION #4**The Current Fee Structure Does Not Act As A Deterrent To Late Payment**

We agree with setting the late payment fee at a level that at least pays for the cost of collection. It is fair to the tax payer and the fee payers who make an effort to respond within the deadline. Both parties would prefer that staff time be spent in looking at problems in food service establishments rather than sitting in court.

RECOMMENDATION #5**The Computerized Data Collection Project Has Not Achieved Its Goal**

We agree with the recommendation this program needs a full-time programmer. However the amount recommended of \$39,300.00 for salary and benefits would only be enough for an entry level programmer. It is recommended that the salary level be increased to allow hiring of a full-time programmer at mid-range salary level.

RECOMMENDATION #6**The Centralized Training Program Is Not Operating Efficiently**

The recommendation to decentralize training is directly opposed to the goals (strongly supported by the North Carolina Restaurant Association) to increase consistency. Unless the same instructors are used in each Community College and State Staff instructs each class, the information transferred will be inconsistent lack practical experience. For the State staff to instruct at multiple training sites would totally drain our limited resources and be impractical. State travel costs would exceed the costs now incurred. In addition, students would still be required to travel to community College sites where overnight expenses may be even higher than the group rates negotiated in Raleigh. We strongly object to this section being included in the audit report and to this recommendation in particular.

RECOMMENDATION #7**There Are Not Adequate Internal Controls Over The Sanitation Grade Cards**

We partially disagree with this recommendation. The recommendation to number and track grade cards may require additional clerical staff at the State and County level if implemented. The Counties should use indelible ink. This no cost step might eliminate most of the perception of a control problem identified by the audit without going to the cumbersome numbering system for grade cards.

CODE NO. 97HLTH-S002A

Requested by: Senator Martin of Pitt

DWI TEST CHANGES

1 Sec. @. (a) For the 1997-98 and 1998-99 fiscal years,
2 any funds collected under G.S. 20-16.5(j) that are designated for
3 the chemical alcohol testing program of the Injury Control
4 Section of the Department of Environment, Health, and Natural
5 Resources and are not needed for that program shall be
6 transferred annually to the Governor's Highway Safety Program for
7 grants to local law enforcement agencies for training and
8 enforcement of the laws on driving while impaired. The
9 Governor's Highway Safety Program shall expend funds transferred
10 to it under this section within 13 months of receipt of the
11 funds. Amounts received by the Governor's Highway Safety Program
12 shall not revert until the June 30 following the 13-month period.
13 (b) Notwithstanding G.S. 143-23(a1)(3), if the total
14 requirements for the 1997-98 and 1998-99 fiscal years for the
15 statewide chemical alcohol testing program exceed funds
16 appropriated in this act for the program, then the Injury Control
17 Section may use funds in accordance with G.S. 20-16.5(j) to fund
18 the chemical alcohol testing program requirements in excess of
19 the General Fund appropriation, provided that total expenditures
20 for the 1997-98 and 1998-99 fiscal years for the chemical alcohol
21 testing program may not exceed amounts collected under G.S. 20-
22 16.5(j) and designated for the chemical alcohol and testing
23 program.

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FORENSIC TEST FOR ALCOHOL BRANCH
INJURY CONTROL SECTION
DIVISION OF EPIDEMIOLOGY
DEHNR

Narrative Summary of the Statewide Breath Alcohol Testing Program

On August 1st, 1991, House Bill 709 was ratified by the General Assembly to establish a statewide automated breath alcohol testing program. Half of the Driving While Impaired (DWI) fees collected under G.S.20-16.5 (j) were dedicated to support and fund the program which is administered by the Injury Control Section, Forensic Tests for Alcohol (FTA) Branch of the Division of Epidemiology.

For Fiscal Years 1991-92, 1992-93 and 1993-94, funding was dedicated to establish and implement the new program. Expenditures consisted of new personnel, 348 new Intoxilyzers including mouthpieces and related supplies, electronic laboratory equipment and related parts, testing and maintenance equipment as well as DWI forms and training manuals. During fiscal year 1994-95 the FTA Branch completed the implementation phase of the new program and currently maintains and supports over 348 Intoxilyzer units throughout the state while training and certifying over 5,500 law enforcement officers at the state and local level.

Beginning with the 1995-96 Fiscal Year, any funds collected under G.S.20-16.5(j) that are designated for the breath alcohol testing program and which are not needed for that program are transferred annually to the Governor's Highway Safety Program (GHSP) for grants to local law enforcement agencies for training and enforcement of the laws on driving while impaired. The Governor's Highway Safety Program is required to expend these funds within 13 months of receipt of these funds.

Due to recent changes in DWI laws, the FTA Branch is currently purchasing Alcohol Screening Test Devices and supplies to be distributed to local law enforcement agencies throughout the state. These handheld units will enable local law enforcement personnel to more efficiently screen suspected DWI drivers throughout the state and more scientifically establish probable cause for DWI testing. The FTA Branch has developed a training manual and has begun needed training activities on these devices during this fiscal year (1996-97). For these reasons and because of rising equipment, travel and personnel costs, the FTA Branch does not expect to revert as much funding to the GHSP as it did last fiscal year.

In future years there will be additional funds needed to cover the costs associated with maintaining two current grants from the Governor's Highway Safety Program. The first grant currently funds a mobile Breath Alcohol Testing vehicle which permits local law enforcement personnel to set up DWI checkpoints anywhere in the state, conduct onsite testing of DWI drivers and process any offenders immediately. The educational and enforcement value of the BAT unit has been demonstrated by the numerous requests for its services over the past six months. The second grant from GHSP provides funding for a research analyst who will be responsible for 1)providing scientific expertise on alcohol related issues, 2)testifying as an expert witness in local

court proceedings, 3)conducting an internal quality control programs on both equipment, field techniques and training, and 4)evaluating new breath alcohol testing technologies and equipment. Finally, the FTA Branch will need to automate its means of data collection to electronically retrieve DWI arrest data from Intoxilyzers throughout the state and link that data with Administrative Office of the Courts databases to permit both state and local law enforcement agencies to better track DWI offenders. This connectivity could permit the appropriate processing of habitual DWI offenders, ensure that any license revocation is effective, provide arresting officer with information on outstanding warrants or charges pending across the state and collect information that will enable law enforcement officers to track an offender from the time of arrest to the final adjudication.

CHEMICAL TEST FOR ALCOHOL PROGRAM

SP 158

YEAR	RECEIPTS CODE 19991	EXPENDITURES AS OF JUNE 30, 19XX	BALANCE
1991-92	\$781,703.10	\$432,528.70	\$349,174.40
1992-93	1,004,893.01	1,352,148.18	1,821.23
1993-94	1,093,536.98	1,095,458.21	0.00
1994-95	1,158,813.55	738,948.51	419,865.04
1995-96	1,171,337.59	788,891.78	382,445.81 TO GHSP

88,908.55 REVERT TO GENERAL FUND
352,958.49 TRANSFER TO RESERVE

SUMMARY OF EXPENDITURES

	1991-92	1992-93	1993-94	1994-95	1995-96
PERSONNEL	64,108	450,793	457,401	492,328	493,061
OTHER OPERATING	49,646	89,910	133,486	188,119	169,590
EQUIPMENT	<u>318,775</u>	<u>811,443</u>	<u>504,571</u>	<u>58,502</u>	<u>126,241</u>
TOTAL	432,529	1,352,146	1,095,458	738,949	788,892

DWI Funding Request for FY 96-97

License Reinstatement Fee

Agency	Requested Items	Amt Req		
	Other	Cameras	PBTs	Training
Chapel Hill		5	4	\$ -
Cleveland County		4	4	-
Raleigh		10	12	-
Cherokee		3	0	-
Union County		4	8	-
Hickory	SFST/40 officers	0	0	9.6
Kannapolis	Chkpt Eqpt	2	2	5.0
Pineville	SFST, PI&E	4	4	-
Monroe	SFST	4	10	15.0
New Hanover	SFST/20 officers	0	6	2.0
New Bern	SFST	6	6	-
Maggie Valley	Cones, flashlights, vests, generator, l	0	2	10.0
Fayetteville		5	10	-
Durham	SFST	7	0	-
Oakboro	SFST, PI&E	1	1	4.1
Norwood	SFST, PI&E	1	1	4.1
Haywood County		0	0	11.6
Concord	Traffic Cones, PI&E	2	4	12.6
Albemarle		2	0	-
Charlotte		10	12	-
Transylvania Co.		2	0	-
State Agency for Federal Surplus Property			1	
Rural Hall			1	
Smithfield			2	
Havelock	Traffic vests, cones, flares, flashlights, directional t		4	
Brunswick County			8	
GHSP Match	150 PBTs (410 Funding)	0	0	-
Total		72	102	\$ 74.0
Amount Available				382,446
Balance				\$906

SFST (Standardized Field Sobriety Testing)--Training for law enforcement personnel that teaches officers the proper procedures for apprehending, field testing, arresting, and testifying concerning impaired driving. This course requires 24 hours training.

PI&E (Public Information and Education)--Public awareness efforts aimed at preventing driving while impaired offenses at the local level.

CODE NO. 97COMM-S026

Requested by: Senator Shaw of Cumberland

FAYETTEVILLE BUSINESS INCUBATOR FUNDS

1 Sec. @. Of the funds appropriated in this act to the
2 North Carolina Technological Development Authority, Inc., the sum
3 of two hundred fifty thousand dollars (\$150,000) for the 1997-98
4 fiscal year shall be allocated to the Fayetteville Business and
5 Professional League to establish a business incubator in the City
6 of Fayetteville.

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To take

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